

Registered number: 05692427
Charity number: 1126266

Sunlight Development Trust Ltd
(A company limited by guarantee)

Unaudited

Trustees' report and financial statements

For the year ended 31 March 2021

Sunlight Development Trust Ltd
(A company limited by guarantee)

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Sunlight Development Trust Ltd
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Reference and administrative details of the charity, its Trustees and advisers
For the year ended 31 March 2021

Trustees	Mr S C Millard Mr R L P Gallagher (resigned 26 August 2020) Mr A Banjoko Ms J McDonagh (resigned 13 May 2021) Ms R L F Turpin Mr M Durcan (resigned 26 August 2020) Mr A Price Mr I Chappell L Mayo P Clark K Barker (appointed 1 January 2021)
Company registered number	05692427
Charity registered number	1126266
Registered office	The Sunlight Centre 105 Richmond Road Gillingham Kent ME7 1LX
Company secretary	Mr M Durcan (resigned 26/08/20) Mr I Chappell (appointed 26/08/20)
Chief executive officer	Mr M Sissons
Accountants	Kreston Reeves LLP Chartered Accountants Montague Place Quayside Chatham Maritime Chatham Kent ME4 4QU
Bankers	Unity Trust Bank 9 Brindley Place Birmingham B1 2HB

Sunlight Development Trust Ltd
(A company limited by guarantee)

Trustees' report
For the year ended 31 March 2021

The Trustees are pleased to present their report and financial statements of the charity for the year ended 31 March 2021.

This year was unlike any other year in the history of the Sunlight Development Trust as during much of the period the organisation was operating within a global pandemic. COVID 19 affected and continues to impact on the global community, and the local community was no different. The Trust needed to adapt and change its offer to both meet national local restrictions and still meet the needs of its' service users.

Although the activities and performance outlined in this report are similar the practicalities were often very different, and thanks need to be given to the committed team of staff and volunteers to ensure all service user needs were met wherever possible.

Structure, Governance and Management

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their Annual Report together with the audited financial statements of Sunlight Development Trust Limited (the company) for the year ended 31 March 2021. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Constitution

The company is registered as a charitable company limited by guarantee; it was set up by a Memorandum of Association on 31 January 2006 and registered as a charity on 13 October 2008. The charity number is 1126266 and the registered company number is 5692427. The registered address of the charity is the Sunlight Centre, which is an award-winning healthy living centre in Gillingham, Kent.

The company's principal objects are the reduction of health and social inequality through community development by the provision of services and facilities for the local community and beyond.

Method of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Induction and training of Trustees

The Board of Trustees has the power to appoint additional Trustees. The Company has detailed role descriptions for Board members in general, and for those with specific roles. The recruitment of Trustees is carried out using outside recruitment agencies, professional body organisations such as Reach, the Volunteer Bureau website and advertising amongst other colleagues and partner agencies. Through robust recruitment methods the company endeavours to reach groups of people who are under-represented in its employment, those who are members of the local community and those who can bring relevant skills and experience to the Board.

Trustees are appointed to the Board following a formal interview and selection process which includes Trustees and may involve Trust staff and local community members. Prospective Trustees meet with an existing Board member following receipt of a CV to discuss with them the skills and areas of expertise that they would bring to the charity, and they are invited to observe and participate in a meeting before a final decision is made. Relevant diligence checks are completed prior to the new Trustee being formally welcomed to the Board.

Serving Trustee Board members are listed above; the position of Treasurer remains vacant. Steps are being taken to fill this role.

The induction and training of trustees have provided difficult for this reporting period as the usual process of meeting and working alongside staff was not possible for much of the year due to COVID 19.

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Trustees' report (continued)
For the year ended 31 March 2021

Organisational Structure and Decision-Making

In addition to regular Board Meetings, the Trustees undertake strategic, business planning and development activities including personal responsibilities for finance, fundraising, property management, health and safety, legal, equal opportunities and diversity, personnel mentoring and the staffing sub-committee with members of the senior management team, as appropriate.

The Board refer constantly to community objectives through regular involvement with events and activities held by the organisation. Membership of the Board is drawn from the local community and Trustees operate as ambassadors with local organisations through their networking and direct involvement with many of the communities of interest associated with the Centre.

Risk Management

The Board of Trustees have overall responsibility for the system of internal controls for the charity. Robust financial policies and delegated authority as well as periodic visits by external accountants ensure that the company adheres to financial policies and procedures. The charity operates a comprehensive budgeting process which is approved by the Board and management accounts showing actual financial results against budget are made to the Trustees at each Board meeting.

The Trust engages the accountancy firm Kreston Reeves for independent examination of the accounts, and expert advice on matters relating to charity finance, payroll, pensions, and VAT. During the year, the Trust continued to engage a solicitor and surveyor for property matters concerning the lease and rent review on an as and when required basis. The Trust continues to engage Ellis Whittam as the external employment and health and safety advisory service including the annual undertaking of health and safety audits, supporting risk assessment, and guidance on risk management. Advice is routinely sought by the Trust on human resourcing matters, the management of change and employment related contractual matters.

Financial policies form part of every induction and all staff are offered training on and are required to sign an anti-bribery declaration stating that they have read and understand the contents of the Anti-Bribery policy. Internal controls are in place in relation to the authorisation of all transactions and planned expenditure to maintain financial control across the organisation. Robust procedures are also in place to ensure the health and safety of all staff, beneficiaries, Trustees, and other visitors to our Centre and comprehensive inspections are completed to ensure legal compliance as well as best practice. The standards expected in relation to the services provided to our beneficiaries are clearly established and all staff work to ensure the very best provision of information, guidance, help and support to community members in contact with Sunlight. Day-to-day management of Trust wide policies covering risk and service provision is delegated to the Centre Manager, with the Chief Executive responsible for regular monitoring of their effectiveness. Trustees approve any changes to such policies and procedures and regularly review them as appropriate.

Aims and Activities.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit and to its supplementary public benefit guidance.

How Our Activities Deliver Public Benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Our main aims and objectives and the people we work with are described below.

The Medway population is diverse, and this continues to be reflected in the characteristics of people and interest groups making use of the facilities within the Sunlight Centre. A wide variety of community groups and organisations use the centre from Monday to Sunday each week, as activity and meeting space.

All our charitable activities focus on tackling long-standing health and social inequality and multiple

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Trustees' report (continued)
For the year ended 31 March 2021

disadvantages through an asset-based approach to community development. We do this in partnership with local agencies, local businesses and most importantly, local people and communities; co-producing a creative and inclusive community offer.

The charity manages the Sunlight Centre which is open from Monday to Sunday, hosts a GP surgery, pharmacy, family centre, recording studio and radio station; and provides a variety of meeting space used by in excess of 45 community associations and groups. The centre is a thriving hub from within which we deliver a combination of work streams & projects wholly funded and run by the Trust. The users of our services are of all ages, are both male and female, of all backgrounds and all have a need to use the range of services we offer.

However, the year relating to this report has been very different with the Sunlight Centre being closed to the public for much of the year due to COVID 19. During the first lock down the GP Surgery closed completely and has since re-opened on a limited basis with a different managing practice.

The Family Centre has remained open throughout this period and as a result the staff team at the Sunlight Centre needed to ensure the building remained accessible.

The radio station remained closed for the first lockdown but has since re-opened. The recording studio has also remained closed through much of the year.

Commissioned services continued when they were permitted.

Sunlight carries out a wide range of activities in pursuance of its charitable aims. In particular, our aims have been to enable individuals and community groups to access a wide and diverse range of programmes; providing accessible, inclusive and meaningful local opportunities; tackling social isolation and building social capital; promoting wellbeing, facilitating access to employment, supporting community led action and change, tackling social injustice and facilitating independence.

Overview of activity

The Sunlight Development Trust is in a unique position as it comes out of lockdown following the global pandemic. Although the centre closed for several months following central government guidance it managed to continue to deliver some of its services and to support other organisations to continue to deliver their services.

Medway Men in Sheds and the Well Being Café continued with no Sheds and without a Café. The impact of services was still acutely felt by those service users who benefitted. This underlines how creativity and lateral thinking can result in the right outcome.

Numbers affected by lockdown and the impact it will have on local residents on Medway has yet to be truly measured and without the services provided through the Sunlight Centre, many local residents would have nowhere to turn for the support they need.

The agreed strategy is to maximise the impact of current services and to consider service development opportunities. It has also been to focus on new ways of working to meet the needs of service users and to extend the reach of the service further beyond Gillingham.

During lock down considerable efforts were made to stabilise the organisation through securing financial arrangements with tenants, our landlords Medway Council and the GP Surgery. There have been challenges to overcome but the staff team has managed to address the issues faced.

Tough decisions have also been made during lock down, which have included the closure of Café Sunlight, which although a separate CIC has been a drain on Sunlight's resources for some time. The café may re-open again in the future, but this is likely to be in partnership with another organisation to minimise the liability placed upon the Trust.

As the Trust moves out of lockdown and things start returning to relatively normal, a new strategy needs to be developed to meet the changing needs of the local population.

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Trustees' report (continued)
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Additional funding has also been secured to establish new online services and projects to get service users online. The Sunlight Development Trust is not limited to the Sunlight Centre. Although historically this has been the case the future needs to be different for The Sunlight Development Trust to have a bright future, not only in Gillingham but across the whole of Medway.

Strategies for achieving objectives.

1. To assist in the reduction of long-standing health and social inequality by developing and delivering services which are creative and of high quality.
2. Ensure the Trust is financially sustainable for 2021/22 and beyond, regardless of in year movement resulting from changes to earned income levels, contracts, or grants
3. Continue to deliver local social impact through the management of the building, delivery of the community café, and developing and enabling the active participation and involvement of communities in the work of the organisation.
4. Ensure the Trust has a positive reputation, and is identified as a robust, reliable, high quality provider organisation within the local economy.
5. To assist people experiencing multiple disadvantages in Medway to get the right support to help them with their health and wellbeing, education, and employment.
6. Continue to develop the business readiness of the organisation and secure new business opportunities, in line with the charity's primary purpose
7. Ensure Trust governance arrangements are robust, and the organisation complies with statutory responsibilities and strong and effective management is in place.
8. Continue to provide a range of high-quality community projects in line with the primary purpose of the charity.

Activities for achieving objectives.

In line with the strategic priorities of the Trust and associated business plan, in year activity of the Board and management executive has been focused on the following.

Monthly management meetings between the Trust Chair and CEO; regular organisational development sessions with Trustees and staff to support governance; review the Trust's strategic aims and business plan, monitor progress, manage risk and succession planning; and recruitment of new Trustees. Trust staff training relating to key responsibilities and staffing matters such as employment law, health, and safety, first aid, fire and food hygiene is undertaken online through the Ellis Whittam training portal. Additional external training is taken up for service specific requirements.

Regular reviews of the Trust's budget and strategies for managing negative movement in year by the CEO; Finance Manager and Trust Board. Strategic and operational management of property matters including income from leases and service charges, a rent review by the local authority, and income earned through room rental, rehearsal space and other services.

Management of the day-to-day relations with tenants, licensees, building users and community members; provision of affordable meeting space for community groups and local services seven days a week, improvement to and refurbishment of internal and external facilities, as necessary and when possible. Maintenance of the lease for the community garden and access to this by the High Hopes Gardening Group, enabling community access to and engagement in green space activities via the Otway Street lease ensuring that it is used for the creation of a community garden, enlisting the help of Community Payback in the preparation stages.

To keep the Sunlight building available, accessible, and safe for the use of local people and others within the Medway community. Working closely with Medway Council to achieve an affordable rent and longevity of lease.

To improve life skills and life chances by enabling a range of social, welfare, educational, training, development, and health activities to take place at the Centre which responds to the needs of local people by ensuring targeted marketing and advertising. This will continue into and through 2021 with training being focussed on beneficiaries attending the Men in Sheds and the Wellbeing Café schemes.

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Trustees' report (continued)
For the year ended 31 March 2021

Delivery of services funded through contracts along with the required outcomes and active participation in local and national strategic initiatives associated with themes of interest to the Trust, such as equality; wellbeing; loneliness and social isolation.

Delivery of community focused activities whether funded directly by the Trust, through individual user payments, grants, donations, or other forms of fundraising. Managing the Trust's trading subsidiary, Café Sunlight has been closed due to the impact of COVID 19 as it has become financially unviable. The trust would like to thank the two staff who were made redundant because of this decision for their contribution to a very well thought of service.

Contracts, grants, and community development activity

During the year, the Medway Men in Sheds Scheme was re-commissioned, highlighting how highly thought of it is in Medway. The scheme provides preventative support to reduce social isolation and improve the mental health of men over 25 who are not in employment and retirees, as these are most at risk of suicide. The Medway Wellbeing Café delivered on behalf of Medway Clinical Commissioning Group is framed around the concept of 'Get Together, Learn Something New and Have Fun'. The service promotes mental wellbeing by providing a safe place to attend with activities and social support for people who may otherwise use unplanned care services such as accident and Emergency, NHS 111, Medoc, the crisis team or be taken into police custody. The well Being Café has also been extended until the end of March 2021.

Sunlight Studios remained operational during this year when it could due to the national and local lockdowns and provide studio rehearsal space and sound engineering services to local musicians and community members. The Studio also provides technical support to community music initiatives and works jointly with Radio Sunlight to promote community engagement and participation in events, music, and broadcasting. The Trust supports community members and groups to operate alongside the organisation whilst retaining their independence, and volunteers continue to make a substantial contribution. The support provided has been limited in this reporting period but is gradually coming back to full strength as lockdown eases.

Café Sunlight CIC

The decision to close Café Sunlight was taken in June 2020. The café had been closed since lock down was announced but had not been performing financially for some time. Although changes had been made both to the staffing structure and to the service delivered not all the recommendations had been implemented and financial performance had not improved.

New management is being considered for the café but until such times as the Pandemic is over it is very difficult to envisage the cafe re-opening in extremely challenging times. Time and consideration will be taken to make the right decision for the future of the café. The resource it provides is still being used by other services and regular users of the café are being supported.

Rent review

The rent review was completed in July 2020 with an agreed rent liability of £19K per annum from 01/04/2020. This is offset by Medway Council taking on additional rooms at a cost of £10K per annum. A repayment plan is being planned to cover the period of 2017 to 2019.

As part of this process the Trust agreed that the market rate for the building was just over £58K per annum. The next stage is to consider a new lease for the building. Negotiations are underway regarding the lease and a new 10-year lease is being discussed with the landlords, Medway Council.

IT Infra-structure

The Trust secured funding to improve its IT Infra-structure. This included moving all the IT resources onto MS 365 enabling more staff to work effectively from home.

Public access personal computers were also updated as was the public access WIFI. This will help deliver more digital services but also give the local population internet access in a safe and secure environment.

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Trustees' report (continued)
For the year ended 31 March 2021

Achievements and performance

a. Going concern.

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the trustees have continued to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Review of activities

- i. The Board actively oversees financial resources and risk tolerances with the management executive. Services provided under contract are subject to formal contract monitoring arrangements, which includes the regular reporting and review of Key Performance Indicators and Outcomes achieved to commissioners. Quarterly and annual reports, which use the required methodology for data collection and analysis, are produced for this purpose.
- ii. Comments, complaints, and compliments from community members using the centre facilities or services provided are recorded and dealt with in line with Trust policy. Where possible concerns or complaints are addressed and resolved through discussion or escalated through the organisation and reviewed by the Board, as necessary and appropriate.
- iii. During 2020/21 the process of reviewing organisational policy and procedures continued in liaison with the externally commissioned employment advisory service resulting in a revised staffing handbook. An internal review of other policies and procedures resulting in several changes to practice and an update of existing policies. New policies were also developed and ratified.
- iv. Activities and services delivered by the Trust seek feedback from participants in a variety of formal and informal ways. Surveys, questionnaires, verbal and written feedback and group reflections are used. Feedback including comments, complaints and compliments is reviewed by the management executive and reported as part of contract or grant monitoring, and in reports as necessary for Board meetings.

c. Factors relevant to achieving objectives.

The overriding aim of the organisation is to reduce health and social inequality through community development and, in line with the organisational ethos, involve the community in the design, operation and delivery of activities and services delivered. The National Occupational Standards for Community Development work and related practice protocols are used to inform relevant areas of practice and delivery in line with this.

Financial review

a. Reserve's policy

The organisation aims to build effective levels of reserves in line with this policy over the next five years, but it is recognised that this is a challenging objective due to the impact of COVID 19 on normal trust activity. Reserves policy is aiming for three months in reserves

c. Principal funding

The principal funding sources are income earned through leases and premises rental, delivery of services, contracts and grants, and fundraising activities. New funding streams need to be identified and explored to learn from the impact of COVID 19.

Plans.

- i. The Trust will strive to deliver innovative and inclusive services in line with the primary purpose of the charity, its strategic priorities, community aspirations and the requirements of public service commissioning. This will include developing and delivering schemes focused on health and wellbeing, equality, mental health, social isolation, loneliness and the alleviation of poverty and hardship. The Trust will endeavour to do this in partnership with local people, community organisations and commissioners. These activities enable the Trust to work in a meaningful and preventative way in relation to the health and wellbeing of local people whilst maximising the potential of facilities on the Sunlight site.
- ii. The Trust will continue to respond to opportunities for the delivery of local services and forecast growth in the social enterprise sector. The management team will involve staff, trustees, and community groups in assessing and leading local responses to the opportunities that arise. The Trust will continue to actively explore and develop sector level partnerships in support of this agenda and seek opportunities for collaborative working and diversifying funding streams.

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Trustees' report (continued)
For the year ended 31 March 2021

- iii. The Trust will continue to engage in an intentional manner with the community, strategic partners, local MPs, and decision makers, creating and identifying opportunities to support community empowerment and community led action.
- iv. Negotiate in relation to the lease, investment readiness and asset transfer will be driven forward, with a long-term aim of acquiring the freehold of the Sunlight Centre and local green space for the benefit of the community.
- v. The Trust has updated its business plan to incorporate its fundraising strategy and pay attention to grant income. Applications to grant making bodies will be developed to work on several schemes which it is hoped will lead to long-term, gainful employment and better employment opportunities for our beneficiaries.
- vi. Continue to apply for grants and tender for services which are compatible with its aims, to draw funds into the local economy and increase local social capital.
- vii. Continue to engage in an intentional manner with the community, strategic partners, local MPs, Councillors, and decision makers, creating and identifying opportunities to support community empowerment and community-led action.
- viii. Further development and improvement of the business readiness of the Trust will continue, including a review of the assets and information technology available to the Trust.
- ix. Continue to investigate opportunities for closer working with likeminded organisations which brings mutual benefit to all parties and an enhanced service to the end user.

Trustees' responsibilities statement

The Trustees (who are also directors of Sunlight Development Trust Limited for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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.
- make judgments and accounting estimates that are reasonable and prudent.
- prepare the financial statements on the ongoing 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 are sufficient to show and explain the charitable company's transactions and 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 preparing this report, the Trustees have taken advantage of the small company's exemptions provided by section 415A of the Companies Act 2006.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Am Price

Mr A Price
Chair

Date:

14/7/2021

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Independent examiner's report
For the year ended 31 March 2021

Independent examiner's report to the Trustees of Sunlight Development Trust Ltd ('the charity')

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 March 2021.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Responsibilities and basis of report

As the Trustees of the charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters, other than those fully detailed below, have come to my attention in connection with the examination giving me reasonable cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.

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Independent examiner's report (continued)
For the year ended 31 March 2021

Emphasis of Matter

I draw attention to note 2.2 to the financial statements which describes the uncertainty related to the Charity's ability to continue as a going concern.

I confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.

Signed:



Dated: 16 July 2021

S Robinson BA FCA FCIE DChA MCMI

Kreston Reeves LLP

Chartered Accountants

Chatham Maritime

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Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 March 2021

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	79,250	166,455	245,705	187,702
Other trading activities	4	-	-	-	298
Investments	5	-	196,968	196,968	227,127
Other income	6	-	18,801	18,801	2,217
Total income		79,250	382,224	461,474	417,344
Expenditure on:					
Charitable activities	7	79,123	314,538	393,661	475,389
Total expenditure		79,123	314,538	393,661	475,389
Net income/(expenditure)					
Transfers between funds	16	127 (584)	67,686 584	67,813 -	(58,045) -
Net movement in funds		(457)	68,270	67,813	(58,045)
Reconciliation of funds:					
Total funds brought forward		457	(75,023)	(74,566)	(16,521)
Net movement in funds		(457)	68,270	67,813	(58,045)
Total funds carried forward		-	(6,753)	(6,753)	(74,566)

The notes on pages 13 to 27 form part of these financial statements.

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Registered number: 05692427

Balance sheet
As at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	845	-
Investments	12	1	1
		<u>846</u>	<u>1</u>
Current assets			
Debtors	13	14,732	110,672
Cash at bank and in hand		90,535	10,302
		<u>105,267</u>	<u>120,974</u>
Creditors: amounts falling due within one year	14	(110,779)	(176,957)
Net current liabilities		<u>(5,512)</u>	<u>(55,983)</u>
Creditors: amounts falling due after more than one year	15	(2,087)	(18,584)
Total net assets		<u>(6,753)</u>	<u>(74,566)</u>
Charity funds			
Restricted funds	16	-	457
Unrestricted funds	16	(6,753)	(75,023)
Total funds		<u>(6,753)</u>	<u>(74,566)</u>

The charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

A Price

Mr A Price
Chair

Date: 14/07/2021

The notes on pages 13 to 27 form part of these financial statements.

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Notes to the financial statements
For the year ended 31 March 2021

1. General information

Sunlight Development Trust Ltd is a company limited by guarantee with the Charity registration number 1126266 and the company registration number 05692427. The address of the registered office is The Sunlight Centre, 105 Richmond Road, Gillingham, Kent, ME7 1LX. The main objectives of the Charity are as detailed within the Trustees' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Sunlight Development Trust Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

Notwithstanding the net liabilities at the balance sheet date of £6,753 the accounts have been prepared on a going concern basis. The justification of this treatment is as follows:

The principal risk facing the Charitable Company is its ability to generate sufficient income to cover expenditure incurred in fulfilling the objectives of the Charitable Company.

The Trustees continue to implement a series of cost reduction and income generation measures. Activities have been rationalised.

Payment plans have been agreed with all major creditors and these are currently being honoured.

At this stage it is difficult to tell what the exact financial implications of COVID-19 will be on the Charity but the Trustees are continuously monitoring events and implementing appropriate plans and/or seeking consultation where needed.

If the going concern basis were not appropriate, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for any further liabilities that might arise and to reclassify fixed assets as current assets and long term liabilities as current liabilities.

2.3 Income

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.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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Notes to the financial statements
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2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Long-term leasehold property	- over the course of the lease
Other fixed assets	- 12.5-25% straight line

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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2. Accounting policies (continued)

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.10 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

2.12 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2.13 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 costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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Notes to the financial statements
For the year ended 31 March 2021

3. Income from donations and legacies

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	-	318	318	2,487
Grants	79,250	156,901	236,151	152,453
Other income	-	9,236	9,236	32,762
	<u>79,250</u>	<u>166,455</u>	<u>245,705</u>	<u>187,702</u>
Total 2020	<u>7,973</u>	<u>179,729</u>	<u>187,702</u>	

4. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Fundraising income	-	-	298
	<u>298</u>	<u>298</u>	
Total 2020	<u>298</u>	<u>298</u>	

5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rent, service charge and room hire income	196,968	196,968	227,127
	<u>227,127</u>	<u>227,127</u>	
Total 2020	<u>227,127</u>	<u>227,127</u>	

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6. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Furlough income	18,801	18,801	2,217
	<u> </u>	<u> </u>	<u> </u>
Total 2020	2,217	2,217	
	<u> </u>	<u> </u>	

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Charitable activities	79,123	314,538	393,661	475,389
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2020	10,396	464,993	475,389	
	<u> </u>	<u> </u>	<u> </u>	

8. Analysis of expenditure by activities

	Direct costs 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Charitable activities	297,066	96,595	393,661	475,389
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2020	310,195	165,194	475,389	
	<u> </u>	<u> </u>	<u> </u>	

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Notes to the financial statements
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8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	246,121	264,759
Insurances	5,849	5,845
Premises expenditure	27,640	14,721
Light, heat and power	11,772	16,942
Volunteer expenses	-	868
Subscriptions	2,639	2,325
Bank charges	531	812
Fundraising expenses	1,000	384
Travel and subsistence	1,514	3,539
	297,066	310,195

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Depreciation	570	5,165
General office expenses	30,679	36,291
Training	1,938	1,267
IT costs	20,135	6,154
Bad debts	174	35,200
Printing and stationery	550	356
Telephone and fax	7,419	7,924
Project rent	20,287	38,857
Property rent	-	23,333
Accountancy fees	2,700	1,200
Independent examiner's remuneration	3,678	2,640
Professional and consultancy fees	8,465	6,807
	96,595	165,194

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9. Staff costs

	2021 £	2020 £
Wages and salaries	227,506	243,940
Social security costs	12,795	14,282
Other pension costs	5,820	6,537
	246,121	264,759

The average number of persons employed by the charity during the year was as follows:

2021 No.	2020 No.
13	11

The average headcount expressed as full-time equivalents was:

2021 No.	2020 No.
7	6

No employee received remuneration amounting to more than £60,000 in either year.

The total remuneration and benefits received by key management personnel during the financial year amount to £126,505, including employer's national insurance contributions and employer pension contributions (2020: £114,221, including employer's national insurance contributions).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

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Notes to the financial statements
For the year ended 31 March 2021

11. Tangible fixed assets

	Long-term leasehold property £	Other fixed assets £	Total £
Cost or valuation			
At 1 April 2020	72,790	106,433	179,223
Additions	-	1,415	1,415
At 31 March 2021	<u>72,790</u>	<u>107,848</u>	<u>180,638</u>
Depreciation			
At 1 April 2020	72,790	106,433	179,223
Charge for the year	-	570	570
At 31 March 2021	<u>72,790</u>	<u>107,003</u>	<u>179,793</u>
Net book value			
At 31 March 2021	<u>-</u>	<u>845</u>	<u>845</u>
At 31 March 2020	<u>-</u>	<u>-</u>	<u>-</u>

12. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2020	<u>1</u>
At 31 March 2021	<u>1</u>
Net book value	
At 31 March 2021	<u>1</u>
At 31 March 2020	<u>1</u>

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Notes to the financial statements
For the year ended 31 March 2021

12. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the charity:

Name	Company number	Charity registration number	Registered office or principal place of business
Cafe Sunlight CIC	05692427	1126266	The Sunlight Centre, 105 Richmond Road, Gillingham, Kent, ME7 1LX

Principal activity	Class of shares	Holding	Included in consolidation
To support the charitable activities of its parent charity through the commercial benefits of a cafe.	Ordinary	100%	No

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Cafe Sunlight CIC	442	(2,921)	(2,479)	(36,344)

13. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	8,902	98,668
Other debtors	570	2,058
Prepayments and accrued income	5,260	9,946
	14,732	110,672

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14. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Other loans	39,407	44,057
Trade creditors	9,414	5,651
Other taxation and social security	4,821	8,269
Pension fund loan payable	1,122	1,008
Other creditors	22,582	7,943
Accruals and deferred income	33,433	110,029
	110,779	176,957

15. Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Other creditors	2,087	18,584

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Notes to the financial statements
For the year ended 31 March 2021

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds					
General Funds	(75,023)	382,224	(314,538)	584	(6,753)
Restricted funds					
KCF Employability Skills and Enterprise Theme	457	-	(788)	331	-
Awards for All - Otway Street	-	3,286	(3,286)	-	-
Awards for All-Covid 19 The Revival Project	-	9,530	(8,981)	(549)	-
Bright Ideas C19 Support Fund - Power to Change	-	4,836	(4,909)	73	-
CCLORS Fund	-	34,534	(34,534)	-	-
KCF - Elderly & Vulnerable Theme	-	728	(728)	-	-
KCF Resilience Fund Covid 19	-	16,000	(16,461)	461	-
KCF Resilience Fund-UpBeat	-	4,412	(4,412)	-	-
SPIF-Smart Skills	-	3,336	(3,336)	-	-
Ward Funds for Greenhouse Otway St	-	900	-	(900)	-
Ward Improvement Fund	-	1,688	(1,688)	-	-
	457	79,250	(79,123)	(584)	-
Total of funds	(74,566)	461,474	(393,661)	-	(6,753)

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16. Statement of funds (continued)

KCF (Brook Trust) - Employability, Skills and Enterprise Theme

The KCF Employability Skills grant is to fund delivery of a range of opportunities targeting local men and women facing barriers to employment and multiple disadvantage, aimed at improving their employment skills through volunteering, support sessions and training. This includes volunteering opportunities through the Trust individual support sessions to enable beneficiaries to get on line and engage in employment related activities, and formal and informal learning activities addressing basic entry level training requirements and practical skills for those seeking work. It has been agreed with the funders that this grant could be spent on staff training and development which is due to be completed by the end of June 2021.

Awards for All Otway Street Community Garden

The Otway Street Garden is a community garden project is a community garden giving local residents experiencing social isolation and who are from disadvantaged backgrounds the opportunity to contribute to the maintenance and development of a Community resource which is of benefit to the local community. It also provides the opportunity for those attending to develop new skills which will help them improve their self-esteem and self-worth. This grant continues to cover the costs of us delivering a service from the Otway Street garden which is aimed at those experiencing mental health issues. The garden was central to the delivery of a week of mental wellbeing activities in May 2021.

The Awards for All - The Revival Project

This grant enabled us to continue to operate the studio and radio station during lockdown when no income could be generated and to replace and repair some older equipment for the radio station.

Bright Ideas C19 Support fund Power to Change

The grant covered the additional costs of the new IT System so all staff could work remotely and documents could be shared easily. The network was also refreshed as part of these works to ensure it was fit for purpose as the organisation moved out of lockdown.

CCLORS-(Coronavirus Community Led Organisations Recovery Scheme)

The grant enabled us to cover a large proportion of staffing costs which would normally be covered through trading, improvements in our IT Infrastructure and refurbishment and repairs to the Sunlight centre to ensure it remained COVID 19 compliant. It was agreed in May 2021 that this grant could be extended to the end of May 2022 as it had proved difficult to commission some of the refurbishment works. An alternative budget was also agreed enabling more of the costs to be allocated to salaries.

KCF Elderly & Vulnerable

The Kent Community Foundation Elderly and Isolated Adults grant is to fund community based crafts, up-cycling, arts and creative workshops delivered with the aim of reducing social isolation, loneliness and improving mental and physical health and improving levels of wellbeing amongst individuals with lived experience of mental ill health, housing issues, homelessness or other vulnerable characteristics. Due to the demographics of the client group this service was postponed until such times as lockdown had come to an end but helps to facilitate services aimed at those with dementia and their carers.

KCF Resilience Fund Upbeat

The grant enabled us to continue to operate the Radio Station throughout 2020/21 as it covered most of its operating costs.

Smart Skills

The grant was secured through Kent and Medway Suicide Prevention service. The grant facilitated the delivery of an 8 week programme to help those who neither had the resources of the skills to use Smart Phones to their full potential. This was of particular relevance as many services moved on line during lockdown. More funding has been secured.

Ward Funds

The grant was used to repaint the exterior of the building (The Rotunda) and was carried over from previous years.

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For the year ended 31 March 2021

16. Statement of funds (continued)

Ward Funds leaflet

This grant funded a marketing leaflet linked to the re-opening of the Sunlight Centre and the Otway Street Garden Mental Well Being Activities in May 2021..

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Unrestricted funds					
General Funds	(20,421)	409,371	(464,993)	1,020	(75,023)
Restricted funds					
KCF Employability Skills and Enterprise Theme	3,900	-	(2,423)	(1,020)	457
Awards for All - Otway Street	-	1,101	(1,101)	-	-
Awards for All-Covid 19 The Revival Project	-	4,872	(4,872)	-	-
Bright Ideas C19 Support Fund - Power to Change	-	2,000	(2,000)	-	-
	3,900	7,973	(10,396)	(1,020)	457
Total of funds	(16,521)	417,344	(475,389)	-	(74,566)

17. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
General funds	(75,023)	382,224	(314,538)	584	(6,753)
Restricted funds	457	79,250	(79,123)	(584)	-
	(74,566)	461,474	(393,661)	-	(6,753)

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17. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
General funds	(20,421)	409,371	(464,993)	1,020	(75,023)
Restricted funds	3,900	7,973	(10,396)	(1,020)	457
	<u>(16,521)</u>	<u>417,344</u>	<u>(475,389)</u>	<u>-</u>	<u>(74,566)</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	845	845
Fixed asset investments	1	1
Current assets	105,267	105,267
Creditors due within one year	(110,779)	(110,779)
Creditors due in more than one year	(2,087)	(2,087)
Total	<u>(6,753)</u>	<u>(6,753)</u>

Analysis of net assets between funds - prior year

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Fixed asset investments	-	1	1
Current assets	457	120,517	120,974
Creditors due within one year	-	(176,957)	(176,957)
Creditors due in more than one year	-	(18,584)	(18,584)
Total	<u>457</u>	<u>(75,023)</u>	<u>(74,566)</u>

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19. Pension commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £5,820 (2020: £6,537). Contributions totalling £1,112 (2020: £1,008) were payable to the fund at the balance sheet date and are included in creditors.

20. Operating lease commitments

At 31 March 2021 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	19,444	9,444
Later than 1 year and not later than 5 years	13,349	555
	<u>32,793</u>	<u>9,999</u>

21. Related party transactions

Three of the Trustees, Mr A Price, Mr P Clark and Mr S C Millard, are also Directors of Cafe Sunlight Limited, a subsidiary Company of Sunlight Development Trust. During the year the Charity made purchases from this Company of £Nil (2020: £3,997), and made sales to the Company of £Nil (2020: £36,144). A provision has been made against the inter-company debtor for £35,177 as it is unlikely to be recovered.