

**THE FRIENDS OF SUMMERHILL LIMITED
(a company limited by guarantee)**

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

**Company registration number 07476591
Charity registration number 1140081**

THE FRIENDS OF SUMMERHILL LIMITED
(a company limited by guarantee)

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**The Friends of Summerhill Limited
(a company limited by guarantee)
For the Year Ended 31 March 2014**

Members of the Board and Professional Advisers

Registered Charity Number 1140081

Company Number 07476591

Trustees/Directors Dr Dow Smith (Chair)
Caroline Gant
Carla Walker Farmer
Lionel Joyce OBE, CBE
Neil Canavan (appointed 3 March 2014)
Rebecca Eves (appointed 3 March 2014)
Laura Foster (resigned 31 January 2014)
Paul Miskin (resigned 3 March 2014)
Sue Kennedy (resigned 3 March 2014)
Dr Daniel Nettle
Richard Greenwell

Development Manager Hugh Stolliday

Principal/Registered Office Summerhill Bowling Club
Winchester Terrace
Newcastle upon Tyne
NE4 6EH

Examiners Ellison Services
Higham House
Higham Place
Newcastle upon Tyne
NE1 8AF

Bankers The Co-operative Bank
Norfolk House
84-86 Grey Street
Newcastle upon Tyne

Solicitors Dickinson Dees LLP
St Ann's Wharf
112 Quayside
Newcastle upon Tyne
NE1 3DX

**The Friends of Summerhill Limited
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For the Year Ended 31 March 2014**

The trustees have pleasure in presenting their report and the financial statements of the charity for the period Year Ended 31 March 2014.

Structure, Governance and Management

Governing Documents

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed by its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1. At 31st March 2014 there were 305 members, 8 of whom are trustees.

Method of Recruitment of Trustees

Trustees are nominated and elected at the AGM (held in March). At each AGM, at least 1/3 of trustees must stand down, though they can stand for re-election. 1 further trustee may be recruited by the existing trustees without having to be elected, by recommendation to meet specific needs in the organisation for specialist expertise, business skills and professional standing within relevant fields.

Induction and Training of Trustees

New Trustees and Advisory Group members are individually inducted by the Development Manager. The Development Manager is accountable to the Trustees for the day-to-day running of the organisation.

Risk Management

As part of the risk management process, the trustees have implemented a risk management strategy which comprises:

- An annual review of the risks the charity may face
- Detailed action plans to mitigate those risks identified
- The implementation of procedures designed to minimise any potential impact on the charity should any of those risks arise.

Objectives and Activities

The Charity's objects are specifically restricted to the following:

1) To promote any charitable purpose for the benefit of the community in Newcastle upon Tyne and the surrounding areas (the area of benefit) particularly but not

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exclusively by advancing education, promoting the protection and preservation of good health and relieving poverty, distress and sickness.

2) In furtherance of these objects but not otherwise, the Trustees shall have the power to establish or secure the establishment of community facilities and centre in and around Summerhill pavilion, park and greens and to maintain and manage the same.

The trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit when reviewing the Friends of Summerhill Limited aims and objectives and in planning the future activities. In particular, the trustees considered how planned activities would contribute to the aims and objectives they had set.

Achievements and Performance

Our third full year has been one of growth and development.

Having put the organisation on a solid financial footing, we undertook a number of improvements in the space and purchased new equipment. We completed work on our new kitchen which includes a good range of equipment and a catering oven. We developed a new line of business doing wedding receptions which has proved to be successful. We took on a new part-time co-ordinator on a 16 hour/week basis.

Building Community Benefit

For the Year Ended 31st March 2014 just over 6000 people attended 220 events in the pavilion and lawns. As in previous years, private hire of the pavilion and lawns has helped subsidise the smaller community activities that use the space. Some of the organisations that have benefitted from this subsidy in kind include The Comfrey Project, Streetwise Opera, PROPS North East and the Newcastle Council for Voluntary Service.

During the year we also hosted a summer fair, a Christmas fair and a Fireworks night event, attended by 650 people in total.

Events included:

- Regular dance groups
- Wedding Receptions
- Ward Council Meetings
- Birthday parties
- Family and Community Celebrations
- Fundraising events and Open Days
- Antenatal Classes
- Professional Team Building Days
- Arts events and, Food and Cooking workshops

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Some of our regular users include:

Newcastle City Council
The Cyrenians
Swing Tyne
Tango on Tyne
Streetwise Opera
The Comfrey Project
Newcastle Council For Voluntary Service
National Childbirth Trust

We ensured that our premises licence was put to good use – many of the events we held benefited from our bar facility and this provided a key source of revenue for the organisation.

Strong uptake of our parking facilities continued and on average 10 regular parking customers rented car parking spaces.

Building financial sustainability

Over the course of the year, 68% of our income was earned from Room Hire, Parking and the Bar. We received grants for capital works including the new Kitchen. We were able to absorb the cost of new staff members from our earned income.

Building a community

During 2013/14 we continued to play an important role at the heart of our Newcastle Community. We continued to develop our partnerships with the city Council and other third sector organisations, despite a bleak funding outlook in the public sector. We participated in a campaign to encourage investment in the neighbouring Science Central site with Newcastle University and Newcastle City Council

Our membership grew to 305, the majority of whom live in and around the Summerhill area.

Thanks to the tireless efforts of our volunteers, great progress was made on our community growing space and wildlife garden.

We continue to rely on a relatively small cadre of volunteers, but a number of successful volunteer days and events have encouraged more regular volunteers to work on the site. Improved access and availability of tools and equipment have helped facilitate volunteer work on the site.

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Summerhill Park

Little progress was made on our discussions about the park with the city council. WE were hindered by high staff turnover at the Council and a lack of resources to commit to the park. The board felt it was important to consolidate and develop our assets at the Bowling Club before embarking on a potentially high-risk asset transfer of the park. Nevertheless, we continue to maintain strong contacts with the Council and will continue to seek out ways of making improvements to the park.

Hostel Garden

Negotiations to take over the piece of land were long drawn-out. Eventually in June 2014 we secured a 21 year lease for the Hostel Garden which we intend to turn into an orchard.

Organisational Development

We recruited two new trustees to the board; we are grateful for their contribution and for that of the existing trustees who have given up their time for meetings and countless emails.

Having a development manager has enabled the board to take a more appropriate governance role, and the board has provided excellent support for Hugh in his role. At the end of the financial year, Hugh increased his hours to 4 days per week. Whilst this has a significant financial burden, we are confident that this cost can be met by a continued growth in activity and revenue.

We have also formalised Sam Shotton's role and she is proving a huge asset in helping us take on more bookings and events and ensuring that the pavilion is always in a good state for our users.

Plans for the coming year

Our key aims for 2014/15 are to:

- *Develop the orchard for community benefit
- * Repair/replace the roof of the pavilion
- * Improve toilet facilities, including disabled loos and baby change
- * Rebuild our bar and bar storage to create more space in the pavilion.

Conclusion

Overall, the year was another successful one. We are very lucky to be able to stand on our own two feet as an organisation and not depend on grants or support for our revenue costs. We hope very much to be able to carry hard-won momentum into the coming year.

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**The Friends of Summerhill Limited
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For the Year Ended 31 March 2014**

Financial Review

The Friends of Summerhill's reserves policy is to aim to maintain sufficient levels of reserves to enable operating activities to be maintained, taking account of potential risks and contingencies that may arise from time to time. The policy is reviewed annually by Trustees.

The financial viability of the Charity is dependent upon the ability to secure the forecast levels of voluntary income and income earned under contracts for services (hall hire, parking etc).

The Trustees have assessed the financial position of the Charity for the Year Ended 31st March 2014 based on known levels of funding and reasonable assumptions of future funding and are forecasting that the charity will be in surplus at 31st March 2015.

Statement of Trustee Responsibilities

The trustees, who are also directors for the purposes of the Companies Act, are also responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The trustees are required to prepare financial statements for each financial year which 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 the year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity. 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.

Approved by the trustees on and signed on their behalf by:

Dr Dow Smith (Chair)

**Independent examiners report to the trustees' of
The Friends of Summerhill Limited
for the period year ended 31 March 2014**

I report on the financial statements of The Friends of Summerhill Limited for the year ended 31 March 2014 set out on pages 8 to 14.

Respective responsibilities of trustees and examiner

The trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for the year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

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

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

Basis of independent examiner's statement

My examination was carried out in accordance with general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

D Maltman
Ellison Services Limited
Higham House
Higham Place
Newcastle upon Tyne
NE1 8AF

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Statement of Financial Activities
For the Year ended 31 March 2014

	Notes	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<u>Incoming resources</u>					
Incoming resources from generated funds					
Voluntary Income		3,188	-	3,188	3,799
Activities for generating funds		58,644	-	58,644	37,944
Investment income	2	20	-	20	22
Incoming resources from charitable activities					
Grants	3	-	11,088	11,088	300
Memberships		22	-	22	26
Other incoming resources		1,901	-	1,901	831
Total incoming resources		63,775	11,088	74,863	42,922
<u>Resources expended</u>					
Cost of generating funds	4	16,454	-	16,454	13,822
Charitable activities	4	32,417	3,100	35,517	26,134
Governance costs	4	744	-	744	744
Total resources expended		49,616	3,100	52,715	40,700
Net incoming resources		14,159	7,988	22,148	2,222
Transfer between funds		5,988	-5,988	-	-
Net movement in funds		20,147	2,000	22,148	2,222
Opening Funds		71,198	-	71,198	68,976
Fund balances carried forward at 31st March 2014		91,346	2,000	93,346	71,198

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Balance sheet
As at 31 March 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible fixed assets	7		73,766		56,126
Current assets					
Closing stock		1,500		-	
Debtors	8	887		1,653	
Cash at bank and in hand		<u>20,349</u>		<u>16,544</u>	
		22,736		18,197	
Creditors: amounts falling due within one year					
	9	3,156		3,125	
Net current assets					
			19,580		15,072
Total assets less current liabilities					
			<u>93,346</u>		<u>71,198</u>
Funds					
Unrestricted Funds					
General unrestricted	10		22,123		15,664
Designated funds	10		<u>69,223</u>		<u>55,534</u>
			91,346		71,198
Restricted Funds					
	10		2,000		-
			<u>93,346</u>		<u>71,198</u>

The trustees are satisfied that the charitable company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The Trustees acknowledge their responsibilities for:

- (i) ensuring that the charitable company keeps proper accounting records which comply with section 380 of the Act; and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its incoming resources and application of resources, including its surplus or deficit for the financial year in accordance with the requirements of the Act relating to financial statements so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the trustees on and are signed on their behalf by:

Lionel Joyce OBE CBE

Company registration number : 07476591

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Notes to the accounts
For the Year ended 31 March 2014

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the special provisions of Part 15 of the Companies Act 2006, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005).

1.2 Incoming resources

Voluntary Income

Voluntary income received by way of donations, legacies and gifts to the charity is included in the Statement of Financial Activities when received.

Activities for Generating Funds

Income derived from hiring the premises and organising events is included in the accounts when receivable.

Investment Income

Investment income is accounted for when receivable and includes the related tax recoverable.

Grants Receivable

Grants receivable are credited to incoming resources on the earlier date of when they are received or when they are receivable, unless they relate to a specific future period, in which case they are deferred.

1.3 Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis inclusive of any VAT which cannot be recovered.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

1.4 Stock

Stock is valued at the lower of cost or net realisable value at the balance sheet date.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated 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:

Alterations to freehold property - straight line over 25 years
Equipment - straight line over 5 years

1.6 Fund Accounting

Funds held by the Charity are either:

Unrestricted General funds - Funds which can be used in accordance with the charitable objects at the discretion of the trustees. Designated unrestricted funds are funds allocated by the trustees for a particular purpose.

Restricted funds - funds that can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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Notes to the accounts
For the Year ended 31 March 2014

2 Investment Income

	2014 £	2013 £
Interest receivable	20	22

3 Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Grants				
Newcastle City Council	-	5,988	5,988	300
Community Foundation	-	2,000	2,000	-
Yorkshire Bank	-	100	100	-
Sir James Knott Trust	-	3,000	3,000	-
	-	11,088	11,088	300

4 Total resources expended

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Costs of generating funds				
Event Costs	16,454	-	16,454	13,822
Charitable activity costs				
Consultancy Fees	9,388	3,100	12,488	13,450
Caretaker Costs	5,165	-	5,165	332
Payroll Service Fees	243	-	243	-
Repairs and maintenance	5,926	-	5,926	4,355
Insurance	1,533	-	1,533	1,288
Utilities	2,985	-	2,985	2,016
Rates	245	-	245	238
Equipment	-	-	-	672
Publicity	1,059	-	1,059	729
licences	512	-	512	246
Subscriptions	456	-	456	100
Miscellaneous	592	-	592	102
Depreciation	4,313	-	4,313	2,606
	32,417	3,100	35,517	26,134
Governance				
Independent examination fee	744	-	744	744
Legal fees	-	-	-	-
	744	-	744	744

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Notes to the accounts
For the Year ended 31 March 2014

5 Consultancy

A consultant continued to oversee the development. Total Fees for the period amounted to £12,488

6 Related parties

There were no related party transactions during the period.

7 Tangible fixed assets

	Alterations to freehold Property £	Equipment £	Total £
Cost			
At 1 April 2013	60,115	956	61,071
Additions	16,775	5,178	21,953
At 31st March 2014	76,890	6,134	83,024
Depreciation			
At 1 April 2013	4,581	364	4,945
Charge for period	3,086	1,227	4,313
At 31st March 2014	7,667	1,591	9,258
Net book value			
At 31 March 2014	69,223	4,543	73,766
At 1 April 2013	55,534	592	56,126

The ownership of the property and land at Summerhill Bowling Club was transferred to The Friends of Summerhill Limited on 31st March 2011 by Summerhill Bowling Club. There was no consideration involved for this transaction. The costs shown above as alterations to freehold property relate to refurbishment costs including planning and legal fees involved in bringing the property into a state of repair. There has been no valuation carried out of the premises for the purpose of these accounts and because of covenants in relation to the land and buildings, an open market valuation would be difficult to establish.

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Notes to the accounts
For the Year ended 31 March 2014

8 Debtors

	2014 £	2013 £
Trade Debtors	-	670
Prepayments	251	245
Accrued Income	636	738
	887	1,653

9 Creditors: amounts falling due within one year

	2014 £	2013 £
Hire deposits and Rentals in advance	1,224	350
Accruals	1,932	2,775
	3,156	3,125

10 Funds

Restricted Funds

	Opening Funds 1st April 2013 £	Incoming resources £	Resources expended £	Transfer £	Closing funds 31st March 2014 £
Newcastle City Council	-	5,988	-	-5,988	-
Sir James Knott	-	3,000	3,000	-	-
Community Foundation	-	2,000	-	-	2,000
Yorkshire Bank	-	100	100	-	-
	-	11,088	3,100	-5,988	2,000

Westgate Ward Grant, Newcastle City Council awarded £5,988 for the renovation of the Kitchen area.

Community Foundation donated £2,000 for the purchase of a clay oven which was purchased in the following financial year.

Funds from Yorkshire Bank and Sir James Knott Trust are to partially fund the Consultancy fees.

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Unrestricted Funds

	Opening funds 1st April 2013 £	Incoming resources £	Resources expended £	Transfer £	Closing funds 31st March 2014 £
General Unrestricted	15,664	52,988	46,530	-	22,123
Designated - Value of Building				-	
Refurbishments	55,534	10,787	3,086	5,988	69,223
	<u>71,198</u>	<u>63,775</u>	<u>49,616</u>	<u>5,988</u>	<u>91,346</u>

11 Staff Costs and Emoluments

Total Staff Costs	2014 £	2013 £
Gross wages, salaries and benefits in kind	5,165	332
Employer's national insurance costs	-	-
	<u>5,165</u>	<u>332</u>

No employee received emoluments of more than £60,000

12 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	2014 Total £	2013 Total £
Fund balances at 31 March 2014 are represented by:				
Tangible fixed assets	73,766	-	73,766	56,126
Current assets	20,736	2,000	22,736	18,197
Creditors: amounts falling due within one year	-3,156	-	-3,156	-3,125
	<u>91,346</u>	<u>2,000</u>	<u>93,346</u>	<u>71,198</u>

13 Company Limited by Guarantee

The Company is limited by guarantee in that every member undertakes to contribute such amounts as may be required in the event of the company being wound-up, for the payments of debts, liabilities and the cost of the winding up not exceeding £1 per member.