

**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 2017

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

Contents

	Page
Legal and Administrative Information	1
Directors'/Trustees' Report	2 - 7
Independent Examiner's Report	8
Statement of Financial Activities	9
Balance Sheet	10 - 11
Cash Flow Statement	12
Notes to the Financial Statements	13 - 25

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

Legal and Administrative Information

The Board of Directors/Trustees	Revd. G Thomas Mr J Haskell Mr R Dawson Mrs B Persaud Fr. J Fairhead Revd. K Tekyi-Ansah Mrs J Watts Mrs C Cameron Mrs S Mapara	Chair and trustee Treasurer Appointed on 26 January 2017 Appointed on 20 July 2017
Company Secretary	Mr N White	
Chief Executive	Mr N White	
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 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 2017

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 2017.

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 2016/17 the Board of Directors/Trustees met on 7 separate occasions.

Day-to-day management is devolved to the Chief Executive, who reports to each board meeting.

As at 31 March 2017, there were a total of 20 members of staff employed (1 full-time, 14 part-time and 5 casual members of staff) to achieve the charitable company's objectives.

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED

(a company limited by guarantee)

Directors'/Trustees' Report for the year ended 31 March 2017

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
(a company limited by guarantee)
Directors'/Trustees' Report
for the year ended 31 March 2017

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 2017, Sudbury Neighbourhood Centre delivered a total of 5,438 equivalent full day-care sessions (a 20% increase, or 761 day care sessions, on the 2015-16 figures). 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.

A review of users showed that the people we support have multiple and complex needs. For example 46% of clients have dementia, 29% need help using the toilet, 26% have high blood pressure, and 26% need help with mobility. In most cases users have a variety of needs, so one person may have dementia, visual impairment, diabetes, and the effects of a stroke all at the same time. The review also showed that the average age of clients attending the centre was 79 years old, 55% are female, and they come from a variety of backgrounds.

To support these clients, 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.

It should be noted that we commissioned an evaluation of our service by an independent consultancy (Seeing More Clearly) in July 2017. As this took place after the end of the financial year, we shall describe in detail in next year's annual report. However it shows that we are very much needed, our work is making a difference for clients, and that they love our service.

Financial overview

In the year to 31 March 2017 the charitable company had a surplus of £23,440 before remeasurement losses on defined benefit scheme of £31,000 as detailed in the Statement of Financial Activities on page 9 of these financial statements. Incoming resources amounted to £622,674 and resources expended amounted to £599,234.

At 31 March 2017, the charity had total fund balance of £209,699. This comprised £369,802 unrestricted funds (excluding the defined benefit pension reserve), £293,000 the defined benefit pension reserve (deficit) and £132,897 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.

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED
(a company limited by guarantee)
Directors'/Trustees' Report
for the year ended 31 March 2017

Fixed assets

Fixed assets acquired during the year amounted to £1,306 and assets originally costing £535 were disposed of as detailed in note 9 to the financial statements.

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 £303,003 (including the luncheon club).

As mentioned above a total of 5,438 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 2016/17)

	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	38	744	833	894	885	3,356	
Privately funded clients	36	524	612	497	449	2,082	
TOTAL	74	1,268	1,445	1,391	1,334	5,438	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 21 full day-care sessions per day, 4 less than our target. The Board of Directors/Trustees have recognised the hard work that has been achieved since 2015-16 to increase the numbers of day care users accessing the Centre. However, the ever changing financial climate, especially on day care service provision with local councils using spot funding arrangements, has continued to put financial pressure on the charity to meet its objectives via self funders. However, more work is required to market the services to a wide community of potential clients as possible, so the charity can meet the overall day care objectives.

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 that main findings from the review it commissioned in late 2014, and the new Chief Executive took up 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. 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 2017-2018 with the main aim of increasing day-care income, and reducing costs, leading to a balanced budget.

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED
(a company limited by guarantee)
Directors'/Trustees' Report
for the year ended 31 March 2017

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.

The charitable company's defined benefit pension scheme shows a deficit of £293,000 as at 31 March 2017. 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.

"My Mother has Alzheimers which has been under control and supported by her attending the day centre."

"I wish to thank all at the Centre for the care and affection that has been shown to my father. He has settled in nicely and really looks forward to attending each day."

"The Centre has grown to take a very major place in Mum's life. It has provided friendship, fun, stimulation, and care."

"The Centre has been, is and I'm sure will remain, a wonderful, heart-warming example of how a group of truly good people can enrich the lives of many."

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
(a company limited by guarantee)
Directors'/Trustees' Report
for the year ended 31 March 2017

Trustees and trustees' responsibilities

The trustees who served during the year to 31 March 2017 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 21 November 2017 and signed on its behalf by

Revd. G Thomas
Trustee (Director)

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

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 2017, 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 of the Charities Act 2011 (the Charities 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.

It is my responsibility:

- to examine the accounts under section 145 of the Charities Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the Charities 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 statement below.

Independent examiner's statement

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

- accounting records have not been kept in accordance with section 386 of the Companies Act 2006;
- the financial statements do not accord with such records;
- where financial statements are prepared on an accruals basis, whether they fail to comply with relevant accounting requirements under section 396 of the Companies Act 2006, or are not consistent with the Charities SORP (FRS102);
- any matter which the examiner believes should be drawn to the attention of the reader to gain a proper understanding of the financial statements.

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

Date: 24 November 2017

Premier House
45 Ealing Road
Wembley
Middlesex
HA0 4BA

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

Statement of Financial Activities
for the year ended 31 March 2017

	Notes	Unrestricted Funds £	Restricted Funds £	2017 £	2016 £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income:					
Donations and legacies	3	73,448	875	74,323	43,088
Activities for generating funds:					
Fundraising income	4	26,488	130,361	156,849	134,735
Letting income		8,902	-	8,902	1,410
Advertising income		850	-	850	850
Membership fees		-	-	-	1,260
Deposit interest		668	-	668	1,638
Incoming resources from charitable activities:					
Charges and contributions for lunch and day care services		345,039	-	345,039	209,545
Charges for transportation		28,173	-	28,173	33,988
Income from other activities		7,870		7,870	5,175
Total incoming resources		<u>491,438</u>	<u>131,236</u>	<u>622,674</u>	<u>431,689</u>
Resources expended					
Costs of generating funds	5	55,030	-	55,030	36,264
Charitable activities	5	265,681	119,189	384,870	339,567
Governance costs	5	150,334		150,334	173,873
Other finance costs	8	9,000		9,000	8,000
Total resources expended		<u>480,045</u>	<u>119,189</u>	<u>599,234</u>	<u>557,704</u>
Net incoming/(outgoing) resources		11,393	12,047	23,440	(126,015)
Other recognised gains and losses					
Remeasurement (losses)/gains on defined benefit scheme	8				
- Actuarial (losses)/gains		(329,000)		(329,000)	49,000
- Return on plan assets excluding interest		298,000		298,000	(37,000)
		(31,000)		(31,000)	12,000
Fund balances brought forward		(19,607)	12,047	(7,560)	(114,015)
		96,409	120,850	217,259	331,274
Fund balances carried forward		<u>76,802</u>	<u>132,897</u>	<u>209,699</u>	<u>217,259</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
(a company limited by guarantee)

Balance Sheet
as at 31 March 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	9		326,324		356,896
Current assets					
Debtors	10	37,379		23,716	
Cash at bank and in hand		169,050		113,526	
			<u>206,429</u>		<u>137,242</u>
Creditors: amounts falling due within one year	11	<u>(30,054)</u>		<u>(21,879)</u>	
Net current assets			<u>176,375</u>		<u>115,363</u>
Net assets excluding pension liability			502,699		472,259
Defined benefit pension scheme liability	8		<u>(293,000)</u>		<u>(255,000)</u>
Net assets including pension liability			<u>209,699</u>		<u>217,259</u>
 Reserves					
Unrestricted funds					
General fund	13		369,802		351,409
Pension reserve (deficit)	13		<u>(293,000)</u>		<u>(255,000)</u>
			76,802		96,409
Restricted funds	13		<u>132,897</u>		<u>120,850</u>
			<u>209,699</u>		<u>217,259</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
(a company limited by guarantee)

Balance Sheet (continued)

Directors'/Trustees' statements required by Sections 475(2) and (3)
for the year ended 31 March 2017

For the year ended 31 March 2017 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 21 November 2017 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
(a company limited by guarantee)

Cash Flow Statement
for the year ended 31 March 2017

	2017	2016
	£	£
Cash Flow Statement		
Net cash inflow/(outflow) from operating activities (note (a))	65,612	(84,243)
Returns on investments and servicing of finance		
Interest received	668	1,638
Other finance costs	(9,000)	(8,000)
Purchase of tangible fixed assets	(1,306)	(10,248)
Disposal proceeds from disposal of tangible fixed assets	(450)	200
Increase/(Decrease) in cash in the year	<u>55,524</u>	<u>(100,653)</u>

Notes to the Cash Flow Statement

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

	£	£
Net movement in funds	(7,560)	(114,015)
Interest received	(668)	(1,638)
Other finance costs	9,000	8,000
Depreciation	31,744	31,465
Loss/(Profit) on disposal of tangible fixed assets	584	230
Increase in debtors	(13,663)	(10,067)
Increase in creditors	8,175	2,782
Increase/(Decrease) in pension scheme liability	38,000	(1,000)
Net cash inflow/(outflow) from operating activities	<u>65,612</u>	<u>(84,243)</u>

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

	£	£
Increase/(Decrease) in cash in the year	55,524	(100,653)
Net funds at 1 April 2016	<u>113,526</u>	<u>214,179</u>
Net funds at 31 March 2017	<u>169,050</u>	<u>113,526</u>

(c) Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	<u>113,526</u>	<u>55,524</u>	<u>169,050</u>

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED
(a company limited by guarantee)
Notes to the Financial Statements
for the year ended 31 March 2017

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.

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.

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.

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED

(a company limited by guarantee)

Notes to the Financial Statements

for the year ended 31 March 2017

..... continued

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.

3. Donations and legacies

	Unrestricted	Restricted	2017	2016
	£	£	£	£
Legacies	11,001	-	11,001	1,000
Donations from Sudbury Methodist Church	7,700	-	7,700	7,700
Other donations	54,747	875	55,622	34,388
	<u>73,448</u>	<u>875</u>	<u>74,323</u>	<u>43,088</u>

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED
(a company limited by guarantee)
Notes to the Financial Statements
for the year ended 31 March 2017

..... continued

4. Fundraising income

	Unrestricted Funds	Restricted Funds	2017	2016
	£	£	£	£
Donations from fundraising	26,488	130,361	156,849	134,735
	<u>26,488</u>	<u>130,361</u>	<u>156,849</u>	<u>134,735</u>

The donations from fundraising include the following:

	Restricted Funds	Purpose
	£	
Awards for All	10,000	Minibus
The Edward Harvist Trust Fund	2,493	Equipment
The Worshipful Company of Information Technologists Charity	4,368	IT training
The February Foundation	3,000	Nurse salary
London Legal Support Trust	2,500	Benefits advisory service
The Postcode Community Trust	20,000	Minibus
The Steel Charitable Trust	6,000	Music therapy
The Sobell Foundation	<u>15,000</u>	Carer funding

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED

(a company limited by guarantee)

Notes to the Financial Statements

for the year ended 31 March 2017

..... continued

5. Total resources expended

(a) Unrestricted funds

	Basis of allocation	Costs of generating funds	Charitable activities	Governance costs	2017 Total	2016 Total
		£	£	£	£	£
Amenities activities	Direct		2,362		2,362	2,255
Staff recruitment costs	Direct			1,544	1,544	2,868
Salaries, national insurance and pension costs	Direct		136,335	121,953	258,288	244,791
Premises expenses	Direct		61,845		61,845	57,761
Food	Direct		14,821		14,821	18,447
Ambulance running expenses and other transportation costs	Direct		17,294		17,294	29,047
Repairs and renewals	Direct		7,771		7,771	4,926
Training costs	Direct		1,124		1,124	-
Sundry expenses	Direct		4,203		4,203	1,893
Depreciation:						
Amortisation of lease	Direct		650		650	650
Leasehold premises	Direct		18,247		18,247	18,247
Furniture, fittings and equipment	Direct		895		895	1,051
Loss/(Profit) on disposal of tangible fixed assets	Direct		134		134	230
Fundraising and marketing	Direct	55,030			55,030	36,264
Legal and professional fees	Direct			7,534	7,534	20,216
Accountancy fees	Direct			6,600	6,600	6,600
Bank charges and interest	Direct			96	96	4
Printing, postage and stationery	Direct			3,075	3,075	2,478
Telephone	Direct			2,728	2,728	2,563
Computer costs	Direct			4,582	4,582	2,492
Insurances	Direct			2,222	2,222	2,121
			<u>55,030</u>	<u>265,681</u>	<u>150,334</u>	<u>471,045</u>
			<u><u>55,030</u></u>	<u><u>265,681</u></u>	<u><u>150,334</u></u>	<u><u>471,045</u></u>
					<u><u>471,045</u></u>	<u><u>454,904</u></u>

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED

(a company limited by guarantee)

Notes to the Financial Statements

for the year ended 31 March 2017

..... continued

5. Total resources expended (continued)

(b) Restricted funds

	Basis of allocation	Costs of generating funds	Charitable activities	Governance costs	2017 Total	2016 Total
		£	£	£	£	£
Cost of outings	Direct				1,313	-
Depreciation:						
Furniture, fittings and equipment	Direct		4,584		4,584	4,149
Ambulances	Direct		7,368		7,368	7,368
Signboard	Direct		450		450	-
Wellbeing clinic	Direct		4,000		4,000	7,333
Welfare rights advisor	Direct		-		-	1,531
Community garden	Direct		117		117	69
Staff and volunteer training	Direct		496		496	300
Centre manager	Direct		-		-	3,750
IT training	Direct		1,100		1,100	-
Art classes	Direct		1,313		1,313	-
Music therapy	Direct		5,225		5,225	4,250
Dementia care	Direct		35,500		35,500	46,250
General care	Direct		15,000		15,000	17,800
Transport and outings	Direct		2,000		2,000	2,000
			<u>-</u>	<u>77,153</u>	<u>-</u>	<u>77,153</u>
			<u>-</u>	<u>77,153</u>	<u>-</u>	<u>94,800</u>

	Costs of generating funds	Charitable activities	Governance costs	2017 Total	2016 Total
(a) Unrestricted funds	55,030	265,681	150,334	471,045	454,904
(b) Restricted funds	-	119,189	-	119,189	94,800
	<u>55,030</u>	<u>384,870</u>	<u>150,334</u>	<u>590,234</u>	<u>549,704</u>

6. Net incoming resources for the year

This is stated after charging:

	2017	2016
	£	£
Depreciation	31,744	31,465
Loss on disposal of tangible fixed assets	134	230
	<u>31,878</u>	<u>31,695</u>

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED
(a company limited by guarantee)
Notes to the Financial Statements
for the year ended 31 March 2017

..... continued

7. Employees

Number of employees

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

	2017	2016
Management	2	2
Administration	3	2
Carers	6	6
Drivers	3	3
Kitchen staff	2	2
	16	15
	16	15

Staff costs

	2017	2016
	£	£
Wages and salaries	242,995	251,469
Social security costs	9,523	10,112
Other pension costs	62,270	56,579
	314,788	318,160
	314,788	318,160

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

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED
(a company limited by guarantee)
Notes to the Financial Statements
for the year ended 31 March 2017

..... continued

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 £62,270 (2016 - £56,579).

The latest actuarial valuation was carried out as at 31 March 2017 by Hymans Robertson LLP.

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

Period ended	31 March 2017 % p.a.	31 March 2016 % p.a.
Pension increase rate	2.4%	2.1%
Salary increase rate	2.7%	3.9%
Discount rate	2.5%	3.4%

The breakdown of the employer assets by category:

Period ended	31 March 2017 % p.a.	31 March 2016 % p.a.
Equities	71%	69%
Bonds	11%	14%
Property	7%	12%
Cash	11%	5%

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

	Males	Females
Current Pensioners	22.3 years	24.5 years
Future Pensioners*	24.1 years	26.4 years

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

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED
(a company limited by guarantee)
Notes to the Financial Statements
for the year ended 31 March 2017

..... continued

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

Period ended	31 March 2017			31 March 2016		
	Assets £(000)	Obligations £(000)	Net (liability)/ asset £(000)	Assets £(000)	Obligations £(000)	Net (liability)/ asset £(000)
Opening fair value of plan assets	736		736	727		727
Opening defined benefit obligation		(991)	(991)		(983)	(983)
Opening balance at 1 April 2016	736	(991)	(255)	727	(983)	(256)
Current service cost		(62)	(62)		(40)	(40)
Interest income on plan assets	25		25	23		23
Interest on pension obligation		(34)	(34)		(31)	(31)
Members contributions	12	(12)	-	11	(11)	-
Employer contributions	64		64	37		37
Benefits paid	(62)	62	-	(25)	25	-
Remeasurement gains/(losses)						
- Actuarial (losses)/(gains)		(329)	(329)		49	49
- Return on plan assets excluding amounts included in net interest	298		298	(37)		(37)
Closing fair value of plan assets	1,073		1,073	736		736
Closing defined benefit obligation		(1,366)	(1,366)		(991)	(991)
Closing balance at 31 March 2017	1,073	(1,366)	(293)	736	(991)	(255)

Amounts recognised in Statement of Financial Activities:

Period ended	31 March 2017 £(000)	31 March 2016 £(000)
Amount charged to resources expended and included as part of staff costs:		
Current service cost	(62)	(40)
Amount charged to other finance costs:		
Interest income on plan assets	25	23
Interest on pension obligation	(34)	(31)
Net cost	(9)	(8)
Amount charged within net movements of funds	(71)	(48)

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED
(a company limited by guarantee)
Notes to the Financial Statements
for the year ended 31 March 2017

..... continued

Amounts recognised in Statement of Financial Activities:

Period ended	31 March 2017 £(000)	31 March 2016 £(000)
Remeasurement gains/(losses)		
- Actuarial (losses)/(gains)	(329)	49
- Return on plan assets excluding amounts included in net interest	298	(37)
	<u> </u>	<u> </u>
Amount recognised in the statement of total recognised gains and losses	(31)	12
	<u> </u>	<u> </u>

The amounts recognised in the balance sheet are as follows:

Period ended	31 March 2017 £(000)	31 March 2016 £(000)
Fair value of employer assets	1,073	736
Present value of funded liabilities	(1,366)	(991)
	<u> </u>	<u> </u>
Net liability	(293)	(255)
	<u> </u>	<u> </u>

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED
(a company limited by guarantee)
Notes to the Financial Statements
for the year ended 31 March 2017

..... continued

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 2016	19,510	529,165	8,409	61,473	618,557	26,471	44,205	70,676	689,233
Additions	-	-	-	-	-	1,306	-	1,306	1,306
Disposals	-	-	(535)	-	(535)	-	-	-	(535)
At 31 March 2017	19,510	529,165	7,874	61,473	618,022	27,777	44,205	71,982	690,004
Depreciation									
At 1 April 2016	8,453	217,390	5,512	61,473	292,828	10,037	29,472	39,509	332,337
Charge for the year	650	18,247	895	-	19,792	4,584	7,368	11,952	31,744
On disposals	-	-	(401)	-	(401)	-	-	-	(401)
At 31 March 2017	9,103	235,637	6,006	61,473	312,219	14,621	36,840	51,461	363,680
Net book values									
At 31 March 2017	10,407	293,528	1,868	-	305,803	13,156	7,365	20,521	326,324
At 31 March 2016	11,057	311,775	2,897	-	325,729	16,434	14,733	31,167	356,896

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.

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED
(a company limited by guarantee)
Notes to the Financial Statements
for the year ended 31 March 2017

..... continued

10. Debtors

	2017	2016
	£	£
Lunches, day care and transport costs receivable	18,686	18,794
Prepayments and accrued income	18,693	4,922
	37,379	23,716

11. Creditors: amounts falling due within one year

	2017	2016
	£	£
Salaries and pensions	8,890	6,953
Taxation and social security	3,962	1,517
Accruals	17,202	13,409
	30,054	21,879

12. Analysis of net assets between funds

	Unrestricted Funds			Restricted Funds	Total
	General Fund	Pension Reserve (Deficit)	Total		
	£	£	£		
Fund balances at 31 March 2017 are represented by :					
Tangible fixed assets	305,803		305,803	20,521	326,324
Debtors	37,379		37,379		37,379
Cash at bank and in hand	56,674		56,674	112,376	169,050
Creditors	(30,054)		(30,054)		(30,054)
Pension liability		(293,000)	(293,000)		(293,000)
	369,802	(293,000)	76,802	132,897	209,699

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED
(a company limited by guarantee)
Notes to the Financial Statements
for the year ended 31 March 2017

..... continued

13. Reserves

	1 April 2016	Incoming resources	Resources expended	Other recognised losses	31 March 2017
	£	£	£	£	£
Unrestricted funds					
General fund	351,409	491,438	(473,045)	-	369,802
Pension reserve (deficit)	(255,000)	-	(7,000)	(31,000)	(293,000)
	<u>96,409</u>	<u>491,438</u>	<u>(480,045)</u>	<u>(31,000)</u>	<u>76,802</u>
Restricted funds	<u>120,850</u>	<u>131,236</u>	<u>(119,189)</u>	<u>-</u>	<u>132,897</u>
	<u><u>217,259</u></u>	<u><u>622,674</u></u>	<u><u>(599,234)</u></u>	<u><u>(31,000)</u></u>	<u><u>209,699</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.

SUDBURY NEIGHBOURHOOD CENTRE (MIDDLESEX) LIMITED
(a company limited by guarantee)
Notes to the Financial Statements
for the year ended 31 March 2017

..... continued

Movements in restricted funds:

	At 1 April 2016 £	Incoming resources £	Resources expended £	At 31 March 2017 £
Furniture, fittings and equipment	32,625	5,993	(4,584)	34,034
Minibus	34,928	35,925	(7,368)	63,485
Bathroom	5,000	-	-	5,000
Signboard	-	450	(450)	-
Wellbeing clinic	-	13,000	(4,000)	9,000
Welfare rights advisor/benefits worker	4,281	2,500	-	6,781
Community garden	984	5,000	(117)	5,867
Funding of specific places	42,036	-	(42,036)	-
Staff and volunteer training	496	-	(496)	-
Information technology training for elderly	-	5,868	(1,100)	4,768
Art classes	-	3,000	(1,313)	1,687
Music therapy	-	7,000	(5,225)	1,775
Dementia care and activities	-	35,500	(35,500)	-
General care	-	15,000	(15,000)	-
Chiropody	500	-	-	500
Transport and outings	-	2,000	(2,000)	-
	<u>120,850</u>	<u>131,236</u>	<u>(119,189)</u>	<u>132,897</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 Revd. 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.