

Charity number:
1126049
Registered number:
06533051

**CHEAM PRIORY DAY CENTRE
(LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES AND UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

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CHEAM PRIORY DAY CENTRE

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CHEAM PRIORY DAY CENTRE

GENERAL INFORMATION

Directors and trustees

Mr M W Markan
Mr A R Lewis
Mrs M A Johnston
Mr P J Trower
Mr R W Daniels
Mr N W M Leggett

President

The Mayor of the London Borough of Sutton

Executive Committee

Mrs M A Johnston	Chair
Mr A R Lewis	Director
Mrs C Message	Centre manager
Mr M W Markan	Director/Company secretary
Mr P J Trower	Treasurer
Mr R W Daniels	Director
Mr N W M Leggett	Director

Secretary

Mr M W Markan

Independent examiner

S Ediss FCA
Kreston Reeves LLP
Springfield House
Springfield Road
Horsham
West Sussex
RH12 2RG

Registered office

Cheam Priory Day Centre
316 Malden Road
Cheam
Surrey
SM3 8EP

Registered number

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CHEAM PRIORY DAY CENTRE

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2017

The trustees submit their annual report and financial statements for the period ended 31 March 2017. The trustees have adopted the provisions of 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).

The company is limited by guarantee and does not have any share capital. The liability of the members is limited to £10 each. At 31 March 2017 all trustees were members.

DIRECTORS

The trustees who served during the year and in the period up to the date of approval of this report are shown on page 1. The trustees are also the directors of the company.

The trustees, President and Executive Committee are appointed in accordance with the Memorandum and Articles of Association. Induction and training of trustees is undertaken on an individual basis as and when appropriate.

STATEMENT OF COMPLIANCE WITH THE PUBLIC BENEFIT REQUIREMENTS

The objects of the charity which were revised in March 2014 are "To promote the welfare of the aged in any manner which now is or hereafter may be deemed by law to be charitable for those living within a reasonable distance of the Charity's facilities. In particular to provide day care facilities for the elderly and also for those of any age who are affected by dementia or related conditions".

HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT

Our main activities are available to all of the elderly living within the London Borough of Sutton (LBS) regardless of race or creed. Whilst we now mainly have fee paying clients those unable to pay the fee can be referred through London Borough of Sutton Social Services who will provide a financial assessment and if appropriate will provide assistance via the direct payments scheme; many are thus able to benefit free of charge or at least receive assistance with the fees.

In planning our activities the trustees always consider the public benefit requirement and ensure that services offered all meet this criteria.

REVIEW OF THE YEAR

The Centre continues to offer an efficient, vibrant and friendly environment provided by our care staff under the direction of the Centre Manager.

This year has seen a gradual but steady increase in the number of clients and this trend looks set to continue. Donations to the centre have also increased significantly.

The year also saw the issue regarding the lease with LBS come to some sort of resolution. After years of building up accruals, the centre now has a much healthier looking balance sheet which is vital in our quest for new investment.

Two other major developments this year were the introduction of the NEST workplace pension scheme which fulfilled our obligations to the Pension Regulator and the purchase of a much needed new ambulance.

Finally, my thanks to Carol and her wonderful staff, whose constant hard work and deliverance of quality care keeps the Centre going from strength to strength.

RESERVES

At the year end unrestricted funds comprised £77,948 general funds and £49,846 designated funds (at 31 March 2016 these were £61,228 and £49,846 respectively). £3,000 was held in restricted funds for major capital replacement (31 March 2016: £nil). A new reserves policy is currently being finalised and is due to be implemented early in the next financial year.

CHEAM PRIORY DAY CENTRE

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2017

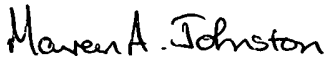
RISK ASSESSMENT

The directors review financial and other risks when appropriate and have established procedures to ensure that all transactions and projects are properly authorised.

SMALL COMPANY SPECIAL PROVISIONS

The report of the directors has been prepared taking advantage of the small companies exemption in Section 415A of the Companies Act 2006.

This report was approved by the board on 12/7/17 and signed on its behalf by



Mrs M A Johnston
Trustee



Mr P J Trower
Trustee

CHEAM PRIORY DAY CENTRE

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2017

Notes	Unrestricted funds			2017	2016
	General fund	Designated funds	Restricted funds	Total funds	Total funds
	£	£	£	£	£
INCOME FROM:					
Donations					
Donations	1,799	-	3,000	4,799	1,180
Charitable activities					
Contract - Sutton and Merton Primary Care Trust	24,967	-	-	24,967	14,980
Private clients - day care services	312,163	-	-	312,163	301,087
Hairdressing	321	-	-	321	832
Chiropody	843	-	-	843	797
Transport	50,037	-	-	50,037	42,717
Other trading activities					
Hall hire	4,070	-	-	4,070	4,160
Raffle and sweets	500	-	-	500	1,496
Investment income					
Bank interest receivable	233	-	-	233	444
Total income	394,933	-	3,000	397,933	367,693
EXPENDITURE ON:					
Raising funds					
Raffle and sweets	167	-	-	167	383
Charitable activities					
Provision of day centre and care					
Activities	4,764	-	-	4,764	4,208
Rent	25,232	-	-	25,232	27,500
Rates and insurance	8,822	-	-	8,822	7,952
Light and heat	8,765	-	-	8,765	8,686
Maintenance, repairs and improvements	13,232	-	-	13,232	6,184
Cleaning	5,135	-	-	5,135	3,799
Wages and employer's national insurance	127,204	-	-	127,204	128,396
HR fees	3,607	-	-	3,607	1,615
Consultancy and advertising fees	2,314	-	-	2,314	5,406
Food	22,457	-	-	22,457	23,574
Transport	9,684	-	-	9,684	14,971
Transport wages	25,829	-	-	25,829	25,898
Volunteers expenses	13	-	-	13	61
Postage, stationery, telephone and computing	4,815	-	-	4,815	2,474
Sundry expenses	4,066	-	-	4,066	3,744
Community care wages	99,940	-	-	99,940	100,691
Bookkeeping	3,188	-	-	3,188	3,744
Training	155	-	-	155	4
Depreciation	4,602	-	-	4,602	6,944
Bank charges	610	-	-	610	721
Carried forward to page 5	374,601	-	-	374,601	376,955

CHEAM PRIORY DAY CENTRE

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2017

		Unrestricted funds			2017	2016
	Notes	General fund	Designated funds	Restricted funds	Total funds	Total funds
		£	£	£	£	£
Brought forward from page 4		374,601	-	-	374,601	376,955
Independent examiner's fee	7	3,072	-	-	3,072	3,000
Trustees' expenses	7	540	-	-	540	630
Total expenditure		378,213	-	-	378,213	380,585
Net income/(expenditure)		16,720	-	3,000	19,720	(12,892)
Transfers between funds		-	-	-	-	-
Net movement in funds		16,720	-	3,000	19,720	(12,892)
Reconciliation of funds						
Balance at 1 April 2016		61,228	49,846	-	111,074	123,966
Balance at 31 March 2017		77,948	49,846	3,000	130,794	111,074

All income and expenditure derive from continuing activities.

All income and expenditure in the prior year was in respect of unrestricted funds.

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

CHEAM PRIORY DAY CENTRE**BALANCE SHEET****AS AT 31 MARCH 2017****Registered number: 06533051**

	Notes	2017	2016
		£	£
Fixed assets			
Tangible fixed assets	8	16,558	15,360
Current assets			
Stocks		729	729
Debtors and prepayments	9	53,356	41,446
Cash at bank and in hand		<u>79,797</u>	<u>124,816</u>
		133,882	166,991
Creditors: amounts falling due within one year	10	<u>(19,646)</u>	<u>(71,277)</u>
Net current assets		114,236	95,714
Total assets less current liabilities		130,794	111,074
Net assets		<u>130,794</u>	<u>111,074</u>
The funds of the charity			
Unrestricted funds - general fund	11	77,948	61,228
Unrestricted funds - designated funds	11	49,846	49,846
Restricted funds	11	3,000	-
		<u>130,794</u>	<u>111,074</u>

The directors are satisfied that the company is entitled to audit exemption under Section 477 of the Companies Act 2006 and that no member or members have requested an audit pursuant to Section 476 of the Act.

The directors acknowledge their responsibilities for:

ensuring that the company keeps proper accounting records which comply with Section 386 of the Companies Act 2006; and

preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its results for the financial year in accordance with the requirements of Section 396 of the Companies Act 2006, and which otherwise comply with the requirements of this Act relating to financial statements, so far as applicable to the company.

The financial statements were approved by the board and authorised for issue on 12/7/17 and signed on its behalf by


 Mrs M A Johnston
 Director

CHEAM PRIORY DAY CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Principal accounting policies

General information and basis of preparation

The financial statements are 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), including Update Bulletin 1, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity meets the definition of a public benefit entity under FRS 102. The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the Executive Committee for particular purposes.

Restricted funds are donations to be used for a specific purpose in accordance with the donors wishes.

Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Income is accounted for on an accruals basis.

Donations, are recognised when the charity has been notified in writing of both the amount and settlement date.

In addition, the charity receives help and support in the form of voluntary assistance at the Day Centre which is not recognised in the Statement of Financial Activities in line with the SORP (FRS 102). Insignificant donations of food and other goods which are received, are not included in the accounts as the values of these are not quantifiable.

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

Income from other trading activities includes income earned from hire of the hall and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Deferred income represents amounts received for future periods and is released to income in the period for which, it has been received.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. All costs have been allocated to activities on a basis consistent with the costs related to the category.

Tax

The charity is eligible for exemption from taxation in respect of its income and gains.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

CHEAM PRIORY DAY CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Principal accounting policies - continued

Allocation of support and governance costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include governance costs, bookkeeping and HR fees. They are incurred directly in support of expenditure on the objects of the charity. Support costs are all directly attributable to charitable activities.

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated so as to write down the cost less estimated residual value over their expected useful lives. The rates generally applicable are:

Leasehold property	: over the lease term
Equipment consisting of:	
Equipment	: 25% per annum by the straight line method
Furniture	: 10% per annum by the straight line method
Computer equipment	: 50% per annum by the straight line method
Motor vehicles	: 50% per annum by the straight line method

Stock

Stock is valued at the lower of cost and estimated selling price.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at the transaction price. Any losses arising from impairment are recognised in expenditure.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

2 Net expenditure

This is stated after charging:

	2017	2016
	£	£
Depreciation	<u>4,602</u>	<u>6,944</u>

3 Employees' remuneration

	2017	2016
	£	£
Wages and salaries	238,094	240,107
Employer national insurance	<u>14,879</u>	<u>15,192</u>
	<u>252,973</u>	<u>255,299</u>

No employee earned £60,000 per annum or more during the year (2016: Nil).

The average number of employees during the year was 12 (2016: 13).

4 Trustees' remuneration and expenses

No committee member or trustee received any remuneration during the period. One (2016: one) trustee was reimbursed travelling expenses totalling £540 (2016: £630).

CHEAM PRIORY DAY CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

5 Remuneration of key management personnel

	2017	2016
	£	£
Wages and salaries	47,021	45,286
Social security costs	5,369	5,129
	<u>52,390</u>	<u>50,415</u>

6 Support costs

Included within charitable activities are support costs of £10,407 (2016: £8,989).

	2017	2016
	£	£
These comprise of:		
Governance costs (see note 7)	3,612	3,630
HR fees	3,607	1,615
Bookkeeping	3,188	3,744
	<u>10,407</u>	<u>8,989</u>

7 Governance costs

	2017	2016
	£	£
Independent examiner's fee	2,472	2,400
Other accounting fees	600	600
Trustees' expenses	540	630
	<u>3,612</u>	<u>3,630</u>

8 Tangible fixed assets

	Leasehold property	Equipment	Motor vehicles	Furniture	Total
	£	£	£	£	£
Cost					
At 1 April 2015	11,964	24,805	9,620	19,460	65,849
Additions	5,800	-	-	-	5,800
At 31 March 2016	<u>17,764</u>	<u>24,805</u>	<u>9,620</u>	<u>19,460</u>	<u>71,649</u>
Depreciation					
At 1 April 2015	11,964	18,207	9,138	11,180	50,489
Charge for the period	48	2,705	-	1,849	4,602
At 31 March 2016	<u>12,012</u>	<u>20,912</u>	<u>9,138</u>	<u>13,029</u>	<u>55,091</u>
Net book values					
At 31 March 2017	<u>5,752</u>	<u>3,893</u>	<u>482</u>	<u>6,431</u>	<u>16,558</u>
At 31 March 2016	<u>-</u>	<u>6,598</u>	<u>482</u>	<u>8,280</u>	<u>15,360</u>

9 Debtors

	2017	2016
	£	£
Trade debtors	44,102	39,748
Other debtors and prepayments	9,254	1,698
	<u>53,356</u>	<u>41,446</u>

CHEAM PRIORY DAY CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

10 Creditors: amounts falling due within one year	2017	2016
	£	£
Trade creditors	9,395	736
Deferred income	6,242	6,242
Other taxes and social security	-	1
Other creditors and accruals	4,009	64,298
	19,646	71,277

Analysis of deferred income:	2017
	£
As at 1 April 2016	3,745
Amount released to income	(3,745)
Amount deferred in the year	6,242
As at 31 March 2017	6,242

11 Funds

	Brought forward	Net income before transfers	Transfers	Carried forward
	£	£	£	£
General fund	61,228	16,720	-	77,948
Designated fund - operational cover	49,846	-	-	49,846
Total unrestricted funds	111,074	16,720	-	127,794
Restricted fund - major capital replacement	-	3,000	-	3,000
Total funds	111,074	19,720	-	130,794

The general fund comprises the accumulated resources which may be expended without restriction in furtherance of the charity's objectives.

The designated fund operational cover is being held to ensure that there is a fund available for operational cover and future maintenance of vehicles.

The restricted fund - major capital replacement represents donations received towards the purchase of a new vehicle.

12 Analysis of net assets between funds

	Restricted funds	General funds	Total
	£	£	£
Tangible fixed assets	-	16,558	16,558
Cash at bank and in hand	3,000	76,797	79,797
Other current assets	-	54,085	54,085
Current liabilities	-	(19,646)	(19,646)
Net assets	3,000	127,794	130,794

13 Share capital

The company is limited by guarantee and does not have any share capital. The liability of the members is limited to £10 each.

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF

CHEAM PRIORY DAY CENTRE

I report to the Committee on the financial statements of Cheam Priory Day Centre for the year ended 31 March 2017 which are set out on pages 4 to 10.

Respective responsibilities of the Committee and the Examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £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.

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

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

Basis of Independent Examiner's Statement

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 financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as 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:

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

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

have not been met; or

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

Kreston Reeves hnf

S Ediss FCA
For and behalf of Kreston Reeves LLP
Chartered Accountants
Springfield House
Springfield Road
Horsham
West Sussex
RH12 2RG

Date: 12/7/17