

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

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
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

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FOR THE YEAR ENDED 31 MARCH 2022**

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

CHARITY PURPOSE

Mission, Aims, Objectives and Vision :

Mission: To help people stay connected and assist in reducing the impact of social exclusion in society, due to the lack of suitable and affordable, accessible transport solutions.

Aims: MCT aims to provide relief to the inhabitants of the London Borough of Merton and its surrounding districts who need affordable and accessible transport, because of age, mental or physical disability, sensory impairment, poverty, loneliness, or experiencing social isolation.

Objectives: Our charity's purposes, as set out in the objectives 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.

Vision: To be the first point of contact for accessible travel and transport that will support the enablement of organisations and individuals, working in collaboration and partnership with LBM and the voluntary sector. Helping the people who are marginalised or have no access to public transport systems.

To develop varied transport solutions and projects, that provide the services the people in the community need. MCT strives to reduce loneliness, isolation, and social exclusion by connecting people to places, and organisations to customers/clients, while providing a caring, comprehensive approach to travel.

MERTON COMMUNITY TRANSPORT (REGISTERED NUMBER: 03571884)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

OBJECTIVES AND ACTIVITIES ACTIVITIES

Ensuring our work delivers our aims, objectives, vision, and mission:

MCT reviews our aims, vision, and mission to deliver the objectives and activities agreed upon each year, looking at what we achieved and the outcomes over the previous 12 months. We review the successes and challenges of providing services through the pandemic along with our key activities. This includes the benefits or shortfalls 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, vision, and mission as we deliver objectives, and as we plan our future activities and projects.

The Charity reviews its position in the Community Transport Market environment through regular updates and guidance from the Community Transport Association UK (CTA). UK-General Data Protection Regulation, registered with The Information Commissioner's Office (ICO), Fleet Operation Recognition Scheme (FORS). 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, Food Response Network.

CHARITY FOCUS

The focus of our work during the pandemic period was managing the ever-changing information, advice, and guidance received from national and Local Governments, and developing supporting services supporting and projects, which kept the wheels turning at MCT. Past Strategic Appraisals and key strategic objectives, gave MCT a focus. These are still presently reflected on, and regular focus task group meetings 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 collaborations and partnerships with colleagues who are members of the Merton Community Response Steering Group (MCRSG). This relationship has enabled MCT to be more proactive during the pandemic to assist in the agreed project deliveries and finding solutions that are developed during these MCRSG 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 continues to work collaboratively and in partnership with LBM and voluntary sector organisations to develop a range of social programs that supports and benefits Merton's communities in tackling many social challenges, including isolation, loneliness, food poverty, and transport challenges.

Those who benefit from our services

We provide benefits to the community of Merton and surrounding districts by offering varied transport solutions 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 and the reassurance and unique selling point (USP) 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 and Disability (SEND) transport provision is provided, working with LBM to deliver transport travel solutions to, children and adults with special education needs and disabilities. Also, care homes and individual residents, who affiliate as members and then benefit from our services.

We also, work closely, with community organisations, statutory bodies, and schools who are affiliated with us by supplying accessible transport services. There are restrictions on the types of organisations affiliated and who will be able to drive as we work in line with the limitation of operating under section 19 permit regulations.

Working during COVID-19 Pandemic and Post Pandemic

During the year, we worked with constant COVID-19 instability and the many varied Government guidelines changes. Responding to regular updates presented many challenges, and they affected service delivery. We have had to adjust and adapt to each new COVID-19 restriction and recommendation. Our board of Directors/Trustees and management staff reviewed 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) to support our affiliated members in providing service. Our collaborative and partnership work with community organisations, helped the community to grow stronger as we all served our customers.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

**OBJECTIVES AND ACTIVITIES
ACHIEVEMENT AND PERFORMANCE
Charitable activities**

Structure and Stability

MCT's team consists of full-time, part-time, and contracted staff. We also have a small number of volunteers. This mixture helps us to meet the many service requests received from our members. The team consists mainly 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 includes administrative support, driving, business development, fundraising, 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 reviewing and updating the Memorandum and Articles of Association. Also, to set out a clear Mission, Vision, and Aims and to work in line with our objectives.

Partnership Working

MCT's working relationship with the London Borough of Merton (Adult Social Care Funding), continues to grow and the funding has been extended during the year, this has supported 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 service under the Multiple Occupancy Accessible Transport (MOAT) contract for Transport for London (TfL) continues to be one of MCT's main income streams and has been extended during the year, as the new tendering process is being reviewed.

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 Special Education Needs and Disability (SEND) 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 closely with the National Health Service. There has been a slow increase in the work we provide for Connect Health, transporting their clients to GP appointments, where we provide waiting and return service. Many of our services have been affected by the continued COVID-19 challenges. We are very optimistic that the implementation of various strategies during the year have enabled MCT through the many challenges the pandemic has presented.

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, MCT has been a member of the Merton Covid-19 Community Response Steering Group, and the Food Poverty Response Network. MCT, as a frontline service provider, develops and offers support services to the communities as we work 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 vehicles are still being offered. This service consistently provides support to groups who do not have the capacity to manage their 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 been 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. The challenges of the ULEZ extension have affected many vehicle operations. The cost of purchasing new vehicles to update MCT's fleet has increased greatly, also, second-hand market prices have gone up.

MERTON COMMUNITY TRANSPORT (REGISTERED NUMBER: 03571884)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

OBJECTIVES AND ACTIVITIES

Training

The Charity has expanded the provision of Driver Assessor Trainers (DAT) and training courses provided 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, the voluntary sector by providing regular monthly training programs and on-demand requests for MiDAS training.

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. Although we are near the end of many of the concerns that prevent them from travelling. We hope the individual nature of the PTS will entice individuals to travel again soon. We hope to work with the organisation to support and encourage a reduction in self-restricted social exclusion and isolation. This situation is, not sustainable long term and is damaging to their mental health and well-being.

We are now slowly returning to the levels of service provided before the pandemic. With close monitoring of this service request, we hope to ascertain what are the main issues, fears, and challenges keeping these people from travelling as before the pandemic. Past annual surveys have shown how beneficial the PTS and group services have been and how it has improved the quality of life of our members, promoting mental well-being, increasing self-esteem, providing a sense of empowerment, and helping to prevent loneliness and social isolation.

Excursion Club

The Excursion Club has been reviewed and will be established service this summer. MCT is working on a new offer to encourage members of the club to engage in the new travel destinations that will be on offer, and we hope to increase the membership. We will be able to operate excursions this summer as we recover from the pandemic, lockdown, and restrictions on travel. This service is so 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 £632,225 (2021: £526,588) an increase of £105,637 whilst expenditure on charitable activities were £611,565 (2021: £560,350) an increase of £51,215. This increase in charitable activities income is mainly due to the effects of the pandemic environment during the year to March 2021.

Working closely with the staff and continual good governance, and clear guidance from the Board of Trustees. The constant reviewing of MCT's financial position at each board meeting and arranging financial sub-groups meetings when required help for smarter decision-making. We continue to grow our stake in the delivery of Special Education Needs and Disability (SEND) work.

MCT is working towards reducing costs where possible and developing a more robust operational position to be fit and able to operate and grow its core community transport services as we expand Special Education Needs and Disability (SEND) delivery. Our aim is to continue to increase the reserves, in line with MCT's reserves policy.

A detailed analysis of MCT's restricted funds is 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.

MERTON COMMUNITY TRANSPORT (REGISTERED NUMBER: 03571884)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

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 on a reserve policy that states that the level of unrestricted funds required should be equal to three months of operations to safeguard the organisation's core activities, protect options for future development, and achieve a level of working capital, ensuring continuity as a going concern. The level of unrestricted funds on 31 March 2022 was £164,146 (2021: £142,122), which is in line with the three-month operational reserves target. The board of trustees is working with the CEO to shore up and strengthen the MCT's 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, genuinely looking for new opportunities to expand current services. Still working in line with MCT's Strategic Option Appraisal, which has assisted MCT in staying focussed on the main task of seeing how best to grow income by implementing and developing the recommendations which show the greatest level of increasing income without compromising MCT's core purposes. We are particularly interested in expanding Group, and Personalised Transport Service (PTS) along with other relevant services.

b) Before the pandemic and during the challenges that developed, we continued to work closely with LBM and the voluntary community sector through the Community Response Steering Group meetings, and Food Response Network. These regular meetings have helped MCT stay in touch with the needs of the borough 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 continue to work with LBM, the Community Fridge, and 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 continues to review the Charity's operational costs as compared to its revenue and has planned to ensure that future sustainability is maintained. MCT reviews its costs, to make sure that they are controlled to a break-even position over the coming year. We are constantly reviewing the effect of The Mayor of London and TFL's expansion and implementation of the Ultra-Low Emission Zone. Looking closely at how we can support the challenge of cleaning up London's air by removing polluting vehicles. MCT are seeking ways to make all their vehicles compliant.

Premises

MCT continues to operate its services site from the Depot at Unit 2a Batsworth Road. Being focused on working from the depot has given us the opportunity to grow the Community Transport charity business in Merton. The decision to expand the Depot office, and kitchen footprint, has now allowed MCT to provide MiDAS classroom training from this space.

Recruitment of trustees

MCT's trustees have assisted in making some challenging decisions during the pandemic and post-lockdown that have been beneficial to the running of the charity. These decisions have guided MCT through some very difficult times. This has been a reflection of good governance.

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's 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 Special Education Needs and Disability (SEND) transport. As we grow and establish great working relationships with MCT's voluntary sector partners.

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.

MERTON COMMUNITY TRANSPORT (REGISTERED NUMBER: 03571884)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

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 (2021: 10) 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 meets 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.

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 appropriate 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 is 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

MERTON COMMUNITY TRANSPORT (REGISTERED NUMBER: 03571884)

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

Registered office

Unit 2a Batsworth Road,
Mitcham
Surrey
CR4 3BX

Principal address

Unit 2a Batsworth Road
Mitcham
Surrey
CR4 3BX

Trustees

Mr R J Makin Chair
Mr S Hickey
Mr O Osayameh Treasurer
Mrs B Fraser
Mrs F M Hibbert
Mrs R Hooper
Miss A Ocan
Mr M Otite
Mr A K Sandiford
Mr A Savage

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 18 November 2022 and signed on its behalf by:

Mr O Osayameh - Trustee

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

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 2022.

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

Date: 28/11/2022

MERTON COMMUNITY TRANSPORT**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	1,036	-	1,036	-
Charitable activities					
Charitable activities		602,225	30,000	632,225	526,588
Other trading activities	4	36	-	36	2,095
Investment income	5	17	-	17	104
Other income		-	-	-	2,200
Total		<u>603,314</u>	<u>30,000</u>	<u>633,314</u>	<u>530,987</u>
EXPENDITURE ON					
Charitable activities	7				
Charitable activities		581,565	30,000	611,565	560,350
NET INCOME/(EXPENDITURE)		21,749	-	21,749	(29,363)
RECONCILIATION OF FUNDS					
Total funds brought forward		142,122	-	142,122	171,485
TOTAL FUNDS CARRIED FORWARD		<u>163,871</u>	<u>-</u>	<u>163,871</u>	<u>142,122</u>

The notes form part of these financial statements

MERTON COMMUNITY TRANSPORT (REGISTERED NUMBER: 03571884)**STATEMENT OF FINANCIAL POSITION
31 MARCH 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	15	6,914	7,512
CURRENT ASSETS			
Debtors	16	70,482	49,439
Cash at bank and in hand		180,920	169,397
		<u>251,402</u>	<u>218,836</u>
CREDITORS			
Amounts falling due within one year	17	(56,945)	(36,726)
		<u>194,457</u>	<u>182,110</u>
NET CURRENT ASSETS			
		201,371	189,622
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one year	18	(37,500)	(47,500)
		<u>163,871</u>	<u>142,122</u>
NET ASSETS			
FUNDS	22		
Unrestricted funds		163,871	142,122
TOTAL FUNDS		<u>163,871</u>	<u>142,122</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2022 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 2022

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 18 November 2022 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 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	16,394	(30,594)
Interest paid		(303)	-
Net cash provided by/(used in) operating activities		<u>16,091</u>	<u>(30,594)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,085)	-
Sale of tangible fixed assets		-	2,200
Interest received		17	104
Net cash (used in)/provided by investing activities		<u>(2,068)</u>	<u>2,304</u>
Cash flows from financing activities			
New loans in year		-	50,000
Loan repayments in year		(2,500)	-
Net cash (used in)/provided by financing activities		<u>(2,500)</u>	<u>50,000</u>
Change in cash and cash equivalents in the reporting period			
		11,523	21,710
Cash and cash equivalents at the beginning of the reporting period			
		<u>169,397</u>	<u>147,687</u>
Cash and cash equivalents at the end of the reporting period			
		<u>180,920</u>	<u>169,397</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 2022****1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2022 £	2021 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	21,749	(29,363)
Adjustments for:		
Depreciation charges	2,683	2,604
Profit on disposal of fixed assets	-	(2,200)
Interest received	(17)	(104)
Interest paid	303	-
(Increase)/decrease in debtors	(21,043)	3,368
Increase/(decrease) in creditors	12,719	(4,899)
Net cash provided by/(used in) operations	<u>16,394</u>	<u>(30,594)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/21 £	Cash flow £	At 31/3/22 £
Net cash			
Cash at bank and in hand	<u>169,397</u>	<u>11,523</u>	<u>180,920</u>
	<u>169,397</u>	<u>11,523</u>	<u>180,920</u>
Debt			
Debts falling due within 1 year	(2,500)	(7,500)	(10,000)
Debts falling due after 1 year	<u>(47,500)</u>	<u>10,000</u>	<u>(37,500)</u>
	<u>(50,000)</u>	<u>2,500</u>	<u>(47,500)</u>
Total	<u>119,397</u>	<u>14,023</u>	<u>133,420</u>

The notes form part of these financial statements

MERTON COMMUNITY TRANSPORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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 2022 and 31 March 2021. 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 2022

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.

Improvements to property	- 10% on cost
Office equipment	- 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.

MERTON COMMUNITY TRANSPORT

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES - continued

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.

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. DONATIONS AND LEGACIES

	2022	2021
	£	£
Gift aid	1,036	-

4. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Fundraising events	36	2,095

5. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	17	104

MERTON COMMUNITY TRANSPORT

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022 £	2021 £
Income for the use of buses	Charitable activities	550,368	408,122
Grants	Charitable activities	65,000	45,000
Government Covid support	Charitable activities	16,857	73,466
		<u>632,225</u>	<u>526,588</u>

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

	2022 £	2021 £
London Borough of Merton	<u>65,000</u>	<u>45,000</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Charitable activities	<u>407,858</u>	<u>203,707</u>	<u>611,565</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022 £	2021 £
Staff costs	264,777	238,997
Vehicle running costs	140,398	115,871
Depreciation	2,683	2,604
	<u>407,858</u>	<u>357,472</u>

9. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Charitable activities	<u>187,879</u>	<u>303</u>	<u>15,525</u>	<u>203,707</u>

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

Management

	2022 Charitable activities £	2021 Total activities £
Wages	109,629	108,277
Social security	11,426	11,316
Pensions	4,614	4,094
Other operating leases	24,455	24,000
Rates and water	1,543	221
Insurance	2,532	2,836
Light and heat	3,628	3,339
Telephone	2,358	2,045
	<u>160,185</u>	<u>156,128</u>
Carried forward		

MERTON COMMUNITY TRANSPORT**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022****9. SUPPORT COSTS - continued****Management - continued**

	2022 Charitable activities £	2021 Total activities £
Brought forward	160,185	156,128
Postage and stationery	6,151	4,497
Sundries	338	673
Repairs and renewals	4,416	6,905
Training	2,431	1,499
Staff expenses	2,054	496
Travel and subsistence	500	4,291
Equipment	733	2,871
Computer expenses	2,416	2,625
Subscriptions	911	368
Legal and professional fees	7,449	6,239
Bank charges	295	436
	<u>187,879</u>	<u>187,028</u>

Finance

	2022 Charitable activities £	2021 Total activities £
Bank loan interest	<u>303</u>	<u>-</u>

Governance costs

	2022 Charitable activities £	2021 Total activities £
Accountancy and legal fees	13,350	14,000
Independent Examiner's fees	2,175	1,850
	<u>15,525</u>	<u>15,850</u>

10. NET INCOME/(EXPENDITURE)

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

	2022 £	2021 £
Depreciation - owned assets	2,683	2,604
Other operating leases	24,455	24,000
Surplus on disposal of fixed assets	-	(2,200)
	<u>27,138</u>	<u>24,404</u>

MERTON COMMUNITY TRANSPORT

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

12. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	364,944	341,197
Social security costs	18,005	15,510
Other pension costs	7,497	5,977
	<u>390,446</u>	<u>362,684</u>

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

	2022	2021
Full time Operational Staff	9	7
Part time Operational Staff	20	20
	<u>29</u>	<u>27</u>

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

The key management personnel compensation during the year was £87,000 (2021: £86,227).

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Charitable activities	526,588	-	526,588
Other trading activities	2,095	-	2,095
Investment income	104	-	104
Other income	2,200	-	2,200
Total	<u>530,987</u>	<u>-</u>	<u>530,987</u>
EXPENDITURE ON			
Charitable activities			
Charitable activities	560,350	-	560,350
NET INCOME/(EXPENDITURE)	(29,363)	-	(29,363)
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>171,485</u>	<u>-</u>	<u>171,485</u>
TOTAL FUNDS CARRIED FORWARD	<u>142,122</u>	<u>-</u>	<u>142,122</u>

MERTON COMMUNITY TRANSPORT

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

14. INDEPENDENT EXAMINER'S FEES

The independent examiner's remuneration amounts to an independent examination fee of £2,125.

15. TANGIBLE FIXED ASSETS

	Improvements to property £	Office equipment £	Motor vehicles £	Totals £
COST				
At 1 April 2021	7,233	17,504	388,491	413,228
Additions	-	2,085	-	2,085
Disposals	-	-	(29,850)	(29,850)
At 31 March 2022	<u>7,233</u>	<u>19,589</u>	<u>358,641</u>	<u>385,463</u>
DEPRECIATION				
At 1 April 2021	1,446	17,351	386,919	405,716
Charge for year	723	848	1,112	2,683
Eliminated on disposal	-	-	(29,850)	(29,850)
At 31 March 2022	<u>2,169</u>	<u>18,199</u>	<u>358,181</u>	<u>378,549</u>
NET BOOK VALUE				
At 31 March 2022	<u>5,064</u>	<u>1,390</u>	<u>460</u>	<u>6,914</u>
At 31 March 2021	<u>5,787</u>	<u>153</u>	<u>1,572</u>	<u>7,512</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	65,963	45,145
Other debtors	3,225	3,000
Prepayments and accrued income	1,294	1,294
	<u>70,482</u>	<u>49,439</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Bank loans and overdrafts (see note 19)	10,000	2,500
Trade creditors	13,295	10,162
Social security and other taxes	6,088	4,724
VAT	8,880	3,623
Other creditors	1,814	1,493
Accruals and deferred income	16,868	14,224
	<u>56,945</u>	<u>36,726</u>

MERTON COMMUNITY TRANSPORT

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022 £	2021 £
Bank loans (see note 19)	<u>37,500</u>	<u>47,500</u>

19. LOANS

An analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year on demand: Bank loans	<u>10,000</u>	<u>2,500</u>
Amounts falling between one and two years: Bank loans - 1-2 years	<u>10,000</u>	<u>10,000</u>
Amounts falling due between two and five years: Bank loans - 2-5 years	<u>27,500</u>	<u>30,000</u>
Amounts falling due in more than five years: Repayable by instalments: Bank loans more 5 yr by instal	 -	 7,500

20. LEASING AGREEMENTS

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

	2022 £	2021 £
Within one year	-	1,169
Between one and five years	-	2,924
	<u>-</u>	<u>4,093</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
Fixed assets	6,914	-	6,914	7,512
Current assets	251,402	-	251,402	218,836
Current liabilities	(56,945)	-	(56,945)	(36,726)
Long term liabilities	(37,500)	-	(37,500)	(47,500)
	<u>163,871</u>	<u>-</u>	<u>163,871</u>	<u>142,122</u>

MERTON COMMUNITY TRANSPORT

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

22. MOVEMENT IN FUNDS

	At 1/4/21 £	Net movement in funds £	At 31/3/22 £
Unrestricted funds			
General fund	142,122	21,749	163,871
TOTAL FUNDS	<u>142,122</u>	<u>21,749</u>	<u>163,871</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	603,314	(581,565)	21,749
Restricted funds			
Community Transport	30,000	(30,000)	-
TOTAL FUNDS	<u>633,314</u>	<u>(611,565)</u>	<u>21,749</u>

Comparatives for movement in funds

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

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

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

MERTON COMMUNITY TRANSPORT

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

23. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2022.

24. 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.