

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

Company Number 03786826

Charity Number 1079460

Directors'/Trustees' Report and Financial Statements

for the year ended 31 March 2016

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

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

Legal and Administrative Information

The Board of Directors/Trustees	Rev. G Thomas Mr F Arrojo Mr J Haskell Mrs B Persaud Fr. J Fairhead Rev. K Tekyi-Ansah Mrs J Watts Mrs M Steele	Acting Chair (as from 3 March 2016) Chair and trustee (up to 3 March 2016) Treasurer Resigned on 28 January 2016
Company Secretary	Mr N White Mr G P Kieran	Appointed on 25 June 2015 Resigned on 25 June 2015
Chief Executive	Mr N White	Appointed on 15 June 2015
Registered Office	809 Harrow Road Wembley Middlesex HA0 2LP	Telephone Number 020 8908 1220
Accountants	Somers Baker Prince Kurz LLP Chartered Accountants and Chartered Certified Accountants Premier House 45 Ealing Road Wembley Middlesex HA0 4BA	
Bankers	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	
Company Number	03786826 (Registered in England and Wales)	
Charity Number	1079460 (Registered in England)	

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED
(a company limited by guarantee)
Directors'/Trustees' Report
for the year ended 31 March 2016

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 2016.

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.

Director/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 2015/16 the Board of Directors/Trustees met on 9 separate occasions.

Day-to-day management is devolved to the Chief Executive (as from 15 June 2015), who reports to each board meeting. Up until 15 June 2015, day-to-day management was devolved to the Centre Manager.

As at 31 March 2016, there were a total of 14 members of staff employed (3 full-time, 9 part-time and 2 casual members of staff) to achieve the charitable company's objectives.

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Directors'/Trustees' Report for the year ended 31 March 2016

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.

The Board of Directors/Trustees are also volunteers. The directors/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. Over the year, the Centre also developed its relationship with other community groups, including the Sudbury Town Residents Association. Since the appointment of the Chief Executive in June 2015, the charity is continuing to develop an excellent working relationship with officers at Brent Council, including the Cabinet Member for Adult Social Care and the Commissioners.

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 activity 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, 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.

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED

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Directors'/Trustees' Report for the year ended 31 March 2016

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 2016, Sudbury Neighbourhood Centre delivered a total of 4,537 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 48% of them were living with dementia, approximately 5% were living with a learning disability and 10% with a stroke. 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, St Georges Day and Diwali), assisted bathing facilities, hair dressing salon and a range of health and wellbeing services. The Centre also holds an annual Garden Party in the summer, as well as hosting other events and activities.

Financial overview

In the year to 31 March 2016 the charitable company had a deficit of £126,015 before remeasurement gains on defined benefit scheme of £12,000 as detailed in the Statement of Financial Activities on page 9 of these financial statements. Incoming resources amounted to £431,689 and resources expended amounted to £557,704.

At 31 March 2016, the charity had total fund balance of £217,259. This comprised £351,409 unrestricted funds (excluding the defined benefit pension reserve), £255,000 the defined benefit pension reserve (deficit) and £120,850 restricted funds.

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 £10,248 and assets originally costing £3,932 were disposed of as detailed in note 9 to the financial statements.

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED
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Directors'/Trustees' Report
for the year ended 31 March 2016

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 £209,545 (including the luncheon club).

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 2015/16)

	Total clients	Qtr 1	Qtr 2	Qtr 3	Qtr 4	T o t a l s e s s i o n s delivered	Target *
Clients funded by Brent Council	45	502	556	550	668	2,276	3,163
Privately funded clients	44	631	659	492	479	2,261	3,162
TOTAL	89	1,133	1,215	1,042	1,147	4,537	6,325

* Target based on providing 25 full day care sessions per day (50.6 weeks per annum).

Table 1 confirms the charitable company did not achieve its target of delivering the equivalent of 25 full day-care sessions per day, delivering an average of 18 full day-care sessions per day, 7 less than our target. The Board of Directors/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 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. The Board of Directors/Trustees have implemented the main findings from the review it commissioned in late 2014, and the new Chief Executive took up post on 15 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. However, the process of making the charity a viable financial concern will take time, and the Board look forward to progress in the coming financial year 2016-2017 with the main aim of increasing day-care income, and reducing costs, leading to a balanced budget.

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Directors'/Trustees' Report
for the year ended 31 March 2016

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. Two reports were commissioned in 2015-2016; one on the pension deficit and the other on the financial viability of continuing trading as a charitable company. The Board approved a revised three year budget for the charity in early 2016 based on the advice provided, with the aim of break-even budget at 31 March 2017 and reducing the recent annual deficits to zero. Work on this continues.

The charitable company's defined benefit pension scheme shows a deficit of £255k as at 31 March 2016. Note 8 explains 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 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 (including those organisations listed in note 4 to the financial statements).

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.

"TO ALL THE STAFF, THANK YOU FOR SHOWING ME THE WAY AND GIVING ME THE OPPORTUNITY TO GAIN MORE EXPERIENCE"
(Student on a work placement)

"THANK YOU ALL AT SUDBURY NEIGHBOURHOOD CENTRE FOR YOUR KIND CARE AND SUPPORT TO MY AUNTIE. YOU DO AMAZING WORK AND IT'S VERY MUCH APPRECIATED."

"THANK YOU FOR TAKING SUCH GOOD CARE OF MUM. SHE REALLY ENJOYED THE TIME SHE SPENT WITH YOU ALL. THE STAFF ARE ALL SO WARM AND KIND AND IT WAS A GREAT COMFORT FOR US TO KNOW SHE WAS BEING WELL LOOKED AFTER AND ENJOYING HERSELF."

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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Directors'/Trustees' Report
for the year ended 31 March 2016

Trustees and trustees' responsibilities

The trustees who served during the year to 31 March 2016 are given on page 1.

The trustees (who are also the directors of Sudbury Neighbourhood Centre (Middlesex) Limited for the purposes of company law) are responsible for preparing the report of the Board of Directors/Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity law require the board, as trustees and directors, to prepare financial statements for each financial year which give a true and fair view of the state of the 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 these financial statements, the trustees are required to:

- (i) select suitable accounting policies and then apply them consistently;
- (ii) observe the methods and principles in the Charities SORP;
- (iii) make judgements and estimates that are reasonable and prudent;
- (iv) state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- (v) prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue in business and meet its objectives.

The trustees are responsible for keeping proper accounting records that 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.

This report has been approved by the board of trustees on 15 December 2016 and signed on its behalf by

Revd. G Thomas
Trustee (Director)

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED
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Independent examiner's report to the trustees of
SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED

I report on the financial statements of Sudbury Neighbourhood Centre (Middlesex) Limited for the year ended 31 March 2016, which are set out on pages 9 to 25.

Respective responsibilities of trustees and examiner

As described on page 7, the trustees [who are also the directors of Sudbury Neighbourhood Centre (Middlesex) Limited for the purposes of company law] are responsible for preparing the trustees' report and the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeds £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales and the Association of Chartered Certified Accountants.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility:

- to examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, no opinion is given as to whether the financial statements present a "true and fair view" and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare financial statements which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice : Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Frank M Weinberg FCA, FCCA, CTA
Somers Baker Prince Kurz LLP
Chartered Accountants and Chartered Certified Accountants

Premier House
45 Ealing Road
Wembley
Middlesex
HA0 4BA

Date: _____ **2016**

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED
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Statement of Financial Activities
for the year ended 31 March 2016

	Notes	Unrestricted Funds £	Restricted Funds £	2016 £	2015 £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income:					
Donations and legacies	3	40,288	2,800	43,088	47,852
Activities for generating funds:					
Fundraising income	4	31,724	105,250	136,974	100,422
Letting income		1,410	-	1,410	1,320
Advertising income		850	-	850	1,025
Membership fees		1,260	-	1,260	1,920
Deposit interest		1,638	-	1,638	2,876
Incoming resources from charitable activities:					
Charges for lunch and day care services		209,545	-	209,545	200,802
Charges for transportation		33,988	-	33,988	31,241
Cost of outings recovered from clients		116	-	116	1,655
Income from other activities		2,820		2,820	925
Total incoming resources		<u>323,639</u>	<u>108,050</u>	<u>431,689</u>	<u>390,038</u>
Resources expended					
Costs of generating funds	5	37,065	-	37,065	22,089
Charitable activities	5	243,966	94,800	338,766	355,868
Governance costs	5	173,873		173,873	110,408
Other finance costs	8	8,000		8,000	9,000
Total resources expended		<u>462,904</u>	<u>94,800</u>	<u>557,704</u>	<u>497,365</u>
Net incoming/(outgoing) resources		(139,265)	13,250	(126,015)	(107,327)
Other recognised gains and losses					
Remeasurement gains/(losses) on defined benefit scheme	8				
- Actuarial gains/(losses)		49,000		49,000	(69,000)
- Return on plan assets excluding interest		(37,000)		(37,000)	48,000
		12,000		12,000	(21,000)
		<u>(127,265)</u>	<u>13,250</u>	<u>(114,015)</u>	<u>(128,327)</u>
Fund balances brought forward		223,674	107,600	331,274	459,601
Fund balances carried forward		<u>96,409</u>	<u>120,850</u>	<u>217,259</u>	<u>331,274</u>

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

The notes on pages 13 to 25 form an integral part of these financial statements.

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED
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Balance Sheet
as at 31 March 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	9		356,896		378,544
Current assets					
Debtors	10	23,716		13,649	
Cash at bank and in hand		113,526		214,179	
			<u>137,242</u>		<u>227,828</u>
Creditors: amounts falling due within one year	11		<u>(21,879)</u>		<u>(19,098)</u>
Net current assets			<u>115,363</u>		<u>208,730</u>
Net assets excluding pension liability			472,259		587,274
Defined benefit pension scheme liability	8		<u>(255,000)</u>		<u>(256,000)</u>
Net assets including pension liability			<u>217,259</u>		<u>331,274</u>
Reserves					
Unrestricted funds					
General fund	13		351,409		479,674
Pension reserve (deficit)	13		<u>(255,000)</u>		<u>(256,000)</u>
			96,409		223,674
Restricted funds	13		<u>120,850</u>		<u>107,600</u>
			<u>217,259</u>		<u>331,274</u>

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

The notes on pages 13 to 25 form an integral part of these financial statements.

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED
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Balance Sheet (continued)

Directors'/Trustees' statements required by Sections 475(2) and (3)
for the year ended 31 March 2016

For the year ended 31 March 2016 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors'/Trustees' responsibilities:

- The members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors/trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These accounts were approved by the board of trustees on 15 December 2016 and are signed on its behalf by

Revd. G Thomas
Trustee (Director)

Registration number 03786826

The notes on pages 13 to 25 form an integral part of these financial statements.

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED
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Cash Flow Statement
for the year ended 31 March 2016

	2016	2015
	£	£
Cash Flow Statement		
Net cash outflow from operating activities (note (a))	(84,243)	(49,821)
Returns on investments and servicing of finance		
Interest received	1,638	2,876
Other finance costs	(8,000)	(9,000)
Purchase of tangible fixed assets	(10,248)	(570)
Disposal proceeds from disposal of tangible fixed assets	200	240
Decrease in cash in the year	<u>(100,653)</u>	<u>(56,275)</u>

Notes to the Cash Flow Statement

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

	£	£
Net movement in funds	(114,015)	(128,327)
Interest received	(1,638)	(2,876)
Other finance costs	8,000	9,000
Depreciation	31,465	29,836
Loss/(Profit) on disposal of tangible fixed assets	230	(240)
Decrease/(Increase) in debtors	(10,067)	(1,836)
Increase/(Decrease) in creditors	2,782	(1,378)
(Decrease)/Increase in pension scheme liability	(1,000)	46,000
Net cash outflow from operating activities	<u>(84,243)</u>	<u>(49,821)</u>

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

	£	£
Decrease in cash in the year	(100,653)	(56,275)
Net funds at 1 April 2015	<u>214,179</u>	<u>270,454</u>
Net funds at 31 March 2016	<u>113,526</u>	<u>214,179</u>

(c) Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	<u>214,179</u>	<u>(100,653)</u>	<u>113,526</u>

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED
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Notes to the Financial Statements
for the year ended 31 March 2016

1. Charity status

The charity is a company limited by guarantee, the liability of the members being limited to £10 each. The company is registered as a charity and is exempt from direct taxation.

The charity constitutes a public benefit entity as defined by FRS 102.

2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements.

2.1. Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The comparative items in respect of the pension costs (note 8) have been restated as required by FRS 102 and the Charities SORP FRS 102.

2.2. Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income including donations, gifts and legacies are included when receivable by the charity.

Deposit interest is included when receivable by the charity.

Incoming resources from grants, where related to performance and charges for lunch and day care services, are accounted on a receivable basis when the charity earns the right to consideration by its performance.

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED
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Notes to the Financial Statements
for the year ended 31 March 2016

..... continued

2.3. Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes VAT which cannot be recovered and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of fundraising activities carried out by the charity.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

2.4. Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each of the restricted funds is set out in the notes to the financial statements.

2.5. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Lease	-	3 1/3% per annum over the life of the lease (30 years)
Leasehold premises	-	3 1/3% per annum over the life of the lease (30 years)
Furniture, fittings and equipment	-	12 1/2% per annum on the straight line basis
Computer equipment	-	33 1/3% per annum on the straight line basis
Motor vehicles	-	16 2/3% per annum on the straight line basis

2.6. Pensions

The pension costs charged in the financial statements represent the contributions payable by the charitable company during the year.

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED
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Notes to the Financial Statements
for the year ended 31 March 2016

..... continued

3. Donations and legacies

	Unrestricted	Restricted	2016	2015
	£	£	£	£
Legacies	1,000	-	1,000	4,764
Donations from Sudbury Methodist Church	7,700	-	7,700	9,700
Other donations	31,588	2,800	34,388	33,388
	<u>40,288</u>	<u>2,800</u>	<u>43,088</u>	<u>47,852</u>

4. Fundraising income

	Unrestricted	Restricted	2016	2015
	Funds	Funds	£	£
	£	£	£	£
Donations from fundraising	29,485	105,250	134,735	97,247
Lounge sales	1,905	-	1,905	2,829
Sale of coins	334	-	334	346
	<u>31,724</u>	<u>105,250</u>	<u>136,974</u>	<u>100,422</u>

The donations from fundraising include the following:

	Unrestricted	Restricted	Purpose
	Funds	Funds	
	£	£	
The Inman Charity	<u>3,500</u>		
London Legal Support Trust		5,000	Welfare rights advisor/Welfare benefits worker
The Eranda Foundation		25,000	Funding of specific places
The Prince of Wales's Charitable Foundation		2,000	Music therapy
The Mason Le Page Charitable Trust		5,000	Dementia care and activities
The Garfield Weston Foundation		20,000	Dementia care and activities
The Sobell Foundation		<u>15,000</u>	General care

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5. Total resources expended

(a) Unrestricted funds

		Costs of				
	Basis of	generating	Charitable	Governance	2016	2015
	allocation	funds	activities	costs	Total	Total
		£	£	£	£	£
Cost of outings	Direct		200		200	1,055
Lounge purchases	Direct	801			801	864
Amenities activities	Direct		995		995	105
Music therapy	Direct		260		260	2,630
Staff recruitment costs	Direct			2,868	2,868	2,033
Salaries, national insurance and pension costs	Direct		110,260	134,531	244,791	201,969
Premises expenses	Direct		57,761		57,761	53,243
Food	Direct		18,447		18,447	20,808
Ambulance running expenses and other transportation costs	Direct		29,047		29,047	31,382
Repairs and renewals	Direct		4,926		4,926	3,831
Sundry expenses	Direct		1,892		1,892	1,862
Depreciation:						
Amortisation of lease	Direct		650		650	650
Leasehold premises	Direct		18,247		18,247	18,247
Furniture, fittings and equipment	Direct		1,051		1,051	1,543
Loss/(Profit) on disposal of tangible fixed assets	Direct		230		230	(240)
Fundraising and marketing	Direct	36,264			36,264	21,225
Legal and professional fees	Direct			20,216	20,216	9,158
Accountancy fees	Direct			6,600	6,600	6,000
Bank charges and interest	Direct			4	4	40
Printing, postage, stationery and telephone	Direct			7,533	7,533	5,572
Insurances	Direct			2,121	2,121	2,099
		<u>37,065</u>	<u>243,966</u>	<u>173,873</u>	<u>454,904</u>	<u>384,076</u>

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5. Total resources expended (continued)

(b) Restricted funds

	Basis of allocation	Costs of generating funds	Charitable activities	Governance costs	2016 Total	2015 Total
		£	£	£	£	£
Depreciation:						
Furniture, fittings and equipment	Direct		4,149		4,149	2,028
Ambulances	Direct		7,368		7,368	7,368
Clinic	Direct		7,333		7,333	8,544
Welfare rights advisor	Direct		1,531		1,531	5,285
Garden	Direct		69		69	381
Funding of specific places	Direct		-		-	200
Staff and volunteer training	Direct		300		300	2,333
Centre manager	Direct		3,750		3,750	15,000
Music therapy	Direct		4,250		4,250	2,100
Dementia care	Direct		46,250		46,250	15,000
General care	Direct		17,800		17,800	27,500
Lunches	Direct		-		-	16,550
Transport	Direct		2,000		2,000	2,000
			<u>-</u>	<u>94,800</u>	<u>-</u>	<u>94,800</u>
			<u><u>-</u></u>	<u><u>94,800</u></u>	<u><u>-</u></u>	<u><u>94,800</u></u>

	Costs of generating funds	Charitable activities	Governance costs	2016 Total	2015 Total
(a) Unrestricted funds	37,065	243,966	173,873	454,904	384,076
(b) Restricted funds	-	94,800	-	94,800	104,289
	<u>37,065</u>	<u>338,766</u>	<u>173,873</u>	<u>549,704</u>	<u>488,365</u>
	<u><u>37,065</u></u>	<u><u>338,766</u></u>	<u><u>173,873</u></u>	<u><u>549,704</u></u>	<u><u>488,365</u></u>

6. Net incoming resources for the year

This is stated after charging:

	2016	2015
	£	£
Depreciation	31,465	29,836
Loss/(Profit) on disposal of tangible fixed assets	230	(240)
	<u>31,695</u>	<u>29,596</u>
	<u><u>31,695</u></u>	<u><u>29,596</u></u>

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7. Employees

Number of employees

The average monthly numbers of employees
(excluding the trustees and volunteers) during the year were:

	2016	2015
Management	2	2
Administration	2	3
Carers	6	8
Drivers	3	3
Kitchen staff	2	2
	15	18
	15	18

Staff costs

	2016	2015
	£	£
Wages and salaries	251,469	223,224
Social security costs	10,112	8,223
Other pension costs	56,579	42,812
	318,160	274,259
	318,160	274,259

No employee earned £60,000 per annum or more.

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8. Pension costs

The charity operates a defined benefit pension scheme in respect of the staff under the London Borough of Brent Pension Fund. The scheme is administered by London Borough of Brent and its assets are held by independent managers. The pension charge represents contributions due from the charity and amounted to £56,579 (2015 - £42,812).

The latest actuarial valuation was carried out as at 31 March 2016 by Hymans Robertson LLP.

The financial assumptions used in the actuarial valuation are summarised below:

Period ended	31 March 2016 % p.a.	31 March 2015 % p.a.
Pension increase rate	2.1%	2.1%
Salary increase rate	3.9%	3.8%
Discount rate	3.4%	3.1%

The breakdown of the employer assets by category:

Period ended	31 March 2016 % p.a.	31 March 2015 % p.a.
Equities	69%	64%
Bonds	14%	24%
Property	12%	10%
Cash	5%	2%

The average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	22.0 years	24.3 years
Future Pensioners*	24.4 years	26.8 years

* Figures assume members aged 45 as at the last formal valuation date.

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Reconciliation of changes in the fair value of plan assets, defined benefit obligations and net liabilities are as follows:

Period ended	31 March 2016			31 March 2015		
	Assets £(000)	Obligations £(000)	Net (liability)/ asset £(000)	Assets £(000)	Obligations £(000)	Net (liability)/ asset £(000)
Opening fair value of plan assets	727		727	623		623
Opening defined benefit obligation		(983)	(983)		(833)	(833)
Opening balance at 1 April 2015	727	(983)	(256)	623	(833)	(210)
Current service cost		(40)	(40)		(60)	(60)
Interest income on plan assets	23		23	26		26
Interest on pension obligation		(31)	(31)		(35)	(35)
Members contributions	11	(11)	-	11	(11)	-
Employer contributions	37		37	44		44
Benefits paid	(25)	25	-	(25)	25	-
Remeasurement gains/(losses)						
- Actuarial gains/(losses)		49	49		(69)	(69)
- Return on plan assets excluding amounts included in net interest	(37)		(37)	48		48
Closing fair value of plan assets	736		736	727		727
Closing defined benefit obligation		(991)	(991)		(983)	(983)
Closing balance at 31 March 2016	736	(991)	(255)	727	(983)	(256)

Amounts recognised in Statement of Financial Activities:

Period ended	31 March 2016 £(000)	31 March 2015 £(000)
Amount charged to resources expended and included as part of staff costs:		
Current service cost	(40)	(60)
Amount charged to other finance costs:		
Interest income on plan assets	23	26
Interest on pension obligation	(31)	(35)
Net cost	(8)	(9)
Amount charged within net movements of funds	(48)	(69)

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Amounts recognised in Statement of Financial Activities:

Period ended	31 March 2016 £(000)	31 March 2015 £(000)
Remeasurement gains/(losses)		
- Actuarial gains/(losses)	49	(69)
- Return on plan assets excluding amounts included in net interest	(37)	48
	<u>12</u>	<u>(21)</u>
Amount recognised in the statement of total recognised gains and losses	<u>12</u>	<u>(21)</u>

The amounts recognised in the balance sheet are as follows:

Period ended	31 March 2016 £(000)	31 March 2015 £(000)
Fair value of employer assets	736	727
Present value of funded liabilities	(991)	(983)
Net liability	<u>(255)</u>	<u>(256)</u>

The contributions paid by the charity are set by the Fund Actuary at each triennial actuarial valuation (the most recent being as at 31 March 2013), or at any other time as instructed to do so by the Administering Authority (London Borough of Brent). The contributions payable to 31 March 2017 are as set out below:

	2015/16	2016/17
Employer Future Service Rate (FSR) contribution rate	21.5%	26.2%
Past service deficit recovery	£11,000	£12,000

The pension scheme deficit is expected to be cleared over a fifteen year recovery period.

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9. Tangible fixed assets

	Unrestricted Funds				Restricted Funds			Total Funds	
	Lease	Leasehold premises	Furniture, fittings and equipment	Ambulances	Total	Furniture, fittings and equipment	Ambulances		Total
	£	£	£	£	£	£	£	£	£
Cost									
At 1 April 2015	19,510	529,165	12,341	61,473	622,489	16,223	44,205	60,428	682,917
Additions	-	-	-	-	-	10,248	-	10,248	10,248
Disposals	-	-	(3,932)	-	(3,932)	-	-	-	(3,932)
At 31 March 2016	19,510	529,165	8,409	61,473	618,557	26,471	44,205	70,676	689,233
Depreciation									
At 1 April 2015	7,803	199,143	7,963	61,473	276,382	5,888	22,104	27,992	304,374
Charge for the year	650	18,247	1,051	-	19,948	4,149	7,368	11,517	31,465
On disposals	-	-	(3,502)	-	(3,502)	-	-	-	(3,502)
At 31 March 2016	8,453	217,390	5,512	61,473	292,828	10,037	29,472	39,509	332,337
Net book values									
At 31 March 2016	11,057	311,775	2,897	-	325,729	16,434	14,733	31,167	356,896
At 31 March 2015	11,707	330,022	4,378	-	346,107	10,335	22,101	32,436	378,543

On 7 March 2003, the charity entered into a building agreement with the Sudbury Methodist Church Council who would grant a lease of thirty years to the charity on completion of the building works. Expenses incurred in respect of the building agreement have been capitalised as lease. The Sudbury Methodist Church Council granted the lease on 13 August 2004 after completion of the building works in April 2004.

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10. Debtors

	2016	2015
	£	£
Lunches, day care and transport costs receivable	18,794	12,512
Prepayments and accrued income	4,922	1,137
	<u>23,716</u>	<u>13,649</u>
	<u>23,716</u>	<u>13,649</u>

11. Creditors: amounts falling due within one year

	2016	2015
	£	£
Salaries and pensions	6,953	5,010
Taxation and social security	1,517	2,467
Accruals	13,409	11,621
	<u>21,879</u>	<u>19,098</u>
	<u>21,879</u>	<u>19,098</u>

12. Analysis of net assets between funds

	Unrestricted Funds			Restricted Funds	Total
	General Fund	Pension Reserve (Deficit)	Total		
	£	£	£		
Fund balances at 31 March 2016 are represented by :					
Tangible fixed assets	325,729		325,729	31,167	356,896
Debtors	23,716		23,716		23,716
Cash at bank and in hand	23,843		23,843	89,683	113,526
Creditors	(21,879)		(21,879)		(21,879)
Pension liability		(255,000)	(255,000)		(255,000)
	<u>351,409</u>	<u>(255,000)</u>	<u>96,409</u>	<u>120,850</u>	<u>217,259</u>
	<u>351,409</u>	<u>(255,000)</u>	<u>96,409</u>	<u>120,850</u>	<u>217,259</u>

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13. Reserves

	1 April 2015	Incoming resources	Resources expended	Other recognised gains	31 March 2016
	£	£	£	£	£
Unrestricted funds					
General fund	479,674	323,639	(451,904)	-	351,409
Pension reserve (deficit)	(256,000)	-	(11,000)	12,000	(255,000)
	<u>223,674</u>	<u>323,639</u>	<u>(462,904)</u>	<u>12,000</u>	<u>96,409</u>
Restricted funds	<u>107,600</u>	<u>108,050</u>	<u>(94,800)</u>	<u>-</u>	<u>120,850</u>
	<u><u>331,274</u></u>	<u><u>431,689</u></u>	<u><u>(557,704)</u></u>	<u><u>12,000</u></u>	<u><u>217,259</u></u>

General fund is an unrestricted fund for the day to day running of the charity and to achieve its general objectives.

Pension reserve is a designated reserve set aside to cover the liability for the obligation on the defined benefit scheme (note 8).

Restricted funds represent donations received for specific projects less amounts expended during the year on these projects.

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Movements in restricted funds:

	At 1 April 2015	Incoming resources	Resources expended	At 31 March 2016
	£	£	£	£
Furniture, fittings and equipment	32,774	4,000	(4,149)	32,625
Minibus	42,296	-	(7,368)	34,928
Bathroom	5,000	-	-	5,000
Clinic	7,334	-	(7,334)	-
Welfare rights advisor/benefits worker	812	5,000	(1,531)	4,281
Garden	1,052	-	(68)	984
Funding of specific places	17,036	25,000	-	42,036
Staff and volunteer training	796	-	(300)	496
Centre manager	-	3,750	(3,750)	-
Music therapy	-	4,250	(4,250)	-
Dementia care and activities	-	46,250	(46,250)	-
General care	-	17,800	(17,800)	-
Chiropody	500	-	-	500
Transport and outings	-	2,000	(2,000)	-
	<u>107,600</u>	<u>108,050</u>	<u>(94,800)</u>	<u>120,850</u>

14. Related party transactions

Donations include £7,700 received from the Sudbury Methodist Church. Direct charitable expenditure includes £44,250 in respect of premises expenses paid to the Sudbury Methodist Church. The trustees of the Sudbury Methodist Church who are also on the board of trustees of Sudbury Neighbourhood Centre (Middlesex) Limited are Rev K Tekyi-Ansah and Mrs B Persaud.

15. Trustees' remuneration and expenses

No remuneration was paid to any trustees nor were any trustees' expenses reimbursed by the charity during the year.