

# Annual Report & Consolidated Financial Statements

for the year ended 31st March 2023



## Our Mission

**Centre 404 is working towards a world where people with learning disabilities, autism, 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.**



**Financial Statements for the year ended on 31<sup>st</sup> of March 2023**

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## Reference and Administrative Information

**Trustees and Directors:**

Paul Formosa (Chairperson)  
Samantha Dunne (Vice Chair)  
Derek Weist (Treasurer)  
Susan Pearson  
Tara Willson  
Copeland Ingram  
Etienne Makosso  
Felix Arnold

**Company Secretary:** Paul Formosa

**Chief Executive:** Linda McGowan

**Registered Office and Principal Address:**

404 Camden Road  
Islington  
London  
N7 0SJ

**Website:** [www.centre404.org.uk](http://www.centre404.org.uk)

**Bankers:**

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

**Auditors:**

Moore Kingston Smith LLP  
Floor 6, 9 Appold Street  
London  
EC2A 2AP

**Solicitors**

Reculver Solicitors  
12 – 16 Clerkenwell Road  
London  
EC1M 5PQ

**Legal Advisors:**

Bates Wells  
10 Queen Street Place  
London  
EC4R 1BE

**Company Number** 2270299

**Charity Number** 299889

## Trustees' Annual Report (Incorporating a Directors Report)

The Trustees (who are also the directors) are pleased to present their report for the year ended on 31 March 2023.

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 the 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 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 transaction 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:

- 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 charity website.
- Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.
- There is no relevant audit information of which the charity's auditor is unaware.

## 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 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.

## Governance

Trustees are members of the Executive Committee. In addition, they chair the following sub-committees: Independent Living, Supporting Families, Learning and Leisure, Personnel and Finance. These sub-committees are directly accountable to 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 Head of Finance. The Heads of Service attend when requested. The sub-committee for each service area meets every six to 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 their 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 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 of Heads of Service for the following areas of our work: Finance and IT, Supporting Families, Learning and Leisure, Independent Living, and People and Resources.

The senior management team reports 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 personnel. 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 2023. The personnel risk assessment was also reviewed and agreed in the last financial year in February 2023.

The major risks identified in for the period April 2022 to March 2023 are the following:

- **Difficulties in staff recruitment and retention of quality staff**

The challenges in recruitment and retention are significant especially in social care. The November 2022 Barometer report from The Open University and Institute of Directors states the picture in 2022 is even more complex (than 2021) with issues such as inflation, rising costs and workers leaving the labour market all adding to a multifaceted landscape. The longstanding skills gaps faced by organisations remains a top priority. Data from the ONS

highlights an increase in the rise of people economically inactive and increases to long term sickness. Economic inactivity particularly in the age range 16 -24 was cited.

- **Managing the current inflationary climate** which is putting upwards pressure on wages, increasing overhead costs and energy prices.

With regards to the above, we have a robust and detailed action plan in place to mitigate these risks. Plans and targets to 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.

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 home's 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: Independent Living, Learning and Leisure, and Supporting Families.

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

**Key highlights in terms of the impact we achieved were:**

### **Independent Living and Specialist Services**

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

We remain registered as domiciliary care with the Care Quality Commission (CQC) and were rated as good in our last full inspection in November 2019. We were inspected on the 8 December 2022 but were not rated as part of the inspection. We completed a Provider Information Request for CQC in March 2023 but have not had a subsequent contact with the CQC since.

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

**Supported Living** is where people with learning disabilities are supported to live either in their own home or in shared accommodation. Some of our supported living services have good communal spaces, so even though people are living in their own flats, they have the opportunity to spend time with others as they wish, either for set activities or to eat meals together. Centre 404 is commissioned to provide support for people to live a fulfilled life, with meaningful activities, training, employment opportunities and to be as independent as possible. Funding for these services is through core support payments to Centre 404 and ISF (Independent Service Fund) payments made directly to the service user so they can purchase support and activities. This model enables more choice and control for service users in how their money is spent.

**Outreach Services** in Islington and Camden provide community-based support to people living in their own homes or with their family and assist with developing specific independent living skills. The focus is very much on teaching skills and coping strategies, whilst getting people engaged and linked in with their community and developing support networks that are not paid services. Whilst the people we support will always need some level of input, the focus is on enablement and independence, reducing paid support over time. Supporting people with volunteering, training, education, work experience and employment opportunities are service aims.

**Our Islington drop-in service** continued into its second year. Through this we provided support and information sessions to some of our outreach service users, but we targeted more people in the wider learning disability community in the borough. The service generated community links with signposting to relevant services. We supported people with correspondence, benefit queries and applications, as well as general advice to help people with their finance or other issues.

**The Positive Behaviour Support (PBS) Framework** in Haringey is also signed up to by several other London Boroughs, namely Camden and Islington. This enables us to set up bespoke packages of PBS support for people living in their own home, in shared accommodation, through day opportunities, and as outreach support. Our PBS and Autism Lead has a small team of PBS qualified coaches and assessors to ensure quality services, who all receive clinical supervision in line with PBS Framework Standards.

Our annual operational objectives for the service are monitored through the CEO, the Board of Trustees, and the Centre 404 Independent Living sub-committee, which meets bi-monthly. Digital transformation will be an objective carried forward into the coming year.

The service maintains tight monitoring of income and expenditure with the Head of Service meeting fortnightly with the Head of Finance. This ensures a quick response to any budgetary needs and enables us to plan for service development and investment.

### Current Contracts

**Anson Road, Kiver Road, Tollington Way, Mildmay Avenue, Leigh Road and Vivian Comma Close** have all maintained Good/excellent services which have been verified by London Borough Islington audits and from the User-Led Monitoring team in Islington. All of these services operate using a core and ISF model for support. We currently have one long term vacancy at Anson Road and two vacancies at Leigh Road. Our vacancy at Kiver Road is about to be filled.

**Our Islington Outreach Service** was under the Islington 1:1 and Day Opportunities contract. We are waiting to hear about the new contract arrangements for this service from London Borough Islington. The drop-in service was being delivered by the outreach team and is in its final year with an end date of June 2023.

Our **Floating Support Service in Camden North** continues to receive excellent feedback and is achieving good outcomes for people. The service has grown in line with growth targets set over the last year and is projected to grow further in the coming year.

**Kendal House and Independent Support Service (ISS) at Queensland Road** are delivered on a spot purchase arrangement with London Borough of Islington. Both services support people with complex health conditions and end-of-life care. In November 2022, the person living at ISS passed away. Funding for this service stopped in Dec 2022 and as the service was a bespoke package set up in someone's own home, we no longer have this service going forwards.

We also provide one domiciliary care package to a service user in Camden. This person was outside the remit of the floating support contract. Due to the persons complex needs and epilepsy support, the team from Leigh Road provide the support.

During the last year we also completed a 12-week project with Islington Learning Disability Partnership board as a trusted partner to complete a designated number of mini reviews for service users who had overdue reviews within the borough.

### Work in Other Boroughs

We were successful in being awarded a contract in Brent for two Supported Living Services. The start of these services were further delayed. As we had been delayed multiple times and had started to recruit team members, we started to receive contract funding from November 2022. Due to further building delays, service users will start to move in during May 2023. These 2 services will use a core and ISF funding model and use PBS approaches.

The DPS in Waltham Forest, which is also opened to surrounding boroughs, has not offered any relevant contracts but we continue to monitor any opportunities.

The framework in Enfield has also not offered any relevant contracts. They are often very small packages of support which are not cost effective for us to deliver.

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

### Quality

Over the last year we have been focussing on getting people out and about. Services have been sharing pictures and stories to inspire and encourage each other to try new things. A number of holidays were booked, and we are aiming to increase the number of people going on holiday over the next year.

We were successful in securing funding for our safeguarding group for the second year in a row. The group managed to deliver hate and mate crime training to 28 people with learning disabilities and we held 2 large hate and mate crime events with 93 people attending across the 2 events. We delivered a range of bespoke training and coaching sessions to staff and set up activity groups to help support people who had experienced or were at risk from cuckooing.

Our in-house PBS and Autism Team had their training accredited and they have developed further work around Quality of Life and how we can assess and build upon this for the people we support. Our data capture Kickstarter was developed into a Smartdesc apprenticeship, and his work will continue with us to support digital transformation.

### Learning and Leisure Services

Over the past year, the Learning and Leisure Service has expanded its reach and is now supporting **children, young people, and adults** across six London Boroughs to access the support they need **to socialise, learn, and have fun**.

Over the last year, we increased the level of support that we are providing to children and young people across London by 41%, and we are now supporting 185 children.

We have **continued offering PBS support** for children and young people in Enfield and Islington and increased support in Camden. From 2023, we will be delivering PBS support in Hammersmith and Fulham.

Our **children's home** in Tower Hamlets achieved 'Good' rating from Ofsted and we welcomed 10 new children.

In early 2023, we have been successful in joining Waltham Forest short breaks framework and look forward to supporting children in Waltham Forest.

Our **Playschemes** continue to grow in attendance and popularity. We delivered 50 playscheme sessions in Islington and Enfield, and 25 sessions in Camden. During the year, the children had amazing adventures exploring Central London and the local community, and participated in exciting day trips, such as: London Zoo, Willows Farm, Trent Park, Natural History Museum, Science Museum, and Sea Life London. In 2022 we were shortlisted for the Children and Young People Play award. Despite not winning the award being shortlisted as the finalist of national awards was a great achievement.

**Day Opportunities** have continued to grow, and we now support 32 people across 3 different sites. We are pleased to welcome back service users that returned to the service following pandemic.

The **Personal Support Worker Finding and Matching Service** has been greatly affected by Coronavirus and recruitment related difficulties, but the service was now reached pre pandemic levels of support and now we are offering over 400hrs of support per week.

Adult Clubs have continued running and providing much needed support to adults with learning disability and/or Autism. Our Friday Night Social has seen steady growth since returning post pandemic and we now have a regular attendance of 35 service users every Friday.

### Supporting Families Services

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.

The Children and Families Act 2014 includes a duty for each Local Authority to provide an information, advice, and support service to support children, young people and their parents on matters relating to a child or person's special educational needs or disability (SEND) from birth to 25 years. Our service offer is independent from the Local Authority, delivering free, confidential, and impartial services. We are also providing a **direct telephone helpline, support through our website or emails, 24-hour voicemail, call backs, and one-to-one appointments**. The service is an all-year-round flexible service, open during office hours.

We also operate a **signposting service** directing clients to like-minded network organisations who provide free advice and support on a range of matters relating to SEN and Disability in England, who make up the Special Educational Needs and Disabilities Information Organisations group known as SENDIOG. It includes organisations whose support is impairment specific which children, young people, parents, and professionals can access. The network includes organisations such as The Advisory Centre for Education (ACE), Contact, Down's Syndrome Association, National Autistic Society, National Deaf Children's Society, Sense, and SOS! SEN.

Our support to family carers is vital to many London families and our projects heavily rely on funding from charitable trusts.

We continue to support and engage with families across **several London boroughs** including Islington, Camden, Haringey, Hackney, and City of London, Enfield, Waltham Forest, and Tower Hamlets. We are also pleased to report the success of our projects for Wellbeing Activities such as gentle stretch and flex.

Supporting families services expanded our offer of free, impartial advice, information and support in 2021 to include **Enfield Special Educational Needs and Disabilities Information Advice and Support Service (SENDIASS)**, and in 2022 to include **Waltham Forest SENDIASS**. These services are open to any resident aged 0-25 years with special educational needs, their parents and carers, and professionals who support these families. This service is impartial, confidential, and free to use. It includes a phone line open 9am 5pm, Monday. Evening appointments available by appointment for families unable to access the service during business hours.

One-to-one and group support is available face to face, over the phone, through email, and online on matters relating to special education needs and disabilities such as:

- Statutory duties, eligibility, and referrals to local service provision.
- Rights of parents, children, and young people.
- Support with applications, form filling and drafting letters.
- Complex documentation including needs assessment, reviews and Education Health and Care Plans (EHCPs). Arranging and attending meetings in schools or with local authority professionals.
- Support with disagreement resolutions including support with complaints, referral to mediation services and support with appeals.
- Advice relating to school and college placements and exclusions. Information on complaint procedures and mediation.
- Independent advocacy around decision making; discrimination; rights and entitlements.

We continue to deliver workshops and information sessions to parents and carers, drop-in sessions for parents and carers in community centres across the borough and focus groups for young adults to ensure that they are consulted with and included in the design of service provision.

### **Income Maximisation Work**

During this period family carers received support in the following areas:

- Welfare benefits
- Practical support around grants Emotional Support,
- Emotional Support
- Housing Advice,
- Health and Social Care advice and information Blue Badge applications
- Blue Badge application
- Welfare benefits entitlement

Our funding from Cloudesley Principal Grants allowed us to continue supporting families in or at risk of poverty. We support families with advice, information, and support such as:

- Disability Living Allowance claims.
- Personal Independence claims
- Blue Badges
- Housing Medical Assessments
- Health and Social Care advice and information

## Central Administration and Management Activities that Support Frontline Service Delivery

### Our People Plans

This has been a really challenging year in the recruitment and retention of staff. In addition to these challenges that are faced on a national scale, Centre 404's workforce development strategy needs to create a growing sustainable workforce as we expand our reach across London.

Against this challenging background we have: -

Strengthened our initiatives to grow and develop young talent throughout the organisation by hosting work experience and student placements, taking part in monthly college presentations, schools and local educational establishments visits and our work with The Princes Trust.

We have created and launched new apprenticeship programmes in Youth Support Worker, Residential Childcare and Adult Support Worker.

Relaunched our management development programme to provide a supportive framework and best practice guidelines.

Expanded our equality, diversity, and inclusion training to include confident with difference specific training to further support staff in frontline roles to embrace diversity.

Reviewed and increased compensation for our bank workers and frontline staff to ensure staff are adequately remunerated in the current difficult economic climate.

Developed our health and well-being programmes and framework to ensure initiatives are in place to support healthy workplace practices aimed at minimising ill-health and strengthening workforce resilience to enable staff to better manage their own health. We have piloted a wellbeing toolkit to support this and have run wellbeing workshops on cancer awareness, menopause support and guidance and understanding health issues related to night shift workers.

### Plans for 2023/2024

Launch a new values competency framework that helps to strengthen our culture and drive performance.

Achieve Best Places to Work Quality accreditation to better understand how our employees think and feel about their work.

### Volunteering

Work continues on our fledgling corporate volunteering programme, and we are pleased to report our new partnership with Volunteering Matters to support us in driving this forward.

We have strengthened our volunteer offer for young people by hosting students undertaking work experience, volunteering through The Duke of Edinburgh Scheme and through our continued work with IES Abroad an internship programme for students.

Our service user offer continues to be strong with roles in clubs, activities, recruitment, volunteering, facilities management and the Have your Say Group being the most active roles.

### **Plans for 2023/2024**

Increase the range of volunteering opportunities with the introduction of our fun and events working group providing opportunities for a number of one- off volunteering opportunities.

We will continue to work with our volunteers by building roles around people's skills, interests, and talents, and enabling people to try new skills and grow. We will find opportunities that fit what people want to do and improve on ways of showing volunteers the impact of what they are doing.

Strengthening our relationships with local community organisations to work in partnership on joint volunteering opportunities.

### **Communications and Engagement**

We are pleased to report that our social media presence grew across all platforms. The biggest growth in our social media platforms came from LinkedIn, Instagram and TikTok. Specific campaigns such as The Big Give benefitted from a wider audience allowing us to meet 100% of our fundraising target. Recruiting using social media continues to be a major influence in candidate attraction and our aim of ensuring a locally engaged workforce.

### **Plans for 2023/2024**

The coming year will focus on:

- The introduction of a new Centre 404 website
- Increasing our following on YouTube
- Developing co-production stories with our service users and other key stakeholders

### **Facilities**

This year we have focussed on increasing the usage of our head office and community centre enabling increased drop-ins, playschemes, after school activities and new groups to be held alongside local organisations and community partners. This has ensured that more people with a learning disability/and or autism benefit from the increased space and functionality.

We have strengthened the security of the building by enhanced protocols for staff, implementing new CCTV and the introduction of a new key fob system.

Sustainability continues to be at the centre of our plans and an environmental audit was commissioned in order that we can benchmark where we are and drive forward further changes in the coming year.

#### **Plans for 2023/2024**

Throughout the coming year we will focus on:

Continuing to increase the usage of our building by local organisations and people living with a learning disability and/or autism.

Further ensure our head office and community buildings sustainability through increasing our use of solar energy, replacement of LED lighting and initiatives to increase biodiversity and to educate our people on sustainable practices and the introduction of a bike to work scheme.

## FINANCIAL REVIEW

Total income for the year as reported in the Statement of Financial Activities was £7,188,981, which is a record level of income.

Total expenditure for the year was £7,504,447.

Centre 404 therefore recorded a deficit of £315,466 for the year.

The past year has seen a number of challenges, with pressure on wages arising from labour shortages in the sector, and from a more challenging fundraising environment. However, Centre 404 has continued to be able to provide a high quality of support despite these challenges and is able to manage its costs effectively, such that an improved position is expected during the next financial year. In the meantime, we remain financially secure with healthy cash balances.

We continuously monitor the effectiveness, quality, and cost-efficiency of all our activities to ensure that our limited resources are put to 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.

## RESERVES POLICY

The Trustees are committed to ensuring the charity has sufficient reserves available both for operations to continue during any period of reduced income and to provide the cash required to meet the costs of major fundraising events where outgoings may precede income. Our reserves policy is to maintain free reserves of at least three months of budgeted expenditure 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 restricted funds and fixed assets from the calculation.

The reserves as at 31 March 2023 were £1,810,634. This equates to 2.46 months of budgeted expenditure. This is below the preferred level of three months, but expenditure is expected to increase significantly in 2023/24 in line with anticipated increases in income. Reserves in excess of £1.8 million represent a significant buffer for any unforeseen risks and contingencies.

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 years 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 2023-2024.

### **Complete the next 5-year strategy**

I am pleased to report we have completed the five-year strategy and begun the process of achieving operational objectives under each main strategic objective. There are five strategic objectives which we have called pillars for illustrative purposes. We will display a summary of the strategy on our website. An accessible easy read version will also be produced. Our new 5 -year strategy will be promoted using social media channels, Centre 404's website, community events, partnerships and collaborations.

### **Research the potential to enabling greater access to a wider range of services, including working with people with dementia and supporting people with palliative care across London.**

One of the main pillars in our strategic plan is to 'widen choice and opportunities' and within this the priority to work with people with dementia as well as supporting people in need of palliative care. We have just begun promoting this area as one of Centres 404's specialisms and this year will be focusing on updating our dementia and palliative care policies. Following the successful training pilot to one of our teams at Leigh Road we will be developing our training to staff throughout this coming year in these specialist areas.

### **Commit to achieving the Great Places to Work and Trusted Charity accreditation and the re-accreditations for staff and management (UKIED) and the Advice and Quality Management (AQS).**

We achieved our AQS reaccreditation in September 2022 and undertook a UKIED pre-audit in July 2023 our reaccreditation will be completed in September 2023. We have committed to achieving Great Places To Work, identified areas for improvement based on employee feedback, implemented changes to align to the Great Places to Work Standards and are currently working to achieve recognition which we anticipate will be completed by November 2023. However, we have not gone as far as we could on achieving Trusted Charity accreditation. This was largely due to staff shortages within the team leading on this objective. We look forward to them taking this goal forward to the following year.

### **Advance our Digital Transformation effort by fully implementing People XCD, providing digital skills training, updating our conferencing facilities to improve hybrid meetings, and continue to grow and enhance our social media presence.**

We are pleased to report that we have provided digital skills training to the people we support. IT workshops have also been undertaken to enhance IT skills. We have updated our conferencing facilities. It has made a positive difference to hybrid meetings, and we plan to extend this technology to other spaces where hybrid meetings are held.

We have implemented People XCD within the HR Team and have some further consultation to do to fully implement this across our frontline teams, but we are looking to have it embedded in our systems by November 2023.

We are using our social media platforms more than ever before to promote jobs and the work of the charity. Our followers on TikTok as increased by 9% And on Instagram and LinkedIn have increased by 3% with YouTube, Facebook and Twitter remaining at similar followers throughout the last year. Moreover, we

are pleased to see increased engagement from staff, service users and key stakeholders in our posts with many more comments and reposts.

Another strategic priority going forward will be sustainability on all levels. For example, we will develop more training for our staff regarding recycling and a host of other carbon reducing efforts, explore additional solar panels, and seek an external third-party review of our carbon-reducing efforts. Further training was developed as part of our mandatory training programme to engage staff in recycling and environmental sustainability. I am pleased to report that as a result of this staff have implemented soft plastic recycling, our food waste is composted, and second-hand repurposed office furniture has been purchased. Furthermore, we are seeking funding opportunities to increase our usage of solar panels. We commissioned an external third-party audit of our carbon reducing efforts in 2022 it was interesting and rewarding to compare this audit to one commissioned by the City Bridge Trust for Centre 404 in 2016/17.

We were delighted to see we had achieved many of the recommendations of the first audit. Many of these sustainable improvements and additions were implemented during our phase 2 capital refurbishment programme in 19/2020. Consequently, we have travelled far down the road of our environmental sustainability journey.

We still want to go further and have highlighted our additional goals in our strategy for 2023-28. Sustainability is a key pillar in this strategy, and we have segmented it to the following: -

- Environmental
- Social
- Economic

In addition, we have included the economic wellbeing of our service users to this sustainability pillar due to cost of living and energy crisis and following on the back of the pandemic.

#### **For the next year**

As part of our strategic plan strengthen the governance of Centre 404 by reviewing, updating and enhancing our M&A or articles and governance policies thereby ensuring they align with current and future needs, best practice and legal requirements. To further empower our Board of Trustees with the knowledge and skills necessary to fulfil their roles effectively and in alignment with our mission and values by developing a comprehensive suite of training.

Improve our recruitment and retention by establishing and maintaining our organisation as a 'Great Place to Work' by promoting a positive workplace culture, leveraging social media for effective talent acquisition and retention and continuing to enhance our training and development programmes.

Continue to embrace technology to align processes and enable teams to be more efficient and effective. Key to this will be establishing and introducing new accountancy software that links with our other newly launched software as part of our digital transformation. This will ensure transparent real time data and reduce considerable administrative burdens on front-line staff. Continue to mitigate risk of malware and virus by becoming Cyber Essentials accredited. Develop the salesforce platforms to improve our data recording systems and strengthen analysis to evidence impact.

Expand funding to ensure our much-needed family support services and learning and leisure services are sustained and expanded and in addition innovative new services across London are able to be identified and developed.

Ensure the newly restructured Independent Living and Supported Housing and Community Out-reach project are running smoothly and meeting their quality and income generation targets.

### 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 and signed on their behalf by:

Paul Formosa, Chair \_\_\_\_\_

## 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 2023 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 of 31 March 2023 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 Auditors 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 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.

**Opinions on other matters prescribed by the Companies Act 2006**

The trustees' annual report has been prepared in accordance with applicable legal requirements. In our opinion, based on the work undertaken during 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 material misstatements in the trustee's annual report.

**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 during the audit we have not identified.

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 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.

## Auditor's responsibilities for the audit of the financial statements

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.

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.

## 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose 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.

Neil Finlayson (Senior Statutory Auditor)

for and behalf of Moore Kingston Smith LLP, Statutory Auditor

Date:

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**Statement of Financial Activities (Including Income and Expenditure Account)**  
**For the year ended 31 March 2023**

|                                                                        | Notes     | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | 2023<br>Total<br>Funds<br>£ | 2022<br>Total<br>Funds<br>£ |
|------------------------------------------------------------------------|-----------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| <b>Income</b>                                                          |           |                            |                          |                             |                             |
| Donations                                                              |           | 8,448                      | -                        | 8,448                       | 17,927                      |
| Other trading activities                                               | 2         | 5,791                      | -                        | 5,791                       | 6,783                       |
| Income from charitable activities                                      | 3         | 7,030,797                  | 122,616                  | 7,153,413                   | 6,782,714                   |
| Investments income: interest receivable                                |           | 9,391                      | -                        | 9,391                       | 1,337                       |
| Other income                                                           |           | 11,937                     | -                        | 11,937                      | 31,995                      |
| <b>Total income</b>                                                    |           | <b>7,066,364</b>           | <b>122,616</b>           | <b>7,188,980</b>            | <b>6,840,716</b>            |
| <b>Expenditure</b>                                                     |           |                            |                          |                             |                             |
| <b>Expenditure on raising funds.</b>                                   |           |                            |                          |                             |                             |
| Fundraising and publicity                                              |           | 26,482                     | -                        | 26,482                      | 27,237                      |
| Expenditure on charitable activities                                   | 5         | 7,325,495                  | 152,471                  | 7,477,966                   | 6,730,383                   |
| <b>Total Expenditure</b>                                               |           | <b>7,351,977</b>           | <b>152,471</b>           | <b>7,504,448</b>            | <b>6,757,620</b>            |
| Movement in Funds                                                      | 6         | (285,613)                  | (29,855)                 | (315,468)                   | 83,096                      |
| Transfers between funds                                                | 13/14     | 6,329                      | (6,329)                  | -                           | -                           |
| <b>Net income/(expenditure) and net movement in funds for the year</b> |           | <b>(279,284)</b>           | <b>(36,184)</b>          | <b>(315,468)</b>            | <b>83,096</b>               |
| <b>Reconciliation of funds</b>                                         |           |                            |                          |                             |                             |
| Total funds brought forward                                            |           | 4,756,964                  | 106,111                  | 4,863,075                   | 4,779,979                   |
| <b>Total funds carried forward</b>                                     | <b>13</b> | <b>4,477,680</b>           | <b>69,927</b>            | <b>4,547,607</b>            | <b>4,863,075</b>            |

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 30 - 41 form part of these financial statements.

**Balance Sheet**  
**For the year ended 31 March 2023**

|                                                       | Notes | 2023<br>£ | 2022<br>£ |
|-------------------------------------------------------|-------|-----------|-----------|
| <b>Fixed assets</b>                                   |       |           |           |
| Tangible assets                                       | 9     | 2,597,121 | 2,760,697 |
| <b>Current assets</b>                                 |       |           |           |
| Debtors                                               | 10    | 1153,008  | 941,179   |
| Cash at bank and in hand                              |       | 1,400,870 | 1,854,520 |
|                                                       |       | 2,553,878 | 2,795,699 |
| <b>Creditors:</b> amounts falling due within one year | 11    | 603,392   | 693,321   |
| <b>Net current assets</b>                             |       | 1,950,486 | 2,102,378 |
| <b>Total assets less current liabilities</b>          |       | 4,547,607 | 4,863,075 |
| <b>Net assets</b>                                     |       | 4,547,607 | 4,863,075 |
| <b>Funds</b>                                          |       |           |           |
| Unrestricted funds                                    | 12    | 4,477,680 | 4,756,964 |
| Restricted funds                                      | 1214  | 69,927    | 106,111   |
| <b>Total funds</b>                                    | 15    | 4,547,607 | 4,863,075 |

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:

\_\_\_\_\_ 2023  
and signed on their behalf by:

Paul Formosa

DEREK WEIST

Trustee

Trustee

Company Number: 2270299

The notes on pages 30 - 41 form part of these financial statements.

**Statement of Cash Flows**  
**For the year ended 31 March 2023**

|                                                                                                  | Notes | 2023                    | 2022                    |
|--------------------------------------------------------------------------------------------------|-------|-------------------------|-------------------------|
| <b>Cash used in operating activities (a)</b>                                                     |       | <u>(403,959)</u>        | <u>(8,069)</u>          |
| <b>Cash flows from investing activities</b>                                                      |       |                         |                         |
| Interest income                                                                                  |       | 9,391                   | 1,337                   |
| Purchase of tangible fixed assets                                                                |       | <u>(59,082)</u>         | <u>(79,666)</u>         |
| <b>Cash provided by (used in) investing activities</b>                                           |       | <u>(49,691)</u>         | <u>(78,329)</u>         |
| <b>Cash flows from financing activities</b>                                                      |       |                         |                         |
| Repayment of borrowing                                                                           |       | -                       | <u>(32,963)</u>         |
| <b>Cash used in financing activities</b>                                                         |       | <u>-</u>                | <u>(32,963)</u>         |
| Increase/(Decrease) in cash and cash equivalents in the year                                     |       | <u>(453,650)</u>        | <u>(119,334)</u>        |
| Cash and cash equivalents at the beginning of the year                                           |       | 1,854,520               | 1,973,854               |
| <b>Total cash and cash equivalents at the end of the year</b>                                    |       | <u><u>1,400,870</u></u> | <u><u>1,854,520</u></u> |
| <b>(a) Reconciliation of net expenditure to net cash flow from operating activities</b>          |       |                         |                         |
| Net income (expenditure) for the reporting period (as per the statement of financial activities) |       | (315,468)               | 83,096                  |
| Depreciation charges                                                                             |       | 222,658                 | 224,900                 |
| Interest income shown in investing activities                                                    |       | (9,391)                 | (1,337)                 |
| Decrease/(increase) in debtors                                                                   |       | (211,829)               | (407,338)               |
| Increase /(decrease) in creditors                                                                |       | <u>(89,929)</u>         | <u>92,610</u>           |
| <b>Net cash used in operating activities</b>                                                     |       | <u>(403,959)</u>        | <u>(8,069)</u>          |
| <b>(b) Analysis of cash and cash equivalents: Cash at bank and in hand</b>                       |       | <u><u>1,400,870</u></u> | <u><u>1,854,520</u></u> |

## Notes to the financial statements For the year ended 31 March 2023

### 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) - (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 cost-of-living crisis 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.

**Notes to the financial statements  
For the year ended 31 March 2023****1. Accounting policies (continued)**

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 accrual 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.

**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.

**Notes to the financial statements  
For the year ended 31 March 2023****1. Accounting policies (continued)****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) Critical estimates and significant judgements**

With respects to the next reporting period for the year ended 31 March 2023, the most significant areas of uncertainty that affect the carrying value of assets held by the charity are the level cash reserves and tangible fixed assets (see Reserves policy sections of the Trustees' Report for more information)

**k) Cash and cash equivalents**

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

## Notes to the financial statements

### For the year ended 31 March 2023

|    |                                 |              |              |
|----|---------------------------------|--------------|--------------|
| 2. | <b>Other trading activities</b> | <b>2023</b>  | <b>2022</b>  |
|    |                                 | £            | £            |
|    | Local fundraising               | 5,441        | 6,783        |
|    | Rental Income                   | 350          | -            |
|    |                                 | <u>5,791</u> | <u>6,783</u> |

### 3. Income from charitable activities

|                    | <b>Unrestricted</b> | <b>Restricted</b> | <b>2023</b>      | <b>2022</b>      |
|--------------------|---------------------|-------------------|------------------|------------------|
|                    | £                   | £                 | £                | £                |
| Learning & Leisure | 1,968,335           | 53,630            | 2,021,965        | 1,728,433        |
| Central            | 22,659              | 223               | 22,882           | 99,050           |
| Family Support     | 209,988             | 68,763            | 278,751          | 159,444          |
| Housing            | 4,829,815           | -                 | 4,829,815        | 4,795,787        |
|                    | <u>7,030,797</u>    | <u>122,616</u>    | <u>7,153,413</u> | <u>6,782,714</u> |

### 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:

| <b>Cost Type</b>                       | <b>Total Allocated</b> | <b>Governance related support costs</b> | <b>Support costs apportionment</b> | <b>Basis of</b> |
|----------------------------------------|------------------------|-----------------------------------------|------------------------------------|-----------------|
|                                        | £                      | £                                       | £                                  |                 |
| Staff Costs Note 8                     | 703,656                | 31,439                                  | 672,217                            | Staff time.     |
| Marketing, fundraising and publication | 15,211                 | 761                                     | 14,450                             | Staff time.     |
| Human Resources                        | 29,880                 | 1,494                                   | 28,386                             | Staff time      |
| Premises costs                         | 34,404                 | 1,720                                   | 32,684                             | Staff time      |
| Information technology                 | 145,994                | 7,300                                   | 138,694                            | Staff time      |
| Office running costs                   | 104,287                | 5,215                                   | 99,072                             | Staff time.     |
| Professional fees and finance costs    | 1,659                  | 83                                      | 1,576                              | Staff time      |
| Others and depreciation                | 228,698                | 11,434                                  | 217,264                            | Staff time      |
|                                        | <u>1,263,789</u>       | <u>59,446</u>                           | <u>1,204,343</u>                   |                 |

|         |                                                                |               |               |
|---------|----------------------------------------------------------------|---------------|---------------|
| 4 (ii). | <b>Governance costs</b>                                        | <b>2023</b>   | <b>2022</b>   |
|         |                                                                | £             | £             |
|         | Governance and professional support for trustees               | 11,433        | 9,227         |
|         | Audit fee                                                      | 20,013        | 26,009        |
|         | Support costs (based on apportioned staff time Per note 4 (i)) | 59,446        | 54,675        |
|         |                                                                | <u>90,892</u> | <u>89,911</u> |

## Notes to the financial statements

### For the year ended 31 March 2023

#### 4 (ii). Total governance and support costs

|                                | Total<br>£       |
|--------------------------------|------------------|
| Support costs (note 4 (i))     | 1,204,343        |
| Governance costs (note 4 (ii)) | 90,892           |
|                                | <u>1,295,235</u> |

#### 4 (iv). Allocation of governance and support costs

|                       | Staff costs<br>Note 8 | Other<br>allocated costs | 2023             | 2022             |
|-----------------------|-----------------------|--------------------------|------------------|------------------|
|                       | £                     | £                        | £                | £                |
| Learning & Leisure    | 199,529               | 167,748                  | 367,277          | 134,307          |
| Family Support        | 27,513                | 23,131                   | 50,644           | 16,084           |
| Independent Living SS | 476,614               | 400,700                  | 877,314          | 952,034          |
|                       | <u>703,656</u>        | <u>591,579</u>           | <u>1,295,235</u> | <u>1,102,426</u> |

#### 5. Expenditure on charitable activities

|                           | Staff costs<br>Note 8 | Other direct<br>costs | Support and<br>governance<br>costs | 2023             | 2022             |
|---------------------------|-----------------------|-----------------------|------------------------------------|------------------|------------------|
|                           | £                     | £                     | £                                  | £                | £                |
| Fundraising and Publicity | 23,510                | 2,972                 | -                                  | 26,482           | 27,237           |
| Learning & Leisure        | 1,651,572             | 277,016               | 367,277                            | 2,295,865        | 1,681,577        |
| Central                   | 10,106                | 609                   | -                                  | 10,715           | 111,692          |
| Family Support            | 260,982               | 38,086                | 50,644                             | 349,712          | 172,032          |
| Independent Living SS     | 3,842,255             | 102,105               | 877,314                            | 4,821,674        | 4,765,082        |
|                           | <u>5,788,425</u>      | <u>420,788</u>        | <u>1,295,235</u>                   | <u>7,504,448</u> | <u>6,757,620</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.

## Notes to the financial statements

### For the year ended 31 March 2023

#### 6. Net movement in funds is stated after charging:

|                                                   | 2023<br>£ | 2022<br>£ |
|---------------------------------------------------|-----------|-----------|
| Auditor's remuneration – audit (exclusive of VAT) | 16,680    | 16,667    |
| Under profession of audit fees                    |           | - 6,009   |
| Depreciation                                      | 222,658   | 224,900   |

#### 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:

|                       | 2023<br>£        | 2022<br>£        |
|-----------------------|------------------|------------------|
| Salaries and wages    | 4,632,713        | 4,315,764        |
| Social security costs | 369,229          | 329,522          |
| Pension costs         | 93,530           | 92,557           |
|                       | <u>5,095,472</u> | <u>4,761,485</u> |
| Agency costs          | 1,396,609        | 1,079,642        |
|                       | <u>1,396,609</u> | <u>1,079,642</u> |
| Total                 | <u>6,492,081</u> | <u>5,841,127</u> |

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:

|                   | 2023<br>No | 2022<br>No |
|-------------------|------------|------------|
| £60,001- £70,000  | 1          | 1          |
| £80,000 - £90,000 | 1          | 1          |

The key management personnel of Centre 404 comprise 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 £398,512 (2022: £372,605).

## Notes to the financial statements

### For the year ended 31 March 2023

The average monthly head count was 221 staff (2022: staff 244) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year was as follows:

|                      | 2023         | 2022         |
|----------------------|--------------|--------------|
| Leisure and Learning | 71.5         | 43.2         |
| Central              | 22.0         | 18.0         |
| Family Support       | 9.0          | 6.0          |
| Housing              | 166.9        | 173.9        |
|                      | <u>269.4</u> | <u>241.1</u> |

No remuneration is paid to the Trustees. No expenses were claimed or paid to Trustees during the year (2022: Nil).

#### 9. Tangible fixed assets

|                       | Freehold<br>property | Motor<br>vehicle<br>£ | Furniture &<br>equipment<br>£ | Total<br>£        |
|-----------------------|----------------------|-----------------------|-------------------------------|-------------------|
| <b>Cost</b>           |                      |                       |                               |                   |
| At 1 April 2022       | 3,340,165            | 91,651                | 354,785                       | 3,786,601         |
| Additions             |                      | 20,394                | 38,688                        | 59,082            |
|                       | <u>          </u>    | <u>          </u>     | <u>          </u>             | <u>          </u> |
| At 31 March 2023      | 3,340,165            | 112,045               | 393,473                       | 3,845,683         |
|                       | <u>          </u>    | <u>          </u>     | <u>          </u>             | <u>          </u> |
| <b>Depreciation</b>   |                      |                       |                               |                   |
| At 1 April 2022       | 680,084              | 49,538                | 296,282                       | 1,025,904         |
| Charge for the year   | 162,552              | 19,690                | 40,416                        | 222,658           |
|                       | <u>          </u>    | <u>          </u>     | <u>          </u>             | <u>          </u> |
| At 31 March 2023      | 842,636              | 69,228                | 336,698                       | 1,248,562         |
|                       | <u>          </u>    | <u>          </u>     | <u>          </u>             | <u>          </u> |
| <b>Net book value</b> |                      |                       |                               |                   |
| At 31 March 2023      | 2,497,529            | 42,817                | 56,775                        | 2,597,121         |
|                       | <u>          </u>    | <u>          </u>     | <u>          </u>             | <u>          </u> |
| At 31 March 2022      | 2,660,081            | 42,113                | 58,503                        | 2,760,697         |
|                       | <u>          </u>    | <u>          </u>     | <u>          </u>             | <u>          </u> |

All fixed assets are used for direct charitable purposes.

**Notes to the financial statements**  
**For the year ended 31 March 2023**

|     |                                                       |                  |                |
|-----|-------------------------------------------------------|------------------|----------------|
| 10. | <b>Debtors</b>                                        | <b>2023</b>      | <b>2022</b>    |
|     |                                                       | £                | £              |
|     | Trade debtors                                         | 988,458          | 752,000        |
|     | Prepayments                                           | 50,946           | 22,884         |
|     | Accrued Income                                        | 71,132           | 138,935        |
|     | Other debtors                                         | 42,472           | 27,360         |
|     |                                                       | <u>1,153,008</u> | <u>941,179</u> |
| 11. | <b>Creditors: amounts falling due within one-year</b> | <b>2023</b>      | <b>2022</b>    |
|     |                                                       | £                | £              |
|     | Trade creditors                                       | 252,757          | 229,653        |
|     | Other creditors                                       | 89,483           | 116,901        |
|     | Accruals                                              | 233,715          | 328,330        |
|     | Deferred income                                       | 27,437           | 18,437         |
|     |                                                       | <u>603,392</u>   | <u>693,321</u> |

## Notes to the financial statements

### For the year ended 31 March 2023

#### 12. Movement in accumulated funds

|                                 | At 1 April<br>2022<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>£ | At 31 March<br>2023<br>£ |
|---------------------------------|-------------------------|------------------|--------------------|----------------|--------------------------|
| <b>Unrestricted funds</b>       |                         |                  |                    |                |                          |
| General funds                   | 1,996,267               | 7,066,364        | (7,351,977)        | 169,904        | 1,880,558                |
| Designated Funds:               |                         |                  |                    |                |                          |
| Fixed Assets Funds              | 2,760,697               | -                | -                  | (163,575)      | 2,597,122                |
| <b>Total unrestricted funds</b> | <u>4,756,964</u>        | <u>7,066,364</u> | <u>(7,351,977)</u> | <u>6,329</u>   | <u>4,477,680</u>         |
| <b>Restricted funds</b>         |                         |                  |                    |                |                          |
| Family Support                  | 25,507                  | 68,763           | (91,739)           | 13,987         | 16,518                   |
| Learning & Leisure              | 58,183                  | 53,630           | (50,892)           | (20,316)       | 40,605                   |
| Central                         | 22,421                  | 223              | (9,840)            | -              | 12,804                   |
| <b>Total restricted funds</b>   | <u>106,111</u>          | <u>122,616</u>   | <u>(152,471)</u>   | <u>(6,329)</u> | <u>69,927</u>            |
| <b>Total funds</b>              | <u>4,863,075</u>        | <u>7,188,980</u> | <u>(7,504,448)</u> | <u>-</u>       | <u>4,547,607</u>         |

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

The fixed assets funds relate 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.

#### 13. Off Balance Sheet Transaction

##### Holding Accounts:

The charity operates 'holding accounts' on behalf of the service users. The charity has no legal entitlement to the ownership of these accounts and is merely acting as an intermediary agent to receive funds and distribute them under instructions from the benefit recipient. As a result, these holding accounts are not reflected in the Statement of Financial Activities or the Balance Sheet of the charity. At the balance sheet date, the remaining accounts amounted to £20,744 (2022: £23,831).

**Notes to the financial statements**  
**For the year ended 31 March 2023**

| 14. Restricted Funds                           | At 1 April<br>2022<br>£ | Income<br>£    | Expenditure<br>£ | Transfers<br>£  | At 31 March<br>2023<br>£ |
|------------------------------------------------|-------------------------|----------------|------------------|-----------------|--------------------------|
| <b>Family Support</b>                          |                         |                |                  |                 |                          |
| Richard Cloudsley–Welfare Grants Programme     | 2,973                   | 22,282         | (17,238)         | -               | 8,017                    |
| Family Carer's Reference Group                 | -                       | -              | (454)            | 454             | -                        |
| Family Tower Hamlet                            | -                       | -              | (1,834)          | 1,834           | -                        |
| Parents Forum                                  | 6,533                   | 13,981         | (27,067)         | 6,533           | -                        |
| D'Oyly Carte                                   | 1,000                   | -              | -                | -               | 1,000                    |
| Lottery Award for All                          | 2,500                   | -              | -                | -               | 2,500                    |
| Support for carers of all ages (R. Cloudesley) | 7,500                   | 32,500         | (45,146)         | 5,146           | -                        |
| Older Career Views                             | 2,500                   | -              | -                | -               | 2,500                    |
| Hampstead Wells & Camden Trust                 | 2,501                   | -              | -                | -               | 2,501                    |
| <b>Subtotal</b>                                | <b>25,507</b>           | <b>68,763</b>  | <b>(91,739)</b>  | <b>13,987</b>   | <b>16,518</b>            |
| <b>Learning &amp; Leisure</b>                  |                         |                |                  |                 |                          |
| BBC CIN – 21 <sup>st</sup> Training Project    | 1,000                   | 500            | -                | -               | 1,500                    |
| Electric Bus Funding                           | 24,372                  | -              | -                | (20,394)        | 3,978                    |
| Jack Petchey                                   | 5,483                   | 6,360          | (4,492)          | -               | 7,351                    |
| Juniors                                        | 1,807                   | 15,200         | (15,313)         | -               | 1,694                    |
| Siblings                                       | 418                     | 14,535         | (13,424)         | -               | 1,529                    |
| Youth Group                                    | -                       | 14,535         | (12,932)         | -               | 1,603                    |
| YAG                                            | 1,245                   | -              | (139)            | -               | 1,106                    |
| Siblings Activities                            | 9,448                   | -              | (829)            | -               | 8,619                    |
| Young Catalyst                                 | -                       | 2,500          | (209)            | -               | 2,291                    |
| Music/Cooking Group                            | 3,476                   | -              | (3,554)          | 78              | -                        |
| Young Career Club                              | 10,934                  | -              | -                | -               | 10,934                   |
| <b>Subtotal</b>                                | <b>58,183</b>           | <b>53,630</b>  | <b>(50,892)</b>  | <b>(20,316)</b> | <b>40,605</b>            |
| <b>Central</b>                                 |                         |                |                  |                 |                          |
| Garden Project                                 | 6,964                   | -              | (53)             | -               | 6,911                    |
| Mayor's Charity - Donations                    | 5,791                   | 93             | (121)            | -               | 5,763                    |
| Independent Living – A Plus                    | 6,666                   | -              | (6,666)          | -               | -                        |
| Independent Living – CAF                       | 3,000                   | -              | (3,000)          | -               | -                        |
| Willson Fundraising                            | -                       | 130            | -                | -               | 130                      |
| <b>Subtotal</b>                                | <b>22,421</b>           | <b>223</b>     | <b>(9,840)</b>   | <b>-</b>        | <b>12,804</b>            |
| <b>Total restricted funds</b>                  | <b>106,111</b>          | <b>122,616</b> | <b>(152,471)</b> | <b>(6,329)</b>  | <b>69,927</b>            |

**Notes to the financial statements**  
**For the year ended 31 March 2023**

**15. Analysis of net assets between funds**

|                       | Unrestricted<br>General<br>£ | Designated<br>£  | Restricted<br>£ | Total<br>£       |
|-----------------------|------------------------------|------------------|-----------------|------------------|
| Tangible fixed assets | -                            | 2,597,122        | -               | 2,597,122        |
| Net current assets    | 1,880,560                    | -                | 69,926          | 1,950,486        |
| Net assets            | <u>1,880,560</u>             | <u>2,597,122</u> | <u>69,926</u>   | <u>4,547,608</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 2023 (2022: 86).