



# **SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED**

## **Board of Directors/Trustees Report and Main Financial Statements**

**for the year ended 31<sup>st</sup> March 2015**



*Registered Charity Number 1079460  
Registered Company Number 03786826*



**SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED**  
**(a company limited by guarantee)**

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**Please note this is a summary of our published 2014/15 Annual Accounts. You can view a full copy of our published 2014/15 Annual Accounts (including the "Notes to the Financial Statements") via the Charity Commission's web-site "[www.gov.uk/government/organisations/charity-commission](http://www.gov.uk/government/organisations/charity-commission)", quoting our Registered Charity Number 1079460.**



**SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED**  
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**LEGAL AND ADMINISTRATIVE INFORMATION**

<b>The Board of Directors/ Trustees</b>	Mr F Arrojo Mr R Dawson Mr J Haskell Mrs B Persaud Fr. J Fairhead Revd. K Tekyi-Ansah Mrs M Steele Revd. G Thomas Mrs J Watts Mr B Bumbridge Mrs S Wells	Chairman (as from 30 April 2014) Chairman (up to 30 April 2014) Treasurer  Appointed on 25 April 2014  Appointed on 27 February 2015 Resigned on 24 September 2014 Resigned on 28 June 2014
<b>Company Secretary</b>	Mr N White Mr G P Kieran	Appointed on 25 June 2015 Resigned on 25 June 2015
<b>Chief Executive</b>	Mr N White	Appointed on 25 June 2015
<b>Registered Office</b>	809 Harrow Road Wembley Middlesex HA0 2LP	Tel. no. 020 8908 1220
<b>Auditor</b>	Somers Baker Prince Kurz LLP Chartered Accountants and Chartered Certified Accountants Premier House 45 Ealing Road Wembley Middlesex HA0 4BA	
<b>Bankers</b>	Central Finance Board of the Methodist Church CCLA Investment Management Limited (COIF Charity Funds) HSBC Bank plc (Wembley) Barclays Bank plc (Harrow) Monmouthshire Building Society	
<b>Company Number</b>	03786826 (Registered in England and Wales)	
<b>Charity Number</b>	1079460 (Registered in England)	

**SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED**  
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**BOARD OF DIRECTORS/TRUSTEES REPORT**  
**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2015**

The members of the Board of Trustees (who are also Directors for Companies Act purposes) present their report together with the financial statements for the charitable company for the year ended 31 March 2015.

**Structure, Governance and Management**

**Legal and administrative information**

The legal and administrative information relating to the charitable company is set out on page 1.

**Governing Document**

Sudbury Neighbourhood Centre (Middlesex) Limited is a charitable company, limited by guarantee without any share capital, incorporated on 10 June 1999 and registered as a charity on 18 February 2000.

The company was established under a Memorandum of Association which laid down the objects and powers of the charitable company, and is governed under its Articles of Association. In the event of the company being wound up, each voting member is required to contribute an amount not exceeding £10.

**Appointment of Directors/Trustees**

The directors of the company are also charity trustees for the purposes of charity law. At the Annual General Meeting (AGM), in accordance with the Articles of Association, one-third of the trustees shall retire and are eligible for re-election at the same AGM if desired.

**Trustee induction and training**

The Directors/Trustees are already familiar with the practical work of the charitable company. Prospective new Directors/Trustees are encouraged to attend Board of Trustees meetings to familiarise themselves with the charitable company and the context within which it operates.

**Organisation**

As indicated above, the charitable company is governed by a Board of Directors/Trustees, which is responsible for setting the strategic direction of the organisation and for establishing policy. Matters, including decisions and future development to further the charitable company's objectives, are discussed and decided at Board meetings upon the general consensus of agreement from the Board. Failing such consensus then the Articles of Association allow for a majority vote to decide a particular matter. The Board of Directors/Trustees who acted during the year and up to the date of this report are shown on page 1.

The Board of Directors/Trustees meets on a regular basis throughout the year. During 2014/15 the Board of Directors/Trustees met on 10 separate occasions.

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Day-to-day management is devolved to the Chief Executive (as from 25 June 2015), who reports to each Board meeting. Up until 25 June 2015, day-to-day management was devolved to the Centre Manager.

As at 31 March 2015 there were a total of 18 members of staff employed (6 full-time, 9 part-time and 3 casual members of staff) to achieve the charitable company's objectives.

### *Volunteers*

The charitable company cannot forget or ignore the excellent volunteering supporters (including the Friends of Sudbury Neighbourhood Centre) who generously give their time, skills and experience, and without whom the charitable company could not operate. These number approximately 20 in total from local churches and the community, carrying out many regular weekly duties and on special outings. Some volunteers also support the work with fund-raising and donations, as do local churches. The Friends of Sudbury Neighbourhood Centre provide practical support and fund-raising for special purposes. The work and support of all the volunteers is much appreciated by our clients, our staff team and the Board of Directors/Trustees.

It is often forgotten that the Board of Directors/Trustees are also volunteers. The trustees give up their valuable time to meet regularly throughout the year, and are committed to making the necessary changes required for the charitable company to become financially stable.

### **Related parties**

The charitable company has a close relationship with Sudbury Methodist Church, St. Andrew's Church, St. George's Church and the Friends of Sudbury Neighbourhood Centre. Some of the directors/trustees are also associated with these churches and the Friends of Sudbury Neighbourhood Centre.

### **Risk management**

The risks that may have an impact on the functions of the charitable company are monitored and reviewed by the Board of Directors/Trustees and Chief Executive. These include major governance, operational, financial, reputational and legal risks. Where appropriate this has resulted in systems and procedures being updated to both mitigate these risks and improve the performance of the charitable company.

### **Principal Activities and Objectives**

The principal objectives of the charitable company is companionship and friendship via the provision of a community service in the area for the general benefit of the inhabitants of the surrounding communities, enhancing their quality of life (and their families and friends).

These objectives are achieved through the provision of a range of services, including day care, a luncheon club, transportation (using specially adapted vehicles), and welfare rights advice. This includes the support services of various activities including community art classes, community computer classes, music therapy, keep fit classes,

## **SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED** **(a company limited by guarantee)**

outings and other socialising activities, access to professional services (including chiropodist) and to church services.

The principal aims are carried out in association with a range of partners, including privately funded clients, and also with Brent Council in accordance with a specification for services, the amount of which is listed in the financial statements.

### **Achievements**

The main service offered by the charitable company (Sudbury Neighbourhood Centre) is a specialist day care community service. Sudbury Neighbourhood Centre caters for the older adults in the surrounding communities it serves, including the lonely, vulnerable, disabled and housebound, which is why it offers a transportation service (with access to 3 specially adapted vehicles).

People of all ages and of all faiths (or none) attend Sudbury Neighbourhood Centre, in need of a day out from their home environment or whose family carers need a day of respite. During the year ended 31 March 2015, Sudbury Neighbourhood Centre delivered a total of 4,614 equivalent full day-care sessions. A full day-care session is when a client spent an equivalent of 5 hours at Sudbury Neighbourhood Centre, which included a varied programme of activities and a two-course meal.

Of the clients that enjoyed the day at Sudbury Neighbourhood Centre approximately 52% of them were living with dementia, and approximately 18% were living with a learning disability. Sudbury Neighbourhood Centre is keen to continue to manage the mixture of clients so that all local inhabitants, regardless of age, disability and medical condition, can continue to enjoy the services provided, thereby extending their mobility and leading more secure, comfortable and dignified lives.

In addition Sudbury Neighbourhood Centre continued to deliver a fantastically wide range of services available to all which included activity groups, a luncheon club, tutored classes (including computer), a wide range of day trips and social events (including celebrating St Patrick's Day and Diwali), assisted bathing facilities, hair dressing salon and a range of health and wellbeing services.

### **Financial and Performance overview**

#### *Financial overview*

In the year to 31 March 2015 the charitable company had a deficit of £94,327 before actuarial losses of £34,000 as detailed in the Statement of Financial Activities on page 7. Incoming resources amounted to £394,038 and resources expended amounted to £488,365.

At 31 March 2015 the charitable company had total fund balance of £331,274. This comprised £479,674 unrestricted funds (excluding the defined benefit pension reserve), £256,000 the defined benefit pension reserve (deficit) and £107,600 restricted funds.

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The charitable company's defined benefit pension scheme shows a deficit of £256,000 as at 31 March 2015. The deficit is expected to be cleared over a 15 year recovery period, by increasing contributions payable by the charitable company and its staff. The Board of Directors/Trustees have identified this as a major risk and are seeking professional advice on the options available on how best to manage this.

The Board of Directors/Trustees recognise that it needs to manage its current level of reserves of unrestricted and restricted funds. This is done in the context of the main risks the charitable company is exposed to, which include the current financial climate, the continuous pressures placed on social services budgets, its increasing costs and its defined benefit pension scheme.

*Fixed assets*

Fixed assets acquired during the year amounted to £570 and assets originally costing £9,394 were disposed of.

*Reserves Policy*

The Board of Directors/Trustees aim to hold 3 months budgeted expenditure in general funds against possible loss of funding streams, and this policy is continually reviewed.

*Performance overview*

The major source of revenue generated by the charitable company is on its community day care services, which caters for both privately funded clients and clients who qualify for support from Brent Social Services. This generated total revenues of £200,802 (including the luncheon club), as shown on page 7.

As mentioned above a total of 4,614 equivalent full day-care sessions was delivered and Table 1 below shows how many of these clients were either privately funded or received financial assistance from Brent Council.

Table 1 (Full day care sessions provided for each quarter of 2014/15)

	<b>Qtr 1</b>	<b>Qtr 2</b>	<b>Qtr 3</b>	<b>Qtr 4</b>	<b>Total sessions delivered</b>	<b>Target *</b>
Clients funded by Brent Council	519	507	481	498	2,005	
Privately funded clients	726	761	594	528	2,609	
<b>TOTAL</b>	1,245	1,268	1,075	1,026	4,614	

\* Target based on providing 25 full day care sessions per day

Table 1 confirms the charitable company did not achieve its target of delivering the equivalent of 25 full day-care sessions per day. The board of trustees have recognised the urgent need for the charitable company to adapt to the ever changing financial climate, especially on day care service provision with local councils no longer being able



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to afford to pay for day care places via block contract arrangements, which had already come to an end.

Furthermore the Board of Directors/Trustees identified other major areas of increasing costs that required further consideration, which included the charitable company's transportation service, its luncheon club service, and the defined benefit pension scheme.

All of this underlies both the performance and consequential financial challenges facing the charitable company. Consequently the Board of Directors/Trustees commissioned a review of the charitable company's operations during the latter half of 2014. The key recommendation of the review resulted in the creation and appointment of a new Chief Executive post on 25 June 2015. The charitable company has taken action to re-engage with its key stakeholders, partners, and supporters in the community and begun to modernise its back-office functions, systems and procedures.

The Board of Directors/Trustees continue to seek professional advice in seeking to significantly improve the level of incoming resources the charitable company is able to generate, whilst at the same time significantly reduce the charitable company's expenses. Work on this continues.

The charitable company will continue to depend on donors who have supported its activities in the past and will also approach new potential donors. The charitable company would like to express its gratitude to its donors, members, trustees and volunteers who have generously given their time and effort and contributed towards the charitable company's activities and objectives.

The services offered by the charitable company continues to be an invaluable life-line, resource, friend and helping hand to the inhabitants of the surrounding communities. In particular the vulnerable and elderly inhabitants as well as their families and friends, as is demonstrated by the comments received.

**"Dear SNC, all the staff and drivers of your very well run centre. I will never forget your kindness to my sister and hope I can support your centre when you have special"**

**"To all the staff at Sudbury Neighbourhood centre, Cynthia, carers, drivers, catering staff and volunteers, Thank you for taking care of mum and dad so well over the last 2 ½ years, you all do a fantastic job and I know mum and dad will miss you all very much ..."**

**"Dear Cynthia and staff, Thank you all very much for making me feel so welcome. I have really enjoyed my time at the centre and will be sad to leave..."**

The Board of Directors/Trustees are committed to taking the necessary action required to try and secure the financial stability and future sustainability of the charitable company, and continue to seek professional advice and taking action where appropriate.



**SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED**  
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**Statement of Financial Activities**  
**for the year ended 31 March 2015**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2015</b>	<b>2014</b>
	<b>Funds</b>	<b>Funds</b>		
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Incoming resources</b>				
<b>Incoming resources from generated funds:</b>				
Voluntary income:				
Donations and legacies	45,352	2,500	47,852	52,112
Activities for generating funds:				
Fundraising income	26,772	73,650	100,422	110,374
Letting income	1,320	-	1,320	960
Advertising income	1,025	-	1,025	1,300
Membership fees	1,920	-	1,920	2,020
Deposit interest	2,876	-	2,876	5,330
<b>Incoming resources from charitable activities:</b>				
Charges for lunch and day care services	200,802	-	200,802	166,700
Charges for transportation	31,241	-	31,241	35,095
Cost of outings recovered from clients	1,655	-	1,655	24,943
Income from other activities	925	-	925	1,681
<b>Other incoming resources:</b>				
Other finance income	4,000	-	4,000	8,000
<b>Total incoming resources</b>	<b>317,888</b>	<b>76,150</b>	<b>394,038</b>	<b>408,515</b>
<b>Resources expended</b>				
Costs of generating funds	22,089	-	22,089	36,696
Charitable activities	251,579	104,289	355,868	386,944
Governance costs	110,408	-	110,408	118,902
<b>Total resources expended</b>	<b>384,076</b>	<b>104,289</b>	<b>488,365</b>	<b>542,542</b>
<b>Net incoming/(outgoing) resources before transfers</b>	(66,188)	(28,139)	(94,327)	(134,027)
<b>Other recognised gains and losses</b>				
Actuarial losses on defined benefit pension scheme	(34,000)	-	(34,000)	(233,000)
<b>Net movements in funds</b>	(100,188)	(28,139)	(128,327)	(367,027)
<b>Fund balances brought forward</b>	<b>323,862</b>	<b>135,739</b>	<b>459,601</b>	<b>826,628</b>
<b>Fund balances carried forward</b>	<b>223,674</b>	<b>107,600</b>	<b>331,274</b>	<b>459,601</b>

There were no recognised gains or losses either in the current or preceding year other than those recorded in the statement of financial activities.

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**Balance Sheet**  
**as at 31 March 2015**

	2015		2014	
	£	£	£	£
<b>Fixed assets</b>				
Tangible assets		378,544		407,810
<b>Current assets</b>				
Debtors	13,649		11,813	
Cash at bank and in hand	214,179		270,454	
	227,828		282,267	
<b>Creditors: amounts falling due within one year</b>				
	(19,098)		(20,476)	
<b>Net current assets</b>		208,730		261,791
<b>Net assets excluding pension liability</b>		587,274		669,601
Defined benefit pension scheme liability		(256,000)		(210,000)
<b>Net assets including pension liability</b>		331,274		459,601
 <b>Reserves</b>				
Unrestricted funds				
General fund		479,674		533,862
Pension reserve (deficit)		(256,000)		(210,000)
		223,674		323,862
Restricted funds		107,600		135,739
		331,274		459,601

The directors' statements required by Sections 475(2) and (3) are shown on the following page which forms part of this Balance Sheet.

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**Cash Flow Statement**  
for the year ended 31 March 2015

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Cash Flow Statement</b>		
Net cash outflow from operating activities (note (a))	(62,821)	(128,163)
Returns on investments and servicing of finance		
Interest received	2,876	5,330
Other finance income	4,000	8,000
Purchase of tangible fixed assets	(570)	(10,633)
Disposal proceeds from disposal of tangible fixed assets	240	550
<b>Decrease in cash in the year</b>	<b>(56,275)</b>	<b>(124,916)</b>

**Notes to the Cash Flow Statement**

**(a) Reconciliation of net movements of funds to net cash outflow from operating activities**

	<b>£</b>	<b>£</b>
Net movement in funds	(128,327)	(367,027)
Interest received	(2,876)	(5,330)
Other finance income	(4,000)	(8,000)
Depreciation	29,836	31,387
Profit on disposal of tangible fixed assets	(240)	(107)
Decrease/(Increase) in debtors	(1,836)	18,020
(Decrease)/Increase in creditors	(1,378)	(7,106)
Increase in pension scheme liability	46,000	210,000
<b>Net cash outflow from operating activities</b>	<b>(62,821)</b>	<b>(128,163)</b>

**(b) Reconciliation of net cash flow to movement in net funds (note (c))**

	<b>£</b>	<b>£</b>
<b>Decrease in cash in the year</b>	<b>(56,275)</b>	<b>(124,916)</b>
<b>Net funds at 1 April 2014</b>	<b>270,454</b>	<b>395,370</b>
<b>Net funds at 31 March 2015</b>	<b>214,179</b>	<b>270,454</b>

**(c) Analysis of changes in net funds**

	<b>Opening balance</b>	<b>Cash flows</b>	<b>Closing balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	270,454	(56,275)	214,179

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