

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

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020
FOR
MERTON COMMUNITY TRANSPORT**

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

MERTON COMMUNITY TRANSPORT

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

	Page
Report of the Trustees	1 to 6
Independent Examiner's Report	7
Statement of Financial Activities	8
Statement of Financial Position	9
Statement of Cash Flows	10
Notes to the Statement of Cash Flows	11
Notes to the Financial Statements	12 to 20

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020**

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 2020. 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).

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), Mobility Matters Campaign, London Borough of Merton Sustainable Communities & Transport Partnership Board, Joint Director of Active Travel & Transport Subgroup, and MVSC Community Engagement Network Reps. Group members regularly attend other meetings from which the plans and reports aid our decision-making process.

The focus of our work

The focus of our work each year is to meet our key strategic objectives. During 2018 financial year MCT commissioned a Strategic Option Appraisal Report by Ian Beever Consultancy and Training which is still being used as the focus for our work. Some of the report's conclusions, recommendations and funding suggestions are under development and some have been implemented. We are currently looking at Recommendation 4: MCT working with partners/voluntary organisations to develop a range of social programmes that tackle isolation, loneliness, obesity and lack of exercise. During the start of COVID-19 lockdown MCT's vision was to develop, in line with the recommendations, a COVID-19 Support Service delivering, collecting food and transporting individuals.

Those who benefit from our services

We provide benefit to the community of Merton and surrounding districts by offering subsidised transport to our 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 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.

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

Before and during the Government's preparation for implementing a national lockdown during March 2020 due to the rise of COVID-19 infection, MCT's board of Directors/Trustees and management staff, were reviewing MCT's options regarding services, operation and models of working. Risk assessments were carried out and, following government and NHS guidelines, MCT went into action to provide essential services in line with Transport for London (TFL) and London Borough of Merton (LBM). 70% of MCT's staff were placed on furlough. Operational staff that were classed as essential workers were equipped with the required PPE and MCT continued to provide vital services to the community of Merton and surrounding districts. COVID-19 training was given to all staff.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020**

STRATEGIC REPORT

**Achievement and performance
Charitable activities**

Structure and Stability

We employ a variety of full time, part time and contracted staff and have a small number of volunteers. This mixture helps MCT 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 is the only site that we run the transport services from. We no longer use High Path Yard for parking as all of our 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.

Further information can be accessed by viewing our annual review on our website.

Partnership Working

Our 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.

Under tender MCT delivers Dial a Ride services on a daily basis for Transport for London. The main areas that we cover are Sutton and Croydon.

We are presently developing our core services: Group and Personalised Transport Service (PTS), and we have greatly increased the work that we do with LBM on their commissioning online platform Adams, delivering minibus and MPV's with drivers and passenger assistants. This service provision with LBM clients has helped MCT to breach the income gap through working with various schools and SEN clients in Merton and the surrounding areas. We continue 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 growth in the work we provide for Connect Health providing PTS to their clients, transporting them to GP appointments, waiting and returning the clients back home. These links have assisted us in growing our income as well as meeting many of the Merton community transport needs. Many of our services have been affected by COVID-19 and lockdown implementation, but we are very optimistic and continue to implement strategies that will take MCT through the 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. MCT is a member of Merton's newly formed COVID-19 Volunteer Taskforce Steering Group. Merton's voluntary and community groups and individual affiliated members have access to all of MCT's services by paying an affiliation fee according to their financial/funded status.

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 in Merton.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020**

STRATEGIC REPORT

Achievement and performance

Training

The Charity provides and runs training courses in the nationally recognised Minibus Driver Awareness Scheme (MiDAS) and Passenger Assistance (PA) Training Scheme in order that all drivers and PA's are MiDAS trained. 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, whilst maintaining a monthly training programme for community organisations.

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 grown from strength to strength and has, over the past years, continued to increase in its membership.

The Charity operates this service using four accessible Multi-Purpose Vehicles and, when required, minibuses are also used. To make use of this service, people have to affiliate to the PTS. Demand for this service continues to grow annually.

MCT monitors this service annually and the outcomes have shown how beneficial this service is in improving the lives of our clients in the following ways:

- self-esteem and quality of life;
- attending activities promotes mental wellbeing;
- provides a sense of empowerment; and
- helps to prevent social isolation.

The unique aspect of this service has enabled MCT to facilitate the building of "buddy" relationships between clients who travel together regularly. This service continues to be extremely beneficial to members of the community.

Excursion Club

After losing funding the Excursion Club has been running as a self-funded scheme paid for by our clients. We now provide paid drivers and the demand has increased. We often provide two minibuses monthly on each trip. MCT has a commitment to developing this service and expanding it. This service benefits wellbeing and assists in the prevention of their social isolation. Clients' engagement has been quite good, members are actively involved and consulted for suggested places to visit. The number of excursions are increasing each year due to client demand.

Financial review

Financial position

Results for the period

The results are shown on the Statement of Financial Activities. Incoming resources from charitable activities were £672,262 (2019: £593,200) an increase of 13% whilst expenditure on charitable activities were £629,436 (2019: £609,918) an increase of 3%. Despite the investment on contract tendering this year, we still managed to minimise costs by working effectively and growing our charity's activities income.

Although most of the increase in income is as a result of demand growth in the delivery of SEN work, we are now beginning to balance the income from our varied transport services to surpass the Dial a Ride income.

MCT has now recovered from the 2017 strategy to strengthen MCT following the reduction in the Dial-a-ride contracts. 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. 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 18 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) Our Personal Transport Service. These continue to be our main sources of generating income.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020**

STRATEGIC REPORT

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 2020 was £171,485 (2019: £128,428) 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 sure up and strengthen the reserves policy position:

a) We are looking at developing new services, with a view to achieving a full cost recovery methodology, and actively working to expand current services in line with the changing needs of the community. We are working in line with MCT's Strategic Option Appraisal and are reviewing all the four recommendations with a view to growing income by implementing the recommendation that is best suited to achieve our aims, without drifting from MCT's core values. We are still looking at how best to expand the Personalised Transport Service (PTS) and increase our service delivery footprint across all our other services.

b) We are ensuring that delays in the receipt of expected income do not interrupt services or cause serious financial difficulty for the charity. Driving this agenda has seen a growth in income and working to have a balanced budget by the end of this financial year.

c) We are working to grow the skills set within the board and management team to survive unexpected setbacks and problems arising from internal or external causes. The Trustees and the CEO are regularly reviewing all the options that were presented by consultant Ian Beever to best develop the delivery of services offered as we continue to grow MCT's income.

The trustees have also 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. The review that was undertaken of the cost of obtaining a PCO licence, and how MCT would implement this new service into their present operational service delivery model, has been put on hold, due to start-up costs. The other alternative we reviewed of linking up with the redevelopment of Wimbledon Football Stadium, offering their preferred partner and fans accessible transport shuttle service to and from matches, is still under review.

Future plans

Sustainability of the Charity

The Board has reviewed the Charity's operational costs as compared to our 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.

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

The Board co-opted one new trustee and appointed two other new trustees during the financial year. It is now looking at conducting a skills audit to identify the strengths within the Board now that recruitment has concluded.

Charities 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 delivering of SEN transport in Merton.

Continuation

We aim to continue to deliver our high quality services to those in need of affordable transport facilities in the London Borough of Merton and its surrounding districts, and to replace the older vehicles within our fleet with newer, 'greener' accessible vehicles.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020**

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.

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 11 (2019: 9) 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 Annual General Meeting was held 13th March 2020.

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 18 to these accounts and any reimbursement to Directors as expenses are shown in note 9 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)

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020**

Registered Charity number

1073312

Registered office

Unit 2a Batsworth Road,
Mitcham
Surrey
CR4 3BX

Principal address

Unit 2a Batsworth Road
Mitcham
Surrey
CR4 3BX

Trustees

Ms D D Earle Vice chair (resigned 13/3/20)
Mr S R A Flegg
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 (appointed 17/5/19)
Ms B Fraser (appointed 18/10/19)
Ms R Hooper (appointed 13/3/20)
Mr M Otite (appointed 18/10/19)

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 22 January 2021 and signed on the board's 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 2020.

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

26 January 2021

MERTON COMMUNITY TRANSPORT

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities					
Charitable activities	4	672,262	-	672,262	593,200
Investment income	3	231	-	231	207
Other income		-	-	-	8,961
Total		<u>672,493</u>	<u>-</u>	<u>672,493</u>	<u>602,368</u>
EXPENDITURE ON					
Charitable activities					
Charitable activities	5	629,436	-	629,436	609,918
NET INCOME/(EXPENDITURE)		<u>43,057</u>	<u>-</u>	<u>43,057</u>	<u>(7,550)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		128,428	-	128,428	135,978
TOTAL FUNDS CARRIED FORWARD		<u><u>171,485</u></u>	<u><u>-</u></u>	<u><u>171,485</u></u>	<u><u>128,428</u></u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 MARCH 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	13	10,116	5,724
CURRENT ASSETS			
Debtors	14	52,807	71,996
Cash at bank and in hand		147,687	92,662
		<u>200,494</u>	<u>164,658</u>
CREDITORS			
Amounts falling due within one year	15	(39,125)	(41,954)
		<u>161,369</u>	<u>122,704</u>
NET CURRENT ASSETS			
		<u>171,485</u>	<u>128,428</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>171,485</u>	<u>128,428</u>
NET ASSETS			
		<u>171,485</u>	<u>128,428</u>
FUNDS			
Unrestricted funds	18	171,485	128,428
		<u>171,485</u>	<u>128,428</u>
TOTAL FUNDS			
		<u>171,485</u>	<u>128,428</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2020 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 financial statements were approved by the Board of Trustees and authorised for issue on 22 January 2021 and were signed on its behalf by:

Mr O Osayameh - Trustee

Mr R J Makin - Trustee

MERTON COMMUNITY TRANSPORT

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	62,486	4,451
Net cash provided by operating activities		<u>62,486</u>	<u>4,451</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(7,692)	(2,150)
Sale of tangible fixed assets		-	13,300
Interest received		231	207
Net cash (used in)/provided by investing activities		<u>(7,461)</u>	<u>11,357</u>
Change in cash and cash equivalents in the reporting period			
		55,025	15,808
Cash and cash equivalents at the beginning of the reporting period			
		<u>92,662</u>	<u>76,854</u>
Cash and cash equivalents at the end of the reporting period			
		<u>147,687</u>	<u>92,662</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 2020

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

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	43,057	(7,550)
Adjustments for:		
Depreciation charges	3,300	2,424
Profit on disposal of fixed assets	-	(8,961)
Interest received	(231)	(207)
Decrease in debtors	19,189	14,707
(Decrease)/increase in creditors	(2,829)	4,038
Net cash provided by operations	<u>62,486</u>	<u>4,451</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/19 £	Cash flow £	At 31/3/20 £
Net cash			
Cash at bank and in hand	92,662	55,025	147,687
	<u>92,662</u>	<u>55,025</u>	<u>147,687</u>
Total	<u>92,662</u>	<u>55,025</u>	<u>147,687</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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 2020 and 31 March 2019. 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.

2. ACCOUNTING POLICIES - continued

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.

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.

2. ACCOUNTING POLICIES - continued**Basic financial instruments****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. INVESTMENT INCOME

	2020 £	2019 £
Deposit account interest	<u>231</u>	<u>207</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2020 £	2019 £
Income for the use of buses	637,262	568,200
Grants	35,000	25,000
	<u>672,262</u>	<u>593,200</u>

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

	2020 £	2019 £
London Borough of Merton	<u>35,000</u>	<u>25,000</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6) £	Support costs (see note 7) £	Totals £
Charitable activities	<u>430,481</u>	<u>198,955</u>	<u>629,436</u>

MERTON COMMUNITY TRANSPORT

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020 £	2019 £
Staff costs	259,569	227,284
Vehicle running costs	167,612	172,668
Depreciation	3,300	2,424
	<u>430,481</u>	<u>402,376</u>

7. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Charitable activities	<u>183,630</u>	<u>15,325</u>	<u>198,955</u>

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

Management

	2020 Charitable activities £	2019 Total activities £
Wages	105,292	103,711
Social security	10,919	10,824
Pensions	4,336	5,863
Other operating leases	24,322	24,400
Rates and water	431	184
Insurance	2,012	665
Light and heat	2,230	2,820
Telephone	1,748	1,957
Postage and stationery	6,687	4,949
Sundries	252	443
Repairs and renewals	4,444	6,514
Training	3,155	11,756
Staff expenses	464	1,276
Travel and subsistence	3,428	1,123
Equipment	3,368	2,671
Computer expenses	2,653	5,159
Subscriptions	789	733
Consultancy	-	2,494
Legal and professional fees	6,400	4,958
Bank charges	700	757
	<u>183,630</u>	<u>193,257</u>

Governance costs

	2020 Charitable activities £	2019 Total activities £
Accountancy and legal fees	14,225	13,035
Independent Examiner's fees	1,100	1,250
	<u>15,325</u>	<u>14,285</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

8. NET INCOME/(EXPENDITURE)

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

	2020	2019
	£	£
Depreciation - owned assets	3,300	2,424
Other operating leases	24,322	24,400
Surplus on disposal of fixed assets	-	(8,961)
	<u> </u>	<u> </u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2020 nor for the year ended 31 March 2019.

10. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	363,143	323,815
Social security costs	10,053	16,561
Other pension costs	6,920	7,306
	<u> </u>	<u> </u>
	<u>380,116</u>	<u>347,682</u>

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

	2020	2019
Full time Operational Staff	7	7
Part time Operational Staff	20	20
	<u> </u>	<u> </u>
	<u>27</u>	<u>27</u>

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

The key management personnel compensation during the year was £83,465 (2019: £84,211).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Charitable activities	568,200	25,000	593,200
Investment income	207	-	207
Other income	8,961	-	8,961
	<u> </u>	<u> </u>	<u> </u>
Total	577,368	25,000	602,368
 EXPENDITURE ON			
Charitable activities			
Charitable activities	584,918	25,000	609,918
	<u> </u>	<u> </u>	<u> </u>
NET INCOME/(EXPENDITURE)	(7,550)	-	(7,550)

MERTON COMMUNITY TRANSPORT

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	135,978	-	135,978
TOTAL FUNDS CARRIED FORWARD	<u>128,428</u>	<u>-</u>	<u>128,428</u>

12. INDEPENDENT EXAMINER'S FEES

The independent examiner's remuneration amounts to an independent examination fee of £1,100, other assurance services of £975 and other accounts work of £750.

13. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 April 2019	-	13,545	3,500	395,491	412,536
Additions	7,233	459	-	-	7,692
At 31 March 2020	<u>7,233</u>	<u>14,004</u>	<u>3,500</u>	<u>395,491</u>	<u>420,228</u>
DEPRECIATION					
At 1 April 2019	-	13,545	1,155	392,112	406,812
Charge for year	723	153	1,155	1,269	3,300
At 31 March 2020	<u>723</u>	<u>13,698</u>	<u>2,310</u>	<u>393,381</u>	<u>410,112</u>
NET BOOK VALUE					
At 31 March 2020	<u>6,510</u>	<u>306</u>	<u>1,190</u>	<u>2,110</u>	<u>10,116</u>
At 31 March 2019	<u>-</u>	<u>-</u>	<u>2,345</u>	<u>3,379</u>	<u>5,724</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	46,989	68,144
Other debtors	4,454	2,522
Prepayments and accrued income	1,364	1,330
	<u>52,807</u>	<u>71,996</u>

MERTON COMMUNITY TRANSPORT

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	9,626	12,387
Social security and other taxes	5,519	5,954
VAT	8,867	8,006
Other creditors	910	886
Accruals and deferred income	14,203	14,721
	<u>39,125</u>	<u>41,954</u>

16. LEASING AGREEMENTS

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

	2020	2019
	£	£
Within one year	5,169	24,381
Between one and five years	4,093	4,000
	<u>9,262</u>	<u>28,381</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	2020 Total funds	2019 Total funds
	£	£	£	£
Fixed assets	10,116	-	10,116	5,724
Current assets	200,494	-	200,494	164,658
Current liabilities	(39,125)	-	(39,125)	(41,954)
	<u>171,485</u>	<u>-</u>	<u>171,485</u>	<u>128,428</u>

18. MOVEMENT IN FUNDS

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

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

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

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/18 £	Net movement in funds £	At 31/3/19 £
Unrestricted funds			
General fund	135,978	(7,550)	128,428
TOTAL FUNDS	<u>135,978</u>	<u>(7,550)</u>	<u>128,428</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	577,368	(584,918)	(7,550)
Restricted funds			
Community Transport	25,000	(25,000)	-
TOTAL FUNDS	<u>602,368</u>	<u>(609,918)</u>	<u>(7,550)</u>

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

	At 1/4/18 £	Net movement in funds £	At 31/3/20 £
Unrestricted funds			
General fund	135,978	35,507	171,485
TOTAL FUNDS	<u>135,978</u>	<u>35,507</u>	<u>171,485</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 £
Unrestricted funds			
General fund	1,249,861	(1,214,354)	35,507
Restricted funds			
Community Transport	25,000	(25,000)	-
TOTAL FUNDS	<u>1,274,861</u>	<u>(1,239,354)</u>	<u>35,507</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.

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2020.

20. 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.