

Shrewsbury House Community Association Limited

Report and Accounts

Year ended
31 March 2020

Company number 2695822
Charity registration number 1011659

Shrewsbury House Community Association Limited
Report and accounts
Contents

	Page
Legal and administrative information	1
Report of the Trustees	2
Independent Examiners report	5
Statement of financial activities	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9
General income and expenditure account	14
Catering income and expenditure account	15

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
K Haplin

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 2020.

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.
- Employing a new Admin and Marketing Assistant to enhance the level of service provided to existing users and promote Shrewsbury House to new users.
- 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 unnecessary costs; which has resulted in a significant improvement in the financial performance of Shrewsbury House over the last three 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, and by the end of the year we had achieved our medium term goal of holding at least 9 months of expenses in cash reserves. This is a marked improvement from 3 years ago, when the Shrewsbury House was in severe financial difficulty.

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 2021. We review our charges annually and will endeavour going forward to minimize pricing increases where possible. The majority of income Shrewsbury House receives is from room hire charges but we also have secured grant funding from Greenwich Council (£20k per year) for the period 2019-2023.

Going forward, 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 _____

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 2020, 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 2020

	Note	Restricted funds 2020	Unrestricted funds 2020	Total funds 2020	Total funds 2019
		£	£	£	£
Income and expenditure					
Incoming resources					
Income from use of facilities and catering	4	-	154,631	154,631	132,549
Grants and donations receivable	2	24,327	508	24,835	24,666
Total incoming resources		24,327	155,139	179,466	157,215
Resources expended					
Cost of generating funds					
Direct charitable expenditure	5	24,327	128,734	153,061	134,105
Governance costs	6	-	750	750	2,406
Total expenditure		24,327	129,484	153,811	136,511
Net incoming resources for the year		-	25,655	25,655	20,704
Statement of other recognised gains and losses					
Net incoming resources before other recognised gains - net movement in funds	7	-	25,655	25,655	20,704
Total funds brought forward		-	93,510	93,510	72,806
Total funds carried forward		-	119,165	119,165	93,510
Reconciliation of movement of funds					
Tangible assets		-	1,753	1,753	2,191
Current assets		-	129,683	129,683	97,566
Current liabilities		-	(12,271)	(12,271)	(6,247)
		-	119,165	119,165	93,510

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 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	9	1,753	2,191
Current assets			
Debtors	10	6,195	13,700
Cash at bank and in hand		<u>123,488</u>	<u>83,866</u>
		129,683	97,566
Creditors: amounts falling due within one year			
	11	(12,271)	(6,247)
Net current assets		<u>117,412</u>	<u>91,319</u>
Net assets		<u>119,165</u>	<u>93,510</u>
Reserves			
Accumulated fund	12	119,165	93,510
		<u>119,165</u>	<u>93,510</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 2020

		Total funds	Total funds
		2020	2019
		£	£
Net cash used in operating activities	15	39,622	14,078
Cash flows from investing activities			
Cost of fixed assets		-	(848)
Interest received	3	-	-
Change in cash and cash equivalents in the period		<u>39,622</u>	<u>13,230</u>
Cash and cash equivalents brought forward		83,866	70,636
Cash at bank and in hand less overdrafts at 31 March		<u>123,488</u>	<u>83,866</u>
Consisting of:			
Cash at bank and in hand		<u>123,488</u>	<u>83,866</u>

The attached notes form part of these accounts

Shrewsbury House Community Association Limited
Notes to the Accounts
for the year ended 31 March 2020

3 Investment income

	<u>Restricted</u> <u>funds</u> <u>2020</u>	<u>Unrestricted</u> <u>funds</u> <u>2020</u>	<u>Total</u> <u>2019</u>
	£	£	£
General (page 14)	-	-	-
Catering (page 15)	-	-	-
	-	-	-

4 Income from use of facilities and catering

	<u>Restricted</u> <u>funds</u> <u>2020</u>	<u>Unrestricted</u> <u>funds</u> <u>2020</u>	<u>Total</u> <u>2019</u>
	£	£	£
General (page 14)	-	132,683	106,555
Catering (page 15)	-	21,948	25,994
	-	154,631	132,549

5 Direct charitable expenditure

	<u>Restricted</u> <u>funds</u> <u>2020</u>	<u>Unrestricted</u> <u>funds</u> <u>2020</u>	<u>Total</u> <u>2019</u>
	£	£	£
General (page 14)	24,327	113,129	120,470
Catering (page 15)	-	15,605	13,635
	24,327	128,734	134,105

6 Governance costs

	<u>Restricted</u> <u>funds</u> <u>2020</u>	<u>Unrestricted</u> <u>funds</u> <u>2020</u>	<u>Total</u> <u>2019</u>
		£	£
General (page 14)	-	750	2,406
	-	750	2,406

7 Net movement in funds for the year

	<u>2020</u>	<u>2019</u>
	£	£
The net movement is after charging:		
Depreciation of tangible fixed assets	438	547
Independent Examiner's fee	750	750

Shrewsbury House Community Association Limited
Notes to the Accounts
for the year ended 31 March 2020

8 Staff costs

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

	<u>2020</u>	<u>2019</u>
	£	£
Wages and salaries	90,008	74,184
Pension costs	1,698	848
Social security costs	3,625	5,086
	<u>95,331</u>	<u>80,118</u>

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

	<u>2020</u>	<u>2019</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 £29,520 (2019 : £25,552)

9 Tangible fixed assets

	Equipment £	Catering Equipment £	Total £
Cost			
At 1 April 2019	22,825	5,585	28,410
At 31 March 2020	<u>22,825</u>	<u>5,585</u>	<u>28,410</u>
Depreciation			
At 1 April 2019	20,735	5,484	26,219
Charge for the year	418	20	438
At 31 March 2020	<u>21,153</u>	<u>5,504</u>	<u>26,657</u>
Net book value			
At 31 March 2020	<u>1,672</u>	<u>81</u>	<u>1,753</u>
At 31 March 2019	<u>2,090</u>	<u>101</u>	<u>2,191</u>

10 Debtors

	<u>2020</u>	<u>2019</u>
	£	£
Trade debtors	<u>6,195</u>	<u>13,700</u>

Shrewsbury House Community Association Limited
Notes to the Accounts
for the year ended 31 March 2020

11 Creditors : amounts falling due within one year

	2020	2019
	£	£
Trade creditors	183	-
Other taxes and social security costs	1,432	1,569
Accruals	10,656	4,678
	<u>12,271</u>	<u>6,247</u>

12 Accumulated fund

	<u>Restricted</u> <u>funds</u> 2020	<u>Unrestricted</u> <u>funds</u> 2020	<u>Total</u> <u>funds</u> 2020
	£	£	£
At 1 April 2019	-	93,510	93,510
Retained surplus	-	25,655	25,655
	<u>-</u>	<u>119,165</u>	<u>119,165</u>
	<u>2019</u>	<u>2019</u>	<u>2019</u>
	£	£	£
At 1 April 2018	-	72,806	72,806
Retained surplus	-	20,704	20,704
At 31 March 2019	<u>-</u>	<u>93,510</u>	<u>93,510</u>

In the financial year we reached our medium-term goal of £100,000 in cash reserves as a result of building financial surpluses for the last three years. This goal had been set as at the time it equated 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.

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 cash holdings to reflect the greater cost base. For the latest financial year, 9 months of expenses corresponded to ~£115k, a level slightly below the closing cash balance.

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.
- Unexpected closure of the facilities resulting in sharp fall in income.
- 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 2020

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 2019 £	Unrestricted 2019 £	Total 2019 £
Incoming resources				
Income from use of facilities and catering	4	-	132,549	132,549
Grants and donations receivable	5	22,535	2,131	24,666
Investment income	3	-	-	-
Total incoming resources		<u>22,535</u>	<u>134,680</u>	<u>157,215</u>
Resources expended				
Cost of generating funds				
Direct charitable expenditure	5	22,535	111,570	134,105
Governance costs	6	-	2,406	2,406
Total expenditure		<u>22,535</u>	<u>113,976</u>	<u>136,511</u>
Statement of other recognised gains and losses				
Net incoming resources before other recognised gains -				
net movement in funds	7	-	20,704	20,704
Total funds brought forward		-	72,806	72,806
Total funds carried forward		-	<u>93,510</u>	<u>93,510</u>

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

	2020 £	2019 £
Net movement in funds	25,655	20,704
Add back depreciation	438	547
Less interest received	-	-
Decrease / (increase) in stock	-	-
Decrease / (increase) in debtors	7,505	(9,754)
Increase / (decrease) in creditors	6,024	2,581
Net cash used in operating activities	<u>39,622</u>	<u>14,078</u>

Shrewsbury House Community Association Limited
General Income and Expenditure account
for the year ended 31 March 2020

	2020	2019
	£	£
Income from use of facilities and catering		
Affiliation fees	4,725	2,625
Room Hire	126,819	103,064
Fundraising income	1,139	866
	<u>132,683</u>	<u>106,555</u>
Grants		
Royal Borough of Greenwich	24,327	22,535
Other grants and donations	508	2,131
Investment income	-	-
Catering (page 15)	<u>6,343</u>	<u>12,359</u>
Total income	<u>163,861</u>	<u>143,580</u>
EXPENSES		
Direct Charitable Expenses		
Wages, salaries and pension costs	95,331	80,118
Staff training	874	69
Water rates	1,312	961
Light and heat	16,049	13,180
Cleaning	365	360
Repairs and maintenance	8,381	4,594
Alarm maintenance	542	2,173
Insurance	1,859	1,809
Janatorial	3,486	1,751
Telephone and fax	1,960	3,153
Fundraising expenses	344	648
Stationery, postage and printing	2,189	2,453
Bad debts	2,279	6,677
Bookkeeping charges	428	675
Promotion and website expenses	345	370
Sundry expenses	923	597
Bank charges	371	360
Depreciation	418	522
	<u>137,456</u>	<u>120,470</u>
Governance costs		
Legal and professional costs	-	1,656
Independent examiners fees	750	750
	<u>750</u>	<u>2,406</u>
Total expenses	<u>138,206</u>	<u>122,876</u>
Surplus for the year	<u>25,655</u>	<u>20,704</u>

Shrewsbury House Community Association Limited
Catering Income and Expenditure account
for the year ended 31 March 2020

	2020	2019
	£	£
Income from use of facilities		
Bar and Coffee Bar	20,997	19,462
Meals and refreshments	951	6,532
Total income	<u>21,948</u>	<u>25,994</u>
Direct Charitable Expenses		
Cost of sales		
Purchases	15,441	11,860
Equipment repairs	144	1,750
Depreciation	20	25
	<u>15,605</u>	<u>13,635</u>
Surplus for year	<u>6,343</u>	<u>12,359</u>