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**SUTTON CENTRE FOR INDEPENDENT LIVING AND LEARNING
(SCILL)
(A COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL)**

**(REGISTERED CHARITY NO: 1053979)
(COMPANY NO: 3166245)**

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**



**Sutton Centre for
Independent Living
and Learning**

MYRUS SMITH
Chartered Accountants

Norman House,
8 Burnell Road,
Sutton, Surrey.
SM1 4BW

SUTTON CENTRE FOR INDEPENDENT LIVING AND LEARNING (SCILL)
(A Company Limited By Guarantee And Not Having A Share Capital)

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SUTTON CENTRE FOR INDEPENDENT LIVING AND LEARNING (SCILL)
(Company Limited By Guarantee And Not Having A Share Capital)

Report of the Board of Trustees for the Year Ended 31 March 2016

The Board of Trustees presents its report and audited financial statements for the year ended 31 March 2016.

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity Name: Sutton Centre for Independent Living and Learning (SCILL)
Charity Registration No: 1053979
Company Registration No: 3166245
Registered Office
and Operational Address: 3 Robin Hood Lane, Sutton, Surrey, SM1 2SW

Management Board:	Colin Wright	Chairman
	Nick Mallett	Company Secretary and Vice Chair.
	Eric Kennedy	
	Ian Richardson	Treasurer (Resigned 20/09/16)
	John Rozek	
	Margaret White	
	Rebecca Doggett	
	Jim Cullen	
	Jane Stark	(Appointed 25/05/16, resigned 30/06/16)
	Samantha Hilton	(Appointed 23/09/15)
	Edward Gates, MBE	(deceased) (Resigned 01/12/15)

Management Team:	Samantha Walker	Chief Officer
	Guy Morris	Finance Manager
	Nicola Davies	Service Manager
	Ros Weiss	Service Manager

Auditors

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

Bankers

Co-operative Bank, 9 Prescot Street, London E1 8DE
Charities Official Investment Fund, 85 Queen Victoria Street, London EC4V 4ET
Santander UK Plc, Business Banking Centre, 301 St Vincent Street, Glasgow G2 5NT
Nationwide International Ltd, 5-11 St Georges Street, Douglas, Isle of Man IM99 1RN

Solicitors

Quality Solicitors Copley Clark, Curzon House, 24 High Street, Banstead, Surrey, SM7 2NL

SUTTON CENTRE FOR INDEPENDENT LIVING AND LEARNING (SCILL)
(Company Limited By Guarantee And Not Having A Share Capital)

Report of the Board of Trustees for the Year Ended 31 March 2016

OBJECTS AND ACTIVITIES

Sutton Centre for Independent Living and Learning (SCILL) opened in 1994 and was derived from consultation with local disabled people. It was initially managed by the local authority and formally handed over to a steering group in 1995. SCILL was incorporated as a charitable company limited by guarantee in February 1996.

Purposes of the Charity as set out in the Governing Document

Our purposes as set out in the company's memorandum of association are to promote the relief and benefit of disabled persons, particularly those living or working in the London Borough of Sutton and other neighbouring areas. SCILL's purposes are widely cast in order to allow SCILL to be flexible and creative in developing services for disabled people.

In so far as it is complementary to the Charity's objectives, the Charity is guided by both local and national policy linked to health and social care.

Ensuring Our Work Delivers Our Aims

We review our aims, objectives and activities each year to ensure that we are meeting the needs of the disabled community in Sutton and the surrounding areas.

The Focus of Our Work

SCILL's vision and focus for service delivery is to see every disabled person able to be an equal and active citizen in their community. Staff, trustees and volunteers recognise that people with disabilities should have the same right of participation, the same range of options, degree of freedom, choice and control in everyday life that other people take for granted. The charity's continued focus is to support each individual to maximise their rights to:

- Live with dignity in their chosen community;
- Participate in all aspects of daily life;
- Control and make decisions about their care and support;
- Control and make decisions about their own life;
- Pursue their personal goals and aspirations; and
- Remain active as citizens in their community.

It is important to the trustees, staff and volunteers within SCILL to create an organisation where people are given the:

- Tools to control and direct their own lives; and
- Knowledge and support to enable them to make informed decisions.

We recognise that people with disabilities are the best experts on their needs and SCILL will regularly consult with them individually and collectively, in order to develop, design and promote better services. Service users are also encouraged to be involved in the management and strategic direction of the charity.

The provision of services is undertaken at 3 Robin Hood Lane and in the community.

**SUTTON CENTRE FOR INDEPENDENT LIVING AND LEARNING (SCILL)
(Company Limited By Guarantee And Not Having A Share Capital)**

Report of the Board of Trustees for the Year Ended 31 March 2016

Activities Undertaken in Relation to the Charities Purposes

Activities and Classes

Community Information service incorporating HealthWatch Information

Check My Benefits

Activities on the Road

Gym

Direct Payment Support Service

Finance and Administrative Support Service (FAS)

Payroll

Disclosure and Barring Service

Footcare

Sherwoods Cafe

Each of the activities listed support the charitable objectives, vision and mission.

Public Benefit

The trustees have regard to the Charity Commission's guidance on public benefit.

ACHIEVEMENTS AND PERFORMANCE

Activities and Classes

In 2015/2016 SCILL offered a range of activities these included Art, Craft, Cooking, Pottery, Keep Fit and I.T. Clients purchased these using their direct payment (social care money) or self-funded their purchase. The most popular of the classes were I.T and Keep Fit. Alongside the activity of the class itself, these sessions create a social environment for people to meet; peer to peer relationships are formed and friendships made. This supports people beyond their time at SCILL and ensures that they are valued by others and by their communities.

Gym

The gym continues to be extremely popular with membership reaching over 110; two levels of membership (Supported and Value) give choice and ensure that the gym is open to all whatever level of ability. Research suggests that people living with disability who are physically active will spend less time in hospital or be unwell, compared to a person living with disability who does not exercise. Regular exercise encourages increased movement, improved tone and muscle, flexibility, strength, endurance, balance, co-ordination, range of motion, relaxation, weight loss, decreased pain and decreased stress and anxiety.

Activities on the Road

Activities on the Road ceased on 30 September 2015; during its three years the team worked collaboratively with the community to set up 15 groups which supported over 180 community members. Over the three years it became apparent that a small number of these groups were not sustainable, and SCILL supported them to amalgamate into other local existing ones.

SUTTON CENTRE FOR INDEPENDENT LIVING AND LEARNING (SCILL)
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Report of the Board of Trustees for the Year Ended 31 March 2016

To date 10 groups remain well attended, friendship groups have been made and people feel less isolated. The culmination of the project was celebrated in style with a tea party for all who had been involved in some way. It was an optimistic farewell and left a positive legacy for Sutton. The staff member responsible for Activities on the Road was redeployed to the Information Service.

Community Information Service

In 2015/2016 the service handled over 5,500 enquiries. The team supported people with a diverse range of enquiries from complex issues through to a simple listening ear; the satisfaction rate from clients was over 98%. The service was valued by the community including professionals and other organisations which also use it as a resource.

Staff and volunteers from the Information team worked in all areas of the community, answering enquiries; promoting SCILL's services and networking people to people, people to organisations and people to services.

In November 2015 the London Borough of Sutton undertook tendering for a single Information and Advice service having amalgamated each of the single borough-funded Information and Advice services in Sutton. Despite being a member of the consortium which won the tender, SCILL was excluded from participation due to national organisations combining to take control.

SCILL's local authority contract for Information service ceased on 31 March 2016 with negative effects on SCILL. The Information service continued to operate in a reduced form in order to deliver the contracted element of HealthWatch Sutton.

The information service was a valued resource for the local community with people often not knowing what their problem was, but knowing that they needed to talk to someone. The bespoke support given by the Information team prevented people reaching crisis point, the service joined people to groups and services, made groups aware of each other and increased joint working. Its loss will leave a large gap in the community of Sutton.

HealthWatch Sutton Information Service

Health Watch Sutton is the local consumer champion for health and care; it has statutory powers to ensure that the voice of the consumer is heard by those who commission, deliver and regulate health and care services.

SCILL is subcontracted by HealthWatch Sutton to deliver the Information element of the overall HealthWatch Sutton contract; supporting people to find the right health services, answering all enquiries linked to health and social care. Over 500 enquiries were responded to during the year.

In March 2016 the contract was extended to September 2016 while tendering took place. The service closed on 30th September 2016.

SUTTON CENTRE FOR INDEPENDENT LIVING AND LEARNING (SCILL)
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Report of the Board of Trustees for the Year Ended 31 March 2016

Check My Benefits

Following a successful final year, the service closed on 31 March 2016. SCILL does not have overall figures for this service as it was CAB-led; we do know that that over 150 client appointments were made and over 800 phone calls enquiring about the Check My Benefit Service were handled by SCILL staff in the final year. The service enabled disabled people to access CAB seamlessly, and access support quickly; this meant that many people were supported with their issues in a timely manner rather than having to wait for an indefinite time.

Direct Payments Support Service

The Direct Payment Support Service is contracted by the London Borough of Sutton. The service provides advice, guidance and assistance to those using a direct payment (plus professionals, carers and family members), and is bespoke to each person. The service also acts as an intermediary between the London Borough of Sutton and the client. This year the service has supported 750 clients to manage their direct payment, from setting budgets to support employing a personal assistant. Changes to staffing within SCILL as two long serving members left, gave SCILL the opportunity to redeploy staff from the Information Service, and a chance to review service delivery, with the help of service users, bringing in positive change, improving delivery and efficiency.

Payroll Service and Finance and Administrative Service (FAS)

The Payroll Service and FAS are social enterprises created and designed to support people who received a Direct Payment (rather than social care services) giving them greater choice and control over their care. The Payroll Service and FAS service support over 500 people to manage their money and undertake a payroll to pay their personal assistants. This number steadily increases as more people take up direct payments.

Sherwoods Cafe

Sherwoods provides an on-site café within SCILL which is open the public; the café is subcontracted by MITIE to provide a daily sandwich round at two local authority offices, plus function catering for the local authority.

In 2015/2016 income from the daily sandwich rounds grew, partly due to the introduction of a card payment machine and also due to ensuring that while popular sandwiches are readily available, there is regular introduction of new sandwich fillings and other food items to keep customers interested. The café continued to build its function catering service to include the Clinical Commissioning Group (CCG) and a number of private catering events.

The on-site café was also affected by the service closures within SCILL; as services reduced so did the number of people using the café.

This year saw Sherwoods open two off-site cafes in Sutton, at the Life Centre and at Riverside. While the planning and pre-work showed that these should be profitable, the reality was somewhat different, and SCILL closed both outlying cafes.

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Report of the Board of Trustees for the Year Ended 31 March 2016

Footcare

The Footcare service remains popular; it is a service which is affordable for most people and doesn't have a large waiting list. It operates two days per week (four hours per day), and meets the needs of a large number of people who need help to look after their feet but don't need full chiropody. In 2015/2016 the service provided 346 treatments.

Disclosure and Barring Service

The Disclosure & Barring Service (DBS) is an executive agency of the Home Office set up to help organisations make safer recruitment decisions by identifying candidates who may not be suitable for certain work, especially involving children or vulnerable adults. The DBS appoints organisations as registered bodies to gather the relevant information required to make the checks and send it to the bureau. SCILL is a DBS-registered organisation. SCILL's Disclosure & Barring Service is a "one-stop-shop" that enables employers to undertake background checks on potential employees who will be working or volunteering with children or vulnerable adults. This enables a fully informed recruitment decision. This year the team handled over 1,000 checks; the service continues to grow as interest increases.

Volunteering

Volunteers continue to be an invaluable resource to SCILL, particularly within the gym.

Our Staff and Volunteers

SCILL has an experienced and enthusiastic team of staff and volunteers; in 2015/2016 they gave an additional 1,700 hours to the organisation (voluntarily). Due to funding cuts and general uncertainty regarding the future of the organisation the staff team has reduced to 12 FTE since 2015/16. Similarly, the volunteer numbers have fallen to 12. These numbers are inadequate to meet the demands placed on SCILL. SCILL continues to invest in the workforce through training and mentoring.

The remaining staff and volunteers continue to show resilience through this time of significant organisational change, financial constraints and additional demands on time.

Our Partners

SCILL works with a wide number of organisations. The London Borough of Sutton (LBS) is the organisation's primary funder; SCILL and LBS enjoy a collaborative and positive working partnership.

SCILL is a member of the Sutton Together Consortium whose members include Sutton Shopmobility, Esteem, Sutton Volunteer Centre, Women's Refuge Centre, the Stroke Association and more.

SCILL continues to work with a variety of professional teams including Community Nursing, the Police, Community Safety and Neighbourhood Watch, GPs, Pharmacists, First Response and Paramedics and more.

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Report of the Board of Trustees for the Year Ended 31 March 2016

Sutton Vision are located on-site which is of mutual benefit and gives SCILL access to a wealth of knowledge and experience.

The Parkinson's Disease Society, the Stroke Association, Rebound-ability, Gateway, Breath Easy, Livewell, Fibromyalgia Group plus a number of other local support groups are regular users of the SCILL building using it as a base to meet their clients and service users; in addition, SCILL works with over 120 local groups and organisations in a variety of ways. All of this enhances the organisation's knowledge, practical support and learning which help SCILL to progress and develop in order to provide the best possible services for disabled people.

Plans for 2016/2017

2015/2016 has been a difficult year for the organisation.

In 2015/2016 three services closed (Activities on the Road, Check My Benefits, and Community Information Service) due to the expiry of the relevant contracts. Healthwatch Sutton closed on 30 September 2016.

The closure of the Community Information Service is significant. This Service represented not only a significant element of SCILL's funding but it also represented the main marketing opportunity for SCILL. Through their work in the community, the Information staff raised awareness of SCILL services. Since closure, footfall at SCILL has reduced significantly with perhaps 50 people on site daily, whereas prior to the Information service ceasing there would be up to 150 people using a variety of services.

Additionally, SCILL is seeing a trend with clients who have a direct payment and use part of it to purchase SCILL services. Following a social care review they often find that their funds have been reduced, meaning that they no longer have available money for 'social' activities within their care package. This is also having a significant negative impact on the organisation.

FINANCIAL REVIEW

Incoming resources increased by 8% to £777,766 and resources expended increased by 2% to £753,358. This resulted in a surplus of £24,408 compared to last year's deficit of £23,181.

But during the year 2015/16 two of our contracts with London Borough of Sutton expired and were not renewed. During 2016/17 our last two remaining contracts with LBS will also expire, and one of them has not been renewed. There has been no commitment by LBS to renew the other beyond March 2017. This lack of long term core funding, combined with the substantial trading loss sustained since April 2016 as a result of lower income from LBS, means that SCILL is no longer financially viable in the long term. Compounding the pressure on SCILL's reserves is an HMRC demand for backdated VAT on our Payroll service, so reversing the widely accepted belief that this service is covered by welfare exemptions and therefore not taxable.

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Report of the Board of Trustees for the Year Ended 31 March 2016

The Trustees can see no credible means of reversing any of these trends, and in September 2016 they reluctantly took the decision to close the charity effective 31 March 2017. This timetable enables an orderly, solvent closedown and smooth transfer of as many services as possible to alternative providers.

Principal Funding Sources

SCILL's largest source of funds is contract and grant income from London Borough of Sutton. In the year under review LBS provided 30% of total income (2015= 41%). This percentage will fall further due to contract expiry. In the 3 months to June 2016 it was down to 23%.

Investment Policy

Available funds were invested in the Charities Official Investment Fund, Santander UK and Nationwide International Ltd. The average interest return in the year was 0.6% (2015= 0.9%).

Reserves Policy

Unrestricted reserves at 31 March 2016 were £321,508. This is equivalent to some 5 months of normal operating expenses. The Board of Trustees has considered SCILL's requirement for reserves and believes this level to be appropriate.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

SCILL is a charitable company limited by guarantee, incorporated on 29th February 1996 and registered as a charity on 22nd March 1996. The company was established with a Memorandum of Association which established 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 in an insolvent state, members are each required to contribute an amount not exceeding £10 to the deficit.

Recruitment and Appointment of Board Members

The directors of the company are also charity trustees for the purposes of charity law. In order to make sure that the Board of Trustees appropriately reflects the community it serves and to ensure that it remains a user-led organisation, it is our objective that between 50% and 75% of the trustees should be service users.

Each Trustee is elected to serve for a period of a year after which they must be re-elected at the next Annual General Meeting. Under the requirements of the Articles of Association, each year one third of the Trustees are subject to retirement by rotation, or, if their number is not three or a multiple of three, the number nearest to one third shall retire from office (but if there is only one Trustee who is subject to retirement by rotation, he shall retire). A retiring Trustee can be re-appointed to the post if the vacancy is not filled and the Trustee is willing to undertake the role once more.

SUTTON CENTRE FOR INDEPENDENT LIVING AND LEARNING (SCILL)
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Report of the Board of Trustees for the Year Ended 31 March 2016

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in the notes to the accounts.

Trustee Induction and Training

The Board of Trustees has a Trustee Recruitment sub-group. Trustee vacancies are directed through the sub-group who follow an agreed procedure. Potential trustees are invited to meet members of the sub-group, and attend a Board meeting as an observer so that both parties can make the decision whether to progress.

Organisational Structure

The Board meet bi-monthly and are responsible for the strategic direction and policy of the charity. The Finance and General Purposes Group, a sub-committee of the Board, meets regularly to consider financial matters. A scheme of delegation is in place and day to day responsibility for the provision of the services rests with the Chief Officer along with the management team.

Risk Management

The organisation has mitigated its financial risk by adopting a reserves policy. Annual accounts and returns are filed with Companies House and the Charity Commission. The organisation's accounts are audited annually. The Direct Payment Support Service holds money belonging to the London Borough of Sutton direct payments clients. It is held within the organisation in order for clients to pay for their care. Financial monitoring is undertaken on these DP clients as required by the London Borough of Sutton Direct Payments contract. Staff adhere to the financial policy and procedures, and a quarterly income and expenses account is monitored by the Trustees.

Staff management, supervision and contractual procedures are in line with employment law and regularly reviewed. The organisation carries out Health and Safety risk assessments and ensures that staff are properly trained.

Related Parties

SCILL works in partnership with local business, the voluntary sector, health and social care organisations and the London Borough of Sutton. SCILL represents the disabled community on a number of partnership boards; the organisation is included in consultations undertaken by the London Borough of Sutton and voluntary sector organisations with regard to services linked to health and social care. SCILL is a strategic partner of the London Borough of Sutton.

Trustee's Responsibility Statement

The trustees (who are also directors of Sutton Centre for Living and Learning (SCILL) for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and applicable accounting standards (United Kingdom Generally Accepted Accounting Practices).

SUTTON CENTRE FOR INDEPENDENT LIVING AND LEARNING (SCILL)
(Company Limited By Guarantee And Not Having A Share Capital)

Report of the Board of Trustees for the Year Ended 31 March 2016

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2015 (FRSSE);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Direct Payments are a cash payment in lieu of services and is a government initiative designed to empower individuals by giving them choice and control over the services they use in order to meet their social care needs.

SCILL's Finance and Administrative Service (FAS) supports clients who do not wish to manage their money directly by holding it on their behalf. Each client has their own account on SCILL's finance system and instructs SCILL on which suppliers to pay, so retaining full control over how their Direct Payment is spent.

SCILL has no beneficial interest in the income or expenditure of FAS clients apart from a contractual fee received to operate the service. This contract income is included in the incoming resources of the charity in the Statement of Financial Activities.

At the year end FAS client account balances amounted to £2,299,152 (2015: £1,721,996). This is included in the total cash at bank of £2,560,125 (2015: £2,041,012) on SCILL's balance sheet with an equal amount recognised as liabilities within creditors.

**SUTTON CENTRE FOR INDEPENDENT LIVING AND LEARNING (SCILL)
(Company Limited By Guarantee And Not Having A Share Capital)**

Report of the Board of Trustees for the Year Ended 31 March 2016

Auditors

Myrus Smith were re-appointed as the charitable company's auditors during the year.

This report has been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting (March 2005) and the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board of Trustees and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'Colin Wright', written over a horizontal line.

Colin Wright, Chairman

Date: 23/11/16

SCILL Limited
3 Robin Hood Lane
Sutton, Surrey, SM1 2SW

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF:

SUTTON CENTRE FOR INDEPENDENT LIVING AND LEARNING (SCILL) (A Company Limited By Guarantee And Not Having A Share Capital)

We have audited the financial statements of Sutton Centre for Independent Living and Learning for the year ended 31st March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF:

**SUTTON CENTRE FOR INDEPENDENT LIVING AND LEARNING (SCILL)
(A Company Limited By Guarantee And Not Having A Share Capital)**

CONTINUED

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in Note 1 concerning the charitable company's going concern status. The charitable company has given notice that it will cease operations and close down on 31 March 2017. As a result of this the charitable company is not a going concern and the financial statements have not been prepared on a going concern basis.

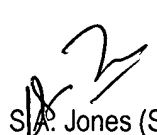
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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


S.A. Jones (Senior Statutory Auditor)
For and on behalf of Myrus Smith
Chartered Accountants and Statutory Auditor
Norman House,
8 Burnell Road,
Sutton, Surrey.
SM1 4BW

24.11. 2016

SUTTON CENTRE FOR INDEPENDENT LIVING AND LEARNING (SCILL)
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

(REGISTERED CHARITY NO.: 1053979)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Total Unrestricted funds £	Total Restricted funds £	Total Funds 2016 £	Total Funds 2015 £
Income					
Donations and Legacies	2	50,257	8,000	58,257	45,910
Charitable activities	3	656,098	-	656,098	603,504
Other trading activities	4	51,296	-	51,296	55,116
Investments	5	12,115	-	12,115	12,514
Total		<u>769,766</u>	<u>8,000</u>	<u>777,766</u>	<u>717,044</u>
Expenditure					
Raising funds	6	9,979	-	9,979	10,321
Charitable activities	7	728,079	15,300	743,379	729,904
Total		<u>738,058</u>	<u>15,300</u>	<u>753,358</u>	<u>740,225</u>
Net income/(expenditure)	11	31,708	(7,300)	24,408	(23,181)
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		31,708	(7,300)	24,408	(23,181)
Reconciliation of funds					
Fund balances brought forward		<u>289,800</u>	<u>7,300</u>	<u>297,100</u>	<u>320,281</u>
Fund balances carried forward		<u>£321,508</u>	<u>£Nil</u>	<u>£321,508</u>	<u>£297,100</u>

The notes form part of these financial statements.

**SUTTON CENTRE FOR INDEPENDENT LIVING AND LEARNING (SCILL)
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)**

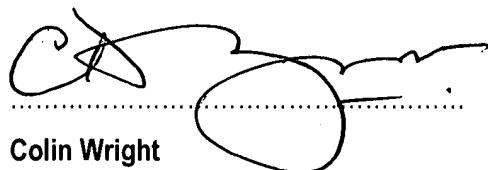
BALANCE SHEET

AS AT 31 MARCH 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	14	14,955	16,853
CURRENT ASSETS			
Debtors	15	81,881	59,539
Cash at bank and in hand	20	2,560,125	2,041,012
		<u>2,642,006</u>	<u>2,100,551</u>
CREDITORS: Amounts falling due within one year	16	<u>2,335,453</u>	<u>1,820,304</u>
NET CURRENT ASSETS		<u>306,553</u>	<u>280,247</u>
NET ASSETS	19	<u>£321,508</u>	<u>£297,100</u>
FUNDS			
Unrestricted funds	18	321,508	289,800
Restricted funds	18	-	7,300
TOTAL FUNDS		<u>£321,508</u>	<u>£297,100</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Approved by the management board on 22/11/2016 and signed on its behalf by



Colin Wright
(Chairman)

The notes form part of these financial statements.

**SUTTON CENTRE FOR INDEPENDENT LIVING AND LEARNING (SCILL)
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost unless otherwise stated.

Going concern

The trustees have given notice that the charity will close down on 31 March 2017 as a result of sustained financial pressure on both income and costs. Accordingly the charity is not a going concern and the accounts have not been prepared on a going concern basis. Assets and liabilities are stated at amounts which, in the trustees' view, are not materially different from the value that would be achieved in a forced sale or liquidation.

Income recognition

Items of income are recognised in the financial statements when all of the following criteria are met:

- The charity has entitlement to the funds;
- any performance conditions have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Contract income is recognised as the charity earns the right to consideration through the performance of its services.

Expenditure recognition

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

- Costs of raising funds which comprise those costs associated with attracting general donations
- Expenditure on charitable activities which comprises the costs of running the various activities and services for the charity's beneficiaries.

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

Fund accounting

Unrestricted general funds are those funds which are freely available for use in furtherance of the objects of the charity and which have not been designated for specific purposes.

Designated funds are unrestricted funds set aside by the trustees for particular purposes.

Restricted funds are funds which can only be used in accordance with specific restrictions imposed by the donor or which have been raised for a particular purpose.

Fixed assets and depreciation

Tangible assets costing more than £500 are capitalised. Depreciation is provided so as to write off the cost of each asset over its estimated useful life at the following annual rates:

Gym equipment	20% straight line
Furniture and vehicles	20% straight line
Motor vehicles	20% straight line
Computer equipment	33% straight line

Assets purchased as part of a specific project funded through restricted funds are written off in the year of purchase.

SUTTON CENTRE FOR INDEPENDENT LIVING AND LEARNING (SCILL)
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES/contd...

Leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Donations	23,732	-	23,732	45,910
Grants	26,525	8,000	34,525	-
	<u>£50,257</u>	<u>£8,000</u>	<u>£58,257</u>	<u>£45,910</u>

Of the £45,910 received in 2015, £9,079 was unrestricted funds and £36,831 was restricted funds.

The charity benefits from rent free use of its office premises at 3 Robin Hood Lane. The trustees have not been able to determine a reliable estimate for the value of the donated facilities and accordingly no amount has been recognised in the financial statements.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Grants, Contracts and Fees				
London Borough of Sutton:				
Direct payments support service	107,170	-	107,170	107,020
Information and advice	93,265	-	93,265	93,265
Activities on the road	32,104	-	32,104	82,043
Strategic Partnership	-	-	-	13,640
Healthwatch	39,800	-	39,800	39,800
Sherwoods café	126,586	-	126,586	91,193
Gym and activities classes	76,516	-	76,516	56,120
Payroll service	88,214	-	88,214	51,944
Finance and Administrative Service(FAS)	55,518	-	55,518	50,033
DBS checking	11,591	-	11,591	15,574
Other activities	2,942	-	2,942	2,872
Unclaimed FAS balance	22,392	-	22,392	-
	<u>£656,098</u>	<u>£Nil</u>	<u>£656,098</u>	<u>£603,504</u>

Of the £603,504 received in 2015, £589,864 was unrestricted funds and £13,640 was restricted funds.

SUTTON CENTRE FOR INDEPENDENT LIVING AND LEARNING (SCILL)
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Room hire	45,296	-	45,296	50,012
Rent	6,000	-	6,000	5,104
	<u>£51,296</u>	<u>£Nil</u>	<u>£51,296</u>	<u>£55,116</u>

All of the £55,116 received in 2015 was unrestricted funds.

5. INVESTMENT INCOME

	Unrestricted Funds	Restricted Funds	Total 2016	Total 2015
Bank interest	<u>£12,115</u>	<u>£Nil</u>	<u>£12,115</u>	<u>£12,514</u>

All of the £12,514 received in 2015 was unrestricted funds.

6. COST OF RAISING FUNDS

	Direct Costs	Support Costs	Total 2016	Total 2015
Fundraising activities	<u>£Nil</u>	<u>£9,979</u>	<u>£9,979</u>	<u>£10,321</u>

All of the £10,321 expenditure in 2015 was charged to unrestricted funds.

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct Costs £	Support Costs £	Total 2016 £	Total 2015 £
Direct payment support service	68,383	33,415	101,798	116,220
Finance and administration service	34,545	18,686	53,231	57,449
Payroll service	52,002	28,359	80,361	61,346
Classes and activities	71,495	24,182	95,677	92,940
Activities on the road	27,722	7,694	35,416	94,562
Information services	100,937	51,881	152,818	154,253
Sherwoods cafe	168,460	55,618	224,078	153,134
	<u>£523,544</u>	<u>£219,835</u>	<u>£743,379</u>	<u>£729,904</u>

Of the £729,904 expenditure in 2015, £685,604 was charged to unrestricted funds and £44,300 was charged to restricted funds.

SUTTON CENTRE FOR INDEPENDENT LIVING AND LEARNING (SCILL)
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

8. ANALYSIS OF DIRECT COSTS

	Raising Funds £	Charitable Activities £	Total 2016 £	Total 2015 £
Wages and salaries	-	388,731	388,731	368,580
Staff training, recruitment and travel	-	6,311	6,311	4,601
Café supplies and other materials	-	74,579	74,579	55,013
Consultancy and sub-contractors	-	36,435	36,435	10,826
Depreciation	-	5,706	5,706	5,711
Other direct costs	-	11,782	11,782	12,128
	<u>£Nil</u>	<u>£523,544</u>	<u>£523,544</u>	<u>£456,859</u>

9. ANALYSIS OF SUPPORT COSTS

	Raising Funds £	Charitable Activities (inc. Governance) £	Total 2016 £	Total 2015 £
Wages and salaries	9,979	109,601	119,580	120,987
Pension claim write back	-	(37,000)	(37,000)	-
Staff and volunteer costs	-	10,069	10,069	7,326
Marketing and advertising	-	14,520	14,520	15,676
Office expenses	-	45,521	45,521	36,357
IT and computer expenses	-	16,980	16,980	11,079
Premises costs	-	30,171	30,171	67,788
Legal and professional costs	-	14,413	14,413	8,489
Governance costs (note 10)	-	8,247	8,247	8,339
Insurance	-	7,103	7,103	6,956
Depreciation	-	210	210	369
	<u>£9,979</u>	<u>£219,835</u>	<u>£229,814</u>	<u>£283,366</u>

SUTTON CENTRE FOR INDEPENDENT LIVING AND LEARNING (SCILL)
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

10. GOVERNANCE COSTS

	Total 2016 £	Total 2015 £
Wages and Salaries	4,335	4,523
Audit fees	3,912	3,816
	<u>£8,247</u>	<u>£8,339</u>

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year is stated after charging:

Auditor's remuneration – Audit Services	£3,912	£3,816
– Non-audit Services	£Nil	£408
Depreciation	<u>£5,916</u>	<u>£6,081</u>

12. TRUSTEES REMUNERATION

The trustees neither received nor waived any emoluments during the year (2015: £Nil). No expenses were reimbursed to trustees during the year (2015 - £Nil).

13. STAFF COSTS

	Total 2016 £	Total 2015 £
Wages and Salaries	472,636	446,597
Social security costs	37,404	36,551
Redundancy costs	2,606	10,942
Pension claim write back	(37,000)	-
	<u>£475,646</u>	<u>£494,090</u>

There was no employee whose emoluments amounted to over £60,000 in either year.

SUTTON CENTRE FOR INDEPENDENT LIVING AND LEARNING (SCILL)
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

13. STAFF COSTS (continued)

The average number of employees, calculated on a full-time equivalent basis, analysed by function was:

	2016 Number	2015 Number
Direct charitable activities	14	12
Raising funds	1	1
Management and administration	3	3
	<u>18</u>	<u>16</u>

14. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Project and office equipment £	Computer equipment £	Total £
Cost				
At 1 April 2015	11,970	18,906	26,165	57,041
Additions	-	1,050	2,968	4,018
	<u>11,970</u>	<u>19,956</u>	<u>29,133</u>	<u>61,059</u>
At 31 March 2016	11,970	19,956	29,133	61,059
Depreciation				
At 1 April 2015	6,583	8,431	25,174	40,188
Charge for year	2,394	2,904	618	5,916
	<u>8,977</u>	<u>11,335</u>	<u>25,792</u>	<u>46,104</u>
At 31 March 2016	8,977	11,335	25,792	46,104
Net book value				
At 31 March 2016	<u>£2,993</u>	<u>£8,621</u>	<u>£3,341</u>	<u>£14,955</u>
At 31 March 2015	<u>£5,387</u>	<u>£10,475</u>	<u>£991</u>	<u>£16,853</u>

SUTTON CENTRE FOR INDEPENDENT LIVING AND LEARNING (SCILL)
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

15. DEBTORS

	2016 £	2015 £
Trade debtors	22,965	55,059
Prepayments	16,524	4,480
Accrued income	42,392	-
	<u>£81,881</u>	<u>£59,539</u>

16. CREDITORS – amounts falling due within one year

	2016 £	2015 £
Trade creditors	16,844	13,613
Other creditors	1,520	67,730
FAS client accounts (see note 20)	2,299,152	1,721,996
Accruals	3,840	3,768
Social security and other taxes	14,097	13,197
	<u>£2,335,453</u>	<u>£1,820,304</u>

17. OPERATING LEASE COMMITMENTS

The amount falling due within one year under non-cancellable operating leases was as follows:

	2016	2015
Leases expiring within:		
Two to five years	<u>£13,741</u>	<u>£13,742</u>

SUTTON CENTRE FOR INDEPENDENT LIVING AND LEARNING (SCILL)
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

18. STATEMENT OF FUNDS

	At 1 April 2015 £	Income £	Expenditure £	Transfers £	At 31 March 2016 £
Unrestricted funds					
General funds	289,800	769,766	738,058	-	321,508
Restricted funds					
Gym running costs	7,300	8,000	15,300	-	-
Total funds	<u>£297,100</u>	<u>£777,766</u>	<u>£753,358</u>	<u>£Nil</u>	<u>£321,508</u>

The purpose of the restricted fund is as follows:

Gym Running Costs

Representing a donation received towards the costs of the gym instructor's salary and some equipment.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds £	Unrestricted Funds £	Total 2016 £
Tangible fixed assets	-	14,955	14,955
Current assets	-	342,854	342,854
Current liabilities	-	(36,301)	(36,301)
	<u>£Nil</u>	<u>£321,508</u>	<u>£321,508</u>

The figures above do not include FAS client account bank balances of £2,299,152 and corresponding liabilities of £2,299,152 (note 16). See note 20 below.

**SUTTON CENTRE FOR INDEPENDENT LIVING AND LEARNING (SCILL)
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

20. DIRECT PAYMENT SCHEME AND FAS

Direct Payments are a cash payment in lieu of services and is a government initiative designed to empower individuals by giving them choice and control over the services they use in order to meet their social care needs.

FAS supports clients who do not wish to manage their money directly by holding it on their behalf. Each person has their own account on the SCILL finance system. The client instructs SCILL on which suppliers to pay and so has full control of their direct payment or personal budget.

SCILL has no beneficial interest in the income or expenditure of FAS clients apart from a contractual fee received to operate the service. This contract income is included in the incoming resources of the charity in the Statement of Financial Activities.

At the year-end FAS client account balances amounted to £2,299,152 (2015: £1,721,996). This is included in the total cash at bank of £2,560,125 (2015: £2,041,012) on SCILL's balance sheet with an equal amount recognised as liabilities within creditors.

21. CONTINGENT LIABILITIES

Value Added Tax

H.M. Revenue and Customs are currently contending that certain of SCILL's services fall outside of the welfare exemptions and should, therefore, attract VAT. This assertion has been vigorously contested by the trustees and having taken specialist advice, the matter is likely to go to a tribunal.

If H.M. Revenue and Customs are successful in their claims, the trustees have calculated a potential liability to VAT of approximately £75,000.