

Shrewsbury House Community Association Limited

Report and Accounts

Year ended
31 March 2021

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 2021

Registered charity number 1011659

Company number 2695822

Registered office Bushmoor Crescent
Shooters Hill
London
SE18 3EG

Trustees J. Mills - Chair
R. Perrott - Treasurer
K. Green - Company Secretary
R. Belfield
A. Brockman
J. Macfarlane
M. Aiken
F. Kemp
A. Bralee
K Halpin (Appointed Nov 2020)
D Martin (Appointed Nov 2020)
S Raja (Appointed Nov 2020)

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 2021.

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

The last year was extraordinarily challenging for Shrewsbury House. Lockdowns related to the COVID pandemic resulted in house closures and thereby removed our primary source of income - room hire fees. The impact of the lockdowns was stark, as can be seen from the following data points:

- In the prior financial year (year ending March 2020), room hire income totalled ~£124k, or ~70% of our total income. This year, our room hire fell over 80% from the prior year to just ~£25k.
- In addition, income from drinks sales fell from ~£21k in the prior year to a mere ~£0.3k this year.

Fortunately, we received a considerable level of extraordinary assistance via business support grants from the Royal Borough of Greenwich (~£45k) as well as furlough payments from HMRC's Coronavirus Job Retention Scheme (~£54k). This, together with cautious general expenditure, meant that we were able to retain all of our staff despite the huge loss of income from room hire. This leaves us well positioned to again provide a good level of service for our users as we look to emerge from the pandemic.

In this very difficult year, we are very grateful for the continued support from our users, the loyalty and hard work of our staff, and the assistance we have received from both central and local government.

Financial report

Despite the COVID pandemic, Shrewsbury House's financial position remains strong. Last year we comfortably met our financial reserve goal of holding at least 9 months of expenses in cash reserves. This is a marked improvement from 4 years ago, when the Shrewsbury House was in severe financial difficulty, and leaves us well positioned to emerge from COVID pandemic.

We elected to make no changes to our room charge rates for the financial year ending March 2022, reflecting the considerable difficulties faced by our users over the last year. We review our charges annually and will endeavour going forward to minimize pricing increases where possible. Typically, 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 in October 2019

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 2021, 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 145 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 2021

	Note	Restricted funds 2021	Unrestricted funds 2021	Total funds 2021	Total funds 2020
		£	£	£	£
Income and expenditure					
Incoming resources					
Income from use of facilities and catering	4	-	26,246	26,246	154,631
Grants and donations receivable	2	20,000	100,348	120,348	24,835
Total incoming resources		20,000	126,594	146,594	179,466
Resources expended					
Cost of generating funds					
Direct charitable expenditure	5	20,000	108,309	128,309	153,061
Governance costs	6	-	750	750	750
Total expenditure		20,000	109,059	129,059	153,811
Net incoming resources for the year		-	17,535	17,535	25,655
Statement of other recognised gains and losses					
Net incoming resources before other recognised gains - net movement in funds	7	-	17,535	17,535	25,655
Total funds brought forward		-	119,165	119,165	93,510
Total funds carried forward		-	136,700	136,700	119,165
Reconciliation of movement of funds					
Tangible assets		-	2,203	2,203	1,753
Current assets		-	142,517	142,517	129,683
Current liabilities		-	(8,020)	(8,020)	(12,271)
		-	136,700	136,700	119,165

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 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	9	2,203	1,753
Current assets			
Debtors	10	2,639	6,195
Cash at bank and in hand		<u>139,878</u>	<u>123,488</u>
		142,517	129,683
Creditors: amounts falling due within one year			
	11	(8,020)	(12,271)
Net current assets		<u>134,497</u>	<u>117,412</u>
Net assets		<u>136,700</u>	<u>119,165</u>
Reserves			
Accumulated fund	12	136,700	119,165
		<u>136,700</u>	<u>119,165</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 2021

		Total funds 2021 £	Total funds 2020 £
Net cash used in operating activities	15	17,390	39,622
Cash flows from investing activities			
Cost of fixed assets		(1,000)	-
Interest received	3	-	-
Change in cash and cash equivalents in the period		<u>16,390</u>	<u>39,622</u>
Cash and cash equivalents brought forward		123,488	83,866
Cash at bank and in hand less overdrafts at 31 March		<u>139,878</u>	<u>123,488</u>
Consisting of:			
Cash at bank and in hand		<u>139,878</u>	<u>123,488</u>

The attached notes form part of these accounts

Shrewsbury House Community Association Limited
Notes to the Accounts
for the year ended 31 March 2021

3 Investment income

	<u>Restricted</u> <u>funds</u> <u>2021</u>	<u>Unrestricted</u> <u>funds</u> <u>2021</u>	<u>Total</u> <u>2020</u>
	£	£	£
General (page 14)	-	-	-
Catering (page 15)	-	-	-
	-	-	-

4 Income from use of facilities and catering

	<u>Restricted</u> <u>funds</u> <u>2021</u>	<u>Unrestricted</u> <u>funds</u> <u>2021</u>	<u>Total</u> <u>2020</u>
	£	£	£
General (page 14)	-	25,956	132,683
Catering (page 15)	-	290	21,948
	-	26,246	154,631

5 Direct charitable expenditure

	<u>Restricted</u> <u>funds</u> <u>2021</u>	<u>Unrestricted</u> <u>funds</u> <u>2021</u>	<u>Total</u> <u>2020</u>
	£	£	£
General (page 14)	20,000	107,010	137,456
Catering (page 15)	-	1,299	15,605
	20,000	108,309	153,061

6 Governance costs

	<u>Restricted</u> <u>funds</u> <u>2021</u>	<u>Unrestricted</u> <u>funds</u> <u>2021</u>	<u>Total</u> <u>2020</u>
		£	£
General (page 14)	-	750	750
	-	750	750

7 Net movement in funds for the year

	<u>2021</u>	<u>2020</u>
	£	£
The net movement is after charging:		
Depreciation of tangible fixed assets	550	547
Independent Examiner's fee	750	750

Shrewsbury House Community Association Limited
Notes to the Accounts
for the year ended 31 March 2021

8 Staff costs

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

	<u>2021</u>	<u>2020</u>
	£	£
Wages and salaries	92,943	91,141
Pension costs	1,730	1,698
Social security costs	<u>2,767</u>	<u>3,625</u>
	<u>97,440</u>	<u>96,464</u>

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

	<u>2021</u>	<u>2020</u>
	FTE	FTE
Direct charitable work	5	5
Governance costs	<u>-</u>	<u>-</u>
	<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 £30,948 (2020 : £29,520)

9 Tangible fixed assets

	Equipment £	Catering Equipment £	Total £
Cost			
At 1 April 2020	22,825	5,585	28,410
Additions	-	1,000	1,000
At 31 March 2021	<u>22,825</u>	<u>6,585</u>	<u>29,410</u>
Depreciation			
At 1 April 2020	21,153	5,504	26,657
Charge for the year	334	216	550
At 31 March 2021	<u>21,487</u>	<u>5,720</u>	<u>27,207</u>
Net book value			
At 31 March 2021	<u>1,338</u>	<u>865</u>	<u>2,203</u>
At 31 March 2020	<u>1,672</u>	<u>81</u>	<u>1,753</u>

10 Debtors

	<u>2021</u>	<u>2020</u>
	£	£
Trade debtors	2,339	6,195
Other debtors	<u>300</u>	<u>-</u>
	<u>2,639</u>	<u>6,195</u>

Shrewsbury House Community Association Limited
Notes to the Accounts
for the year ended 31 March 2021

11 Creditors : amounts falling due within one year

	2021	2020
	£	£
Trade creditors	5,117	183
Other taxes and social security costs	1,748	1,432
Accruals	1,155	10,656
	8,020	12,271

12 Accumulated fund

	<u>Restricted</u> <u>funds</u> 2021	<u>Unrestricted</u> <u>funds</u> 2021	<u>Total</u> <u>funds</u> 2021
	£	£	£
At 1 April 2020	-	119,165	119,165
Retained surplus	-	17,535	17,535
At 31 March 2021	-	136,700	136,700

	<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
At 31 March 2020	-	119,165	119,165

Our financial reserve policy is to hold 9 months of expenses in cash. 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 (permanent) 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 ~£100k, well below the ~£140k we had in cash at year end. However, expenses last year were unusually low (down 8% from prior year) as a result of cost control during the COVID pandemic, and we expect a significant rebound in expenses as the community centre fully reopens and as we continue to invest in our services.

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.
- Unexpected closure of the facilities resulting in sharp fall in income.
- Groups choosing to avoid in person meetings and preferring virtual meeting environments (and so resulting in a loss of room hire 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 2021

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 2020 £	Unrestricted 2020 £	Total 2020 £
Incoming resources				
Income from use of facilities and catering	4	-	154,631	154,631
Grants and donations receivable	5	24,327	508	24,835
Investment income	3	-	-	-
Total incoming resources		<u>24,327</u>	<u>155,139</u>	<u>179,466</u>
Resources expended				
Cost of generating funds				
Direct charitable expenditure	5	24,327	128,734	153,061
Governance costs	6	-	750	750
Total expenditure		<u>24,327</u>	<u>129,484</u>	<u>153,811</u>
Statement of other recognised gains and losses				
Net incoming resources before other recognised gains - net movement in funds	7	-	25,655	25,655
Total funds brought forward		-	93,510	93,510
Total funds carried forward		-	119,165	119,165

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

	2021 £	2020 £
Net movement in funds	17,535	25,655
Add back depreciation	550	438
Less interest received	-	-
Decrease / (increase) in stock	-	-
Decrease / (increase) in debtors	3,556	7,505
Increase / (decrease) in creditors	(4,251)	6,024
Net cash used in operating activities	<u>17,390</u>	<u>39,622</u>

Shrewsbury House Community Association Limited
General Income and Expenditure account
for the year ended 31 March 2021

	2021	2020
	£	£
Income from use of facilities and catering		
Affiliation fees	1,200	4,725
Room Hire	24,756	126,819
Fundraising income	-	1,139
	<u>25,956</u>	<u>132,683</u>
Grants		
Royal Borough of Greenwich - core funding	20,000	24,327
Royal Borough of Greenwich - business support grants	45,371	-
HMRC Job retention support grants	54,292	-
Other grants and donations	685	508
Investment income	-	-
Catering (page 15)	<u>(1,009)</u>	<u>6,343</u>
Total income	<u>145,295</u>	<u>163,861</u>
EXPENSES		
Direct Charitable Expenses		
Wages, salaries and pension costs	97,440	95,331
Staff training	340	874
Water rates	1,082	1,312
Light and heat	16,991	16,049
Cleaning	-	365
Repairs and maintenance	1,567	8,381
Alarm maintenance	-	542
Insurance	2,166	1,859
Janatorial	1,457	3,486
Telephone and fax	3,493	1,960
Fundraising expenses	-	344
Stationery, postage and printing	469	2,189
Computer and software expenses	232	-
Bad debts	158	2,279
Bookkeeping charges	450	428
Promotion and website expenses	-	345
Sundry expenses	504	923
Bank charges	327	371
Depreciation	334	418
	<u>127,010</u>	<u>137,456</u>
Governance costs		
Independent examiners fees	750	750
	<u>750</u>	<u>750</u>
Total expenses	<u>127,760</u>	<u>138,206</u>
Surplus for the year	<u>17,535</u>	<u>25,655</u>

Shrewsbury House Community Association Limited
Catering Income and Expenditure account
for the year ended 31 March 2021

	2021	2020
	£	£
Income from use of facilities		
Bar and Coffee Bar	290	20,997
Meals and refreshments	-	951
Total income	<u>290</u>	<u>21,948</u>
Direct Charitable Expenses		
Cost of sales		
Purchases	994	15,441
Equipment repairs	89	144
Depreciation	216	20
	<u>1,299</u>	<u>15,605</u>
Surplus for year	<u>(1,009)</u>	<u>6,343</u>