

Company Registration No. 2270299 (England and Wales)
Charity No. 299889



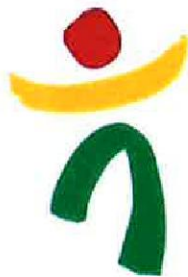
CENTRE 404

**A company limited by guarantee
and not having a share capital**

**Financial Statements
31 March 2021**

Our Mission

Centre 404 is working towards a world where people with learning disabilities and their families have the support they need to enjoy the same rights, freedoms, responsibilities, respect, choices and quality of life as people within the wider community.



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Financial Statements for the year ended 31 March 2021

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Reference and Administrative Information

Trustees/Directors

Jean Willson OBE	{Chair Person}
Paul Formosa	{Vice-Chair}
Derek Weist	{Treasurer}
Etienne Makosso	{Appointed November 2020}
Copeland Ingram	
Susan Pearson	
Tara Willson	
Samantha Dunne	
Deborah Spencer	{Formally Leech}
Phil Heycock	{Resigned November 2020}

Chief Executive Officer

Linda McGowan

Company Secretary

Paul Formosa

Registered office and business address

404 Camden Road
Islington
London
N7 0SJ

Auditor

Moore Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

Solicitors

Reculver Solicitors
12-16 Clerkenwell Road
London
EC1M 5PQ

Bankers

Lloyds Bank plc
31/33 Holloway Road
London
N7 8JU

Company Number

2270299

Charity number

299889

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Report of the Trustees (incorporating a Directors' Report)

The Trustees (who are also the directors) are pleased to present their report for the year ended 31 March 2021.

This report describes what Centre 404 is set up to do and what we have been doing in the last year. It also explains our structure and governance processes. It includes our annual accounts and explains our plans for the coming year. Additional information about our activities can be found in our Annual Review, which can be obtained from our main office and our website.

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of Centre 404 for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 charity and of the incoming resources and application of resources, including the income and expenditure of the charity 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 of the Charity's SORP
- Make judgments and accounting estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity 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 charity's auditor is unaware
- The Trustees have taken all steps 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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

In accordance with the Companies Act 2006, a resolution proposing that Moore Kingston Smith LLP will be officially appointed as the auditor will be put to the Annual General Meeting.

Structure, Governance and Management

Structure and Legal Status

Centre 404 is a registered charity and constituted as a company limited by guarantee. The instruments governing the charity are the Memorandum and Articles of Association.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The Trustees are members of the charitable company but this entitles them only to voting rights.

The charity is governed by a Board of Trustees collectively referred to as the Trustees. These Trustees are also the Directors of the company for Companies Act purposes.

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Report of the Trustees (incorporating a Directors' Report)

Governance

Trustees are members of the Executive Committee and also chair the following sub-committees: Housing, Supporting Families, Learning and Leisure, Learning and Leisure Reference Group, Personnel and Finance. These sub-committees are directly accountable to the Executive Board and are jointly responsible for advising and overseeing the work of the organisation's service areas. The Executive Committee meets at least five times a year and is attended by the Chief Executive and the Finance Manager and Heads of Service attend when requested. The sub-committee for each service area meets every six-eight weeks and minutes of these meetings are presented to the Executive Committee.

As outlined in the Articles of Association, the number of Directors/Trustees forming the Executive Committee (including Officers) shall be not less than eight, or more than fifteen.

The Executive Committee may at any time appoint any member of the Charity as a Trustee of the Executive board. Trustees so appointed shall retain his or her office only until the next Annual General Meeting, where they shall be eligible for re-election.

The Executive Committee reviews its membership annually to ensure it is representative of the service users and the community which we serve. The Board of Trustees comprises a mixture of individuals from a wide range of backgrounds including family carers of children or adults with a learning disability, current service users, individuals with specific professional skills and individuals from the charitable and housing sectors. Centre 404 needs to keep this balance as we are committed to the organisation having strong service user involvement at all levels and being user-directed.

The Executive Committee also reviews the skills and professional expertise of Trustees to ensure there are no knowledge or experience gaps, which would put the strategic management and development of the organisation at risk. The training needs of Trustees are reviewed throughout the year and at away days. Trustees are regularly kept up-to-date with training opportunities and conferences that will further enhance their knowledge and confidence in their role.

Potential candidates for the Board of Trustees receive a briefing pack about the roles and responsibilities of a Trustee and have the opportunity to attend a Board meeting and visit Centre 404 to understand its work before being elected. Trustees are invited to meet senior staff members and visit as many activities or projects as they are able to once they are elected.

Management

The Executive Committee is responsible for the overall strategy and management of the organisation. The day-to-day management of the charity, including staff and financial matters, is delegated to the Chief Executive Officer (CEO). The CEO is supported by a senior management team comprising the Finance Manager and Heads of Service for the following areas of our work: Supporting Families, Learning and Leisure Supported Living and Central Services. The senior management team report directly to the CEO. The Centre 404 remuneration committee is made up of the Chair, Vice Chair and the treasurer. They meet when required to review the salary of the CEO and other key management personal. The committee carefully benchmarks these senior salaries against similar roles in similar organisations and where possible aim for the median salary. They also utilise the annual ACEVO pay survey. The length of service, qualifications, experience and specialist knowledge of the person are also taken into consideration when deciding a final salary.

Risk Assessment

The charity has in place a risk management process to assess potential areas of risk and to implement strategies to ensure that these are managed and minimised. This involves identification of the types of risk the charity faces, prioritising them in terms of potential impact, the likelihood of occurrence and identifying and tracking the progress of measures to mitigate them. The risk register, which records this information, is regularly reviewed by the relevant sub-committees and senior management team in the light of any changing circumstances. The Trustees review the risk register annually and satisfy themselves that adequate systems and procedures are in place to manage the risks identified. The financial risk register was reviewed and updated in March 2021. The personnel risk assessment was also reviewed and agreed in the last financial year in February 2020.

The major risks identified in the period April 2020 – March 2021 are the following:

- Ensuring that the building project, Phase 3, is completed within budget and on time.
- The potential loss of income/grants for current services as funding streams come to an end during 2020/21
- Increased likelihood of a reduction in additional income/grants for the development of new services, in the light of competitive tendering processes and increased pressure on funds from charitable trusts

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- Difficulties in staff recruitment and retention of quality staff, which is recognised nationally in the social care sector (and is especially challenging in London)
- Over-reliance on narrow streams of funding which could increase dependency and undermine sustainability
- The impact of a national pandemic (Covid-19) resulting in the closure of some non-statutory services

With regards to the above, we have a robust and detailed action plan in place to mitigate these risks. Plans and targets to diversify our funding streams and increase the effective recruitment and retention of quality staff have been implemented. We are confident we will be successful in managing these risks and to greatly reduce any adverse impact.

Objectives, Public Benefit and Activities

We 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.

Mission and Vision

Centre 404 is working towards a world where people with learning disabilities and their families have the support they need to enjoy the same rights, freedom, responsibilities, respect, choices and quality of life as people within the wider community. We aim to contribute to this vision by providing excellent quality services and by supporting people with learning disabilities and their families to get their voices and views heard.

To achieve our mission we provide the following:

- Social and educational activities for adults with learning disabilities
- Clubs for children with learning disabilities and their siblings
- Support and advice for parents and carers
- Supported housing to enable people to live as independently as possible within their own homes
- Social functions and outings for children and adults with a learning disability and their carers
- Group activities and personalised services for people in receipt of personal budgets or direct payments

The above activities fit into the following three main service delivery areas. Outlined in the sections under each service heading is a report on the achievements and performance of that area of our work and plans for the coming year.

Achievements, Performance and Future Plans

Housing Related Support Services and Independent Living

Support is provided through our Supported Living, Outreach Services and Positive Behaviour Support (PBS) Frameworks.

We remain registered as domiciliary care with the CQC and are rated as good with the last inspection date in November 2017. During the COVID pandemic, CQC completed an Emergency Support Framework call which found that we were managing the impact of the pandemic.

Supported Living (largely delivered through the Dynamic Purchasing System (DPS) in Islington) is where people with learning disabilities are supported to live in either in their own home or in shared accommodation, and Centre 404 is commissioned to provide the support for the person to live a fulfilled life and be as independent as possible. Funding for these services is through core support payments to Centre 404 and ISFs (Independent Service Fund) for the service users to purchase support and activities.

The Positive Behaviour Support (PBS) Framework in Haringey is also signed up to by several other London Boroughs, namely Camden, Islington and Haringey. This enables us to set up small bespoke packages of PBS support for people living in their own home, in shared accommodation and as outreach support.

Outreach Services in Islington and Camden provide community-based support to people living in their own homes and assist with developing specific independent living skills. The focus is very much on teaching skills and coping strategies and getting people engaged and linked in with their community and developing support networks that are not paid services.

Our service users have a wide range of needs and some have high and/or complex needs, additional physical disabilities, sensory impairments, dementia, or a dual diagnosis. We also provide support for end-of-life care.

Our annual operational objectives for the service are monitored through the CEO, the Board of Trustees and the Centre 404 Housing sub-committee, which meets bi-monthly.

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We maintain tight monitoring of income and expenditure with the Head of Service regularly meeting with the Finance Manager. This ensures a quick response to any budgetary needs and enables us to plan ahead for service development and investment.

Achievements and Performance

Current Contracts

Through the pandemic, we were able to provide additional services to enable team and service user shielding for vulnerable clients and to also deal with positive COVID-19 cases within shared living settings. The teams have all worked extremely hard during times when concern would have been for their own families. We temporarily froze annual leave to ensure we had the staff coverage during critical times that we needed and worked closely with councils to secure parking permits and additional funding to support the additional costs of PPE, paying for testing time, accessing vaccinations, isolation, etc.

Anson Road, Kiver Road, Tollington Way and Mildmay Avenue have maintained excellent services with the challenges of the last year. At the end of the financial year, we have one vacancy at Anson Road and one at Tollington Way, with someone due to move into Tollington Way very soon.

Our partnership with Single Homeless Project (SHP, a charity delivering London-wide services) on our Islington Outreach Service worked well. The service delivered all hours without the use of an agency, with the Correspondence Drop-in and Friendships Groups being a huge success. Any additional spot hours for this service were delivered through a 1:1 DPS secured with Islington Council.

Our Floating Support Service in Camden North has received some very positive feedback and is achieving good outcomes for people. We have started several new support packages and are still receiving referrals, with the service growing. Camden was able to provide funding during the pandemic where some service users did not want to receive support.

Leigh Road and Vivian Comma Close went out for tender and we were delighted to retain the contract. From May 2021 the services moved to a core and ISF funding model rather than a block contract.

Kendal House and Queensland Road are delivered on a spot purchase arrangement with the London Borough of Islington. Both services support people with complex health conditions and end-of-life care. We had one vacancy at Kendal House at the end of the financial year and a new service user is being assessed.

In Haringey, the complex 1:1 PBS service, unfortunately, came to an end. He needed alternative support due to changing needs and presentation which is currently being provided for him in a specialist hospital setting.

We also provide a small number of domiciliary care packages to service users in Camden. These were people who did not quite fit the remit of the floating support contract but we were able to provide a service to meet their needs.

Work in Other Boroughs

We were successful in being awarded a contract in Brent for two supported Living Services. They will commence when a list of referrals has been established. These services will also follow a core and ISF funding model. We were also successful in securing a place on the new DPS in Waltham Forest, which is also open to surrounding boroughs.

We remain on a DPS and Positive Behaviour Support framework in Haringey, which is open to several other boroughs. Developing work in other Boroughs remains a primary objective for the service.

Quality

During COVID-19, quality was maintained and we started to trial remote checks and audits. Weekly team meetings were maintained to constantly discuss approaches, changes in guidance, the associated risk assessments, and support plans. The senior management team met with families to address concerns over visiting and restrictions that were in place. This helped to ease some of the anxiety caused by the pandemic.

Virtual activities were established with the amount and range of activities increased throughout the pandemic. Families were also able to give us valuable feedback on the activities offered and we were able to respond and provide more physical activities.

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A safeguarding group was started to look at unwise friendships, hate and mate crime. This group uses the expertise of the in-house PBS team and management group to advise on bespoke approaches for hard-to-engage service users at risk. This group aims to target a small group of identified service users across Housing and Leisure and Learning support services.

Our in-house PBS and Autism Lead developed into an assistant psychology role, which added value to our PBS offer. Our PBS policy was updated, an autism policy was developed and Quality of Life Assessments was embedded into our approaches.

The senior management team went through a few changes which underpin and drive the change in service name for the coming year ahead. The Head of Service became Director of Independent Living and Specialist Services with the deputy service manager becoming Head of Operations. The service itself is re-branding from Housing to Independent Living and Specialist Services. This name is more relevant and will encompass the service specialism of PBS support and other specialisms as they are developed. This change started to happen from the 1st April 2021 and will phase in over the year with documents and server changes taking place as we also transition IT services and undergo our digital transformation.

Learning and Leisure Services

Over the past year, despite the pandemic, the Learning and Leisure Service has continued to support children, young people and adults to access the support they need to socialise, learn, and have fun. We have successfully continued to run most of our provisions during the pandemic, however, the first lockdown saw us having to suspend our Group Activities from April 2020- August 2020. During this time, we offered telephone support, online activities and delivered over 50 play packages to children in Islington.

One of the biggest challenges we faced was the pandemic and adaptations that were required in order to re-implement support and continue running sessions. However, this way of working has led to the implementation of a successful Travel Buddy scheme to help reduce numbers on our minibus and achieve better outcomes for individuals we support.

We have implemented PBS support for Children in Enfield and successfully increased children's outreach support in Islington and Camden.

Day Opportunities have continued to grow, and despite the pandemic, we have had 2 new starters and support increased for 4 people already attending the service. In early 2020, we were awarded a contract to deliver PBS Day Opportunities provision in Haringey and continued working with Haringey during Coronavirus related delays with building works. We are pleased that the works have now been officially completed in March 2021, and we have first support scheduled to start in April 2021.

The Personal Support Worker Finding and Matching Service have now fully integrated into the L&L Service and despite a reduction of support hours due to Coronavirus, the service was able to adapt and offer person-centered support over the telephone and implement video activities.

Over the last year, we have successfully introduced Learning & Leisure Forum meetings, enabling both service users and family carers to participate in the review and design of the service. This has resulted in new personal budget groups, drop in's and workshops as well as holistic work across the services, particularly our work with the Supporting Families Service.

Successfully secured emergency Coronavirus funding enabled us to purchase and allocate tablets, smartphones and the internet to service users. We have also been able to increase our online offer and deliver activity packages to service users that required shielding.

In early 2021, L&L service was successful in the tendering process and was awarded a contract to deliver overnight short breaks service in the London Borough of Tower Hamlets. This project has a value of 2.5 million pounds over 5 years and will see us support approximately 106 children per year. In addition to overnight stay support, the home will also run 3 after-school clubs and Family Forum.

Supporting Families Service

The Supporting Families Service provides specialist advice, information and support to families who care for a child or adult with learning disabilities or autism. We also run regular support groups, workshops and activities; empowering family carers in speaking up for their own rights and those of other carers.

Our support to family carers is vital to many London families and our projects heavily rely on funding from small Foundations and Trusts.

This year we are pleased to report the success of our new projects for Peer Support, Wellbeing Activities, Counselling and Coaching for our family carers.

We continue to support and engage with families across several London boroughs including: Islington, Camden, Haringey, Hackney, Enfield, Brent and City of London. With our Learning and Leisure service, we have been successful in a contract for a short breaks provision in Tower Hamlets in which Supporting Families will be delivering a bi-monthly parent group.

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Supporting Families Service during the COVID-19 pandemic

This year has been like no other, as we were all affected by the COVID-19 pandemic and ongoing government restrictions. Everyone had to adapt to a new reality and, as a service provider, we altered the way we work quickly in order to effectively and efficiently support family carers during one of the most distressing periods. We moved our support to the virtual world and offered appointments through skype, zoom and phone.

FUNDRAISING DURING THE COVID 19 PANDEMIC

3 projects ended in this period including:

- Education activities for parents and children through funding from Sir John Cass's Foundation
- Casework support funded by The Sobell Foundation
- Information sessions at the Swiss Cottage Special Schools funded by the HWCT

We continued to fundraise throughout this period of which 6 were successful with mostly emergency projects running for 6 months.

We developed and promoted a Training and Consultancy Service and started looking into sponsorships and new donors.

Achievements and Performance

COVID-19 SUPPORT

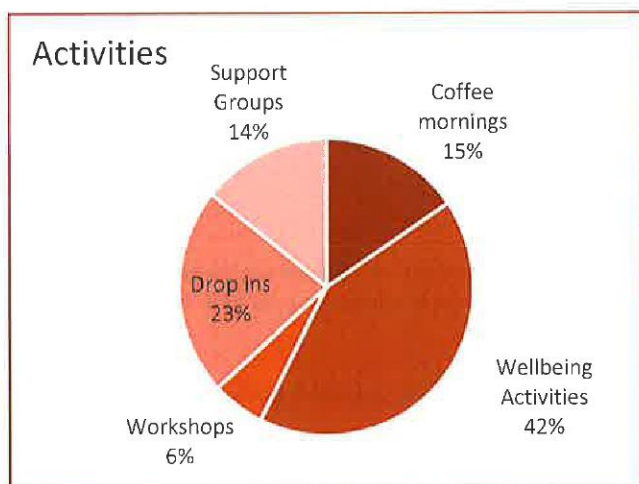
A top-up grant from Cloudesley to increase the hours of one of our staff members and cover the extra expenses of the COVID-19 outbreak allowed us to reach out to family carers who are most vulnerable to provide practical support and help with telephone calls, information and advice, emergency grants for food and disability equipment and arrange matching volunteer befrienders. For many families, support services stopped or were significantly reduced which created new challenges such as: further isolation, lack of access to vital information, digital poverty, decrease of health and wellbeing, etc.

We kept families up-to-date with the changes in legislation and the benefit system during the pandemic and put on more online workshops and wellbeing activities to give family carers opportunities to take care of themselves, have a virtual chance to socialize and share their concerns. 24 families benefited from our new befriending service; receiving a weekly or fortnightly call from a matched volunteer. Many of the volunteers were family carers themselves.

Thanks to the funding from CAF, we were able to run a course of counselling and coaching sessions for 20 families as well as train our staff on the latest legislation and casework advice.

The donation from the Mayor of Islington supported the delivery of our autism support group (ASC for Tea).

GROUPS AND ACTIVITIES



This year Centre 404 offered regular coffee mornings, information sessions and well-being activities.

The main funding program from The Cloudesley Trust, allowed us to focus on the running of regular wellbeing events where families had a chance to relax, socialise and look after themselves. Some of the activities included: mindfulness, crafts, meditation, music sessions, Zumba, yoga, online tours and coffee mornings, both virtually and at different parks during the summer of 2020.

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PEER TO PEER PROJECT

Our successful application to the 'Lottery Awards For All' stream allowed us to develop our Peer to Peer project. We employed a Coordinator for 6 months who supported our new volunteers: One family carer was recruited to co-facilitate two workshops on LD and Autism Awareness co-produced and delivered to GP surgeries and two family carers were recruited to co-deliver support groups.

The grant from the London Community Response funded core costs during the pandemic allowing our staff to deliver casework support and volunteer coordination.

Demographic of Carers and Communication with Families

OF THE 712 REFERRALS FROM FAMILIES



We currently have **1402** family carers active in our database. 11% more than last year.

This year, we had **712** one-to-one referrals for casework support. 2% more than last year.

The Centre 404 Supporting Families Sub-committee, which is made up of family carers, continues to meet regularly throughout the year to review and monitor the service we provide. This year, we recruited two new Committee members.

*BAMER – Black, Asian, Minority Ethnic and Refugee.

Income Maximisation Work

During this period family Carers needed support in the following areas:

- Welfare benefits
- Practical support around grants
- Emotional Support,
- Housing Advice,
- Personal Budgets,
- Health and Social Care

Our funding from Cloudesley Principal Grants allowed us to continue supporting families in or at risk of poverty.

This year Centre 404 helped families generate a total of **£653,961.02**. We have also provided 21 families with food vouchers and 32 families with technology equipment such as tablets, laptops and phones.

Emergency grants have been given at a higher rate during the COVID-19 outbreak. We used more than half of the funds for the whole year in two months. We are very grateful to the local grant-making funders such as Cloudesley, for topping up the individual grant funds to allow more emergency payments to family carers, and to the Residential Support Scheme for changing the requirements to make the application more accessible.

Corporate Partnerships

Funding from Tesco Bags allowed us to provide family carers in digital poverty with mobiles and tablets to engage in online activities. Thanks to our partnership with the social box.biz we now receive deliveries of refurbished laptops to distribute to families.

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Various toy companies and anonymous donors from our Christmas Fundraising appeal donated both, funds and toys, which allowed us to distribute festive gifts to children in Islington and Camden.

Looking Forward

In response to the feedback we have received from parents/carers, we will continue to identify sources of funding to maintain and develop vital services around maximising income and improving health and wellbeing.

We continue to look at ways to develop our reach in other boroughs through securing public funding and/or grants and engaging with families and professionals from a wider range of boroughs across London.

Additional Information on Central Administration and Management Activities that Support Frontline Service Delivery

People and Resources

People Strategy

Our People Strategy was developed in 2020/2021 to ensure that Centre 404 is an employer of choice and one where people are proud to work. We cannot deliver exemplary services without supporting our people to be the very best in their roles.

Against a challenging background we have focussed on: -

- Supporting resilience in our staff especially as a result of the pandemic by introducing a range of wellbeing initiatives, manager check ins, briefings and partnering with agencies to support mental health and physical wellbeing
- Recruiting the right people; building on our approach to values based recruitment, reducing the time it takes to recruit new people and reviewing our approach to induction & on boarding to reduce the time it takes for new starters to be fully effective in their roles.
- Retaining our talented and committed workforce. This is a critical factor in Centre 404 success. In 2020/21, 21% of staff left our organisation - a significant achievement given that the sector average is 38.1%.
- Increased staff and volunteer engagement; Listening, engaging, supporting and developing our staff and volunteers, through the launch of 'Thriving Thursdays' a monthly series of events and workshops designed to offer further training, wellbeing and an opportunity to contribute to discussion to staff on what really matters at Centre 404.

The Black Lives Matter Movement led to our 'we are listening campaign' and the setting up of the Black lives champion and support group.

In 2020 just over 35% of our staff that completed our diversity monitoring in 2020 come from Black, Asian and Minority Ethnic backgrounds. Our staff diversity monitoring survey has increased to 40% and our on boarding has now been reviewed to ensure that this information is now provided as part of that process. We will continue to champion staff already in post to complete this data to enable the development of policy.

A review of our Equality & Diversity policy and approach led to the recent formation of the equality, diversity and inclusion working group to support, develop and challenge equality & diversity and to find new, innovative ways to improve inclusion so that people from all different backgrounds can feel comfortable in their own skin and can bring their whole self to work. The group meets quarterly and is led by the Director of People and Resources. The group collaborates to develop Centre 404's Equality and Diversity Action Plan in conjunction with the Senior Leadership Team, Personnel Committee and Trustees.

Volunteering

Our local communities and volunteers were so helpful during the first lockdown ensuring that our service users had access to food, supplies and were supported through our telephone befriending service. Our volunteers have continued to support us with great commitment throughout the pandemic to ensure the best possible outcomes for our service users.

COVID-19 has added many complexities for volunteering at Centre 404 and has impacted significantly on roles and opportunities leading to new ways of working that will last far into the future.

During this year we have also: -

- Continued to grow our volunteer base and increase the numbers of volunteers that we have to in excess of 170
- Successfully achieved the 'Investing In Volunteers' accreditation receiving very positive feedback on the management and impact of volunteering at Centre 404.
- A new volunteering recruitment strategy has led to almost full take up of our core volunteering roles and the creation of new and varied roles benefitting the volunteer, service users and Centre 404.

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- We have established 4 new volunteering roles for service users with a learning disability and will continue to grow and develop this throughout the year developing our insights and impact.
- We have successfully increased our young volunteers' base to in excess of 30 young volunteers through the help of the Jack Petchey grant.

The focus of the coming year will be on developing our volunteering strategy and focussing on the data insights of our work that digital transformation will enable.

Digital Transformation

We completed a comprehensive review and update of the use of IT and infrastructure to support new flexible, remote ways of working and to improve our digital insights. This review has led to the significant investment in new technology and recent formation of a digital transformation working group made up of members from across all services of Centre 404 to drive change and innovation. This approach will optimise the way in which we recruit and onboard, fundraise and develop our volunteering programme, improve insights and optimise communication and efficiencies across our frontline services. This in turn will enable Centre 404 to become a more data driven organisation demonstrating impact through clear transparent key performance indicators leading to digital transformation.

Premises

The refurbishment and move back to our premises has enabled Centre 404 to continue to offer services and be a 'safe haven' to service users throughout the pandemic whilst working within the Government Guidelines.

Centre 404's premises have remained COVID-19 secure with increased cleaning and protocols in place to maximise staff, volunteers, visitors and our service users safety at all times.

The coming year will focus on developing our lettings policy to increase our reach to local organisations and people living with a learning disability to use our new expanded and improved premises.

Financial Review

Centre 404 had another strong year financially, with a net surplus of £616,000 from its charitable activities.

Phase III of the building project was completed within budget and our upgraded premises are now fully operational.

The Supported Living service continues to provide the majority of Centre 404's income, with revenue of nearly £5.2 million for the year, received predominantly from the London Boroughs of Islington (LBI) and Camden and we are pleased to report we secured an ongoing contract to work with residents in Leigh Road. Supported Living was able to provide a full service during the COVID-19 pandemic, aided by additional financial support from LBI to cover the costs of protecting staff and service users.

The Learning and Leisure service, unlike Support Living, depends strongly on fundraising and charitable grants to finance its activities. Income for the year was £1.2 million. Most activities continued during the pandemic, again, with additional support from a variety of funders.

The Supporting Families service is also highly dependent on grants and fundraising. Some activity has had to be scaled back in previous years due to funding constraints, with income currently at £162,000. However, the team were able to provide many of its extremely important frontline services within budget, despite these constraints and having to deal with the COVID-19 restrictions.

The Charity's balance sheet is currently healthy, with cash reserves of just over £1.9 million and strong liquidity ratios.

We continuously monitor the effectiveness, quality and cost-efficiency of all our activities to ensure that our limited resources are put to the best use. We remain committed to these activities and committed to subsidising services from Central funds where there is evidence of their need and effectiveness, although no subsidies were required for 2020/21.

Reserves Policy

The reason for holding unrestricted reserves is to protect the charity from unforeseen expenditure and the impact of shortfall in projected income. Centre 404 at 31st March 2021 had general funds of £4,779,979. Our reserves policy is to maintain a sufficient level of funds to enable operating activities to be maintained, taking into account potential risks and contingencies that may arise from time to time. When considering our reserves policy, we look at just the reserves that will be available at short notice to cover potential risks and contingencies. We, therefore, exclude the following from the general funds number shown above when assessing the adequacy of our reserves:

- Restricted funds of £127,718.
- Funds earmarked or designated for essential future spending. Currently this is zero following the successful completion of Phase III of the building contract.
- Any fixed assets that are not readily convertible into cash - £2,905,931 at 31 March 2021.
- Any long term loans used for financing long term tangible assets - £32,936 at 31 March 2021.

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Report of the Trustees (incorporating a Directors' Report)

The reserves held by Centre 404 for the purpose of assessing adherence to the Reserves Policy are therefore £1,779,266. This figure is approximately £500,000 higher than the free reserves held by Centre 404 at 31 March 2020, as a result of the healthy surplus for the year.

We take a probability-based approach to determining the appropriate level of reserves, taking into account the predictability of our income flows and the flexibility of our cost base. Newer contracts tend to be spot rather than term, meaning that future cash flow is harder to predict.

COVID-19 has clearly impacted the financial risks for Centre 404 for 2021 and beyond. Expansion of our Learning and Leisure services into different boroughs and activities will also have an impact on our risk profile.

Set against that, the Phase III building project has been successfully completed and we have now experienced more than one year of COVID-19 disruption, and have managed to adapt to these new circumstances with minimal financial impact.

The Trustees have therefore taken all of the above into consideration, along with an assessment of future cost commitments, future growth plans and future material risks and contingencies, when determining the reserves policy. The Trustees considered that given the nature of Centre 404's work and future commitments, ideally, the free funds should be in the region of £1,702,559, or 3 months budgeted future expenditure.

The actual reserves of £1,779,266 equates to 3.1 months of budgeted future expenditure.

The Trustees have considered very carefully the adequacy of the current reserves and are comfortable that they are sufficient to adequately protect Centre 404 from unforeseen expenditure or income shortfalls.

Major Achievements for the Last Year

Below is an update on the progress and outcomes of the goals we set ourselves in last year's report. These are only a selection of the objectives and priorities we set for the last financial year. Following on from this are the goals we want to achieve for 2021-2022.

The Goal

We will plan and consult on the strategic direction for 2022-2027 based on the opportunities our newly extended and improved premises will bring.

Outcome

The strategic working group has met during this period to develop the strategy going forward. The senior management team has also begun contributing to developing the strategy for 2022-2027 through meetings and consultations. Now that we have returned to our upgraded premises for almost a year, we are better able to assess how the space works and where there are gaps. This assessment will feed into a more accurate strategic plan for activities in the building going forward. So, with the building complete we will now be able to focus more on developing our next 5-year plan over the coming months.

The Goal

Launching the Digital Transformation Strategy and Plan to optimise service user experiences, improve insights and optimise communication and efficiencies.

Outcome

During this financial year, we have had a volunteer consultant working on our digital transformation. They, alongside our CEO and HoS, have consulted with staff & other stakeholders to see what is working well for us and what needs improving from a digital perspective.

We were advised to move to the cloud and to update our software, with the end goals to improve the charity's efficiency and ultimately deliver better outcomes for our service users. In order to achieve this it was agreed to tender for a new digital partner and technical advisor. It was important to us that their values aligned with our organisation's missions and values. We are now pleased to report we have successfully launched our digital transformation strategy and appointed our tech partner - Smartdesc.

The transformation can be broken down into three stages:

- a) Move to the Cloud, Digital Infrastructure including cyber security, Microsoft teams & sharepoint.
- b) Internal – People X'CD, optimising our technology to recruit, onboard, retain & develop our staff.
- c) Non-profit success pack from Salesforce, to enable increased productivity, improved data analytics and insights to support service user outcomes and the development of services.

The digital transformation objectives will continue into 2021/22.

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The Goal

Developing, delivering and streamlining business strategies to enhance the following key areas:

- Income generation
- Development and expansion, including contract tendering
- Service management
- Operational performance management systems and data

Outcome

We employed a Business Development Manager to cover some of these areas during this period, that post is now vacant and we are looking to fill this in the coming year. In terms of business development, we have been successful in winning back a statutory supported housing contract for Leigh Road, a children's respite centre in Tower Hamlets and a statutory supported housing contract in Brent.

The Goal

Investing in quality and resources in the following key areas:

- A) Quality and continuous improvement
- B) Ensuring developing our work force
- C) Developing our information technology
- D) Providing volunteer opportunities

Outcome

A) Ensuring quality and continuous improvement – This year we have received the following accreditations:

- UKIED
- AQS
- Investing in Volunteers
- Ofsted

B) Developing our workforce - During the year we began managers' capability training, to develop and grow in their roles and become effective leaders. The induction for all new staff has also been restructured to include more information on each service, our values and the charity's history. This training also now includes an introduction to learning disability, person-centred support, equality & diversity, data protection, safeguarding and PBS. We have received really good feedback so far and the induction training is externally CPD accredited. We have introduced 'Thriving Thursdays' at the start of each month to increase communications within the teams and to support the development of our staff. Thriving Thursdays workshops have included topics such as:

- How to develop your career at Centre 404
- The role of CQC
- Meet the Trustees
- Respecting the boundaries & priorities of transgender people.

C) Developing IT – Please see the goal above in relation to digital transformation concerning our IT development objective. It is worth noting that the digital transformation objectives have been accelerated due to COVID-19 highlighting the following:

- Flexible working
- Remote working
- Larger reliance on technology with rapid expansions of communication platforms such as Zoom/Teams.

D) Providing Volunteer Opportunities – This year we have increased our volunteer base to over 170 volunteers. At the start of the pandemic, we contacted all the volunteers, as many of them are also service users and family carers, to check in on them. In addition 11 of our volunteers signed up to help deliver shopping to people who could not go out and 14 signed up to do phone befriending. 5 Volunteers were also able to secure a critical bulk order shop for one of our supported living projects meaning that food was available to 19 vulnerable adults who otherwise would not have been able to access the shops.

The Goal

Developing sustainability and community partnerships

Outcome

We covered much ground on this in the previous year. The focus of 2021 however fell more on the premises upgrades being completed and broadening our reach in other areas across London. We continue to work well with our partners in the following boroughs:

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- Islington
- Haringey
- Camden
- Enfield

We have also recently developed a new partnership in Tower Hamlets which we will build on over the next year. We continue working with Single Homeless Project (SHP, a charity delivering London-wide services) on our Islington Outreach Service.

The Goal

Supporting families and family carers

Outcome

This goal was referring to how we would adapt our support during COVID-19 to family carers. I am pleased to report we were able to secure funding and deliver tablets, laptops & phones to family carers to help prevent them from becoming isolated & digitally excluded. In addition due to remote working, we were able to contact them at times better suited to them via Zoom or over the phone. Overall Centre 404 was able to deliver a continuous service of advice, guidance and support throughout the pandemic.

For the next year we plan to:

1. Continue on our path to Digital Transformation – including a full move to the Cloud, addressing digital exclusion of our family carers and service users with the aim of a more efficient system and better outcomes for them.
2. Complete our new Five-year strategic plan for 2022-2027 – Over the coming months, we will continue to consult with service users and other stakeholders as well as analyse the external environment we operate in. This allows us to arrive at an effective, relevant strategy and a future vision for the organisation.
3. Business Development – We want to invest in additional resources in business development in order to broaden our reach, maintain and develop services and explore additional partnerships within the communities we work in.
4. This year Centre 404 will be 70 years old so we will be celebrating through the year. A project to honor this milestone will be a restoration and archiving project to digitally store photos, minutes and important documents from over the decades. We will also seek funding to record the voices and stories of long-standing family carers and members. We will then look to preserve these historical records, both within the charity and with an external organisation who maintains community records for the public to access.

Building Phase 3

Of course in the last year, as stated elsewhere in this report we completed Phase 3 and the handover of the premises in July 2020. Since then we have continued to work with the contractors to complete the snagging list. Looking back at the Phase 3 project we are incredibly proud of the staff, volunteers and Trustees who all played a part in bringing this building phase to completion. We are also eternally grateful to the following funders for enabling us to develop such a wonderful and much-needed charity base & activity centre:

- The Mayor of London's Good Growth Fund
- The National Lottery Community Fund
- The Wolfson Foundation
- Islington Council S106 Fund

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

Approved by the Executive Committee on 2nd September 2021 and signed on their behalf by:



Jean Willson OBE
Chair

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRE 404

Opinion

We have audited the financial statements of Centre 404 ('the company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRE 404

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 in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 2, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are [the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council]
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRE 404

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

15/9/2021

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

	Note	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £	
Income						
Donations		11,495	-	11,495	8,074	Other
trading activities	2	2,620	-	2,620	1,520	
Income from charitable activities	3	6,211,065	543,805	6,754,870	6,821,272	
Investments income: interest receivable		1,833	-	1,833	8,904	
Other income		4,284	-	4,284	6,029	
Total income		6,231,297	543,805	6,775,102	6,845,799	
Expenditure						
Expenditure on raising funds						
Fundraising and publicity	5	35,274	-	35,274	2,802	
Expenditure on charitable activities		5,691,423	432,475	6,123,898	5,891,731	
Total Expenditure		5,726,697	432,475	6,159,172	5,894,533	
Net income	6	504,600	111,330	615,930	951,266	
Transfers between funds	13/14	74,785	(75,785)	-	-	
Net income/(expenditure) and net movement in funds for the year		579,385	36,545	615,930	951,266	
Reconciliation of funds						
Total funds brought forward		4,072,876	91,173	4,164,049	3,212,783	
Total funds carried forward	13	4,652,261	127,718	4,779,979	4,164,049	

All amounts relate to continuing activities.

As all gains and losses are included above, no statement of total recognised gains and losses has been prepared.

The notes on pages 20 to 30 form part of these financial statements.

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Balance Sheet

As at 31 March 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	9	2,905,931	2,430,958
Current assets			
Debtors	10	533,841	935,183
Cash at bank and in hand		1,973,854	1,247,882
		2,507,695	2,183,065
Creditors: amounts falling due within one year	11	600,711	414,299
Net current assets		1,906,984	1,768,766
Total assets less current liabilities		4,812,915	4,199,724
Creditors: Amounts falling due after 1 year	12	32,936	35,675
Net assets		4,779,979	4,164,049
Funds			
Unrestricted funds	13	4,652,261	4,072,876
Restricted funds	13/14	127,718	91,173
Total funds	15	4,779,979	4,164,049

These financial statements have been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

The financial statements were approved by the Executive Committee and authorised for issue on 21/9/21 2021 and signed on their behalf by:

JEAN WILLSON

Trustee

DEREK WEIST

Trustee

Company Number: 2270299

The notes on pages 20 to 30 form part of these financial statements.

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Statement of Cash Flows For the year ending 31 March 2021

	Notes	2021	2020
Cash used in operating activities (a)		<u>1,392,385</u>	<u>628,746</u>
Cash flows from investing activities			
Interest income		1,833	8,904
Purchase of tangible fixed assets		(665,507)	(1,467,519)
Cash provided by (used in) investing activities		<u>(663,674)</u>	<u>(1,458,911)</u>
Cash flows from financing activities			
Repayment of borrowing		(2,739)	(2,542)
Cash used in financing activities		<u>(2,739)</u>	<u>(2,542)</u>
Increase/(Decrease) in cash and cash equivalents in the year		<u>725,972</u>	<u>(832,707)</u>
Cash and cash equivalents at the beginning of the year		<u>1,247,882</u>	<u>2,080,589</u>
Total cash and cash equivalents at the end of the year		<u><u>1,973,854</u></u>	<u><u>1,247,882</u></u>
(a) Reconciliation of net expenditure to net cash flow from operating activities			
Net income (expenditure) for the reporting period (as per the statement of financial activities)		615,930	951,226
Depreciation charges		190,534	105,025
Interest income shown in investing activities		(1,833)	(8,904)
Decrease/(increase) in debtors		401,342	(494,757)
Increase/(decrease) in creditors		186,412	76,116
Net cash used in operating activities		<u>1,392,385</u>	<u>628,746</u>
(b) Analysis of cash and cash equivalents: Cash at bank and in hand		<u><u>1,973,854</u></u>	<u><u>1,247,882</u></u>

Notes to the financial statements. For the year ended 31 March 2021**1. Accounting policies****a) Accounting convention**

The financial statements are prepared under the historical cost convention. 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 applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2017) – (Charities SORP (FRS 102)) and the Companies Act 2006. There were no changes to accounting policy as a result of the transition to FRS 102.

Centre 404 meets the definition of public benefit entity under FRS 102.

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements. The trustees have considered the impact of the COVID-19 outbreak and the measures taken to contain it when forming their assessment of going concern. The trustees do not consider that the outbreak will impact the ability of the charitable company to continue its operations and meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements.

b) Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land and property are situated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	33.33% of cost
Motor Vehicles	20.00% of cost
Freehold land and Building	5.00% of cost
The company's policy is only to capitalise assets costing more than £500.	

The original cost of land £89,117 is not being depreciated. In the opinion of the trustees, this represents the land value of the site and hence no depreciation is charged. The property is used by the charity to fulfil its objectives.

c) Income

All income are accounted for in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. All grants and contractual income are included on a receivable basis. The income from fundraising events is shown gross, with associated costs included in fundraising costs.

Funds received for the purchase of fixed assets are accounted for as restricted income. The treatment of the assets provided depends upon the restrictions imposed by the grant and if the fixed assets' acquisition discharges the restriction then the assets will be held in unrestricted funds. A corresponding transfer of the associated restricted income will be made to the unrestricted fund in the year of purchase.

d) Expenditure

All expenditure is accounted for on an accruals basis, and is allocated to the appropriate heading in the financial statements.

Costs of generating funds include the costs incurred in generating voluntary income and the costs of direct publicity intended to raise the profile of the charity.

Charitable expenditure comprises services supplied and activities undertaken which are identifiable as wholly or mainly in support of the charity's objectives.

Support costs are those costs which enable fund generating and charitable activities to be undertaken and include finance costs, governance costs and general property maintenance. Where activities incurred relates to more than one cost category, it is apportioned on the most appropriate basis, predominantly with reference to staff time, and on a reasonable and consistent basis.

e) Value Added Tax

Value Added Tax is not recoverable by the charity, and as such is included in the relevant costs in the Statement of Financial Activities.

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

1. Accounting policies (continued)

f) Fund accounting

The unrestricted general funds are those funds that are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated funds are those unrestricted funds set aside by the trustees for specific purposes or projects.

Restricted funds are those funds which are to be used in accordance with specific restrictions imposed by the donors.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

g) Pension Scheme

The charity offers a Pension Plan to its employees, which is administered by People's Pension. The charity makes contributions into the plan. Employees may also make individual contributions within the limits set by HM Revenue and Customs. Such contributions are held in funds administered completely independently of the charity's finances. The contributions made by the charity are accounted for on an accruals basis.

h) Allocation of support costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment. Expenditure is allocated to activities based on an estimate of staff time spent on each activity.

i) 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.

j) Cash and cash equivalents

Cash and cash equivalents represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

2. Other trading activities

	2021 £	2020 £
Local fundraising	2,620	1,520
	<u>2,620</u>	<u>1,520</u>

3. Income from charitable activities

	Unrestricted £	Restricted £	2021 £	2020 £
Learning & Leisure	1,009,608	221,130	1,230,738	1,003,675
Central	-	166,774	166,774	989,404
Family Support	6,126	155,901	162,027	234,184
Housing	5,195,331	-	5,195,331	4,594,009
	<u>6,211,065</u>	<u>543,805</u>	<u>6,754,870</u>	<u>6,821,272</u>

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

4 (i). Analysis of governance and supports costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Cost Type	Total allocated	Governance related support costs	Support costs	Basis of apportionment
	£	£	£	
Staff Costs Note 8	535,382	25,575	509,807	Staff time
Marketing, fundraising and publication	9,513	763	8,750	Staff time
Human Resources	8,221	411	7,810	Staff time
Premises costs	14,908	745	14,163	Staff time
Information technology	38,127	1,906	36,221	Staff time
Office running costs	68,328	3,416	64,912	Staff time
Professional fees and finance costs	29,834	3,754	26,080	Staff time
Others and depreciation	208,307	9,585	198,722	Staff time
	<u>912,620</u>	<u>46,155</u>	<u>866,465</u>	

4 (ii). Governance costs	2021 £	2020 £
Governance and professional support for trustees	46	9,748
Audit fee	14,754	16,450
Support costs (based on apportioned staff time Per note 4 (i))	46,155	42,364
	<u>60,955</u>	<u>68,598</u>

4 (iii). Total governance and support costs	Total £
Support costs (note 4 (i))	866,465
Governance costs (note 4 (ii))	60,955
	<u>927,420</u>

4 (iv). Allocation of governance and support costs	Staff costs Note 8	Other allocated costs	2021 £	2020 £
	£	£	£	£
Learning & Leisure	76,272	55,851	132,123	132,461
Family Support	9,135	6,688	15,823	22,423
Housing	449,976	329,498	779,474	675,588
	<u>535,383</u>	<u>392,037</u>	<u>927,420</u>	<u>830,472</u>

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

5. Expenditure on charitable activities

	Staff costs Note 8 £	Other direct costs £	Support and governance costs £	2021 £	2020 £
Fundraising and publicity	29,514	5,760	-	35,274	2,802
Learning & Leisure	668,418	120,393	132,123	920,934	1,003,817
Central	20,960	52,933	-	73,893	194,234
Family Support	141,120	39,629	15,823	196,572	196,064
Housing	4,071,673	81,352	779,474	4,932,499	4,497,616
	<u>4,931,685</u>	<u>300,067</u>	<u>927,420</u>	<u>6,159,172</u>	<u>5,894,533</u>

Support and governance costs are apportioned on the basis of time spent on the projects.

Professional support costs include the internal costs of strategic planning and providing training, advice and other support to the trustees.

6. Net movement in funds is stated after charging:

	2021 £	2020 £
Auditor's remuneration – audit (exclusive of VAT)	11,250	12,342
Under profession of audit fees	1,254	1,208
Depreciation	190,534	105,025

7. Taxation

Centre 404 is a registered charity and is therefore potentially exempt from taxation of its income and gains as Centre 404 falls within the definition of a Charitable Company as defined in Part 1, Schedule 6 of the Finance Act 2010. No tax charge has arisen during the year.

8. Staff costs, trustees and key management personnel

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	4,059,333	3,532,616
Social security costs	324,063	277,963
Pension costs	112,447	85,195
	<u>4,495,843</u>	<u>3,895,776</u>
Agency costs	971,225	1,202,832
Total	<u>5,467,068</u>	<u>5,098,608</u>

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During the year the following number of employees whose total remuneration, on an annual equivalent basis, was in the excess of £60,000 were as follows:

	2021 No	2020 No
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1

The key management personnel of Centre 404 comprises the trustees, the Chief Executive Officer, the Head of HR and Resources, the Head of Housing, Head of Family and Head of Learning and Leisure. The total employee benefits of the key management personnel of Centre 404 were £362,750 (2020: £316,641).

The average monthly head count was 221 staff (2020: staff 244) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year was as follows:

	2021	2020
Leisure and Learning	25.2	28.6
Central	14.0	14.0
Family Support	4.5	5.0
Housing	197.7	172.8
	<u>241.4</u>	<u>220.4</u>

No remuneration is paid to the Trustees. No expenses were claimed or paid to Trustees during the year (2020: Nil).

9. Tangible fixed assets

	Freehold property	Motor vehicle £	Furniture & equipment £	Total £
Cost				
At 1 April 2020	2,710,652	107,098	276,678	3,094,428
Additions	629,513	-	35,994	665,507
Disposals	-	-	-	-
At 31 March 2021	<u>3,340,165</u>	<u>107,098</u>	<u>312,672</u>	<u>3,759,935</u>
Depreciation				
At 1 April 2020	383,255	74,640	205,575	663,470
Charge for the year	134,277	10,820	45,437	190,534
Disposals	-	-	-	-
At 31 March 2021	<u>517,532</u>	<u>85,460</u>	<u>251,012</u>	<u>854,004</u>
Net book value				
At 31 March 2021	<u>2,822,633</u>	<u>21,638</u>	<u>61,660</u>	<u>2,905,931</u>
At 31 March 2020	<u>2,327,397</u>	<u>32,458</u>	<u>71,103</u>	<u>2,430,958</u>

All fixed assets are used for direct charitable purposes.

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10.	Debtors	2021 £	2020 £
	Trade debtors	489,024	837,919
	Prepayments	14,890	18,513
	Accrued income	1,185	17,493
	Other debtors	28,742	61,258
		<u>533,841</u>	<u>935,183</u>

11.	Creditors: amounts falling due within one year	2021 £	2020 £
	Bank loan	2,691	2,597
	Trade creditors	212,007	158,314
	Other creditors	106,466	104,821
	Accruals	279,547	146,321
	Deferred income	-	2,246
		<u>600,711</u>	<u>414,299</u>

12. Long-term loans

The charity has a loan from Lloyds Bank which is secured by charge on the charity's freehold property, 404 Camden Road, London, N7 0SJ. Interest is charged 3.15% above the bank of England base rate which currently is 0.10%. The loan is repayable as follows.

	2021	2020
1 – 2 years	2,695	2,596
2 – 5 years	9,670	9,181
Over 5 years	20,571	23,898
	<u>32,936</u>	<u>35,675</u>

13. Movement in accumulated funds

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
Unrestricted funds					
General funds	1,258,687	6,231,297	(5,726,696)	15,979	1,779,266
Designated Funds:					
Fixed Assets Funds	2,395,283	-	-	477,712	2,872,995
Building development	418,906	-	-	(418,906)	-
Total unrestricted funds	<u>4,072,876</u>	<u>6,231,297</u>	<u>(5,726,696)</u>	<u>74,785</u>	<u>4,652,261</u>

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Restricted funds					
Family Support	71,803	159,901	(189,410)	-	38,294
Learning & Leisure	9,243	221,130	(169,378)	3,321	64,316
Central	10,127	166,774	(73,687)	(78,106)	25,108
Total restricted funds	91,173	543,805	(432,475)	(74,785)	127,718
Total funds	4,164,049	6,775,102	(6,159,171)	-	4,779,979

Designated Funds have been earmarked by the trustees for redevelopment of the building.

The fixed assets funds relates to the charity's fixed assets including freehold land and building less the loan on 404 Camden Road as these funds do not represent liquid reserves available for the charitable purposes of Centre 404.

Restricted funds are shown in more detail in note 14.

Transfers

Transfers between funds are made for a number of reasons:

- The Trustees may designate some General funds to specific projects/designated funds.
- Funds received for the purchase of fixed assets are accounted for as restricted income when received or designated. Where the restriction is discharged when the fixed assets are acquired, a transfer is made from the associated restricted funds to General funds.
- To clear deficits on restricted funds.

14. Restricted Funds	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
Family Support					
Sobell Grant	7,234	-	(7,234)	-	-
CAF Resilience Fund	-	14,548	(14,548)	-	-
Richard Cloudsley – Welfare Grants Programme	303	16,869	(12,587)	-	4,585
Family Carer's Reference Group	1,936	5,000	(5,262)	-	1,674
Parents Forum	7,808	20,000	(25,739)	-	2,069
Islington Carer's view	589	-	(589)	-	-
Lottery Peer to Peer	-	11,000	(11,000)	-	-
Support for carers of all ages (R. Cloudesley)	12,200	40,000	(45,042)	-	7,158
Support to carers 65+ (City Bridge Trust)	19,281	42,400	(41,835)	-	19,846
Train the trainers (John Cass)	19,853	-	(19,853)	-	-
Hampstead Wells & Camden Trust	2,599	-	(2,599)	-	-
Islington Local Initiatives Fund	-	2,962	0	-	2,962
London Community Response Fund Wave 1	-	3,122	(3,122)	-	-
Subtotal	71,803	155,901	(189,410)	-	38,294
Learning & Leisure					
Jack Petchey – 21 st Birthday Gift	-	750	(750)	-	-
Jack Petchey	4,399	1,000	-	-	5,399
Islington Giving	-	8,339	(8,339)	-	-
Juniors	-	14,860	(8,469)	-	6,391
Siblings	-	23,657	(11,598)	-	12,059
Youth Group	-	14,561	(12,353)	-	2,208
Happy Tuesdays	-	7,473	(4,302)	-	3,171
YAG	-	15,453	(15,453)	-	-

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Wednesday Open	-	6,761	(4,642)	-	2,119
Friday Social	-	991	(2,721)	1,730	-
CAF – Covid money	-	10,752	(10,752)	-	-
Young Catalyst	-	-	(1,591)	1,591	-
Music/Cooking Group	-	6,224	(2,028)	-	4,196
Wheelchair Ice Skating	-	827	(827)	-	-
Young Career Club	-	10,000	-	-	10,000
Out & About	-	6,023	(2,094)	-	3,929
Tesco Bag Grant	-	250	(250)	-	-
Booster Fund	-	3,188	(3,188)	-	-
Big Lottery Covid 19	-	73,688	(73,688)	-	-
Covid 19 Relief Funds	-	6,333	(6,333)	-	-
Electric Bus Funding	4,844	10,000	-	-	14,844
Subtotal	9,243	221,130	(169,378)	3,321	64,316
Central					
Volunteer Project	-	17,093	(21,965)	4,872	-
Garden Project	9,637	-	(58)	-	9,637
Mayor's Charity - Donations	490	6,578	(1,263)	-	5,805
Building – Phase 3	-	133,437	(50,469)	(82,978)	-
Independent Living – A Plus	-	6,666	-	-	6,666
Independent Living – CAF	-	3,000	-	-	3,000
Subtotal	10,127	166,774	(73,687)	(78,106)	25,108
Total restricted funds	91,173	543,805	(432,475)	(74,785)	127,718

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Supporting Families Funding

Sobell Grant: This grant contributed to the cost of a caseworker in 2019/20.

Welfare Grants Programme: Centre 404 is a trusted partner to Cloudesley's Charity. Each year a sum of money is agreed for us to hold and to be distributed when requested to families that fall within the remit of the Trust. Cloudesley agrees this would be a quicker way of getting resources to those in need. Families can only apply for these grants through one of the appointed partners and not directly with Cloudesley.

Family Carer Reference Group: Funded by Islington Council to support carers of adults with learning disabilities to get involved with decision making and policy consultation in Islington.

Islington Parents' Forum: Funded by the Department for Education for parents of children with any special needs and disabilities. We facilitate a forum and focus groups to encourage parent participation in policy consultations and to influence local policy within Islington.

Camden Carers Service: This service is funded by Camden Council to engage with and support carers of adults with learning disabilities in Camden.

Islington Carers' View: This project is funded by Islington Council to support family carers in visiting and reporting on London Borough of Islington's commissioned services for people with learning disability.

Cloudesley Legacy Fund: This project was funded by Cloudesley in April 2018, following an increase in demand, to provide further support to families of children and adults with learning disabilities in Islington.

Cloudesley Principal Grants Fund: This project was funded by Cloudesley in May 2019 to provide casework support and wellbeing activities for family carers of children and adults with learning disabilities or autism in Islington.

Support to family carers age 65+: A three year grant was offered by City Bridge Trust to offer outreach and support to carers over the age of 65, across the London boroughs of Camden, City of London, Haringey and Islington. We received a continuation of funding for two further years in October 2019.

Train the Trainer: We received a year grant from Sir John's Cass Foundation from September 2019 to support and train parents around education challenges their children with special needs face.

Swiss Cottage drop in and information sessions: This project was funded in July 2019 to provide drop-ins and information sessions to parents of children with learning disability or autism at the Swiss Cottage School and around the Hampstead Area.

Learning and Leisure Funding:

Jack Petchey: This funding can only be spent on resources or activities as chosen by six Jack Petchey winners throughout the year.

Young Catalyst: This funding is awarded to young people to access aspirational activities. Funding is to be spent over 3 years.

Juniors, Siblings and Youth Groups: We are now into the second year of a Continuation Funding BBC Children in Need grant that funds these groups.

LB Camden Short Breaks: funding for outreach work with children and young people in Camden.

LB Enfield: funding for play schemes for children aged 8-17 years old in Enfield, throughout the year.

Department for Education: funding for Food and Activities summer Programme in Enfield.

LB Short Breaks: Aiming High, Fun Fridays. Funding stopped for these sessions and now we invoice in arrears per child in attendance to deliver group work with children aged 5-18 years, and outreach sessions for children and young people in the same age range who are unable to access group activities.

Minibus Funds: Restricted for use on anything to do with the mini-bus. Left over from original purchase funds.

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Central Funding:

Volunteer Project: Funding is from Big Lottery, BBC Children in Need, Jack Petchey Islington Giving and Awards for All towards the running of the volunteer project

Garden Project: A proportion of the Awards for all funding was for this project

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

15. Analysis of net assets between funds

	Unrestricted		Restricted	Total
	General	Designated		
	£	£	£	£
Tangible fixed assets	-	2,905,931	-	2,905,931
Net current assets	1,779,266	-	127,718	1,906,984
Creditors: amounts falling due after 1 year	-	(32,936)	-	(32,936)
Net assets	<u>1,779,266</u>	<u>2,872,995</u>	<u>127,718</u>	<u>4,779,979</u>

16. Members

The ultimate control of the company lies within the members who pledge to pay £1 in the event of the company winding up. There were 86 members at 31 March 2021 (2020: 86).

17. Related Party Transactions

There has been no related party transaction during this financial year.

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