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SOUTH MITCHAM COMMUNITY ASSOCIATION

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

GREEN LEVINE & ASSOCIATES
132a Boundary Road
London
NW8 0RH



SOUTH MITCHAM COMMUNITY ASSOCIATION

Charity Number

1101681

Company Number

4668105

Trustees

Reginald A (Slim) Flegg, MBE (Chairman)

Barbara E Holgate (Treasurer)

Leaander A Gonsalves (resigned 24 September 2004)

Michael J Filmer

Reginald A Jinkinson

Michael G Linger

James E McCarthy

Elaine Power

Community Centre

Cobham Court

Haslemere Avenue

Mitcham

Surrey

CR4 3PR

Auditors

Green Levine & Associates

132a Boundary Road

London

NW8 0RH

Bankers

Lloyds TSB Bank plc

Thorpe Wood

Peterborough

Cambridgeshire

PE3 6SF

SOUTH MITCHAM COMMUNITY ASSOCIATION

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SOUTH MITCHAM COMMUNITY ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2005

The trustees present their report and the audited financial statements for the year ended 31 March 2005. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000 in preparing the annual report and the financial statements.

Objects of the Charity

To provide a Healthy Living Centre in the heart of the Phipps Bridge Estate offering a wealth of opportunities for leisure and learning, serving all families and individuals borough wide especially those in areas of social and economic deprivation.

To work with Phipps Bridge Youth Club to develop a wider range of activities to meet all identified needs to improve the quality of life and promote a sense of cohesiveness and ownership among local residents.

To attract and actively involve current and potential users and gain sufficient funding to sustain our programme and to empower all users to increase their level of skills and employability through their engagement both in fun and supportive community activities.

Development, Activities and Achievements this Year

The trustees consider that the performance of the charity this year has been satisfactory. Some groups have ceased and others have commenced which means that the Centre has been able to open the full 7 days a week for most of the year.

Future Developments

The trustees continue to negotiate with the London Borough of Merton for a long lease on the building to allow for future development.

The trustees report that the Association has reached the midpoint of a five-year funding programme from NOF in order to develop a Healthy Living Project in conjunction with two other centres, those being, North East Mitcham and St Mark's Family Centre.

Transactions and Financial Position

The Statement of Financial Activities shows a net deficit for the year of £12,828 and reserves stand at £53,884 in total.

As far as the Income and Expenditure Account is concerned, the trustees draw your attention to the details of expenditure at note 8 in the accounts. The expenditure is that which is felt to be attributable to the cost involved in meeting the needs of the Merton Health Initiative. The Association is hampered in its own fund generating activities by having to devote resources, both physical and human, to this project. There is no certainty that, at the end of the Initiative, there will be any appreciable benefit to the activities of the Association.

SOUTH MITCHAM COMMUNITY ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2005 (continued)

Reserves Policy

The Association should keep monies in reserve to cover the legal liabilities associated with employing staff.

The Association should keep monies in reserve to cover future/expansion plans as agreed by the Board of Trustees.

The Association should keep monies in reserve to cover unexpected events, i.e., a sudden drop in income through unavoidable circumstances.

Monies kept in reserve should be sufficient to cover all expenses or running the Centre for a period not exceeding six months.

The finance committee of the Association will monitor reserve levels and endeavour to maintain them or increase them as necessary.

Unrestricted funds were maintained at this or a higher level throughout the year.

Tangible Fixed Assets for Use by the Charity

Details of movements are set out in the financial statements.

The trustees have considered the most appropriate policy for investing funds and have found that COIF meets their requirements and consider the interest earned over the year to be satisfactory.

Reserves

The present level of reserves is adequate to meet the terms of our Reserves Policy.

Risk

The trustees actively review the major risks that the charity faces on a regular basis and believe that the current level of reserves, combined with an annual review over key financial systems, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational risks faced by the charity and confirm that they have established systems to mitigate significant risks.

Trustees Responsibilities in Relation to the Financial Statements

The trustees are required under the Charities Act 1993 to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year (unless the charity is entitled to prepare accounts on the alternative receipts and payments basis). In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- a. Select suitable accounting policies and apply them consistently;
- b. Make reasonable and prudent judgements and estimates;
- c. State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- d. Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will not continue in operation.

The trustees are responsible for keeping proper accounting records that 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 appropriate law. 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.

SOUTH MITCHAM COMMUNITY ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2005 (continued)

Auditors

Auditors, Green, Levine & Associates have expressed their willingness to continue in office and a resolution will be proposed at the forthcoming Annual General Meeting to reappoint them as Auditors of the Association.


.....
Chairman - R A (Slim) Flegg, MBE

11-07-05
.....
Date

SOUTH MITCHAM COMMUNITY ASSOCIATION

REPORT OF THE AUDITORS TO THE BOARD OF TRUSTEES OF SOUTH MITCHAM COMMUNITY ASSOCIATION FOR THE YEAR ENDED 31 MARCH 2005

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention.

Respective responsibilities of Board of Trustees and Auditors

As described on page 2, the trustees are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you. We have been appointed auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under Section 44 of that Act and the Companies Act 1985.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the charity, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charity as at 31 March 2005 and of the financial results for the year then ended and have been properly prepared in accordance with the Charities Act 1993 and Companies Act 1985.



.....
Green Levine & Associates
Registered Auditors

14/7/05
.....
Date

SOUTH MITCHAM COMMUNITY ASSOCIATION

BALANCE SHEET AS AT 31 MARCH 2005

	Notes	2005	2004
Fixed Assets	2	<u>35,610</u>	<u>38,930</u>
Current Assets			
Debtors and Prepayments		0	606
Bank Balances		44,463	47,031
Cash in Hand		<u>0</u>	<u>20</u>
		44,463	47,657
Current Liabilities			
Trade Creditors Falling Due within one year	6	<u>4,030</u>	<u>2,665</u>
Net Current Assets		<u>40,433</u>	<u>44,992</u>
Total Net Assets		76,043	83,922
 Deferred Income	5	<u>24,698</u>	<u>16,906</u>
		<u>51,345</u>	<u>67,016</u>
 Represented By			
Accumulated Fund			
Unrestricted Fund Brought Forward		67,016	72,052
Surplus/Deficit for the Year		<u>-15,671</u>	<u>-5,036</u>
Fund Carried Forward		<u>51,345</u>	<u>67,016</u>



 Chairman - R A (Sim) Flegg, MBE

11-07-05

 Date

SOUTH MITCHAM COMMUNITY ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2005

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2005	Total Funds 2004
Income					
Affiliation and Membership Fees		1,248		1,248	1,604
Grant from Deferred Income			16,906	16,906	974
Sundry Grants	5		70,593	70,593	26,874
Grant LB Merton	1	34,327		34,327	33,550
Lettings		19,745		19,745	18,154
Sports Income		703		703	1,647
Young at Heart		-783		-783	233
Social and Canteen		4,413		4,413	5,416
Transport		378		378	551
Bank Interest		1,670		1,670	1,844
Donations		210		210	80
Other Income		0		0	189
Total Income		<u>61,911</u>	<u>87,499</u>	<u>149,410</u>	<u>91,116</u>
Expenditure	8				
Wages and Salaries	3	54,427		54,427	44,110
Rates and Water		568		568	620
Expenditure on Grant Activities	5		62,801	62,801	10,942
Unused Grant To Deferred Income			24,698	24,698	16,906
Insurance		2,085		2,085	1,051
Light and Heat		4,426		4,426	3,984
Postage and Stationery		751		751	1,288
Telephone		1,186		1,186	1,367
Centre Expenses		1,917		1,917	1,661
Social and Canteen Costs		3,105		3,105	2,414
Travel Expenses		81		81	2,771
Audit and Accountancy	4	618		618	786
AGM Expenses		64		64	175
Maintenance		1,538		1,538	1,681
Office Expenses		564		564	195
General Expenses	7	2,082		2,082	2,055
Entertaining		0		0	345
Legal and Professional		546		546	230
Depreciation		3,320		3,320	3,571
Total Expenditure		<u>77,278</u>	<u>87,499</u>	<u>164,777</u>	<u>96,152</u>
Net Expenditure for the Year				-15,367	-5,036
<i>Fund Balance Brought Forward</i>				67,016	72,052
<i>Adjustment re Prior Years</i>				-304	0
Fund Balance Carried Forward				<u>51,345</u>	<u>67,016</u>

SOUTH MITCHAM COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

1.	LB Merton Grant	
	Funds received during the year	<u>34,327</u>

2. **Fixed Assets**

	Works to Building	Fixtures & Fittings	Sundry Equipment	Total
Cost				
Balance at 1 April 2004	28,429	20,181	20,774	69,384
Additions during the year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Balance at 31 March 2005	<u>28,429</u>	<u>20,181</u>	<u>20,774</u>	<u>69,384</u>
Depreciation				
Balance at 1 April 2004	5,655	9,336	15,463	30,454
Charge for the year	<u>1,705</u>	<u>1,085</u>	<u>530</u>	<u>3,320</u>
Balance at 31 March 2005	<u>7,360</u>	<u>10,421</u>	<u>15,993</u>	<u>33,774</u>
 Net Book Value at 1 April 2004	 <u>22,774</u>	 <u>10,845</u>	 <u>5,311</u>	 <u>38,930</u>
 Net Book Value at 31 March 2005	 <u>21,069</u>	 <u>9,760</u>	 <u>4,781</u>	 <u>35,610</u>

3.	Salaries (Grant and Non Grant)	
		<u>54,427</u>

4.	Audit and Accountancy Charges	
	Accountancy Costs	98
	Provision for Audit Fees to 31 March 2005	<u>520</u>
		<u>618</u>

SOUTH MITCHAM COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005 (continued)

5. Grants Received and Expenditure of Grants

	MH Arts	MH Phys	MH Start Up	MH Cash	Nuff Nice	Play Scheme	1:1 CT	Pound- stretcher	MH Expenses	Total
Brought Forward		16,327							579	16,906
Received	11,249	15,881	6,532	3,193	4,197	3,553	13,244	6,900	5,844	70,593
Expenditure	11,249	32,208	6,532	3,193	4,197	3,553	13,244	6,900	6,423	87,499
	9,044	29,264	3,728	2,853	3,654	3,076	8,240	2,522	420	62,801
Carried Forward	2,205	2,944	2,804	340	543	477	5,004	4,378	6,003	24,698

SOUTH MITCHAM COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005 (continued)

6. Creditors and Accruals

Caretaker Creditor	617
Equipment Fund	2,616
Audit and Accounting (Note 4)	520
Sundry Creditor	277
	<u>4,030</u>

7. Sundry General Expenses

Recruitment	51
Fundraising	85
Bank Charges	30
Publicity	-676
Waste and Hygiene	1427
Training	44
Licensing	806
Letting Expenses	104
General Expenses	211
	<u>2,082</u>

8. Expenditure

Although it is not practical to amend the accounts in order to reflect the proportion of expenditure applicable to Merton Health Initiative, the trustees feel that a note should be made to show the amount of such expenditure.

Wages	8,164
Rates	199
Insurance	730
Light and Heat	1,549
Postage and Stationery	263
Telephone	415
Centre Expenses	671
Audit	216
AGM	22
Maintenance	538
Office Expenses	197
General Expenses	729
Legal and Professional	191
	<u>13,884</u>

The wages represent 15% whilst the other overheads represent 35% of the total expenditure.