

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

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
FOR
MERTON COMMUNITY TRANSPORT**

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

MERTON COMMUNITY TRANSPORT

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	Page
Report of the Trustees	1 to 8
Independent Examiner's Report	9
Statement of Financial Activities	10
Statement of Financial Position	11 to 12
Statement of Cash Flows	13
Notes to the Statement of Cash Flows	14
Notes to the Financial Statements	15 to 23
Detailed Statement of Financial Activities	24 to 25

MERTON COMMUNITY TRANSPORT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

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: Merton Community Transport (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, and 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 London Borough of Merton residents 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 that promote the relief of such persons by providing 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.

OBJECTIVES AND ACTIVITIES

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

MCT's constant focus review of our mission, aims, and vision to deliver the objectives and activities agreed upon each year has been the catalyst to achieving an improved outcome over the previous 12 months. Being resilient during the pandemic challenges and closely watching our key activity. MCT established the provision of our standard services to the main groups of people we are set up to help, ensuring we remain focused on our stated purposes. The charity's trustees agree with the Charities Act 2011 section 17(1) that it is an integral part of every charitable purpose that it is for the public benefit. The duties of charity trustees include a duty to further its purposes for the public benefit. This 2011 Act reminds trustees of our objectives as we plan future activities and projects.

The charity reflects on 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 Community Response Steering Group, Merton's Food Response Network.

MERTON COMMUNITY TRANSPORT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

CHARITY FOCUS

Post-pandemic work focused on how to bounce back stronger and develop supporting services and projects, which kept MCT thriving and growing. Past strategic appraisals and key strategic objectives have given MCT the significant challenge of developing our fundraising. The outcome of regular focus task group meetings on finance and fundraising is to steer the Charity through the challenges the organisation has experienced. It was to increase the operational team in areas that would achieve the required objective. During the year, MCT employed a Fundraising and Development Coordinator and a Community Development and Training Coordinator. MCT has benefited from these appointments and has assisted in improving collaborative working relationships and closer partnerships with colleagues who are members of Merton's Community Response Steering Group (MCRSG), but not exclusively. MCT had to adapt to the fundraising environment to secure various funding to deliver supportive services. Funding gained has strengthened our position within the community. MCT continues to work closely with LBM and the voluntary sector organisations to develop a range of services that would support and benefit Merton's communities in tackling many social challenges, including isolation, loneliness, food poverty and transport.

Those who benefit from our services

MCT's services benefit the community of Merton and surrounding districts by offering varied transport solutions to our affiliated members who find it difficult to access mainstream transport due to age or impairment. 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 young people with SEND. Care Homes, individual residents who affiliate as members and then benefit from our services. MCT has been delivering Dial-A-Ride services with Transport for London (TfL) under tender. During the year, TfL re-tendered the London Dial-A-Ride services. MCT submitted a bid to deliver a range of services, extending beyond the geographical scope of its current contract.

We also work closely with community organisations, statutory bodies, and schools that 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 with the Community Transport Association UK (CTA UK)

During the year, MCT was awarded Funding from CTA UK under their Tackling Loneliness Through CT Fund. The CTA UK received funding from the Department of Transport (DfT) to set up pilots across England's loneliness improvement projects. MCT was the only Greater London Scheme to receive this funding. This developed into MCT's Loneliness and Isolation Project (LIP), working closely with LBM and Merton's voluntary sector, providing transport to organisation members who were experiencing loneliness.

MERTON COMMUNITY TRANSPORT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES ACHIEVEMENT AND PERFORMANCE Charitable Activities

Structure and Stability

MCT's growing team consists of full-time, part-time, and contracted staff. We are working hard to increase the number of volunteers supporting the Charity. This mixture helps us to meet the many service requests received from our members. The team structure starts with a strong board of Trustees/Directors, Operational staff, Chief Executive Officer, Depot and Operational Manager, Depot and Operational Assistant Manager, Community Development and Training Coordinator, Fundraising and Development Coordinator, Bookkeeper, MiDAS Trainers, Casual Drivers, and Passenger Assistants (PA). 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.

MCT's registered office is the Depot at Unit 2a Batsworth Road CR4 3BX. This site serves to provide the operational needs of the organisation. The vehicles are parked at the depot and regularly serviced to comply with legislative requirements. Drivers and PAs must undertake MiDAS training and Disclosure and Barring Service (DBS) checks.

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 align with our objectives..

Partnership Working

MCT is a strong advocate for having a good working relationship with the London Borough of Merton (LBM) across all departments. The grant support received each year from the Adult Social Care Fund has assisted MCT in obtaining funding from various other funders. The various grant fundings that are received enable 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) contracts for Transport for London (TfL) continues to be one of MCT's main income streams and has been extended as the new tendering process has been reviewed.

There has been a growth in developing our core services: Affiliated Group and Personalised Transport Service (PTS). We have also greatly increased our work with LBM through its commissioning online platform, providing accessible minibuses and MPVs with drivers and passenger assistants to deliver SEND contracted work. This LBM service provision has helped MCT grow and balance its income. We continue to receive bookings to provide minibuses and MPVs to our affiliated organisations and individuals. The outstanding challenge is seeking various opportunities to work closely with the National Health Service (NHS). The work we provide for Connect Health has not grown as was previously expected. We continue to transport their clients to GP appointments, where we provide waiting and return service. We are very optimistic that implementing various strategies during the year has enabled MCT to overcome the many challenges that COVID-19 presents.

Networks and Affiliated User Groups

The Charity's CEO is supported and encouraged to attend regular council and voluntary community organisations' meetings and has representation on several boards. The CEO continues representing MCT at the Merton 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.

MERTON COMMUNITY TRANSPORT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

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 to reduce costs and mutually benefit both organisations. Although this service has been reduced, we are still looking to develop it as it will help MCT provide a more modern fleet of vehicles to the community. The challenges of the Ultra-Low Emission Zone (ULEZ) extension have affected many vehicle operations, and the cost of purchasing new vehicles to update MCT's fleet has increased greatly. Also, second-hand market prices have gone up.

Training

The future of the present format of the Minibus Driver Awareness Scheme (MiDAS) and Passenger Assistance Training Scheme will be modernised, and various changes will be made in late 2023/2024. MCT still has five trained Driver Assessor Trainers (DAT). The up-and-coming changes will affect the delivery of MCT's in-house MiDAS staff training and external training within schools, colleges, and the voluntary sector. The Community Transport sector is waiting for the final notification of the new MiDAS training scheme from the CTA-UK. We are anticipating that these changes may reduce the present regular monthly training programs and on-demand requests for MiDAS training we provide.

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. Post-pandemic MCT is working to reestablish the uptake of this service that was affected greatly by the pandemic. The fear of catching COVID-19 affects many socially isolated and vulnerable people who are afraid to leave their homes. However, 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 reducing self-restricted social exclusion and isolation. This situation is not sustainable in the long term and is damaging to their mental health and well-being.

Loneliness and Isolation Project (LIP)

This project was developed post-pandemic with funding from the CTA-UK. The CTA-UK received funding from the Department for Transport (DfT) to reduce loneliness experienced by many individuals across the UK. MCT's LIP funding bid to run a loneliness pilot project was successful and was the only pilot project supported by CTA-UK in Greater London. This project embraced partnership, collaboration, and alliance with LBM, Merton Connected, and the wider voluntary sector. LIP enabled many organisations to work together to empower their members who were most impacted by loneliness and isolation to return to attending activities. LIP's focus was to help people overcome the barriers that prevented them from returning to society by offering accessible community transport. Access to transport enabled them to engage in their chosen activities and meet their peers. LIP assisted them in making the required transition from experiencing loneliness and isolation to accessing the varied supportive services on offer that increased their social contact.

Excursion Club

The Excursion Club has been reviewed and will be re-established 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.

MERTON COMMUNITY TRANSPORT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

FINANCIAL REVIEW

Financial position and results for the period

The results are shown on the Statement of Financial Activities. Incoming resources from charitable activities in 2023 were £768,057 (2022: £633,314), an increase of £134,743, whilst expenditure on charitable activities was £777,220 in 2023 (2022: £611,565), an increase of £165,655. However, we are still on target to achieve an improved budget for the coming year. The aim is to minimise costs by working effectively and stabilising our charity's activities income.

The CEO works closely with the staff team and receives clear guidance from the Board of Trustees. Constantly reviewing MCT's financial position at each board meeting and arranging financial sub-group meetings when required help for smarter decision-making. MCT is making monthly payments to reduce the £50,000 Bounce Back Loan from the government. We continue to grow our stake in the delivery of 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 SEND delivery and Dial-A-Ride. We aim 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

These continue to be our main sources of generating income.

- (1) Transport for London Dial-A-Ride (Working to increase the provision)
- (2) London Borough of Merton (Special Education Needs and Disability Transport Provision)
- (3) Group and Personal Transport Service
- (4) Fundraising and donations

Investment policy and objectives

Charitable funds must 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 equal 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 2023 was £154,708 (2022: £163,871), which aligns 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 facing past challenges. We are reviewing our present community services to achieve full cost recovery and are looking for new opportunities to expand our current services. We are working in line with MCT's Strategic Option Appraisal to grow income. We are particularly interested in expanding Group and Personalised Transport Service (PTS) along with other relevant services for the benefit of our community.
- b) MCT will continue to work closely with LBM and the voluntary community sector through the Community Response Steering Group meetings and the Merton Food Response Network Group
- c) The trustees have reviewed and agreed on various options to ensure that the reserves are replenished and that MCT remains a going concern. These options include reviewing the sector to decide on viable alternative sources of income. We have improved MCT's fundraising achievements by appointing a fundraiser.

MERTON COMMUNITY TRANSPORT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

FUTURE PLANS

Sustainability of the Charity

The Board continues to review Charity's operational costs compared to its revenue and has planned to ensure that future sustainability is maintained. MCT reviews its costs to ensure they are controlled to break even or increase over the coming year. We are constantly reviewing the effect of TfL's expansion and implementation of ULEZ. MCT is considering how we can support the challenges of cleaning up London's air by removing polluting vehicles and finding ways to make all its vehicles compliant. During the year, MCT purchased its first electric vehicle, a mini-box Van used to support Merton Food Poverty Insecurity through working with the Community Food Network (CFN). This vehicle is also used to do short-moving services for voluntary sector organisations. MCT has two electric cargo bikes that are used mainly as a shuttle for vehicle maintenance journeys and for attending local meetings. MCT supports the CFN Cargo E-bike and trailer food delivery service by housing and charging their E-bike.

The extended ULEZ has sped up MCT's reduction of their older Minibus by the sale or scrapping of old vehicles by replacing them with new compliant vehicles.

Premises

MCT continues to operate its services site from the Depot at Unit 2a Batsworth Road. Focusing on working from the depot has allowed us to grow the Community Transport charity business in Merton. The decision to expand the Depot office and kitchen footprint has allowed MCT to provide MiDAS classroom training from this space. There is a need to expand our present space due to growth in vehicles and staff.

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. Preparations are in place to amend operation practices for any changes or growth within the Dial-a-Ride contract. We continue to strengthen the working relationship with LBM and the delivery of SEND transport as we grow and establish great working relationships with MCT's voluntary sector partners and individuals.

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 objectives 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.

Organisational structure

MCT has a Board of 10 (2022/23) 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. The day-to-day responsibility for the provision of the services rests with the CEO, who works together with the Management team and operational staff.

The CEO, along with the management team, is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The CEO is responsible for delegating specific tasks to the operational staff, monitoring their performance, and conducting annual appraisals. The CEO 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.

MERTON COMMUNITY TRANSPORT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

Trustees are recruited, inducted, trained, and carry out their responsibilities guided by advice and support 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 CEO. 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

There were no payments to Trustees in 2022-23, or related party transactions (see notes 10 and 22).

Trustees must conduct Charity business solely for the good of the Charity and its beneficiaries, and declare any relevant outside interests. If a potential conflict of interest - actual or perceived - were to arise, the relevant Trustee(s) would be recused from the decision-making process.

When management committee members represent an organisation that 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 Board of Trustees 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 Board of Trustees. We fully appreciate that funding from our principal funders, LBM and TfL, is not secure. We aim 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

Registered office

Unit 2a Batsworth Road,
Mitcham
Surrey
CR4 3BX

Principal address

Unit 2a Batsworth Road
Mitcham
Surrey
CR4 3BX

MERTON COMMUNITY TRANSPORT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

Trustees

Mr R J Makin Chair
Mr S Hickey
Mr O Osayameh Treasurer
Mrs B Fraser
Mrs F M Hibbert
Mrs R Hooper
Ms 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
London SW19 7JZ

Chief Executive Officer

Mr F L Dawson

Approved by order of the board of trustees on 12 December 2023 and signed on its behalf by:



Ms A Ocan - 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 2023.

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 member of the Institute of Chartered Accountants in England and Wales, 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 FCA
The Institute of Chartered Accountants in England and Wales

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

Date: 19/12/2023

MERTON COMMUNITY TRANSPORT

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	-	-	-	1,036
Charitable activities	6				
Charitable activities		767,755	-	767,755	632,225
Other trading activities	4	-	-	-	36
Investment income	5	302	-	302	17
Total		<u>768,057</u>	<u>-</u>	<u>768,057</u>	<u>633,314</u>
EXPENDITURE ON					
Charitable activities	7				
Charitable activities		<u>777,220</u>	<u>-</u>	<u>777,220</u>	<u>611,565</u>
NET INCOME/(EXPENDITURE)		(9,163)	-	(9,163)	21,749
RECONCILIATION OF FUNDS					
Total funds brought forward		163,871	-	163,871	142,122
TOTAL FUNDS CARRIED FORWARD		<u>154,708</u>	<u>-</u>	<u>154,708</u>	<u>163,871</u>

The notes form part of these financial statements

MERTON COMMUNITY TRANSPORT**STATEMENT OF FINANCIAL POSITION
31 MARCH 2023**

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	15	64,965	6,914
CURRENT ASSETS			
Debtors	16	84,197	70,482
Cash at bank and in hand		119,592	180,920
		<u>203,789</u>	<u>251,402</u>
CREDITORS			
Amounts falling due within one year	17	(86,546)	(56,945)
NET CURRENT ASSETS		<u>117,243</u>	<u>194,457</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		182,208	201,371
CREDITORS			
Amounts falling due after more than one year	18	(27,500)	(37,500)
NET ASSETS		<u>154,708</u>	<u>163,871</u>
FUNDS	21		
Unrestricted funds		<u>154,708</u>	<u>163,871</u>
TOTAL FUNDS		<u>154,708</u>	<u>163,871</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2023 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

STATEMENT OF FINANCIAL POSITION - continued **31 MARCH 2023**

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 12 December 2023 and were signed on its behalf by:



Ms A Ocan - 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 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	24,155	16,394
Interest paid		(1,073)	(303)
Net cash provided by operating activities		<u>23,082</u>	<u>16,091</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(74,712)	(2,085)
Interest received		302	17
Net cash used in investing activities		<u>(74,410)</u>	<u>(2,068)</u>
Cash flows from financing activities			
Loan repayments in year		(10,000)	(2,500)
Net cash used in financing activities		<u>(10,000)</u>	<u>(2,500)</u>
Change in cash and cash equivalents in the reporting period		<u>(61,328)</u>	<u>11,523</u>
Cash and cash equivalents at the beginning of the reporting period		<u>180,920</u>	<u>169,397</u>
Cash and cash equivalents at the end of the reporting period		<u><u>119,592</u></u>	<u><u>180,920</u></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 2023

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

	2023 £	2022 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(9,163)	21,749
Adjustments for:		
Depreciation charges	16,661	2,683
Interest received	(302)	(17)
Interest paid	1,073	303
Increase in debtors	(13,715)	(21,043)
Increase in creditors	29,601	12,719
Net cash provided by operations	<u>24,155</u>	<u>16,394</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/22 £	Cash flow £	At 31/3/23 £
Net cash			
Cash at bank and in hand	180,920	(61,328)	119,592
	<u>180,920</u>	<u>(61,328)</u>	<u>119,592</u>
Debt			
Debts falling due within 1 year	(10,000)	-	(10,000)
Debts falling due after 1 year	(37,500)	10,000	(27,500)
	<u>(47,500)</u>	<u>10,000</u>	<u>(37,500)</u>
Total	<u>133,420</u>	<u>(51,328)</u>	<u>82,092</u>

The notes form part of these financial statements

MERTON COMMUNITY TRANSPORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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.

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 2023

2. ACCOUNTING POLICIES - continued

Income

Government grants

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.

Hire purchase and leasing commitments

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

MERTON COMMUNITY TRANSPORT

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

Basic financial instruments

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

Cash at bank and in hand

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

Debtors

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

Creditors

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

Impairment

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

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Gift aid	-	1,036

4. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Fundraising events	-	36

5. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	302	17

MERTON COMMUNITY TRANSPORT

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023 £	2022 £
Income for the use of buses	Charitable activities	732,755	550,368
Grants	Charitable activities	35,000	65,000
Government Covid support	Charitable activities	-	16,857
		<u>767,755</u>	<u>632,225</u>

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

	2023 £	2022 £
London Borough of Merton	<u>35,000</u>	<u>65,000</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Charitable activities	<u>520,046</u>	<u>257,174</u>	<u>777,220</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023 £	2022 £
Staff costs	324,578	264,777
Vehicle running costs	178,807	140,398
Depreciation	16,661	2,683
	<u>520,046</u>	<u>407,858</u>

9. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Charitable activities	<u>239,806</u>	<u>1,073</u>	<u>16,295</u>	<u>257,174</u>

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

Management

	2023 Charitable activities £	2022 Total activities £
Wages	135,537	109,629
Social security	15,329	11,426
Pensions	7,266	4,614
Other operating leases	27,443	24,455
Rates and water	(520)	1,543
Insurance	2,963	2,532
Light and heat	5,499	3,628
Telephone	2,620	2,358
	<u>196,137</u>	<u>160,185</u>
Carried forward		

MERTON COMMUNITY TRANSPORT**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023****9. SUPPORT COSTS - continued****Management - continued**

	2023 Charitable activities £	2022 Total activities £
Brought forward	196,137	160,185
Postage and stationery	7,229	6,151
Sundries	4,766	338
Repairs and renewals	3,714	4,416
Training	4,246	2,431
Staff expenses	1,708	2,054
Travel and subsistence	5,479	500
Equipment	4,742	733
Computer expenses	3,373	2,416
Subscriptions	1,254	911
Legal and professional fees	6,822	7,449
Bank charges	336	295
	<u>239,806</u>	<u>187,879</u>

Finance

	2023 Charitable activities £	2022 Total activities £
Bank loan interest	<u>1,073</u>	<u>303</u>

Governance costs

	2023 Charitable activities £	2022 Total activities £
Accountancy and legal fees	13,595	13,350
Independent Examiner's fees	<u>2,700</u>	<u>2,175</u>
	<u>16,295</u>	<u>15,525</u>

10. NET INCOME/(EXPENDITURE)

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

	2023 £	2022 £
Depreciation - owned assets	16,661	2,683
Other operating leases	<u>27,443</u>	<u>24,455</u>

MERTON COMMUNITY TRANSPORT

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

12. STAFF COSTS

	2023 £	2022 £
Wages and salaries	447,221	364,944
Social security costs	24,773	18,005
Other pension costs	10,716	7,497
	<u>482,710</u>	<u>390,446</u>

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

	2023 30	2022 29
Full and part time operational staff	<u>30</u>	<u>29</u>

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

The key management personnel compensation during the year was £90,090 (2022: £87,000).

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,036	-	1,036
Charitable activities			
Charitable activities	602,225	30,000	632,225
Other trading activities	36	-	36
Investment income	17	-	17
Total	<u>603,314</u>	<u>30,000</u>	<u>633,314</u>
EXPENDITURE ON			
Charitable activities			
Charitable activities	<u>581,565</u>	<u>30,000</u>	<u>611,565</u>
NET INCOME	21,749	-	21,749
RECONCILIATION OF FUNDS			
Total funds brought forward	142,122	-	142,122
TOTAL FUNDS CARRIED FORWARD	<u>163,871</u>	<u>-</u>	<u>163,871</u>

MERTON COMMUNITY TRANSPORT

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

14. INDEPENDENT EXAMINER'S FEES

The independent examiner's remuneration amounts to an independent examination fee of £1,300 and other costs of £1,400 (2022 £1,100 other costs £1,075).

15. TANGIBLE FIXED ASSETS

	Improvements to property £	Office equipment £	Motor vehicles £	Totals £
COST				
At 1 April 2022	7,233	19,589	358,641	385,463
Additions	-	4,212	70,500	74,712
At 31 March 2023	7,233	23,801	429,141	460,175
DEPRECIATION				
At 1 April 2022	2,169	18,199	358,181	378,549
Charge for year	723	1,270	14,668	16,661
At 31 March 2023	2,892	19,469	372,849	395,210
NET BOOK VALUE				
At 31 March 2023	4,341	4,332	56,292	64,965
At 31 March 2022	5,064	1,390	460	6,914

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	77,788	65,963
Other debtors	4,656	3,225
Prepayments and accrued income	1,753	1,294
	<u>84,197</u>	<u>70,482</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Bank loans and overdrafts (see note 19)	10,000	10,000
Trade creditors	41,636	13,295
Social security and other taxes	6,251	6,088
VAT	5,675	8,880
Other creditors	1,780	1,814
Accruals and deferred income	21,204	16,868
	<u>86,546</u>	<u>56,945</u>

MERTON COMMUNITY TRANSPORT

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

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

	2023 £	2022 £
Bank loans (see note 19)	<u>27,500</u>	<u>37,500</u>

19. LOANS

An analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year on demand: Bank loans	<u>10,000</u>	<u>10,000</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>17,500</u>	<u>27,500</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
Fixed assets	64,965	-	64,965	6,914
Current assets	203,789	-	203,789	251,402
Current liabilities	(86,546)	-	(86,546)	(56,945)
Long term liabilities	(27,500)	-	(27,500)	(37,500)
	<u>154,708</u>	<u>-</u>	<u>154,708</u>	<u>163,871</u>

21. MOVEMENT IN FUNDS

	At 1/4/22 £	Net movement in funds £	At 31/3/23 £
Unrestricted funds			
General fund	163,871	(9,163)	154,708
TOTAL FUNDS	<u>163,871</u>	<u>(9,163)</u>	<u>154,708</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	768,057	(777,220)	(9,163)
TOTAL FUNDS	<u>768,057</u>	<u>(777,220)</u>	<u>(9,163)</u>

MERTON COMMUNITY TRANSPORT

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

21. MOVEMENT IN FUNDS - continued

Comparatives for 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>

Comparative 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>

The purpose of the Restricted Funds are as follows:

Community Transport

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

22. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2023.

23. COMPANY LIMITED BY GUARANTEE

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

