

REGISTERED COMPANY NUMBER: 04164949
REGISTERED CHARITY NUMBER: 1085867

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
FOR
MERTON VOLUNTARY SERVICE COUNCIL**

MERTON VOLUNTARY SERVICE COUNCIL

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FOR THE YEAR ENDED 31 MARCH 2022**

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MERTON VOLUNTARY SERVICE COUNCIL

**LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 MARCH 2022**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

04164949 (England and Wales)

Registered Charity number

1085867

Trading Name

Merton Connected

Registered office

The Vestry Hall
London Road
Mitcham
Surrey
CR4 3UD

Auditors

Myrus Smith Chartered Accountants
Norman House
8 Burnell Road
Sutton
Surrey
SM1 4BW

Bankers

Unity Trust Bank
Nine Brindleyplace
4 Oozells Square
Birmingham
B1 2HB

Investments

CCLA Investment Management Ltd
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Solicitors

Russell-Cooke
3 Putney High Street
Putney
London
SW15 6AB

MERTON VOLUNTARY SERVICE COUNCIL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

The Trustees (who are also directors of the charitable company for the purposes of the Companies Act 2006) are pleased to present their annual Trustees Report, together with the audited financial statements for the year ending 31 March 2022, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

PRINCIPAL ACTIVITY

The charitable company's principal activity for the year, which is ultimately the objects set out in the Articles of Association was to provide practical support to voluntary and community organisations, liaison and advocacy, community engagement, development, standard setting, strategic partnership working and fund management.

Public Benefit

The Trustees have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. We believe that we have complied with this; and seek to demonstrate this within this report. Our objects and funding limit the services we provide to those detailed in our charitable objectives.

A detailed review of the Charity's activities is set out further in this report.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Merton Voluntary Service Council (MVSC) is a registered charity and company limited by guarantee. MVSC has ensured effective governance throughout the year, following all provisions and procedures in its Memorandum and Articles of Association.

Membership of MVSC is open to local voluntary, community, and faith organisations, which meet the criteria for membership.

Appointment of new Trustees

The Trustee Board is made up of not less than five and no more than fifteen persons elected by MVSC members. The Trustee Board is also able to co-opt additional members and appoint up to two Trustees to fill skills gaps. Members of the Trustee Board are nominated by MVSC member organisations and are elected at Annual General Meetings. Trustees co-opted by the Board during the year must be confirmed in post at the AGM. The Trustee Board elects a Chair, Honorary Treasurer, Company Secretary and any other officers it wishes.

Trustee recruitment and induction

New Trustees are provided with an induction programme led by the Chief Executive Officer and are also provided with a copy of the Memorandum and Articles of Association and the latest Annual Report and Financial Statements. The induction programme includes a briefing on their obligations under company and charity law, the decision-making processes within MVSC, the Business and Strategic Plans, and information relating to operational and financial management. They also have the opportunity to meet all employees. Trustees are also encouraged to participate in appropriate external training events where these will facilitate the undertaking of their role. A Register of Interests for Trustees and paid staff is maintained and updated annually.

MERTON VOLUNTARY SERVICE COUNCIL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

The Board of Trustees governs the Charity. The Board meets every 12 weeks with task and finish groups being established to look at specific issues and report back. All task and finish groups have clear terms of reference, which are agreed by the Board before they are established.

All Trustees give their time voluntarily and receive no benefits from the Charity apart from reimbursed expenses set out in Note 11 in the accounts. The Trustees serving during the year and to the date of this report were as follows: -

Brian Dillon	Chair
Ben Wilkins	Treasurer
Abisola Fafolu	Resigned 1 September 2021
Asha Newsum	Appointed 17 December 2021
Jennifer Goddard	Appointed 25 March 2022
Robert Lightfoot	Resigned 17 December 2021
Wendy Pridmore	
Annie Wilson	
Kate Wignall	

A scheme of delegated powers is maintained, detailing how powers and decision-making are delegated to the Chief Executive Officer and Senior Management Team.

Management of MVSC

The Trustees provide policy and strategic leadership and guidance to the organisation. Day to day management and decision making of the Charity is delegated to the Chief Executive Officer who works closely with senior and other staff to fulfill the Charity's objectives and ensure the smooth and effective running of the organisation. The Chief Executive Officer reports to the Chair and the Board.

Senior Management Team

Simon Shimmens	Chief Executive Officer
Adwoa Fadahunsi	Head of Development and Volunteering
Dave Curtis	Head of Healthwatch Merton
Ben Halschka	Head of Social Prescribing
Andrea Kibble	Interim Head of Finance

Pay policy for the Senior Management Team

All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in Notes 11 and 13 to the accounts.

The pay of the senior staff is reviewed annually and normally increased in line with a rate set by the Board of Trustees, taking into account available funding. In view of the nature of the Charity, the Trustees benchmark against pay levels in other voluntary organisations, other voluntary sector infrastructure organisations across London as well as with the public sector.

Related parties and co-operation with other organisations

None of our Trustees receive remuneration or other benefit from their work with the Charity. Any connection between a Trustee or a senior manager of the Charity with a supplier, funder or charitable organisation in the borough is disclosed to the full Board of Trustees in the same way as any other contractual relationship with a related party. Further details of any related party transactions can be found in Note 13 of the accounts.

Use of volunteers

One of the aims of the Charity is to match expressions of interest in volunteering to volunteer opportunities offered, with a focus on providing additional capacity to local voluntary and community organisations. MVSC continues to provide Home Visit Libraries volunteers under contract to the London Borough of Merton and has utilised its volunteer database to help initially resource the Merton Covid-19 Community Response Hub. MVSC is grateful for the support of the many volunteers who support local organisations and MVSC itself.

MERTON VOLUNTARY SERVICE COUNCIL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT – continued

Risk and internal control

The Board of Trustees oversee a risk management policy, which is underpinned by:

- A Risk Register which is regularly reviewed by the Senior Management Team and Finance & General Purposes Committee
- An annual review by the Board of Trustees of the major risks which the Charity may have to face in the following year
- The establishment of systems and procedures for mitigating those risks and
- The implementation of appropriate actions to minimise the potential impact on the Charity should any of those major risks materialise.

The Risk Register includes both strategic and operational risks. Examples of strategic risks are stability and security of funding streams, adequacy of cash flow, impact of Covid-19 across all aspects of MVSC activities, financial challenges arising from future government spending reviews and in particular the impact of Brexit on government grant funding.

The Board of Trustees is confident therefore that its established risk management regime enables it to identify and quantify the major risks to which the Charity is exposed and that MVSC has established systems to mitigate those risks. It is of the view that MVSC has the necessary stable financial and operational structure needed to monitor and manage effectively the ongoing changes and uncertainties in its local operating environment for the medium-term. The level of unrestricted reserves has improved again in this financial year.

AIMS

Over the past year, during a period of additional pressures due to the Covid-19 pandemic, MVSC has continued to inspire, support and develop the voluntary and community sector in Merton to enrich the lives of residents of the borough.

Our key aims for the year were to modify as necessary and continue existing key aims, including to:

- Work even more collaboratively with our strategic partners to provide services with a focus on supporting pandemic related needs (such as long covid) of residents and voluntary, community and faith organisations
- Continue to provide support to existing organisations and help create new voluntary sector organisations, to strengthen and capacity build the voluntary, community and faith sector in Merton for the benefit of the residents they serve
- Work in partnership with Merton Chamber of Commerce and donors including Wimbledon Foundation, Clarion Futures, MOAT housing, LBM, CCG and the National Lottery Community Fund (NCLF) to administer funds through Merton Giving
- Continue successful delivery of Social Prescribing in line with the Social Prescribing contract, supporting all 22 GP practices, across all 6 Primary Care Network (PCN) areas of the borough
- Directly contribute to, and be part of the transition team influencing the development of the Integrated Care System (ICS) structure at borough and South West London (SWL) level. ICS formally replaces CCG on 1 July 2022
- Play an active part in the Merton Health and Care Together Board and support initiatives that support the voluntary sector in conjunction with LBM and CCG (now ICS)
- Progress the delivery of practical steps to open the Wellbeing Hub at the Wilson Hospital, in partnership with the Steering Group, the CCG and Public Health team at LBM
- Position Healthwatch Merton as an exemplar consumer health champion

Our strategic aims looking forward to 2022/23 are summarised in the MVSC Annual Review (2021/22):

Core Services:

- Building the capacity of third sector organisations in Merton.
- Facilitating co-operation.
- Partnership working.

MERTON VOLUNTARY SERVICE COUNCIL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

STRATEGIC DIRECTION

Some changes in our strategic direction and some key highlights for the year are as follows:

Trustee Board

Due to further resignations of trustees, two new trustees were formally appointed at the AGM held on 25 March 2022. Asha Newsum and Jen Goddard were formally appointed as new trustees and bring excellent experience to complement existing trustees.

New Trading Name for MVSC

MVSC is now using its trading name of Merton Connected. The name was quickly adopted by partners and has been a successful re-branding exercise. There remains no immediate intention to change MVSC as the formal legal entity.

Wilson Wellbeing initiative

Funding for refurbishment work in support of the Wellbeing Hub was secured from CCG and work was successfully carried out, improving the facility for customers. The facility was required as a vaccination centre, so the wellbeing plans have needed to be delayed. Further funding has however been secured from CCG to support the active development of wellbeing activities through to the end of 2023.

Social Prescribing

MVSC were successful in being awarded a year 3 contract in October 2021 for the team of 10 Social Prescribers supporting the 22 GP surgeries in the borough. In addition to adapting to more remote service delivery during the pandemic, the team continue to exceed contract requirements. Green Social Prescribing has been developed during 2022 and innovative outdoor based activity will be supported with LBM funding to further develop the breadth of options to residents receiving support.

Merton Giving Fund

Merton Giving continues to go from strength to strength, with three successful phases of main grant giving since April 2020 to support organisations through the pandemic. The Merton Giving website has been enhanced and all organisations receiving grants are summarised within the different phases. During this year we have appointed a Grants Manager.

MERTON VOLUNTARY SERVICE COUNCIL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

ACHIEVEMENT AND PERFORMANCE

Each year the Charity develops an annual review, which details the key highlights and achievements to date. These accounts should be read in conjunction with that review.

CORE SERVICES

Providing support to voluntary, community, faith, and social enterprise organisations:

MVSC continues to provide significant support to other organisations, including:

- Using the reach of our website and regular e-bulletin, Merton Connected which has a distribution of **658**, to ensure voluntary and community sector organisations are kept up to date with local news, funding and volunteering opportunities.
- Provision of over an estimated **1500** hours of one-to-one support sessions to local voluntary, community, and faith sector organisations on a variety of topics including, governance, safeguarding, income generation and quality standards.

Supporting organisations to achieve over **£961,366** of funding from a range of funders, excluding any additional funds via Merton Giving. We also supported organisations with applications to the borough's holiday activities and food clubs (HAF Funding) where local organisations were awarded in total over **£200,000** to provide a variety of holiday activities and food programmes during the principle school holidays – Easter, Summer and Christmas.

- Volunteering support with over 267 (198 registered through our new website) local individuals who have signed up to our volunteering database, receiving 42 weekly volunteering opportunity bulletins. Working with 16 organisations to develop 21 new volunteering roles and 85 volunteering opportunities. Recruited 9 Trustees for 5 local organisations and worked with 3 local employers on employee volunteer programmes.

Build social capital by supporting, developing, and recognising organisations, supporting volunteering and community action:

Enhancing the diversity of social capital is key to MVSC activities and support provided to local organisations. Examples include:

- Supporting 9 new organisations with their registration with regulatory bodies, either the Charities Commission or Companies House.
- 33 organisations have undergone comprehensive organisational healthchecks and received intensive 1-2-1 sessions over an extended period. This includes 8 organisations piloting the Merton Step-Up Quality Assurance Award funded by Wimbledon Foundation. Support has included, strategic and financial governance (legal compliance), policy development, business planning, service delivery, income generation, monitoring & evaluation
- Coordinating 11 training workshops and CPD events for the sector. Introduction to safeguarding, Gangs and County lines, contextual safeguarding in Merton, Overview of DBS Policy & Procedure, Roles and Responsibilities of Trustees, Introduction to Volunteering; your rights, roles and responsibilities; Bystander training; Pediatric First Aid, Understanding and Implementing Covid Restrictions and infection, Wimbledon Foundation meet the Funder workshop.

Identify changing and emerging need and respond with expertise and influence:

Evolving the services we provide to respond to the needs of organisations and the wider operating environment. Examples include:

- Working with LBM and health colleagues to support several initiatives to engage even more successfully with communities and individuals to improve understanding and engagement with proactive health initiatives. Initiatives include Community Champions, and for 2022-23, Vaccination Champions, Core 20 Connectors and Health on the High Street
- Contributing and influencing policy at borough level and across the wider health agenda locally, representing the views and issues of the sector, by senior team member presence on key boards, such as the Merton Health and Care Together Board.
- Continuing to strengthen links between the business sector, statutory and other funders to sustain the longevity of the Merton Giving programme, including supporting a Merton Giving 3-year Cornerstone bid to help the longer-term development of the Merton Giving programme, including supporting the principle of participatory panels.

MERTON VOLUNTARY SERVICE COUNCIL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

ACHIEVEMENT AND PERFORMANCE

CORE SERVICES - continued

Promote, support and develop liaison, advocacy, joint working and strategic partnership between sectors:

Being a strong advocate of partnership working and the power of collaboration. Examples include:

- CEO membership of the transition team for the Integrated Care System (ICS) that replaces the Clinical Commissioning Group (CCG) in July 2022. Including working with the 5 other CVS organisations across South West London (SWL) to promote ideas of how structurally the voluntary sector can provide insight and influence to future NHS priorities and funding at borough and neighbourhood level.
- Supporting partnership and collaborative working between voluntary and public sector organisations. For example, taking a lead role in the Lunch Club/Community Café initiative and how it links to wider food provision at borough level.

CONTRACTED SERVICES

Healthwatch Merton

MVSC continued to deliver the Healthwatch functions in Merton. Highlights included:

- **Making a difference** – We directly influenced and supported development of 5 different borough wide strategies seeking to improve local Health and Social Care services for residents, each with a clear focus on how it supports tackling local inequalities. We provided 12 monthly e-bulletins with a total of **3,848** subscriber opens all containing a wealth of information on local and wider key information, promotion of events, health and social care wellbeing sessions, development and improvements, engagement opportunities, and much more. We published 2 reports focusing on long covid from local people's experiences.
- **Reaching out** – **5,568** people engaged with us this year through social media, e-bulletins, planned sessions, with us at online community events and through using our website to find the advice and information they need and to be involved in local discussions. We heard directly from **497** people about their health and social care experience which feeds into helping shape and improve local Health and Care services locally.
- **Volunteers** – We were supported by a team of 13 amazing volunteers who are the heart of Healthwatch Merton giving us **576** volunteering hours. Thanks to their efforts in supporting us and the community, we are better able to understand what is working and what needs improving in NHS and Social Care.

Home Visits Library Service

We continued to run a home visits library service throughout Merton where volunteers deliver library books to those who are unable to visit the library.

- 14 volunteers have supported **85** housebound residents, investing over **515** estimated volunteer hours to deliver **943** deliveries, including an important keep in touch service during the pandemic.
- A quote from a beneficiary of the service *"I always look forward to receiving my book deliveries... they make me feel more connected to the world"* - Evelyn – **HVLS beneficiary**
- A quote from a volunteer *"It gives one a warm feeling knowing you are bringing pleasure to a vulnerable resident"* **Anthony** – **Volunteer Delivery Driver for the HVLS**

MERTON VOLUNTARY SERVICE COUNCIL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

ACHIEVEMENT AND PERFORMANCE - continued

Social Prescribing

MVSC has been delivering and developing the Social Prescribing model since 2017. 2021/22 highlights include:

- The Merton Social Prescribing (SP) team has received 2615 new referrals between April 2021 and March 2022. The top reasons for referrals have been **930** referrals for Mental Health, Social Isolation with **500** referrals and **776** new referrals for Financial, Housing and Benefits Advice.
- The SP team is using the ONS Wellbeing Score to document patients' wellbeing improvements. Between April 2021 and March 2022, the ONS Patient Wellbeing Score improved by **68%**. 2246 patients completed the ONS Wellbeing Tool:
 - Satisfaction, **70%**
 - Worthwhile, **64%**
 - Happiness, **69%**
 - Decreased Anxiety, **67%**
- The pre-pandemic data from December 2019 to April 2020 recorded an average ONS Patient Wellbeing Score improvement by **85%**. The comparison of the pre-pandemic and end-pandemic data indicates a drastic deterioration of patients' wellbeing and a decline of the ONS Wellbeing Score by **16%**. As a response to these developments, Merton Connected has progressed increased capacity for Mental Health support and Financial Advice in Merton, using funds provided by the CCG.
- MVSC are contracted to deliver a target utilisation rate of 80%, which equals 560 hours of delivered appointments each month. The SP team has been strongly over-performing in 5 of the last 6 months of the 2021-22 financial year. The average performance over the year was **88.58%**, 10% above target.

PARTNERSHIPS

Merton Giving

MVSC continues with the place-based giving initiative through a partnership with Merton Chamber of Commerce and the highlights of 2021/22 are summarised:

- During this financial year, the Merton Giving Fund had two active funds open for applications; The Merton Giving Renewal Fund and The Merton Giving Pandemic Community Outreach Fund, which sat alongside and complemented one another.
- **The Merton Giving Renewal Fund** supported organisations on their path to recovery, sustainability, and renewal, whilst continuing the commitment to support organisations striving to meet the immediate needs of residents most affected by the pandemic. This fund included an allocation of devolved funding from the National Lottery Community Fund. **58 grants** were made to **53 distinct organisations** through five panels, a total of **£365,333**.
- **The Merton Giving Pandemic Community Outreach Fund** was focused on improved local engagement around health promotion including testing and vaccine confidence and convenience amongst key communities in the local community as well as combatting complacency. **12 grants** were made, a total of **£21,690**.
- During the year, Merton Giving joined Givings Together, a collaboration of 6 local place-based giving schemes in London funded by The Cornerstone Fund. Stage One, which took place from September 2021 to February 2022, was to explore how participatory grant-making might disrupt unfair and unequal systems and structures in funding. Participatory grantmaking is about shifting decision-making powers around how funding is allocated, from the funder to the local communities the funds are designed to support. The collaboration submitted a bid for Stage Two of the work which will be a 3-year plan focusing on implementing participatory approaches to grantmaking.

Age UK Merton and Wimbledon Guild

MVSC works with Age UK Merton (Lead Partner) and Wimbledon Guild to assist with the borough's Community Response Hub

- Using the jigsaw project to further support the successful continuation of the Community Hub in conjunction with building increased capacity for referrals from Social Prescribing and the Community Hub, with support that can benefit both patients and residents seeking support.

MERTON VOLUNTARY SERVICE COUNCIL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

CURRENT PERFORMANCE PRIORITIES

The Covid-19 pandemic still impacted the 2021/22 financial year. Priorities moving into the 2022/23 financial year include:

- Continued support of the growth and resilience of the local Voluntary, Community and Faith sector to emerge strongly from the pandemic, including for some with options of delivering services to residents in different ways.
- Further close working with the LBM and ICS teams, in particular, to fully recognise and utilise the strength, insight and commitment of the voluntary sector to support community groups. The example of support for Ukrainian guests in the borough is a great example of collaborative and constructive joint coordination to the benefit of residents.
- Ongoing partnering to support the Merton Giving programme to underpin resilience in the sector. More details in the future plans section.
- Taking a strong lead on behalf of the Voluntary, Community and Faith sector to both influence and ultimately benefit as the Integrated Care System (ICS) enters its transitional year starting on 1 July 2022. To organise communications and forums to inform and listen to sector opportunities and concerns, including working in tandem with Healthwatch Merton.
- To further develop Healthwatch Merton impact in helping to promote user voices in tackling health inequalities in the borough.
- Continue to be a leading Social Prescribing organisation, not just in the borough, but as an exemplar performer by any measure, sharing best practice and expertise regionally and nationally.

MERTON VOLUNTARY SERVICE COUNCIL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

MVSC's MISSION

To inspire and develop an excellent voluntary and community sector in Merton

MVSC's Objects are:

1. To promote any charitable purposes for the benefit of the public, principally but not exclusively in the local government area of the London Borough of Merton, in particular the advancement of education, the furtherance of health, and the relief of poverty, distress and sickness.
2. To build the capacity of third sector organisations and provide them with the necessary support, information, and services to enable them to pursue or contribute to any charitable purpose.
3. To promote, organise and facilitate co-operation and partnership working between third sector, statutory and other relevant bodies in the achievement of the above purposes within the area of benefit.

The Annual Review covers another challenging year where the Covid-19 pandemic has had a major influence on the activities of Merton Connected (MVSC). Importantly we have continued to support local voluntary, community and faith organisations who provide essential local services to Merton residents.

PLANS FOR 2022/23

Despite such a challenging year, we have been able to set up and support new organisations and continue with a range of assistance for existing organisations, including helping them to produce successful applications to the Merton Giving scheme and other funding activities.

The **Core Services Team** have invested time in an asset-based model of community development, looking at what assets already exist within communities/neighbourhoods and building upon them to improve the health, wellbeing and resilience of local residents.

- Carters Close Estate
- West Barnes
- Phipps Bridge
- Mitcham
- Central Mitcham Neighbourhood (Sadlers, Armfield Crescent, Laburnum, Eastfields estates,)
- Cricket Green Neighbourhood (Vestry Hall, Canons HSE and Wilson Wellbeing Centre)
- Lavender Field
- Pollards Hill

Asset maps will be used to produce 'Out & About in your Neighbourhood' information for local residents, as well as information for professionals and agencies working and delivering services in the locality.

Work has taken place with the development of a Young People's Foundation for Merton, which will build on and formalise local cross sector partnership and collaborative working to deliver activities and services for the benefit of local children and young people.

The extension of the Step-Up programme supported by Wimbledon Foundation, will enable the core service team to continue to provide a localised, foundation level Quality Assurance Framework for a further cohort of small Merton based organisations.

Canons Community Café and Youth Enterprise project - supporting the development of a Voluntary Sector partnership to provide a six-month pop-up community café at Canons house, for the benefit of local people using the facilities of the park and grounds. It will additionally provide an exclusive Youth café one evening a week, offering a safe space for local young residents to congregate, whilst also offering access to a variety of services on a rotating timetable. Additionally, the café will be offering a structured, accredited programme of work experience for vulnerable local young people, targeting those furthest from accessing such opportunities.

Healthwatch Merton has maintained its outreach activity to ensure the voice of health and social care service users are able to influence how services develop going forward.

MERTON VOLUNTARY SERVICE COUNCIL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

PLANS FOR 2022/23 - continued

Merton Giving has launched the Building Resilience Fund on the 15 July 2022, with the first panel date 28 September 2022. The fund will focus on addressing issues identified as those needing support in the borough in addition to those vulnerabilities arising and exacerbated by the economic crisis and the continued effect of the pandemic. This is especially relevant given the fast pace of change in our current environment. The fund will remain focused on addressing needs in the near term for a period of up to 12 months. The three themes of this fund are as follows:

- **Financial Wellbeing and Resilience** – Supporting financially vulnerable residents to help withstand the cost-of-living increases and manage debt issues to increase their knowledge and capability to help them towards a better financial footing. This could encompass both preventative and remedial work covering, but not limited to provision of/signposting to financial information and advice and practical, hands-on support.
- **Food Insecurity** – Supporting residents facing food insecurity, especially during the winter months, through increasing organisational capacity, for example via work which increases the number of volunteers and/or improves areas such as logistical support resulting in efficient allocation of food surpluses.
- **Health & Wellbeing** – Work to build resilience to support those facing food insecurity and fuel poverty to help protect the wellbeing of residents which could include, for example, being physically and socially active, increasing volunteer participation to build capacity and connecting communities. This theme extends to supporting residents to successfully access the appropriate health services at the appropriate times to ensure physical and mental well-being.

Our development of **Social Prescribing** continues, within ongoing support for the 22 GP Practices across Merton. The current emergence of Green Social Prescribing is an exciting new development which the team is supporting. In keeping with the trailblazing ethos of social prescribing in Merton, an innovative pilot will be undertaken to move into secondary care, by providing a Social Prescriber Link Worker in the Pain Clinic at St Helier hospital.

Our Social Prescribing team will also continue to promote the success of the Merton model to other boroughs in London and nationally, to remain a key contributor to the continuing growth of the success of social prescribing nationally.

In July 2022 the Integrated Care System (ICS) replaced the Clinical Commissioning Group (CCG). As the ICS develops there will be more locally commissioned health-based services, with more focus on local community delivery. Over time we expect the ICS to include an increasing number of local third sector organisations supporting the direct delivery of front-line health and care services. This approach will further address and help to remedy health inequalities and will build on the successful involvement of local organisations and volunteers who, for example, successfully supported the Covid-19 vaccination programme.

Collaboration and partnership-working have been, and will continue to be, a common thread through all the activities of Merton Connected. We are grateful for all the great support and partnership working we enjoy with statutory, business and third sector organisations and their teams, which enables Merton Connected to deliver maximum impact within the local community.

Through a further challenging year, the financial position of the organisation has improved significantly, in particular in respect of the level of unrestricted reserves. Although there is potential pressure on all existing and potentially new funding lines in the future, continued improved utilisation of process and systems will help MVSC to maintain its reputation for supporting success within the sector. As ever, the principles of collaboration and partnership working will continue to underpin the ethos of Merton Connected (MVSC).

MERTON VOLUNTARY SERVICE COUNCIL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL REVIEW

Financial Statements

The financial statements, including the notes, have been prepared in compliance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102). The analysis of income and expenditure reflects the classification of activities, together with costs relating to administration.

Statement of Financial Activities

The Statement of Financial Activities is shown on page 20 with a more detailed analysis of income and expenditure within the notes to the financial statements. Total incoming resources for the year increased to £1,418,518 (2021: £1,483,083). Grants and contract income for this year was £1,351,753 (2021: £1,367,568) this is split between £754,244 (2021: £698,502) unrestricted funding, £597,509 (2021: £669,066) restricted funding and also a range of grant funds which MVSC manages on behalf of the public sector, including holding and distributing funds. The total of these grants for distribution to third parties is recognised as restricted income, however it is worthwhile noting that these funds are not used in direct charitable expenditure rather given to organisations as grants. During this year the total of this income was £258,500 (2021: £357,324). Full details are shown in Note 5, page 26.

Donations this year have decreased to a pre-pandemic level of £7,415 (2021: £68,171). The large donation figure from the previous financial year was due to the Covid-19 pandemic and the fundraising efforts made within our Merton Giving scheme, which is run in partnership with the Merton Chamber of Commerce.

The total expenditure for the year was £1,500,928 (2021: £1,309,745). The increase of £191,183 is attributable primarily to the significant number of Grants Given to Local Organisations of £387,083 (2021: £338,162), details of which can be seen in Note 7.1, Direct Project Costs £156,510 (2021: £94,593) along with the costs of improving the organisation's IT systems and website and an increase in staff costs of £27,922.

The net effect of the above has led to an overall operating deficit of £82,410 before unrealised actuarial gains of £31,742 (2021: operating surplus of £173,338 before unrealised actuarial losses of £3,606). However, it should be noted that the operating deficit should be broken down as follows:

- Surplus on unrestricted funding - £69,420 (2021: Surplus £93,610)
- Deficit on restricted project funding - £29,976 (2021: Deficit £6,567)
- Deficit on restricted grant distribution funding - £121,854 (2021: Surplus £86,295) – this large variance is a timing difference of the distribution of grants to organisation as part of the Merton Giving Grant Scheme.

The focus should really be on the continued increase in the Charity's unrestricted reserves, which have increased again this year.

Balance Sheet

At the year end, the Charity has recorded a large unrealised actuarial gain of £31,742 in relation to the pension scheme, which has reduced the recorded deficit to £12,539 (2021: £59,283). Full details of this liability can be found in Note 14, pages 30 and 31.

Overall reserves are £1,050,969 (2021: £1,101,637) with unrestricted reserves being £242,857 (2021: £141,873) after providing for the defined benefit pension liability of £12,539 (2021: £59,283). This represents another improvement on the organisations free reserves position.

Unrestricted reserves - £242,857 (2021: £141,873)

Unrestricted reserves are available to spend on activities that further any of the purposes of the Charity. Such costs can include programme, fund-raising, management, and administration as well as the cost of meeting any future shortfalls in restricted fund activities. These funds are the accumulated balances arising from cost savings and income generation relating to the core functions of MVSC. They also include sums budgeted by the Board of Trustees to be set aside to meet known future cost threats.

The Board of Trustees considers that the total of accumulated unrestricted reserves needs to be sufficient to ensure:

- The full funding of adverse changes in income and unavoidable increases in costs which otherwise would result in an overall in-year deficit.
 - That the core of the organisation can be sustained for up to 6 months should all funding from projects be lost and that it has sufficient resources to cease operations in an orderly and efficient manner should this be required.
 - The funding of the Pension Deficit repayment that would need to be met in the event of the organisation closing.
-

MERTON VOLUNTARY SERVICE COUNCIL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL REVIEW - continued

Restricted Reserves - £808,112 (2021: £959,764)

These funds represent grants and contract sums provided to MVSC to fund specific expenditure in agreed areas of work. They are the outstanding amounts waiting to be spent. They cannot be used for any other purpose without the agreement of the grantor or contracting commissioner.

The balance on restricted reserves can be sub-divided into:

- Restricted project reserves - £37,344 (2021: £67,142)
- Restricted grant distribution reserves - £770,768 (2021: £892,622)

The largest restricted balance item at 31 March 2022 is the MVSC 2025 Fund which was £724,667 (2021: £759,160) – received in 2021 from the Sutton & Merton CCG's Charitable Fund. Expenditure from this Fund will be small grants and assistance to local voluntary organisations providing services within the Borough of Merton to residents and patients. This programme is managed through Merton Giving, and during the current year grants of a total of £34,493 have been issued. Full details of all restricted funds can be seen in Notes 23 and 24.

Reserves Policy

The Board of Trustees reviews the reserves policy annually and seeks to maintain a minimum balance of unrestricted reserves equivalent to six months of budgeted core net operating costs (including the uncovered pension deficit under FRS102). This equals £157,761 for this financial year.

Currently unrestricted reserves at the year-end are £255,396, less £12,539 set aside for the future pension liability repayments, giving a net unrestricted free reserves figure of £242,857, a surplus of £85,096 over the minimum target unrestricted reserves figure of £157,761.

This substantial balance of unrestricted reserves will enable MVSC to manage future financial and operational risk in its growing programme of guidance and assistance to the local community within the Borough of Merton.

Unrestricted funds also need to be set aside for future major investment (e.g., systems and equipment and other infrastructure assets). There are no plans for making such investments at the date of this Trustee's Report. No part of the balance of unrestricted funds has been designated for a particular purpose by the Board of Trustees.

To ensure the minimum impact on Reserves MVSC adopts the following principles in relation to ongoing project funding:

- Firstly all annual Budgets only include estimates for grant income, whether for unrestricted or restricted purposes, if they are supported at minimum by a draft agreement with the funder.
- When specific project funding ends the associated staffing expenditure and direct overheads incurred in running the project will also cease. There will be no call on unrestricted reserves.
- In exceptional circumstances where Trustees expressly wish that activity is to continue and have a reasonable expectation that new funds will be received, unrestricted reserves may be used to sustain posts for a limited period.
- An allowance for redundancy costs for all project staff are included in project funding budgets to avoid the need to fund redundancy costs from general reserves.

MVSC does not consider its fixed assets to be freely convertible and does not include the value of fixed assets in its calculation of working capital.

The Board of Trustees will continue to monitor the effectiveness of its Reserves Policy so that it remains relevant to its current and future position. The next formal review of the reserves policy will be undertaken at the February 2023 Board meeting. However, because the Charity operates in a constantly changing environment the Trustees throughout the year regularly review the Charity's balances of reserves, together with cash flow levels to ensure prudent management of its funds.

Details of the various reserves and their movements are set out in more detail in Note 23, 24 and 25 on pages 34 to 40.

MERTON VOLUNTARY SERVICE COUNCIL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL REVIEW - continued

Going Concern

Looking ahead the trustees are aware of the emerging problems in the local and national economy and the potential impact on:

- MVSC's funders
- the viability of local voluntary and charitable organisations and
- the health and wellbeing of the vulnerable people in our community.

In parallel to economic and climate concerns Covid-19 is still impacting on the community as new variants emerge, creating more pressure on public and voluntary services providers.

The Board of Trustees is of the view that forecast expenditure to 31 March 2023 will be fully funded from currently approved grants and contracts and from reasonably expected future funding from the same and similar sources. The Board notes the increased risk cover available from MVSC's available unrestricted reserves at 31 March 2022, although it is of the view that these are unlikely to be required to fund any service deficits in 2022/23.

Looking further ahead into 2023, 12 months from the date of the Audit of these 2021/22 Accounts (as required by International Standards on Auditing ISA 570 (Revised)), the Board of Trustees remains confident that the Charity will continue to be the "go to" organisation for major funders seeking to prudently channel funds to front-line voluntary organisations in the Borough of Merton. The smaller voluntary organisations can better reach and provide services to vulnerable local communities and individuals, but many require advice and support from MVSC/Merton Connected to enable them to deliver their service efficiently and effectively.

The Board of Trustees is confident that direct public funding to MVSC, including Healthwatch and Social Prescribing services, will continue for 2023/24 through the Council's Strategic Partnership 3-year funding programme and the NHS Integrated Care Systems programme. Funding from independent charitable trusts is also expected to continue for specific projects and purposes.

Forecasting the economic and public service environment beyond 2023/24 is more difficult but the Board of Trustees is confident that MVSC will continue to receive grants from the Council and the NHS at a similar level in future years. By keeping a close eye on MVSC's core costs and ensuring project costs match grant budgets the Board of Trustees has every reason to be confident in our medium-term viability.

Investment Policy and Objectives

The Board of Trustees seeks to retain a prudent sum of cash in the Bank Current Account sufficient to cover two months gross income on unrestricted activities and one month's income on restricted activities. For 2021/22 this required an average balance £166,400. The excess over this sum was placed in a short-term investment account, which offered more security than a current account and a marginally better rate of interest. Current account cash is managed to ensure availability to meet the short-term net budgeted expenditure needs and grant giving requirements.

Currently these excess funds are placed with Charity Offices Investment Fund (COIF) under their Charities Deposit Fund scheme. COIF is registered with the Financial Conduct Authority under the Financial Services and Markets Act 2000 (FSMA) and is an ethical investor. Aside from retaining a prudent amount in reserves each year, the Trustees conduct a review of the investment policy for MVSC on an annual basis.

Average interest rates paid on balances throughout 2021/22 were insignificant. It is likely in 2022/23 and 2023/24 that interest rates will regularly rise in small increments. The Board of Trustees will regularly review treasury management needs and policy as rates change.

When the Board of Trustees needs to make long-term investment decisions it will seek professional advice on the most appropriate and financially beneficial course of action.

MERTON VOLUNTARY SERVICE COUNCIL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL REVIEW - continued

Grant making policy

The Charity makes grants to a wide range of organisations who are either based in the London Borough of Merton and neighbouring or adjoining areas or have strong relationships in these areas with a proven track record of benefitting residents. We are particularly keen to help grassroots community groups and small-to-medium-sized voluntary organisations. We would always consider a proposal that has the potential to achieve substantial impact in our community and furthers our charitable objectives.

The Charity is not solely a grant making organisation. To ensure proper governance, the Board of Trustees have developed a grant making policy that sets out the principles, criteria and processes that govern how the Charity defines and makes grants. This includes when and to whom authority for making grants may be delegated and how information is reported back to the Board of Trustees.

All grant programmes are administered through Merton Giving, the organisation's charitable initiative with the Merton Chamber of Commerce. This initiative gives both groups applying for funding, and donors making contributions, a single point of reference. Criteria and process are described for each grant programme on Merton Giving's website and decisions are made by delegated panels to published timelines. <https://mertongiving.co.uk>.

MERTON VOLUNTARY SERVICE COUNCIL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

Trustees Responsibilities

The Trustees (who are also the directors of Merton Voluntary Service Council for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

Company law requires the Charity's Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2019 (FRS102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to Disclosure of Information to Auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Myrus Smith was re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

Small Companies

This Trustees report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved on behalf of the Board of Trustees on 27 September 2022

Brian Dillon - Chair and Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERTON VOLUNTARY SERVICE COUNCIL

Opinion

We have audited the financial statements of Merton Voluntary Service Council (the 'charitable company') for the year ended 31 March 2022, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERTON VOLUNTARY SERVICE COUNCIL

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERTON VOLUNTARY SERVICE COUNCIL

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but, is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance about actual and potential litigation or claims and the identification of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including testing journal entries and other adjustments for appropriateness; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Professional scepticism in course of the audit and with audit sampling in material audit areas.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed

Kevin Fisher BA FCA CTA (Senior Statutory Auditor)
For and on behalf of Myrus Smith
Chartered Accountants and Statutory Auditors
Norman House
8 Burnell Road
Sutton
Surrey
SM1 4BW

27 September 2022

MERTON VOLUNTARY SERVICE COUNCIL

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

	Notes	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	2021 Total Funds £
INCOME					
Donations	2	495	6,920	7,415	68,171
Income from charitable activities	5				
Grants and contracts		754,244	597,509	1,351,753	1,367,568
Other trading activities					
Other income	4	58,962	-	58,962	46,899
Investments	3	<u>388</u>	<u>-</u>	<u>388</u>	<u>445</u>
Total Income		814,089	604,429	1,418,518	1,483,083
EXPENDITURE					
Charitable activities:	6				
Expenditure on Activities		<u>744,669</u>	<u>756,259</u>	<u>1,500,928</u>	<u>1,309,745</u>
Total Expenditure		<u>744,669</u>	<u>756,259</u>	<u>1,500,928</u>	<u>1,309,745</u>
Operating (Deficit)/Surplus		69,420	(151,830)	(82,410)	173,338
Actuarial gains/(losses) on defined benefit scheme	14	<u>31,742</u>	<u>-</u>	<u>31,742</u>	<u>(3,606)</u>
NET INCOME		101,162	(151,830)	(50,668)	169,732
Transfers between funds		<u>(178)</u>	<u>178</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS	24	<u>100,984</u>	<u>(151,652)</u>	<u>(50,668)</u>	<u>169,732</u>
RECONCILIATION OF FUNDS					
TOTAL FUNDS BROUGHT FORWARD		<u>141,873</u>	<u>959,764</u>	<u>1,101,637</u>	<u>931,905</u>
TOTAL FUNDS CARRIED FORWARD		<u>242,857</u>	<u>808,112</u>	<u>1,050,969</u>	<u>1,101,637</u>

All income and expenditure is derived from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 23 to 41 form part of these financial statements

MERTON VOLUNTARY SERVICE COUNCIL**BALANCE SHEET
AT 31 MARCH 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible assets	16	14,526	16,140
Tangible assets	17	-	<u>1,272</u>
		14,526	17,412
CURRENT ASSETS			
Debtors	18	299,537	206,419
Cash at bank		<u>1,085,661</u>	<u>1,143,336</u>
		1,385,198	1,349,755
LIABILITIES			
Creditors: Amounts falling due within one year	19	(340,784)	(221,249)
		<u>1,044,414</u>	<u>1,128,506</u>
NET CURRENT ASSETS			
		1,044,414	1,128,506
TOTAL ASSETS LESS CURRENT LIABILITIES		1,058,940	1,145,918
PENSION LIABILITY	20	(7,971)	(44,281)
		<u>1,050,969</u>	<u>1,101,637</u>
NET ASSETS			
		1,050,969	1,101,637
TOTAL FUNDS OF THE CHARITY	23/24		
Unrestricted funds		242,857	141,873
Restricted funds		<u>808,112</u>	<u>959,764</u>
TOTAL FUNDS		<u>1,050,969</u>	<u>1,101,637</u>

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board of Trustees on **27 September 2022** and signed on its behalf by:

.....
Brian Dillon - Chair and Trustee

.....
Ben Wilkins – Honorary Treasurer and Trustee

The notes on pages 23 to 41 form part of these financial statements

MERTON VOLUNTARY SERVICE COUNCIL

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Net cash provided by operating activities	<u>(58,063)</u>	<u>97,164</u>
	(58,063)	97,164
Cash flows from investing activities		
Interest from Investments	388	445
Purchase of intangible assets	<u>-</u>	<u>(16,140)</u>
Net cash provided by investing activities	<u>388</u>	<u>(15,695)</u>
Change in cash and cash equivalents	<u>(57,675)</u>	<u>81,469</u>
Cash and cash equivalents at the start of the year	<u>1,143,336</u>	<u>1,061,867</u>
Cash and cash equivalents at the end of the year	<u>1,085,661</u>	<u>1,143,336</u>
Reconciliation of net movement in funds to net cash flow from operating activities		
	2022 £	2021 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(50,668)	169,732
Adjustments for:		
Add back depreciation charge	2,886	1,271
Interest from investments	(388)	(445)
(Increase) in debtors	(93,118)	(94,189)
Increase in creditors	119,535	32,191
(Decrease) in pension charge	<u>(36,310)</u>	<u>(11,396)</u>
Net cash used in operating activities	<u>(58,063)</u>	<u>97,164</u>
Analysis of cash and cash equivalents		
	2022 £	2021 £
Bank and cash in hand	1,085,661	1,143,336
Total cash and cash equivalents	<u>1,085,661</u>	<u>1,143,336</u>

The notes on pages 23 to 41 form part of these financial statements

MERTON VOLUNTARY SERVICE COUNCIL

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

1. ACCOUNTING POLICIES

Company status

Merton Voluntary Service Council is a charitable company limited by guarantee and registered in England and Wales. The registered office and company registration number are detailed on page 1.

Basis of preparation

Merton Voluntary Service Council meets the definition of a public benefit entity under FRS 102.

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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are presented in sterling, which is the functional currency of the Charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Preparation of the accounts on a going concern basis

The financial statements are prepared on a going concern basis under the historical cost convention modified to include certain items at fair value. The Trustees have made this assessment considering the Charity's unrestricted reserves, secured funding going forward and current and planned activities.

Income

All income is recognised in the Statement of Financial Activities when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably. Income received in advance of a project or other specified service is deferred until the criteria for income recognition are met (see Note 21).

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of engaging professionals to support with preparation of funding bids.
- Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the Charity and their associated support costs.

Donated services and facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP 2019 (FRS 102), the general volunteer time contributed is not recognised and refer to the Trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Other expenditure represents those items not falling into any other heading.

Allocation of support costs

Expenditure includes those costs of a direct nature, which can be allocated to a specific activity. It also includes indirect costs, including governance costs that do not relate to a specific activity but are necessary to support those activities. Support costs are apportioned on the basis of staff time.

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support MVSC's charitable activities.

MERTON VOLUNTARY SERVICE COUNCIL

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

1. ACCOUNTING POLICIES – continued

Pension costs and other post-retirement benefits

The Charity contributes 5% to a defined contribution pension scheme for all of its employees. Contributions payable to the Charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Please refer to Note 14 for further details on Pension arrangements.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

Fund accounting

The unrestricted funds are available to spend on activities that further any of the purposes of Charity. Designated funds are unrestricted funds of the Charity, which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations, which the donor has specified, are to be solely used for particular areas of the Charity's work or for specific projects being undertaken by the Charity or funds, which are raised for particular restricted purposes.

Corporation Taxation

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Intangible fixed assets

Intangible fixed assets include the development of a new website and database. The estimated useful years and amortisation method of the intangible assets are calculated on a straight-line basis as follows:

Asset Category	Annual Rate
Website	10% on cost
Database	10% on cost

Tangible fixed assets

Individual fixed assets costing £2,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight-line basis as follows:

Asset Category	Annual Rate
Computer and office equipment	33% on cost

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank in hand

Cash at bank and cash in hand includes cash 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.

Creditors and provisions

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.

Financial instruments

The Charity only has financial assets and financial liabilities 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 with the exception of bank loans, which are subsequently measured at amortised cost using the effective interest method.

Operating leases

The Charity classifies the lease of the offices in Vestry Hall as operating leases; rental charges are charged on a straight-line basis over the term of the lease.

MERTON VOLUNTARY SERVICE COUNCIL

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

2. INCOME FROM DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	<u>7,415</u>	<u>68,171</u>
	<u>7,415</u>	<u>68,171</u>

Income from Donations was £7,415 (2021: £68,171) of which £495 was unrestricted (2021: £55) and £6,920 was restricted (2021: £68,116).

3. INVESTMENT INCOME

	2022	2021
	£	£
Interest received	<u>388</u>	<u>445</u>

All of the Charity's investment income of £388 (2021: £445) arises from money held in interest bearing deposit accounts and is unrestricted.

4. INCOME EARNED FROM OTHER ACTIVITIES

	2022	2021
	£	£
Service Income	54,405	41,107
Other income	<u>4,557</u>	<u>5,792</u>
	<u>58,962</u>	<u>46,899</u>

Income earned from other activities was £58,962 (2021: £46,899) of which £58,962 was unrestricted (2021: £46,899) and £nil was restricted (2021 £nil).

MERTON VOLUNTARY SERVICE COUNCIL

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

5. INCOME FROM CHARITABLE ACTIVITIES

Grants and contract received are as follows:

	2022	2021
	£	£
Unrestricted		
Comm Hub Jigsaw Model Research Project	33,538	-
Community Links Bromley	13,938	8,000
Good Things Foundation Contract	3,650	5,913
LBM – Covid-19 Community Response Hub	8,209	38,689
LBM – Notional Rent	37,949	37,949
LBM – Strategic Partner Fund Contract	175,000	175,000
LBM – Volunteering in Libraries Contract	17,500	17,750
London Sport Satellite Club	20,000	-
Merton Clinical Commissioning Group – Social Prescribing Contract	428,023	410,701
Others	<u>16,437</u>	<u>4,500</u>
	<u>754,244</u>	<u>698,502</u>
Restricted – Project based		
City Bridge Trust – Development Work Grant	33,833	61,500
City Bridge Trust – Merton Giving Grant	52,834	54,917
GLA – Young Londoners Fund Local Networks Grant	39,900	36,825
LBM - Community Accountancy and Merton Giving Support	40,275	-
LBM – Healthwatch Grant	125,000	125,000
LBM – Your Merton Engagement	20,000	-
Trust for London Grant	-	13,500
Wimbledon Foundation Grant	<u>27,167</u>	<u>20,000</u>
	339,009	311,742
Restricted - Grants for third parties		
Clarion Futures	-	40,000
LBM – Merton Partnership Community Giving Grants	116,500	262,324
Moat Homes Limited	-	25,000
National Lottery Community Fund	142,000	-
Wimbledon Foundation	<u>-</u>	<u>30,000</u>
	258,500	357,324
Total Restricted	<u>597,509</u>	<u>669,066</u>
	<u>1,351,753</u>	<u>1,367,568</u>
Total Income from Charitable Activities	<u>1,351,753</u>	<u>1,367,568</u>

MVSC manages a range of grant funds on behalf of the public sector, including holding and distributing funds. The total of these grant funds is recognised in restricted income, shown above, however it is worthwhile noting that these funds are not used in direct charitable expenditure rather given to organisations as grants. During this year the total of this income was £258,500 (2021: £357,324).

MERTON VOLUNTARY SERVICE COUNCIL

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

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct Charitable Expenditure	Support Costs	Total	Total
	2022	2022	2022	2021
	£	£	£	£
General Activities	670,969	73,700	744,669	652,291
City Bridge Trust – Development Work	38,082	2,333	40,415	58,028
City Bridge Trust – Merton Giving	49,520	3,210	52,730	56,310
Greater London Volunteering – Young Londoner	31,015	4,830	35,845	35,572
LBM – Community Accountancy and MG Support	31,692	4,150	35,842	-
LBM - Healthwatch	99,780	24,394	124,174	117,791
LBM - Quality Assurance	12,438	-	12,438	3,325
LBM - Your Merton Engagement Project	20,000	-	20,000	-
Merton CCG – Social Prescribing	22,104	-	22,104	15,066
Trust for London	2,222	-	2,222	13,528
Voluntary Sector Small Grant Development	387,274	-	387,274	339,145
Wimbledon Foundation – Step up	7,741	115	7,856	18,689
Wimbledon Foundation – Skill up	13,759	1,600	15,359	-
	<u>1,386,596</u>	<u>114,332</u>	<u>1,500,928</u>	<u>1,309,745</u>

Of the total expenditure of £1,500,928 (2021: £1,309,745), £756,259 was in respect of restricted funds (2021: £657,454) and £744,669 was in respect of unrestricted funds (2021: £652,291).

7. DIRECT CHARITABLE EXPENDITURE

	2022	2021
	£	£
Staff and related costs	702,672	715,189
Direct Project costs	156,510	94,593
Grants Given (details Note 7.1)	387,023	338,162
Premises and hall hire costs	41,054	42,450
Office costs	60,963	37,647
Professional fees and other costs	38,374	22,599
	<u>1,386,596</u>	<u>1,250,640</u>

MERTON VOLUNTARY SERVICE COUNCIL

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

7.1. GRANTS GIVEN

The following institutions were given cumulative grants in the year:

	2022	2021
	£	£
Accoutre Centre for Learning CIC	10,000	5,000
AFC Wimbledon Foundation	-	10,415
African Educational Cultural Health Organisation	-	5,000
Ashdon Jazz Academy	2,790	6,789
Association for the Polish Family	16,438	5,400
ATS Creative Academy CIC	14,450	5,158
Attic Theatre Company (London) Limited	9,948	6,385
Avanti Mental Well Being CIC	10,000	-
Chabad Lubavitch of South London	5,000	-
Commonside Community Development Trust	13,650	7,160
The Endeavour Club	10,000	-
Ethnic Minority Centre Limited	11,855	8,254
Fayre & Square Wimbledon	-	7,515
Filmanthropy CIC	10,000	-
Five Aside Theatre CIC	10,391	-
Focus 4 1 CIC	7,000	5,000
Free2B Alliance CIC	9,000	-
FROG Learning CIC	5,325	-
Girls into Coding CIC	10,000	-
Hearts and Minds	-	15,000
Inner Strength Network CIC	10,870	5,000
Jigsaw4U	-	11,695
Jus 'T' Learn (formerly MSJ Student Charity)	7,380	8,176
Kiddicode Project	10,000	-
Lantern Arts Centre	7,505	7,315
Maggie Keswick Jencks Cancer Caring Centres	4,990	6,720
Merton and Mitcham Division Girlguiding	-	5,000
Merton and Morden Guild	-	8,500
Merton Centre for Independent Living	5,124	5,386
Merton Community Transport	-	21,756
Merton Home Tutoring Services	-	5,000
Merton Voluntary Association for the Blind	9,915	-
Mitcham Town Community Trust	5,000	6,500
Positive Network Community Project	10,981	10,000
Safe Ground	9,335	-
Sherwood Park Hall CIC	6,600	8,407
Somali Community CIC	-	9,678
Sonoro	16,850	-
South London Tamil Welfare Group	2,000	6,045
Springfield Advice and Law Centre Limited	10,000	-
Studio Upstairs	14,871	-
Sustainable Merton	13,042	10,000
The Salvation Army (in Mitcham)	6,744	-
The Walk and Talk Movement CIC	8,150	-
Tooting and Mitcham Community Sports Club Ltd	-	12,500
Unique Talent CIC	9,084	6,800
Uptown Youth Services	10,000	-
Wimbledon Community Chorus	6,000	-
Women Arise Ministries Global	5,000	-
Wood World Missions	6,680	-
Other Small grants of up to £5,000 were made to 15 institutions (2021:39)	<u>35,055</u>	<u>96,608</u>
	<u><u>387,023</u></u>	<u><u>338,162</u></u>

MERTON VOLUNTARY SERVICE COUNCIL**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****8. SUPPORT COSTS**

	2022	2021
	£	£
Staff and related costs	64,987	30,193
Premises and hall hire costs	9,044	2,405
Office costs	24,003	11,309
Professional fees and other costs	13,166	11,907
Governance costs	<u>3,132</u>	<u>3,291</u>
	<u>114,332</u>	<u>59,105</u>

9. GOVERNANCE COSTS

	2022	2021
	£	£
Audit fees	3,096	3,024
Committee & Strategic Planning costs	<u>36</u>	<u>267</u>
	<u>3,132</u>	<u>3,291</u>

10. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2022	2021
	£	£
Audit fees	3,096	3,024
Operating lease rentals	41,857	41,857
Amortisation and depreciation	<u>2,886</u>	<u>1,271</u>

11. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	603,606	577,773
Social security costs	53,422	51,286
Pension costs	<u>24,880</u>	<u>24,927</u>
	<u>681,908</u>	<u>653,986</u>

One employee had employee benefits in excess of £60,000 (2021: 1). Pension costs are allocated to activities in proportion to the related staffing costs incurred.

The Charity Trustees were not paid or received any other benefits from employment with the Charity in the year (2021: £nil) neither were they reimbursed expenses during the year (2021: £nil). No Charity trustee received payment for professional or other services supplied to the Charity (2021: £nil).

The key management personnel of the Charity are detailed on page 3 of the accounts.

The total employee remuneration of the key management personnel of the Charity was £76,953 (2021: £66,897). Under FRS 102, total employee benefits include gross pay, benefits in kind, employer's national insurance contributions and employers pension costs.

MERTON VOLUNTARY SERVICE COUNCIL

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

12. STAFF NUMBERS

The average monthly number of employees (including casual and part time staff) during the year was as follows:

	2022	2021
	Numbers	Numbers
Senior Management Team	4	4
Other Direct Charitable Staff	<u>14</u>	<u>14</u>
	<u>18</u>	<u>18</u>

13. TRANSACTIONS AND RELATED PARTIES

There were no related party transactions during the year or the previous year, other than the remuneration of key management personnel set out in Note 11.

14. PENSION COSTS

The charitable company has a defined contribution pension scheme, which all employees are entitled to join. Previously, the charitable company operated a defined benefit scheme, which is now closed to new members. This is a multi-employer scheme operated by TPT Retirement Solutions and, whilst it is not possible to estimate the share of the assets and liabilities of the scheme attributable to Merton Voluntary Service Council, TPT Retirement Solutions has estimated that the employers' debt on withdrawal liability at the most recent annual funding update of 30 September 2021 would have been £101,722. (30 September 2020: £175,666).

Every three years, the Trustee of TPT Retirement Solutions undertakes a full valuation of the Plan and makes a thorough assessment of the funding position before undertaking any action as deemed appropriate. A full actuarial valuation for the scheme was carried out at 30 September 2020 and it reported that the Plan's deficit had reduced to £31.6m from £131.5m at 30 September 2017.

The Trustee, following advice from the Actuary, has now implemented a new recovery plan. Under the new plan, the total deficit contributions due from employers will reduce from 1 April 2022 and each employer's share of the new amount will continue to be based on its own percentage share of the Plan's liabilities. The deficit contributions will be £3.312m per annum from 1 April 2022. No annual increase will be applied to these contributions and the recovery plan will remain unchanged, with an end date of 31 January 2025.

The Charity's Trustees consider that it is unlikely that any liability will crystallise in relation to this in the foreseeable future. Under FRS102, provision is required for the net present value of any agreed deficit recovery plan contributions relating to the Plan.

During the year ended 31 March 2022, payments have continued to be made in accordance with this plan and the provision for the net present value of deficit contributions was £12,539 (2021: £59,283).

MERTON VOLUNTARY SERVICE COUNCIL

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

14. PENSION COSTS - continued

The amounts recognised in the statement of financial activities are as follows:

	2022	2021
	£	£
Net interest from net defined asset/liability	<u>342</u>	<u>1,579</u>
	<u>342</u>	<u>1,579</u>

Changes in the present value of the defined benefit obligation are as follows:

	2022	2021
	£	£
Defined benefit obligation	(59,283)	(70,242)
Contribution by scheme participants	15,002	14,565
Interest Cost	(342)	(1,579)
Re-measurement from changes in financial assumptions	288	(2,027)
Re-measurement from amendments to the contribution scheme	<u>31,796</u>	<u>-</u>
	<u>(12,539)</u>	<u>(59,283)</u>

The amounts recognised in other recognised gains and losses are as follows:

	2022	2021
	£	£
Actuarial gains/(losses)from changes in financial assumptions	<u>31,742</u>	<u>(3,606)</u>
	<u>31,742</u>	<u>(3,606)</u>

	2022	2021
	£	£
Discount rate	<u>2.35%</u>	<u>0.66%</u>

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

15. CORPORATION TAX

As a registered charity MVSC is exempt from Corporation Tax in respect of its investment and charitable income and in respect of capital gains.

MERTON VOLUNTARY SERVICE COUNCIL

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

16. INTANGIBLE FIXED ASSETS

	Website £	Database £	Totals £
COST			
At 1 April 2021	10,200	5,940	16,140
Additions	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2022	<u>10,200</u>	<u>5,940</u>	<u>16,140</u>
AMORTISATION			
At 1 April 2021	-	-	-
Charge for year	<u>1,020</u>	<u>594</u>	<u>1,614</u>
At 31 March 2022	<u>1,020</u>	<u>594</u>	<u>1,614</u>
NET BOOK VALUE			
At 31 March 2022	<u>9,180</u>	<u>5,346</u>	<u>14,526</u>
At 31 March 2021	<u>10,200</u>	<u>5,940</u>	<u>16,140</u>

17. TANGIBLE FIXED ASSETS

	Computer & Office equipment £	Totals £
COST		
At 1 April 2021	36,601	36,601
Additions	<u>-</u>	<u>-</u>
At 31 March 2022	<u>36,601</u>	<u>36,601</u>
DEPRECIATION		
At 1 April 2021	35,329	35,329
Charge for year	<u>1,272</u>	<u>1,272</u>
At 31 March 2022	<u>36,601</u>	<u>36,601</u>
NET BOOK VALUE		
At 31 March 2022	<u>-</u>	<u>-</u>
At 31 March 2021	<u>1,272</u>	<u>1,272</u>

MERTON VOLUNTARY SERVICE COUNCIL

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

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	227,521	121,033
Accrued Income	45,137	55,008
Prepayments	<u>26,879</u>	<u>30,378</u>
	<u>299,537</u>	<u>206,419</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	104,933	68,456
Funds held on behalf of other organisations	93,312	24,782
Other creditors	5,812	3,097
Accrued expenses	9,096	3,183
Deferred income	123,063	106,729
Pensions	<u>4,568</u>	<u>15,002</u>
	<u>340,784</u>	<u>221,249</u>

20. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2022 £	2021 £
Pension liabilities	<u>7,971</u>	<u>44,281</u>
	<u>7,971</u>	<u>44,281</u>

21. DEFERRED INCOME

	Balance Brought Forward £	Applied In Year £	Deferred In Year £	Balance Carried Forward £
Deferred Income	<u>106,729</u>	<u>(115,729)</u>	<u>132,063</u>	<u>123,063</u>
	<u>106,729</u>	<u>(115,729)</u>	<u>132,063</u>	<u>123,063</u>

22. OPERATING LEASE COMMITMENTS

Total future minimum lease payments for non-cancellable operating leases are as follows:

	2022 £	2021 £
Expiring:		
Within one year	41,857	41,857
Between one and five years	59,297	101,154
More than five years	<u>-</u>	<u>-</u>
	<u>101,154</u>	<u>143,011</u>

The above commitments include service charges as well as rent.

MERTON VOLUNTARY SERVICE COUNCIL

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

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Current year information for the net assets between funds:

	Unrestricted Funds	Restricted Funds	2022 Total Funds	2021 Total Funds
	£	£	£	£
Fixed assets	14,526	-	14,526	17,412
Current assets	301,618	1,083,580	1,385,198	1,349,755
Current liabilities	(60,748)	(275,468)	(336,216)	(206,247)
Pension liability < 1 year	(4,568)	-	(4,568)	(15,002)
Pension liability > 1 year	(7,971)	-	(7,971)	(44,281)
	<u>242,857</u>	<u>808,112</u>	<u>1,050,969</u>	<u>1,101,637</u>

Comparative year information for the net assets between funds:

	Unrestricted Funds	Restricted Funds	2021 Total Funds	2020 Total Funds
	£	£	£	£
Fixed assets	16,140	1,272	17,412	2,543
Current assets	240,195	1,109,560	1,349,755	1,174,097
Current liabilities	(55,179)	(151,068)	(206,247)	(174,493)
Pension liability < 1 year	(15,002)	-	(15,002)	(14,565)
Pension liability > 1 year	(44,281)	-	(44,281)	(55,677)
	<u>141,873</u>	<u>959,764</u>	<u>1,101,637</u>	<u>931,905</u>

MERTON VOLUNTARY SERVICE COUNCIL

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

24. MOVEMENT IN FUNDS – Current Year

	At 1/4/21 £	Net movement in funds £	Transfers between funds £	At 31/3/22 £
Unrestricted funds				
General fund	201,156	69,420	(15,180)	255,396
Pension fund	<u>(59,283)</u>	<u>31,742</u>	<u>15,002</u>	<u>(12,539)</u>
	141,873	101,162	(178)	242,857
Restricted funds				
Capacity Building - Trust for London	2,222	(2,222)	-	-
City Bridge Trust – Development Work	6,423	(6,582)	159	-
City Bridge Trust – Merton Giving	1,958	104	-	2,062
GLA – Young Londoners Network	3,582	4,055	-	7,637
LBM – Community Accountancy Support	-	4,433	-	4,433
LBM – Healthwatch	9,790	826	-	10,616
LBM – Quality Assurance	12,419	(12,438)	19	-
Merton Giving Grant Distribution Fund	133,462	(87,361)	-	46,101
Social Prescribing Project	29,559	(22,104)	-	7,455
Sutton and Merton CCG - MVSC 2025 fund	759,160	(34,493)	-	724,667
Wimbledon Foundation - Merton Skill-Up	1,189	(1,189)	-	-
Wimbledon Foundation - Merton Step-Up	<u>-</u>	<u>5,141</u>	<u>-</u>	<u>5,141</u>
	<u>959,764</u>	<u>(151,830)</u>	<u>178</u>	<u>808,112</u>
TOTAL FUNDS	<u><u>1,101,637</u></u>	<u><u>(50,668)</u></u>	<u><u>-</u></u>	<u><u>1,050,969</u></u>

MERTON VOLUNTARY SERVICE COUNCIL

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

24. MOVEMENT IN FUNDS – Current Year

Net movement in funds for the current year are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	814,089	(744,669)	-	69,420
Pension fund	<u>-</u>	<u>-</u>	<u>31,742</u>	<u>31,742</u>
	<u>814,089</u>	<u>(744,669)</u>	<u>31,742</u>	<u>101,162</u>
Restricted funds				
Capacity Building - Trust for London	-	(2,222)	-	(2,222)
City Bridge Trust – Development Work	33,833	(40,415)	-	(6,582)
City Bridge Trust – Merton Giving	52,834	(52,730)	-	104
GLA – Young Londoners Network	39,900	(35,845)	-	4,055
LBM – Community Accountancy Support	40,275	(35,842)	-	4,433
LBM – Healthwatch	125,000	(124,174)	-	826
LBM – Quality Assurance	-	(12,438)	-	(12,438)
LBM – Your Merton Engagement	20,000	(20,000)	-	-
Merton Giving Grant Distribution Fund	265,420	(352,781)	-	(87,361)
Social Prescribing Project	-	(22,104)	-	(22,104)
Sutton and Merton CCG - MVSC 2025 fund	-	(34,493)	-	(34,493)
Wimbledon Foundation - Merton Skill-Up	6,667	(7,856)	-	(1,189)
Wimbledon Foundation - Merton Step-Up	<u>20,500</u>	<u>(15,359)</u>	<u>-</u>	<u>5,141</u>
	<u>604,429</u>	<u>(756,259)</u>	<u>-</u>	<u>(151,830)</u>
TOTAL FUNDS	<u>1,418,518</u>	<u>(1,500,928)</u>	<u>31,742</u>	<u>(50,668)</u>

MERTON VOLUNTARY SERVICE COUNCIL

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

24. MOVEMENT IN FUNDS – Previous Year

Comparative year information:

	At 1/4/20 £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
Unrestricted funds				
General fund	122,111	93,610	(14,565)	201,156
Pension fund	<u>(70,242)</u>	<u>(3,606)</u>	<u>14,565</u>	<u>(59,283)</u>
	51,869	90,004	-	141,873
Restricted funds				
Capacity Building - Trust for London	2,250	(28)	-	2,222
City Bridge Trust – Development Work	2,951	3,472	-	6,423
City Bridge Trust – Merton Giving	3,351	(1,393)	-	1,958
GLA – Young Londoners Network	2,329	1,253	-	3,582
LBM – Healthwatch	2,581	7,209	-	9,790
LBM – Merton Partnership Community Giving	47,167	-	(47,167)	-
LBM – Quality Assurance	15,744	(3,325)	-	12,419
Merton Giving Grant Distribution Fund	-	86,295	47,167	133,462
Social Prescribing Project	44,625	(15,066)	-	29,559
Sutton and Merton CCG - MVSC 2025 fund	759,160	-	-	759,160
Wimbledon Foundation - Merton Skill-Up	<u>(122)</u>	<u>1,311</u>	<u>-</u>	<u>1,189</u>
	<u>880,036</u>	<u>79,728</u>	<u>-</u>	<u>959,764</u>
TOTAL FUNDS	<u><u>931,905</u></u>	<u><u>169,732</u></u>	<u><u>-</u></u>	<u><u>1,101,637</u></u>

MERTON VOLUNTARY SERVICE COUNCIL

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

24. MOVEMENT IN FUNDS – Previous Year

Net movement in funds for the comparative year are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	745,901	(652,291)	-	93,610
Pension fund	-	-	(3,606)	(3,606)
	<u>745,901</u>	<u>(652,291)</u>	<u>(3,606)</u>	<u>90,004</u>
Restricted funds				
Capacity Building - Trust for London	13,500	(13,528)	-	(28)
City Bridge Trust – Development Work	61,500	(58,028)	-	3,472
City Bridge Trust – Merton Giving	54,917	(56,310)	-	(1,393)
GLA – Young Londoners Network	36,825	(35,572)	-	1,253
LBM – Healthwatch	125,000	(117,791)	-	7,209
LBM – Quality Assurance	-	(3,325)	-	(3,325)
Merton Giving Grant Distribution Fund	425,440	(339,145)	-	86,295
Social Prescribing Project	-	(15,066)	-	(15,066)
Sutton and Merton CCG - MVSC 2025 fund	-	-	-	-
Wimbledon Foundation - Merton Skill-Up	20,000	(18,689)	-	1,311
	<u>737,182</u>	<u>(657,454)</u>	<u>-</u>	<u>79,728</u>
TOTAL FUNDS	<u>1,483,083</u>	<u>(1,309,745)</u>	<u>(3,606)</u>	<u>169,732</u>

MERTON VOLUNTARY SERVICE COUNCIL

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

25. FUNDS

RESTRICTED FUNDS

The surpluses/deficits on restricted funds arise because of timing differences where funding has been received in advance of expenditure and will be utilised over the duration of the relevant projects. The restricted funds recognised in these accounts were provided for the following purposes:

Name of restricted fund	Description, nature and purposes of the fund
Capacity Building – Trust for London	To enhance the knowledge and skills of local BAME organisations with regards to housing, planning and regeneration issues, enabling them to better support their members and BAME residents to present and campaign on the issues that affect them. The underspend on this fund was used to continue the project work which was delayed by the pandemic.
City Bridge Trust – Development Work	This project provided organisational development support to voluntary sector organisations in the borough, to enable them to grow and maximise their impact upon the local community. This funding finished in October 2021.
City Bridge Trust – Merton Giving	This element of the City Bridge Trust funding provides funding to both MVSC and Merton Chamber of Commerce to jointly generate income and arrange subsequent grant funding rounds through the Merton Giving Fund. The funding targets and outcomes have been over-achieved as a result of the continued activity of the Merton Giving Coronavirus Fund and its successors.
Greater London Authority – Young Londoner Network Project	YLF Network project is a three-year programme supported by the Mayor of Londoners fund, aimed at building the capacity and quality of Voluntary Sector youth provision across the South West London sub-region. Through training, peer support, partnership and collaboration the programme seeks to ensure Young People across the sub-region have a variety of good quality activities and projects to participate in that will help them to achieve and develop into well balanced, civically active, adults. This project has been extended to 31 December 2022 by the funder.
LBM – Community Accounting Support	As part of the work done within the Merton Giving team, we have also supported organisations with community accountancy during the application process.
LBM - Healthwatch	Healthwatch is the consumer champion for health and social care services in Merton.
LBM – Merton Quality Assurance	We secured funding from London Borough of Merton to provide quality assurance and partnership support for the voluntary sector.
LBM – Your Merton Engagement	The London Borough of Merton undertook an extensive programme of engagement with citizens, partners, businesses and local VCS organisations to help develop a new long-term vision for the borough. Part of this programme was to ask VCS organisations to undertake engagement with their users, members and volunteers. Small grants were made available for VCS organisations who will be facilitating Your Merton engagement, and this was managed by MVSC.

MERTON VOLUNTARY SERVICE COUNCIL

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

25. FUNDS – continued

Name of restricted fund	Description, nature and purposes of the fund
Merton Giving Grant Distribution Fund	Current year grant funding was received from London Borough of Merton and The National Lottery Community Fund, along with donations from other charitable trusts, public donations and fundraising events. This funding was then used to support local organisations in the borough in the way of grants through the Merton Giving scheme.
Social Prescribing Project	Merton Council and Merton CCG provided MVSC with funding to run a project, which connected patients at three East Merton GP practices with services in the community provided by voluntary organisations. Grant funding ended in September 2019 and a new expanded social prescribing contract was negotiated with the CCG from October 2019. The remaining balance on the 2019 fund will be used for future work within Social Prescribing in the borough.
Sutton and Merton CCG - MVSC 2025 fund	These funds were transferred to MVSC in February and March 2020 from an 'umbrella' charity managed by the Sutton and Merton CCGs. The transferred funds will be managed by MVSC and channelled through Merton Giving as grants to voluntary organisations and other not-for-profit bodies within the Borough of Merton to provide services with a focus on supporting residents and patients accessing local health and wellbeing services. In particular MVSC will be promoting the development of social prescribing services throughout the borough and undertaking other activities, taking advice from the local Primary Care Networks.
Wimbledon Foundation – Merton Skill-Up	MVSC have provided a programme of targeted support to local organisations to improve their skills and knowledge in a range of areas, including governance and their ability to raise funds.
Wimbledon Foundation – Merton Step-Up	The Merton Step-up programme was conceived as a natural progression to the Merton Skill-up project (a capacity building project funded by Wimbledon Foundation for a three-year period). Its aim is to provide a coherent and structured framework to support organisations evolution and ratify that they have met at least a foundation level of quality in terms of organisational governance and service delivery. The pilot programme has been used to respond to inequalities exposed by the pandemic, engaging with small local organisations who have either themselves been disproportionately affected by the pandemic and/or whose beneficiaries have been so (these include three local community centres, two of who are new and the third is undertaking a fundamental review of their organisation). Eight organisations have been supported to date in the programme and Wimbledon Foundation have agreed funding to continue into the 2022/23 financial year.

MERTON VOLUNTARY SERVICE COUNCIL

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

26. CAPITAL COMMITMENTS

The Charity has authorised and contracted for expenditure of £Nil. The Charity has authorised but not contracted for expenditure of £Nil in its capital budget for the upcoming year.

27. CONTINGENT ASSETS

Total grant funding awarded as at 31 March but not yet received and recognised as income due to the recognition criteria not being met amounts to £200,995 (2021: £558,700).

28. LEGAL STATUS OF THE CHARITY

Merton Voluntary Service Council is a private company (Company No: 04164949) incorporated in Great Britain and registered in England and Wales. The company is limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity. The address of the registered office is given in the Legal and Administrative Information on page 1.