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**REGISTERED COMPANY NUMBER: 03571884 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1073312**

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021  
FOR  
MERTON COMMUNITY TRANSPORT**

Hartley Fowler LLP  
Chartered Accountants  
4th Floor Tuition House  
27-37 St George's Road  
Wimbledon  
London  
SW19 4EU

**MERTON COMMUNITY TRANSPORT**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**MERTON COMMUNITY TRANSPORT (REGISTERED NUMBER: 03571884)**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2021**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2021**

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**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

Our charity's purposes, as set out in the objects contained in the company's memorandum of association, are:

- to benefit the public by providing transport relief to the residents of the London Borough of Merton and its surrounding districts who have need because of age, mental or physical disability, sensory impairment, or poverty;
- to assist the charitable work of organisations and bodies engaged in promoting the relief of such persons through the provision of appropriate services.

**Ensuring our work delivers our aims**

We review our aims, objectives and activities each year, looking at what we achieved and the outcomes over the previous 12 months. We review the successes and challenges of each key activity, and the benefits or shortfall to the provision of our services to those groups of people we are set up to help, ensuring we remain focused on our stated purposes. The charity's trustees have complied with the duty in section 17(5) of the 2011 Charities Act, to have due regard to guidance published by the Charity Commission when reviewing our aims and objectives, and in planning our future activities.

The Charity reviews its position in the Community Transport Market environment through regular updates and guidance from the Community Transport Association UK (CTA). The charity is a member of the London Strategic Community Transport Forum (LSCT), London Borough of Merton Sustainable Communities & Transport Partnership Board, Merton Chamber of Commerce and Merton Connected Community Engagement Network Reps, Merton Covid-19 Community Response Steering Group.

**The focus of our work**

The focus of our work each year is to meet our key strategic objectives. Past Strategic Appraisals are still presently reflected on and regular focus task group meeting on finance and fundraising are held, with a view to steer the Charity through the many challenges the organisation has experienced during this COVID-19 pandemic. MCT has benefited from working closely with colleagues who are members of the Merton Covid-19 Community Response Steering Group (MCCRSG). This relationship has enabled MCT to be more proactive during the pandemic to assist in the agreed solutions that are developed during these MCCRSG meetings. MCT has been actively a frontline working organisation during the pandemic and has followed Government and NHS guidelines throughout. Adapting to the fundraising environment to secure various funding to deliver supportive services, has strengthened our position within the community. MCT's working in partnership with LBM and voluntary sector organisations to develop a range of social programmes that supports and benefits Merton's communities in tackling isolation, loneliness, food poverty, transport challenges.

**Those who benefit from our services**

We provide benefit to the community of Merton and surrounding districts by offering subsidised transport to our affiliated members who, due to age or impairment, find it difficult to access mainstream transport. We also offer them a door to door service solution and the reassurance that, if we take them to a clinic/hospital appointment or GP surgery, we will wait whilst they are seen. We have a full customer care approach to providing community transport services. Special Education Needs (SEN) transport provision is provided, working with LBM to deliver transport travel solutions to SEN children and adults.

We also benefit community organisations, statutory bodies and schools who are affiliated to us by supplying accessible transport services. There are restrictions on the types of organisations who may affiliate and who will be able to drive due to Section 19 permit retractions.

**Working during COVID-19 Pandemic**

The constant COVID-19 instability and the varied Government guidelines that are regularly updated have presented many challenges and affected service delivery from the first national lockdown in March 2020. We have had to adjust and adapt with each Covid restriction and recommendation. Our board of Directors/Trustees and management staff continue to review their options regarding services as we work during these difficult times. We have been proactive as we work closely with essential services in line with Transport for London (TFL) and London Borough of Merton (LBM). 70% of MCT's staff have been on furlough.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2021**

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**ACHIEVEMENT AND PERFORMANCE**

**Charitable activities  
Structure and Stability**

MCT employs a variety of full time, part time and contracted staff. We also have a small number of volunteers. This mixture helps to fulfil the operational services we deliver. The team consists of: The Chief Executive Officer, Depot and Operational Manager, Depot and Operational Assistant, Bookkeeper, MiDAS Trainer, Casual Drivers and Passenger Assistants. The Charity's volunteers play an important role in ensuring the quality of our service which include administrative support, driving, business development and trusteeship.

Merton Community Transport's registered office is the Depot at Unit 2a Batsworth Road CR4 3BX, and this site serves to provide the operational needs of the organisation. All MCT's vehicles are parked at the Depot. The vehicles are serviced regularly and comply with all current legislative requirements. Our drivers are regularly assessed throughout the year to ensure they also comply with all legal requirements.

**Policies & Procedures**

The Charity's policy documents determine the scope and quality of our services and are being continually reviewed and revised as necessary. We are looking into the possibility of reviewing and updating the Memorandum and Articles of Association.

**Partnership Working**

MCT's working relationship with London Borough of Merton (Adult Social Care Funding) continues to grow and the funding received from Adult Social Care supports our core costs. This enables MCT to continue to deliver transport services to people where public or private transport isn't available or does not meet the needs of service users with a disability or general mobility requirements. MCT's services help to reduce social isolation and empower people to live a better quality of life.

The delivery of daily Dial a Ride services under Multiple Occupancy Accessible Transport (MOAT) contract for Transport for London (TFL) continues to be one of MCT's main income streams.

We are presently continuing to develop our core services: Affiliated Group and Personalised Transport Service (PTS). We have also greatly increased the work that we do with LBM through Adams, their commissioning online platform, providing accessible minibus and MPVs with drivers and passenger assistants to deliver SEN contracted work. This LBM service provision has helped MCT to grow and balance income. We continue to receive bookings to provide minibuses and MPVs to our affiliated organisations and individuals. We are still looking at possible opportunities to work closer with the National Health Service. There has been a reduction in the work we provide for Connect Health, transporting their clients to GP appointments, where we provide a waiting and return service. Many of our services have been affected by the continued COVID-19 challenges. We are very optimistic and continue to implement strategies that will take us through this pandemic.

**Networks and Affiliated User Groups**

The Charity's CEO attends regular council and voluntary community organisations' meetings and has representation on a number of boards. During the continued pandemic has been a member of the Merton Covid-19 Community Response Steering Group. MCT, as a frontline service provider, develops and offers supporting services to the communities through working closely with partners such as: LBM, Merton Connected, voluntary community groups and affiliated individuals.

**Minibus Management and Pooling of Vehicles**

MCT minibus management and pooling of vehicles for affiliated member organisations who own their own vehicles is still being offered. This service consistently provides support to groups who do not have the capacity to manage their own vehicles. MCT has worked collaboratively with community organisations to use their vehicles to maximise resources in order to reduce costs and mutually benefit both organisations. Although this service has reduced, we are still looking to develop this service as it will help MCT to provide a more modern fleet of vehicles to the community.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2021**

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**ACHIEVEMENT AND PERFORMANCE**

**Training**

The Charity provides and runs training courses in the nationally recognised Minibus Driver Awareness Scheme (MIDAS) and Passenger Assistance Training Scheme. MCT training staff are able to offer training for the MIDAS Car and Multi-Purpose Vehicle module. The development of MCT training has been an area of focus. We undertake external training within schools, colleges and voluntary sector by providing a monthly training programme.

**Personalised Transport Services (PTS)**

MCT's PTS provides a transport service to those within Merton who have problems accessing mainstream transport due to mobility impairment. This service has dramatically reduced due to the effect of fear of travelling during this present pandemic. The fear of catching Covid-19 has affected many socially isolated and vulnerable people who are afraid to leave their homes. We hope the individual nature of the PTS will entice individuals to travel again soon. This situation is not sustainable long term and is damaging to their mental health and wellbeing.

We are now looking into monitoring this service during the pandemic to ascertain what are the main issues, fears and challenges keeping these people from travelling as they did before the pandemic. Past annual surveys have shown how beneficial this service was in improving the quality of life of our clients, promoting mental wellbeing, increasing self-esteem, providing a sense of empowerment and helping to prevent social isolation.

**Excursion Club**

The Excursion Club has not been able to operate any excursions due to the pandemic, lockdown and restrictions on travel. The service normally operates between spring and autumn and we hope to be able to resume during 2022. This service is important as it helps tackle the isolation, loneliness and social exclusion which afflict too many elderly and vulnerable people.

**FINANCIAL REVIEW**

**Financial position  
Results for the period**

The results are shown on the Statement of Financial Activities. Incoming resources from charitable activities were £526,588 (2020: £672,262) a decrease of £145,674 whilst expenditure on charitable activities were £560,350 (2020: £629,436) a decrease of £69,086. This decrease in charitable activities income is mainly due to the effects of the uncertainty around the pandemic environment during this year, however, we were still able to minimise costs by working effectively and stabilising our charity's activities income.

Through the frugal mind-set of the staff and good governance guidance from the Board of Trustees, MCT decided to apply for the government's Bounce Back Loan Scheme and received £50,000 that is reserved for emergency financial support. We aim to increase our stake in the delivery of SEN work and are now beginning to balance the income from our varied transport services.

The significant restructuring which we implemented ultimately achieved the aim to reduce costs whilst ensuring that MCT was in a more robust operational position to be fit and able to operate and grow its core community transport services as we expand SEN delivery. Our aim is to continue to increase the reserves to three months running costs before depreciation.

A detailed analysis of MCT's restricted funds are shown in note 21 of these accounts.

**Principal funding sources**

- (1) London Borough of Merton (Special Education Needs Transport Provision)
- (2) Transport for London Dial-A-Ride
- (3) Affiliated groups and organisations
- (4) Personal Transport Service
- (5) Fundraising and donations

These continue to be our main sources of generating income.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2021**

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**FINANCIAL REVIEW**

**Investment policy and objectives**

Charitable funds are needed to be available for immediate use, therefore, should there be any surplus funds, these would be held in an interest generating deposit account.

**Reserves policy and going concern policy**

We operate to a reserve policy which states that the level of unrestricted funds required should be equal to three months operations to safeguard the organisation's core activities, to protect options for future development, and achieve a level of working capital, ensuring continuity as a going concern. The level of unrestricted funds at 31 March 2021 was £142,122 (2020: £171,485) which is in line with the three-month operational reserves target. The board of trustees are working with the CEO and in line with the three main guidelines set out in the reserves policy to shore up and strengthen the reserves policy position:

a) MCT has been resilient in the sustainability of the organisation during the pandemic. We are reviewing our present community services with a view to achieving a full cost recovery, and actively looking for new opportunities to expand current services. MCT's Strategic Option Appraisal has assisted MCT to stay focussed on the main task of seeing how best to grow income by implementing and developing those recommendations which show greatest likelihood of increasing income without compromising MCT's core purposes. We are particularly interested in expanding the Personalised Transport Service (PTS) along with other services where possible.

b) During the pandemic we have worked closely with LBM and the voluntary community sector in Merton through the Community Response Steering Group meetings. These regular meetings have helped MCT stay in touch with the needs of LBM and the community to support each other in being resilient to provide relevant services. MCT's Board of Trustees also plays a vital role in monitoring, challenging and supporting the charity.

c) The trustees have reviewed and agreed various options to ensure that the reserves are replenished and that MCT remains a going concern. These options include conducting a review of the sector to decide on viable alternative sources of income. We have worked with LBM, the Community Fridge and other organisations to assist in the reduction of food insecurity and poverty, supporting Sustainable Merton to deliver these services.

**FUTURE PLANS**

**Sustainability of the Charity**

The Board has reviewed the Charity's operational costs as compared to its revenue and have continually planned to ensure that future sustainability is maintained and that costs are controlled in order to achieve a break even position over the coming year. We are constantly reviewing the effect of The Mayor of London and TFL's implementation of the Ultra Low Emission Zone expansion and the challenge to clean up London's air by removing polluting vehicles. MCT are seeking ways to make all their vehicles compliant.

**Premises**

Having all the team working from one site (Unit 2a Batsworth Road) has proven to be a good decision. Being at the depot has giving us opportunities to grow within the community transport business in Merton. We have adapted the depot by expanding the office and kitchen footprint, which was a necessary and affordable expansion.

**Recruitment of trustees**

New trustees have assisted in making some challenging decisions that were needed to be made during the lockdown periods of the pandemic. These decisions have guided MCT through some very difficult times. The board are considering a skills audit.

**Charity's Operational Plan/Strategy**

The Board is working on updating the core services that are well established and have underpinned MCT over the years of operation, as the long term organisation operational plan. With a view to preparing for any changes within the Dial a Ride tender contract, we continue to strengthen the working relationship with The London Borough of Merton and the delivery of SEN transport.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The organisation is a charitable company limited by guarantee, incorporated on 28th May 1998 and registered as a charity on 14th January 1999. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

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**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2021**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Recruitment and appointment of new trustees**

The Directors of the company are also charity Trustees for the purposes of charity law and under the company's Articles are known as Members of the Management Committee. Under the requirements of the Memorandum and Articles of Association the members of the Management Committee are elected to serve annually at the Annual General Meeting. The Management Committee seeks to ensure that the needs of the client group of the charity are appropriately reflected through the diversity of the Trustees.

**Organisational structure**

Merton Community Transport has a Trustee Board of 10 (2020: 11) who are responsible for the strategic direction and policy of the charity. The current board members are from a variety of professional backgrounds. A scheme of delegation is in place among the present board members. There is an annual review of the skill set of board members to refresh and strategically grow the board governance knowledge. The day-to-day responsibility for the provision of the services rests with the Chief Executive Officer; working together with the Management team and operational staff.

The Chief Executive Officer, along with the management team, are responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The Chief Executive Officer is responsible for delegating specific tasks to the operational staff, monitoring their performance, and conducting annual appraisals. The Chief Executive Officer works closely with the Board of Trustees and plans strategically for developments and improvements to services.

The Board of Trustees meet formally at least four times a year, with sub-committee groups meeting additionally as and when necessary to consider Finance, Funding, Personnel, Policies and Procedures. The Management Committee seeks to ensure that the needs of the client group of the charity are appropriately reflected through the diversity of the Trustees. MCT's 2020 AGM was held on the 19th March 2021 on Zoom for the first time and was well attended.

**Induction and training of new trustees**

Trustees are recruited, inducted and trained, and carry out their responsibilities guided by advice provided by The National Council for Voluntary Organisations and The Charity Commission.

Members of the Board of Trustees are familiar with the practical work of the charity having been inducted into the position by members of the Trustee Board and the Chief Executive Officer. Board members are encouraged to visit the charity's office and are supplied with a copy of the Memorandum and Articles of Association along with the latest financial statements. At each meeting financial and operational information is supplied together with suitable explanations. Board members are expected to be aware of the various Charity Commission publications that can be obtained to assist them with their duties as Trustees.

**Related parties**

No Trustee has any influence with funders. The related party transactions are shown in note 22 to these accounts and any reimbursement to Directors as expenses are shown in note 10 to these accounts.

In circumstances where management committee members represent an organisation which uses MCT's services, all transactions are undertaken on an arm's length basis on normal contractual terms. Should a conflict of interest arise during a board meeting the Member will be excluded from participating in either discussion or voting.

**Risk management**

The Management Committee constantly reviews the major risks to which the charity is exposed in its operations, human resources and finances. Operational risks are minimised by implementing suitable policies and procedures, which are regularly reviewed. Insurance policies are in place to cover public liability, premises and contents, professional indemnity, vehicles, drivers and volunteers. These are reviewed annually by the Management Committee. The Management Committee fully appreciates that funding from our principal funders of the Local Authority and Transport for London are not secure and, although our aim is to develop stronger, secure, long-term relationships with these providers, it is imperative that other sources of funding and contractual income are sought.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

03571884 (England and Wales)

**Registered Charity number**

1073312

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**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Registered office**

Unit 2a Batsworth Road,  
Mitcham  
Surrey  
CR4 3BX

**Principal address**

Unit 2a Batsworth Road  
Mitcham  
Surrey  
CR4 3BX

**Trustees**

Mr S R A Flegg (resigned 12/2/21)  
F M Hibbert  
Mr R J Makin Chair  
Mr O Osayameh Treasurer  
Mr A K Sandiford  
Mr A Savage  
Mr S Hickey  
Ms A Ocan  
Ms B Fraser  
Ms R Hooper  
Mr M Otite

**Company Secretary**

Mr F L Dawson

**Independent Examiner**

Hartley Fowler LLP  
Chartered Accountants  
4th Floor Tuition House  
27-37 St George's Road  
Wimbledon  
London  
SW19 4EU

**Bankers**

Barclays  
Barclays House  
8 Alexandra Road  
Wimbledon  
London SW19 7JZ

**Chief Executive Officer**

Mr F L Dawson

Approved by order of the board of trustees on 22 December 2021 and signed on its behalf by:

Mr O Osayameh - Trustee

## **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MERTON COMMUNITY TRANSPORT**

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### **Independent examiner's report to the trustees of Merton Community Transport ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2021.

#### **Responsibilities and basis of report**

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

#### **Independent examiner's statement**

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ICAEW which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Jonathan Askew  
ICAEW  
Hartley Fowler LLP  
Chartered Accountants  
4th Floor Tuition House  
27-37 St George's Road  
Wimbledon  
London  
SW19 4EU

22 December 2021

**MERTON COMMUNITY TRANSPORT****STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
<b>Charitable activities</b>	5				
Charitable activities		526,588	-	526,588	672,262
Other trading activities	3	2,095	-	2,095	-
Investment income	4	104	-	104	231
Other income		2,200	-	2,200	-
<b>Total</b>		<u>530,987</u>	<u>-</u>	<u>530,987</u>	<u>672,493</u>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>	6				
Charitable activities		560,350	-	560,350	629,436
<b>NET INCOME/(EXPENDITURE)</b>		<u>(29,363)</u>	<u>-</u>	<u>(29,363)</u>	<u>43,057</u>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		171,485	-	171,485	128,428
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>142,122</u>	<u>-</u>	<u>142,122</u>	<u>171,485</u>

The notes form part of these financial statements

**MERTON COMMUNITY TRANSPORT (REGISTERED NUMBER: 03571884)****STATEMENT OF FINANCIAL POSITION  
31 MARCH 2021**

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible assets	14	7,512	10,116
<b>CURRENT ASSETS</b>			
Debtors	15	49,439	52,807
Cash at bank and in hand		<u>169,397</u>	<u>147,687</u>
		218,836	200,494
<b>CREDITORS</b>			
Amounts falling due within one year	16	(36,726)	(39,125)
		<u>182,110</u>	<u>161,369</u>
<b>NET CURRENT ASSETS</b>			
		189,622	171,485
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<b>CREDITORS</b>			
Amounts falling due after more than one year	17	(47,500)	-
		<u>142,122</u>	<u>171,485</u>
<b>NET ASSETS</b>			
<b>FUNDS</b>	21		
Unrestricted funds		<u>142,122</u>	<u>171,485</u>
<b>TOTAL FUNDS</b>		<u>142,122</u>	<u>171,485</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

**MERTON COMMUNITY TRANSPORT (REGISTERED NUMBER: 03571884)**

**STATEMENT OF FINANCIAL POSITION - continued**  
**31 MARCH 2021**

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These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 22 December 2021 and were signed on its behalf by:

Mr O Osayameh - Trustee

Mr R J Makin - Trustee

The notes form part of these financial statements

**MERTON COMMUNITY TRANSPORT****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>(30,594)</u>	<u>62,486</u>
Net cash (used in)/provided by operating activities		<u>(30,594)</u>	<u>62,486</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		-	(7,692)
Sale of tangible fixed assets		2,200	-
Interest received		<u>104</u>	<u>231</u>
Net cash provided by/(used in) investing activities		<u>2,304</u>	<u>(7,461)</u>
<b>Cash flows from financing activities</b>			
New loans in year		<u>50,000</u>	-
Net cash provided by financing activities		<u>50,000</u>	-
<b>Change in cash and cash equivalents in the reporting period</b>			
		21,710	55,025
<b>Cash and cash equivalents at the beginning of the reporting period</b>			
		<u>147,687</u>	<u>92,662</u>
<b>Cash and cash equivalents at the end of the reporting period</b>			
		<u>169,397</u>	<u>147,687</u>

The notes form part of these financial statements

**MERTON COMMUNITY TRANSPORT**

**NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**

**1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2021 £	2020 £
<b>Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)</b>	(29,363)	43,057
<b>Adjustments for:</b>		
Depreciation charges	2,604	3,300
Profit on disposal of fixed assets	(2,200)	-
Interest received	(104)	(231)
Decrease in debtors	3,368	19,189
Decrease in creditors	(4,899)	(2,829)
<b>Net cash (used in)/provided by operations</b>	<u>(30,594)</u>	<u>62,486</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/4/20 £	Cash flow £	At 31/3/21 £
<b>Net cash</b>			
Cash at bank and in hand	147,687	21,710	169,397
	<u>147,687</u>	<u>21,710</u>	<u>169,397</u>
<b>Debt</b>			
Debts falling due within 1 year	-	(2,500)	(2,500)
Debts falling due after 1 year	-	(47,500)	(47,500)
	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>
<b>Total</b>	<u>147,687</u>	<u>(28,290)</u>	<u>119,397</u>

The notes form part of these financial statements

## MERTON COMMUNITY TRANSPORT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 1. GENERAL INFORMATION

The charitable company is incorporated and domiciled in the United Kingdom. The address of its registered office is Unit 2a Batsworth Road, Mitcham, Surrey, CR4 3BX. The registered number of the company is 03571884. The registered number of the charity is 1073312.

The financial information presented is for the year ended 31 March 2021 and 31 March 2020. The financial information is presented in sterling.

#### 2. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

##### a) Preparation of the accounts on a going concern basis

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees have undertaken a review of going concern and have put in place a set of guidelines, as set out in the reserves policy section of the Trustees Report, to mitigate any further reduction in the reserves of the charity. The trustees have agreed various options to replenish the reserves so as to ensure that the charity is a going concern, these options are noted in the Financial Review section of the Trustees Report.

##### b) Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

(i) Tangible fixed assets. Plant and machinery and motor vehicles are depreciated over the useful lives taking into account residual values, where appropriate.

(ii) Allocation of costs. The allocation of support and governance costs between charitable and expenditure categories.

##### **Income**

Turnover is the amount derived from the provision of goods/services, and stated after trade discounts, other sales taxes and net of VAT.

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from donations or grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the donations or grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from contracts in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable.

Donated services provided by volunteers have not been included in these accounts.

Investment income is included on a receivable basis.

Income deferred is shown within creditors.

## MERTON COMMUNITY TRANSPORT

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

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#### 2. ACCOUNTING POLICIES - continued

##### Income

##### Government grants (covid 19 job retention scheme)

Government grants are recognised when the entity has reasonable assurance that conditions attached to the grant will be complied with and that the grant will be received.

Revenue grants are recognised using the accrual model and are therefore recognised as income on a systematic basis over the periods in which the entity recognizes the related costs for which the grant is intended to compensate. Revenue grants are measured at fair value, being the amount of cash receivable.

##### Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

##### Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

##### Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examiner's fee.

##### Allocation and apportionment of costs

As the charity has only one activity, that of supplying accessible transport to the Community, costs of charitable activities comprising the cost of running the organisation including support costs are charged to the total activity.

##### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 33% on cost
Motor vehicles	- 25% on cost

Tangible fixed assets are stated at cost or valuation less depreciation. Fixed assets costing more than £500 are capitalised.

##### Taxation

As a registered charity, the organisation is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes.

##### Fund accounting

Unrestricted general funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Local Authority grants are treated as restricted funds with any unspent balance carried forward until the terms of the grant have been fulfilled.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

##### Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

## MERTON COMMUNITY TRANSPORT

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

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#### 2. ACCOUNTING POLICIES - continued

##### **Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

##### **Basic financial instruments**

The charity only has financial instruments of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

##### **Cash at bank and in hand**

Cash at bank includes bank deposit accounts and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

##### **Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are recognised at the invoiced cost prepaid.

##### **Creditors**

Creditors are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at the settlement amount.

##### **Impairment**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

#### 3. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Fundraising events	2,095	-

#### 4. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	104	231

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**MERTON COMMUNITY TRANSPORT**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021**

**5. INCOME FROM CHARITABLE ACTIVITIES**

		2021 £	2020 £
Income for the use of buses	Activity Charitable activities	408,122	637,262
Grants	Charitable activities	45,000	35,000
Government Grant	Charitable activities	73,466	-
		<u>526,588</u>	<u>672,262</u>

Grants received, included in the above, are as follows:

	2021 £	2020 £
London Borough of Merton	<u>45,000</u>	<u>35,000</u>

**6. CHARITABLE ACTIVITIES COSTS**

	Direct Costs (see note 7) £	Support costs (see note 8) £	Totals £
Charitable activities	<u>357,472</u>	<u>202,878</u>	<u>560,350</u>

**7. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	2021 £	2020 £
Staff costs	238,997	259,569
Vehicle running costs	115,871	167,612
Depreciation	2,604	3,300
	<u>357,472</u>	<u>430,481</u>

**8. SUPPORT COSTS**

	Management £	Governance costs £	Totals £
Charitable activities	<u>187,028</u>	<u>15,850</u>	<u>202,878</u>

Support costs, included in the above, are as follows:

**Management**

	2021 Charitable activities £	2020 Total activities £
Wages	108,277	105,292
Social security	11,316	10,919
Pensions	4,094	4,336
Other operating leases	24,000	24,322
Rates and water	221	431
Insurance	2,836	2,012
Light and heat	3,339	2,230
Telephone	2,045	1,748
Carried forward	<u>156,128</u>	<u>151,290</u>

**MERTON COMMUNITY TRANSPORT****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021****8. SUPPORT COSTS - continued****Management - continued**

	2021 Charitable activities £	2020 Total activities £
Brought forward	156,128	151,290
Postage and stationery	4,497	6,687
Sundries	673	252
Repairs and renewals	6,905	4,444
Training	1,499	3,155
Staff expenses	496	464
Travel and subsistence	4,291	3,428
Equipment	2,871	3,368
Computer expenses	2,625	2,653
Subscriptions	368	789
Legal and professional fees	6,239	6,400
Bank charges	436	700
	<u>187,028</u>	<u>183,630</u>

**Governance costs**

	2021 Charitable activities £	2020 Total activities £
Accountancy and legal fees	14,000	14,225
Independent Examiner's fees	1,850	1,100
	<u>15,850</u>	<u>15,325</u>

**9. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Depreciation - owned assets	2,604	3,300
Other operating leases	24,000	24,322
Surplus on disposal of fixed assets	(2,200)	-
	<u>24,404</u>	<u>27,622</u>

**10. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

**MERTON COMMUNITY TRANSPORT**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021**

**11. STAFF COSTS**

	2021 £	2020 £
Wages and salaries	341,197	363,143
Social security costs	15,510	10,053
Other pension costs	5,977	6,920
	<u>362,684</u>	<u>380,116</u>

The average monthly number of employees during the year was as follows:

	2021	2020
Full time Operational Staff	7	7
Part time Operational Staff	20	20
	<u>27</u>	<u>27</u>

No employees received emoluments in excess of £60,000.

The key management personnel compensation during the year was £86,227 (2020: £83,465).

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
<b>Charitable activities</b>			
Charitable activities	672,262	-	672,262
Investment income	231	-	231
<b>Total</b>	<u>672,493</u>	-	<u>672,493</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Charitable activities	629,436	-	629,436
<b>NET INCOME</b>	43,057	-	43,057
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	128,428	-	128,428
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>171,485</u>	-	<u>171,485</u>

**MERTON COMMUNITY TRANSPORT**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021**

**13. INDEPENDENT EXAMINER'S FEES**

The independent examiner's remuneration amounts to an independent examination fee of £1,850.

**14. TANGIBLE FIXED ASSETS**

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 April 2020	7,233	14,004	3,500	395,491	420,228
Disposals	-	-	-	(7,000)	(7,000)
At 31 March 2021	<u>7,233</u>	<u>14,004</u>	<u>3,500</u>	<u>388,491</u>	<u>413,228</u>
<b>DEPRECIATION</b>					
At 1 April 2020	723	13,698	2,310	393,381	410,112
Charge for year	723	153	1,190	538	2,604
Eliminated on disposal	-	-	-	(7,000)	(7,000)
At 31 March 2021	<u>1,446</u>	<u>13,851</u>	<u>3,500</u>	<u>386,919</u>	<u>405,716</u>
<b>NET BOOK VALUE</b>					
At 31 March 2021	<u>5,787</u>	<u>153</u>	<u>-</u>	<u>1,572</u>	<u>7,512</u>
At 31 March 2020	<u>6,510</u>	<u>306</u>	<u>1,190</u>	<u>2,110</u>	<u>10,116</u>

**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Trade debtors	45,145	46,989
Other debtors	3,000	4,454
Prepayments and accrued income	1,294	1,364
	<u>49,439</u>	<u>52,807</u>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Bank loans and overdrafts (see note 18)	2,500	-
Trade creditors	10,162	9,626
Social security and other taxes	4,724	5,519
VAT	3,623	8,867
Other creditors	1,493	910
Accruals and deferred income	14,224	14,203
	<u>36,726</u>	<u>39,125</u>

**MERTON COMMUNITY TRANSPORT**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021**

**17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2021 £	2020 £
Bank loans (see note 18)	<u>47,500</u>	<u>-</u>

**18. LOANS**

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year on demand: Bank loans	<u>2,500</u>	<u>-</u>
Amounts falling between one and two years: Bank loans - 1-2 years	<u>10,000</u>	<u>-</u>
Amounts falling due between two and five years: Bank loans - 2-5 years	<u>30,000</u>	<u>-</u>
Amounts falling due in more than five years:  Repayable by instalments: Bank loans more 5 yr by instal	  7,500	  -

**19. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	1,169	5,169
Between one and five years	<u>2,924</u>	<u>4,093</u>
	<u>4,093</u>	<u>9,262</u>

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
Fixed assets	7,512	-	7,512	10,116
Current assets	218,836	-	218,836	200,494
Current liabilities	(36,726)	-	(36,726)	(39,125)
Long term liabilities	<u>(47,500)</u>	-	<u>(47,500)</u>	<u>-</u>
	<u>142,122</u>	<u>-</u>	<u>142,122</u>	<u>171,485</u>

**MERTON COMMUNITY TRANSPORT**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021**

**21. MOVEMENT IN FUNDS**

	At 1/4/20 £	Net movement in funds £	At 31/3/21 £
<b>Unrestricted funds</b>			
General fund	171,485	(29,363)	142,122
<b>TOTAL FUNDS</b>	<u>171,485</u>	<u>(29,363)</u>	<u>142,122</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	530,987	(560,350)	(29,363)
<b>TOTAL FUNDS</b>	<u>530,987</u>	<u>(560,350)</u>	<u>(29,363)</u>

**Comparatives for movement in funds**

	At 1/4/19 £	Net movement in funds £	At 31/3/20 £
<b>Unrestricted funds</b>			
General fund	128,428	43,057	171,485
<b>TOTAL FUNDS</b>	<u>128,428</u>	<u>43,057</u>	<u>171,485</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	672,493	(629,436)	43,057
<b>TOTAL FUNDS</b>	<u>672,493</u>	<u>(629,436)</u>	<u>43,057</u>

## MERTON COMMUNITY TRANSPORT

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

#### 21. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/4/19 £	Net movement in funds £	At 31/3/21 £
<b>Unrestricted funds</b>			
General fund	128,428	13,694	142,122
<b>TOTAL FUNDS</b>	<u>128,428</u>	<u>13,694</u>	<u>142,122</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,203,480	(1,189,786)	13,694
<b>TOTAL FUNDS</b>	<u>1,203,480</u>	<u>(1,189,786)</u>	<u>13,694</u>

The purpose of the Restricted Funds are as follows:

#### **Community Transport**

The London Borough of Merton fund a proportion of the Chief Executive Office Salary.

#### 22. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2021.

#### 23. COMPANY LIMITED BY GUARANTEE

The charity is limited by guarantee and has no share capital. The liability of each member is determined by the Articles of the charity and shall not exceed £1.