

Mercy Foundation Centre

Charity No. 1125766

Company No. 06667600

Trustees' Report and Financial Statements

31 July 2020

Mercy Foundation Centre
Contents

	Pages
Trustees' Annual Report	2 to 3
Independent Examiner's Report	4 to 4
Statement of Financial Activities	5 to 5
Summary Income and Expenditure Account	6 to 6
Balance Sheet	7 to 7
Statement of Cash flows	8 to 8
Notes to the Accounts	9 to 14
Detailed Statement of Financial Activities	15 to 16

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the unaudited financial statements of the charity for the year ended 31 July 2020.

REFERENCE AND ADMINISTRATIVE DETAILS

Company No. 06667600

Charity No. 1125766

Registered Office

64 Falcon Road
London
SW11 2LR

Directors and Trustees

The Directors of the charitable company are its Trustees for the purposes of charity law. The following Directors and Trustees served during the year:

D.O. Belonwu
K.C. Njoku
V. Rodney

Accountants

JDL Management Services
123 High Street
Sawston
Cambridge
CB22 3HJ

OBJECTIVES AND ACTIVITIES

The charity's objects are to be used for charitable and/or educational purposes. One of the charity's long term goals is of engagement through utilising work - based learning, skills and training, social inclusion, job brokerage and outreach services to support disadvantaged communities. The charity's head office is situated at 64 Falcon Road, London. The head office helps the charity to achieve its long term vision of "engagement through utilising work-based learning; skills and training; social inclusion; job brokerage; and outreach services to support disadvantaged communities". The centre is equipped with a modern IT suite and Mercy Foundation Centre is a member of UK online centres network-supported by Good Things Foundation: providing free or discounted basic Computer training, Literacy and numeric training and free counselling session. The centre is City and Guilds Accredited for Online Basic awards.

ACHIEVEMENTS AND PERFORMANCE

Mercy Foundation Centre Trustees Annual Report

The charity seeks to promote racial harmony in society through education and raising awareness about discrimination and the challenges faced by disadvantaged communities. In addition, the charity supports and empowers victims of discrimination.

The charity engaged in various activities like operating a home work club for kids from disadvantaged homes, providing soft skills training for the unemployed in the local community in addition to providing English Language classes that helps ethnic minorities.

FINANCIAL REVIEW

The charity currently relies on grants and donations from its members. Primary funders in 2019-2020 were Good Things Foundation, Paddington Development and the National Lottery. Grants will continue to be the primary source of funding for the charity, but the support of the members and volunteers will continue to be relied upon.

A Reserve policy is in place. The Executive committee are in agreement that adequate reserves are needed to keep the charity running in order to mitigate against fluctuations in grant and other sources of income.

The Charity continue to be impacted by various internal and external factors that have restricted the inflow of grants during the reporting year. The Executive Committee continues to monitor the socio-economic environment as the charity continues to be impacted by Government and household cut backs on grants and donations. Looking into the future, The Executive Committee expects the pandemic and resulting lockdowns to significantly impact the organisation's finances in addition to service delivery.

PLANS FOR FUTURE PERIODS

The Charity hopes to continue its community engagement and the provision of advice, support, training, employment skills development and work related activities. The Executive Committee expects significant disruption to the Charity's finances and service delivery because of the 2020 Pandemic and the lockdowns that followed. It is expected that normal operations would be resumed in line with Government directives. However, the charity's activities like home work club and adult literacy classes will be virtual for the foreseeable future.

STRUCTURE, GOVERNANCE AND MANAGEMENT

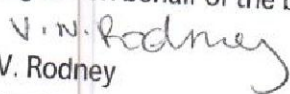
The charity is controlled by its governing document, a deed of trust and constitutes a limited company. Limited by guarantee, as defined by the companies Act 2006.

Trustee status is gained by election on to the Executive Committee.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime as set out in Part 15 of the Companies Act 2006 and in accordance with the Charities SORP (FRS 102).

Signed on behalf of the board



V. Rodney

Trustee

18 June 2021

**Mercy Foundation Centre
Independent Examiners Report**

Independent Examiner's Report to the trustees of Mercy Foundation Centre

I report to the charity trustees on my examination of the accounts of Mercy Foundation Centre for the year ended 31 July 2020 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes.

Responsibilities and basis of report

As the trustees of the charity (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 charity 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

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

- accounting records were not kept in accordance with section 386 of the 2006 Act ; or
- the accounts do not accord with those records; or
- the accounts do not comply with the accounting requirements under 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
- the accounts have not been prepared in accordance with the Charities SORP (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.



Job Eghobamien
FCCA
123 High Street
Sawston
Cambridge
CB22 3HJ
18 June 2021

Mercy Foundation Centre
Statement of Financial Activities
for the year ended 31 July 2020

	Notes	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income and endowments from:				
Grants, Donations and legacies	4	43,039	43,039	47,788
Investments	5	100	100	352
Total		43,139	43,139	48,140
Expenditure on:				
Charitable activities	6	7,354	7,354	13,620
Other	7	22,407	22,407	20,259
Total		29,761	29,761	33,879
Net gains on investments		-	-	-
Net income	8	13,378	13,378	14,261
Transfers between funds		-	-	-
Net income before other gains/(losses)		13,378	13,378	14,261
Other gains and losses				
Net movement in funds		13,378	13,378	14,261
Reconciliation of funds:				
Total funds brought forward		30,430	30,430	16,169
Total funds carried forward		43,808	43,808	30,430

Mercy Foundation Centre
Summary Income and Expenditure Account
for the year ended 31 July 2020

	2020	2019
	£	£
Income	43,039	47,788
Interest and investment income	100	352
Gross income for the year	<u>43,139</u>	<u>48,140</u>
Expenditure	24,796	29,457
Depreciation and charges for impairment of fixed assets	4,965	4,422
Total expenditure for the year	<u>29,761</u>	<u>33,879</u>
Net income before tax for the year	13,378	14,261
Net income for the year	<u>13,378</u>	<u>14,261</u>

**Mercy Foundation Centre
Balance Sheet**

at 31 July 2020

Company No. 06667600

	Notes	2020 £	2019 £
Fixed assets			
Intangible assets	10	-	3,507
Tangible assets	11	1,842	3,300
		<u>1,842</u>	<u>6,807</u>
Current assets			
Cash at bank and in hand		42,816	24,073
		<u>42,816</u>	<u>24,073</u>
Creditors: Amount falling due within one year	12	(850)	(450)
Net current assets		41,966	23,623
Total assets less current liabilities		43,808	30,430
Net assets excluding pension asset or liability		<u>43,808</u>	<u>30,430</u>
Total net assets		<u>43,808</u>	<u>30,430</u>
The funds of the charity			
Restricted funds	13		
Unrestricted funds	13		
General funds		43,808	30,430
		<u>43,808</u>	<u>30,430</u>
Reserves	13		
		<u>43,808</u>	<u>30,430</u>
Total funds		<u>43,808</u>	<u>30,430</u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.
For the year ended 31 July 2020 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

Approved by the board on 18 June 2021

And signed on its behalf by:

V. W. Rodney

V. Rodney

Trustee

18 June 2021

Mercy Foundation Centre
Statement of Cash flows
for the year ended 31 July 2020

	2020	2019
	£	£
Cash flows from operating activities		
Net income per Statement of Financial Activities	13,378	14,261
Adjustments for:		
Depreciation of property, plant and equipment	1,458	912
Amortisation of intangible assets	3,507	3,510
Dividends, interest and rents from investments	(100)	(352)
Increase/(Decrease) in trade and other payables	400	(600)
Net cash provided by operating activities	<u>18,643</u>	<u>17,731</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	100	352
Net cash from investing activities	<u>100</u>	<u>352</u>
Net cash from financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	18,743	18,083
Cash and cash equivalents at the beginning of the year	24,073	5,991
Cash and cash equivalents at the end of the year	<u>42,816</u>	<u>24,074</u>
Components of cash and cash equivalents		
Cash and bank balances	42,816	24,073
	<u>42,816</u>	<u>24,073</u>

Mercy Foundation Centre
Notes to the Accounts
for the year ended 31 July 2020

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Change in basis of accounting or to previous accounts

There has been no change to the accounting policies (valuation rules and method of accounting) since last year and no changes have been made to accounts for previous years.

Fund accounting

Unrestricted funds	These are available for use at the discretion of the trustees in furtherance of the general objects of the charity.
Designated funds	These are unrestricted funds earmarked by the trustees for particular purposes.
Revaluation funds	These are unrestricted funds which include a revaluation reserve representing the restatement of investment assets at their market values.
Restricted funds	These are available for use subject to restrictions imposed by the donor or through terms of an appeal.

Income

Recognition of income	Income is included in the Statement of Financial Activities (SoFA) when the charity becomes entitled to, and virtually certain to receive, the income and the amount of the income can be measured with sufficient reliability.
Income with related expenditure	Where income has related expenditure the income and related expenditure is reported gross in the SoFA.
Donations and legacies	Voluntary income received by way of grants, donations and gifts is included in the the SoFA when receivable and only when the Charity has unconditional entitlement to the income.
Tax reclaims on donations and gifts	Income from tax reclaims is included in the SoFA at the same time as the gift/donation to which it relates.
Donated services and facilities	These are only included in income (with an equivalent amount in expenditure) where the benefit to the Charity is reasonably quantifiable, measurable and material.
Volunteer help	The value of any volunteer help received is not included in the accounts.
Investment income	This is included in the accounts when receivable.
Gains/(losses) on revaluation of fixed assets	This includes any gain or loss resulting from revaluing investments to market value at the end of the year.
Gains/(losses) on investment assets	This includes any gain or loss on the sale of investments.

Expenditure

Recognition of expenditure	Expenditure is recognised on an accruals basis. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.
Expenditure on raising funds	These comprise the costs associated with attracting voluntary income, fundraising trading costs and investment management costs.
Expenditure on charitable activities	These comprise the costs incurred by the Charity in the delivery of its activities and services in the furtherance of its objects, including the making of grants and governance costs.
Grants payable	All grant expenditure is accounted for on an actual paid basis plus an accrual for grants that have been approved by the trustees at the end of the year but not yet paid.
Governance costs	These include those costs associated with meeting the constitutional and statutory requirements of the Charity, including any audit/independent examination fees, costs linked to the strategic management of the Charity, together with a share of other administration costs.
Other expenditure	These are support costs not allocated to a particular activity.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities. In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

Trade and other creditors

Short term creditors are measured at the transaction price. Other creditors and provisions are recognised where 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Company status

The company is a private company limited by guarantee and consequently does not have share capital.

Mercy Foundation Centre
Notes to the Accounts

3 Statement of Financial Activities - prior year

	Unrestricted funds 2019 £	Total funds 2019 £
Income and endowments from:		
Grants, Donations and legacies	47,788	47,788
Investments	352	352
Total	48,140	48,140
Expenditure on:		
Charitable activities	2,280	2,280
Other	31,599	31,599
Total	33,879	33,879
Net income	14,261	14,261
Net income before other gains/(losses)	14,261	14,261
Other gains and losses:		
Net movement in funds	14,261	14,261
Reconciliation of funds:		
Total funds brought forward	16,169	16,169
Total funds carried forward	30,430	30,430

4 Income from donations and legacies

Unrestricted £	Total 2020 £	Total 2019 £
43,039	43,039	47,788
43,039	43,039	47,788

5 Income from investments

Unrestricted £	Total 2020 £	Total 2019 £
100	100	352
100	100	352

Mercy Foundation Centre
Notes to the Accounts

6 Expenditure on charitable activities

	Unrestricted	Total	Total
	£	2020	2019
<i>Expenditure on charitable activities</i>		£	£
<i>Governance costs</i>	5,175	5,175	11,340
	2,179	2,179	2,280
	<u>7,354</u>	<u>7,354</u>	<u>13,620</u>

7 Other expenditure

	Unrestricted	Total	Total
	£	2020	2019
		£	£
Employee costs	909	909	624
Premises costs	10,130	10,130	11,000
Amortisation, depreciation, impairment, profit/loss on disposal of fixed assets	4,965	4,965	4,422
General administrative costs	3,701	3,701	3,913
Legal and professional costs	2,702	2,702	300
	<u>22,407</u>	<u>22,407</u>	<u>20,259</u>

8 Net income before transfers

This is stated after charging:

Depreciation of owned fixed assets

Amortisation of intangible fixed assets

9 Staff costs

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

2020	2019
£	£
1,458	912
3,507	3,510

10 Intangible fixed assets

	Other	Total
	£	£
Cost		
At 1 August 2019		
At 31 July 2020	35,095	35,095
	<u>35,095</u>	<u>35,095</u>
Amortisation and impairment		
At 1 August 2019		
Amortisation charge for the year	31,588	31,588
At 31 July 2020	3,507	3,507
	<u>35,095</u>	<u>35,095</u>
Net book values		
At 31 July 2020	-	-
At 31 July 2019	<u>3,507</u>	<u>3,507</u>

11 Tangible fixed assets

	£	£
Cost or revaluation		
At 1 August 2019		
At 31 July 2020	14,589	14,589
	<u>14,589</u>	<u>14,589</u>
Depreciation and impairment		
At 1 August 2019		
Depreciation charge for the year	11,289	11,289
At 31 July 2020	1,458	1,458
	<u>12,747</u>	<u>12,747</u>
Net book values		
At 31 July 2020	1,842	1,842
At 31 July 2019	<u>3,300</u>	<u>3,300</u>

12 Creditors:
amounts falling due within one year

	2020	2019
	£	£
Accruals and deferred income	850	450
	<u>850</u>	<u>450</u>

13 Movement in funds

	At 1 August 2019	Incoming resources (including other gains/losses) £	Resources expended £	At 31 July 2020 £
Restricted funds:				
Unrestricted funds:				
General funds	30,430	43,139	(29,761)	43,808
Revaluation Reserves:				
Total funds	<u>30,430</u>	<u>43,139</u>	<u>(29,761)</u>	<u>43,808</u>

14 Analysis of net assets between funds

	Unrestricted funds £	Total £
Fixed assets	1,842	1,842
Net current assets	41,966	41,966
	<u>43,808</u>	<u>43,808</u>

15 Reconciliation of net debt

	At 1 August 2019 £	Cash flows £	At 31 July 2020 £
Cash and cash equivalents	24,073	18,743	42,816
	<u>24,073</u>	<u>18,743</u>	<u>42,816</u>
Net debt	24,073	18,743	42,816

16 Related party disclosures

Controlling party

The company is limited by guarantee and has no share capital; thus no single party controls the company.

Mercy Foundation Centre
Detailed Statement of Financial Activities
for the year ended 31 July 2020

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income and endowments from:			
Grants, Donations and legacies	43,039	43,039	47,788
	<u>43,039</u>	<u>43,039</u>	<u>47,788</u>
Investments	100	100	352
	<u>100</u>	<u>100</u>	<u>352</u>
Total income and endowments	43,139	43,139	48,140
Expenditure on:			
Charitable activities	5,175	5,175	11,340
	<u>5,175</u>	<u>5,175</u>	<u>11,340</u>
Governance costs	2,179	2,179	2,280
	<u>2,179</u>	<u>2,179</u>	<u>2,280</u>
Total of expenditure on charitable activities	7,354	7,354	13,620
Employee costs			
Office Supplies	909	909	624
	<u>909</u>	<u>909</u>	<u>624</u>
Premises costs			
Rent	9,074	9,074	9,799
Light, heat and power	1,056	1,056	1,201
	<u>10,130</u>	<u>10,130</u>	<u>11,000</u>
General administrative costs, including depreciation and amortisation			
Amortisation	3,507	3,507	3,510
Depreciation of	1,458	1,458	912
Equipment repairs and maintenance	1,828	1,828	1,507
General insurances	404	404	392
Information and publications	120	120	275
Postage and couriers	174	174	184
Sundry expenses	-	-	375
Telephone, fax and broadband	1,175	1,175	1,180
	<u>8,666</u>	<u>8,666</u>	<u>8,335</u>
Legal and professional costs			
Accountancy and bookkeeping	471	471	300

Mercy Foundation Centre
Detailed Statement of Financial Activities

Consultancy fees

Total of expenditure of other costs

Total expenditure

Net gains on investments

Net income

**Net income before other
gains/(losses)**

Other Gains

Net movement in funds

Reconciliation of funds:

Total funds brought forward

Total funds carried forward

2,231	2,231	-
2,702	2,702	300
22,407	22,407	20,259
29,761	29,761	33,879
-	-	-
13,378	13,378	14,261
13,378	13,378	14,261
-	-	-
13,378	13,378	14,261
30,430	30,430	16,169
43,808	43,808	30,430