

THE FRIENDS OF SUMMERHILL LIMITED
A company limited by guarantee

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 March 2016

Company Registration Number 07476591
Registered Charity Number 1140081

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For the year ended 31 March 2016

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**The Friends of Summerhill Limited
(a company limited by guarantee)
For the Year Ended 31 March 2016**

Members of the Board and Professional Advisers

Registered Charity Number 1140081

Company Number 07476591

Trustees/Directors Dr Dow Smith (Chair)
Caroline Gant
Carla Louise Walker
Lionel Joyce OBE, CBE
Neil Canavan
Rebecca Eves
Dr Daniel Nettle
Richard Greenwell (resigned 20/10/15)
Deirdre Pearson (appointed 20/10/15)
Tom Woolley (appointed 20/10/15)

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

**The Friends of Summerhill Limited
(a company limited by guarantee)
For the Year Ended 31 March 2016**

The trustees have pleasure in presenting their report and the financial statements of the charity for the period Year Ended 31 March 2015.

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 2016 there were 460 members, 9 of whom are trustees.

Method of Recruitment of Trustees

Trustees are nominated and elected at the AGM (held in October). 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 Committee 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

On behalf of the trustees of the Friends of Summerhill, we are delighted to present the Charity's Annual Report and Accounts for the year ending 31 March 2016.

2015/16 was another successful year for the Friends of Summerhill, where we continued to develop our premises and expand our offering to the community of Summerhill and the West End of Newcastle.

We embarked on an ambitious fundraising campaign to install a new roof, toilets and serving area in the pavilion. This included our first foray into crowdfunding, where we raised £4,500 towards the cost of our renovations.

Community use of the facilities at Summerhill continued to increase, with over 12,000 people visiting during the year, an increase of 20% on the previous year.

Building Community Benefit

For the Year Ended 31st March 2016 well over 12,000 people attended over 300 events in the pavilion and lawns. These events and activities have had an incredibly broad range, from community uses to larger festivals and weddings. It is the breadth and diversity of activity at Summerhill that make it a treasured resource. As in previous years, private hire of the pavilion and lawns has helped subsidise the smaller community activities that use the space. This 'Robin Hood' model has helped us maintain very low hire fees for community activity whilst receiving no revenue funding from external funders.

As in previous years we also hosted a summer fair, a Christmas fair and a Fireworks night event.

Events included:

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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

Some of our regular users include:

Swing Tyne
Tango on Tyne
Newcastle and District Beekeepers' Association
National Childbirth Trust

Building financial sustainability

Over the course of the year, 85% of our income was earned from room hire, parking and the bar. In addition to this, we were successful in raising over £80,000 from a variety of grant funding sources to renovate our roof, serving area and toilets; furthermore, we received a grant to resurface our car park. We also installed new gates.

Building a community

During 2015/16 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.

Our membership grew to well over 400, the majority of whom live in and around the Summerhill area. Membership uptake was assisted by the introduction of an online membership signup facility.

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

Whilst we continue to rely on a relatively small cadre of volunteers, a number of successful volunteer days and events have encouraged more regular volunteers to work on the site. With the help of the Newcastle Volunteer Centre, we were able to hold a number of corporate volunteer days which helped us to get a lot done in our outside spaces.

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Over 2500 volunteer hours with a value of over £17,000 were undertaken in 2015/16 – without this support in kind we would not be able to achieve many of the things that we would wish to.

Organisational Development

Hugh Stolliday became a full time employee (37 hours pw) and Sam Shotton (co-ordinator – 16 hours per week) continued in her role. The board are conscious of the heavy workload that falls upon the staff and will continue to monitor whether staff provision is sufficient.

During the course of the year, we put in place better reporting and appraisal systems, including:

- RADAR analysis for employees
- SMART targets for each employee
- New financial reporting systems, including switching to Sage accountancy software

Plans for the coming year

Our key aims for 2016/17 are to:

- * Improve disabled access across the site
- * Improve toilet facilities, including disabled loos and baby change
- * Repair our external walls

Conclusion

The year was another successful one. The Friends of Summerhill continues to thrive, and we are pleased that many of the big renovation jobs that we had to do have now been completed.

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. Our current reserves policy is being reviewed and we will publish this with next year's accounts.

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).

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The Trustees have assessed the financial position of the Charity for the Year Ended 31st March 2016 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 2017.

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) 31.10.2016

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 31 March 2016

I report on the financial statements of The Friends of Summerhill Limited for the year ended 31 Mar 2016, which are set out on pages {8 to 15}

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 2016 (the 2016 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 2016 Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the 2016 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.

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.

Doug Maltman FMAAT
Ellison Services Limited
Higham House
Higham Place
Newcastle upon Tyne
NE1 8AF
Date 04.11.2016

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STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING THE INCOME & EXPENDITURE ACCOUNT)

For the year ended 31 March 2016

	Note	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Incoming resources					
From generated funds					
Voluntary income	3	4,350	-	4,350	2,801
Activities for generating funds	4	68,196	-	68,196	70,897
Investment income (bank interest)		15	-	15	33
From charitable activities	6	400	13,384	13,784	2,617
Total incoming resources		72,961	13,384	86,345	76,348
Resources expended					
Cost of generating funds					
Cost of generating voluntary income	7	18,819	500	19,319	19,872
Charitable activities	8	57,762	10,809	68,571	60,140
Governance costs	9	840	-	840	867
Other resources expended	10	441	-	441	2,454
Total resources expended		77,862	11,309	89,171	83,333
Net income/(expenditure) for the year		(4,901)	2,075	(2,826)	(6,985)
Total funds brought forward		84,361	2,000	86,361	93,346
Total funds carried forward		79,460	4,075	83,535	86,361

The Statement of Financial Activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006

The notes on pages 10 to 15 form an integral part of these accounts.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

1 Basis of preparation

- (a) These 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 (FRSSE) (effective April 2008) and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2016).

2 Accounting policies

INCOMING RESOURCES

2.1 Form of financial statements

- (a) Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- (b) Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal

2.2 Incoming resources

- (a) These are included in the Statement of Financial Activities (SoFA) when:
the charity becomes entitled to the resources;
the trustees are virtually certain they will receive the resources; and
the monetary value can be measured with sufficient reliability.
- (b) Grants and donations are only included in the SoFA when the charity has unconditional entitlement to the resources.
- (c) Bank interest is recognised when it is credited to the account

EXPENDITURE AND LIABILITIES

2.3 Liability recognition

- (a) Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

2.4 Governance costs

- (a) Include costs of the preparation and examination of statutory accounts, the cost of trustee meetings and cost of any legal advice to the trustees on governance or constitutional matters

ASSETS

2.5 Tangible fixed assets for use by the charity

- (a) Fixed Assets are stated at cost less accumulated depreciation, the costs of minor additions or those costing below £250 are not capitalised. Depreciation is provided at rates calculated to write of the cost of each asset over its expected useful life which is estimated as follows:

Fictures and Fittings	-4%	straight line
Equipment	-20%	straight line

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

Analysis of incoming resources

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
3 Voluntary income				
Donations	3,686	-	3,686	2,272
Gift Aid rebate	664	-	664	529
	<u>4,350</u>	<u>-</u>	<u>4,350</u>	<u>2,801</u>
4 Activities for generating funds				
Deposits	4,400	-	4,400	2,400
Parking fees	6,541	-	6,541	6,604
Room hire	20,156	-	20,156	24,392
Bar takings	37,099	-	37,099	37,501
	<u>68,196</u>	<u>-</u>	<u>68,196</u>	<u>70,897</u>
5 Investment income				
Bank interest	15	-	15	33
	<u>15</u>	<u>-</u>	<u>15</u>	<u>33</u>
6 Incoming resources from charitable activities				
Grants	-	13,384	13,384	1,425
Memberships	45	-	45	47
Other income	355	-	355	1,145
	<u>400</u>	<u>13,384</u>	<u>13,784</u>	<u>2,617</u>

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For the year ended 31 March 2016

Analysis of resources expended

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
7 Cost of generating voluntary income				
Event costs	18,819	500	19,319	19,872
	<u>18,819</u>	<u>500</u>	<u>19,319</u>	<u>19,872</u>
8 Charitable activities				
<u>Direct costs</u>				
Consultancy fees	12,795	-	12,795	12,014
Staff Salaries	17,500	-	17,500	17,500
Staff Pension	1,200	-	1,200	700
	<u>31,495</u>	<u>-</u>	<u>31,495</u>	<u>30,214</u>
<u>Support costs</u>				
Professional fees	444	-	444	1,745
Caretaker salary	6,531	-	6,531	6,337
Travelling and parking	12	-	12	650
Training	-	-	-	150
Payroll fees	308	-	308	254
Repairs and Maintenance	1,278	-	1,278	6,972
Construction costs	-	10,809	10,809	-
Cleaning costs	2,419	-	2,419	-
Insurance	1,715	-	1,715	1,636
Utilities	2,226	-	2,226	3,311
Rates	256	-	256	251
Lease	-	-	-	1,540
Equipment	1,880	-	1,880	360
IT	210	-	210	836
Publicity	371	-	371	1,096
Licences	95	-	95	512
Depreciation	6,184	-	6,184	4,276
Subscriptions	1,795	-	1,795	-
Office costs	37	-	37	-
Security	506	-	506	-
	<u>26,267</u>	<u>10,809</u>	<u>37,076</u>	<u>29,926</u>
9 Governance costs				
Independent examiner's fee	840	-	840	867
	<u>840</u>	<u>-</u>	<u>840</u>	<u>867</u>
10 Other resources expended				
Other expenses	441	-	441	2,454
	<u>441</u>	<u>-</u>	<u>441</u>	<u>2,454</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

11 Trustee expenses

	2016	2015
Number of trustees who were paid expenses	1	-
Nature of expense	Travel	
Total amount paid	<u>£ 12</u>	<u>£ -</u>

12 Fees for examination of the accounts

	2016 £	2015 £
Independent examiner's fees for reporting on the accounts	840	867
	<u>840</u>	<u>867</u>

13 Staff costs and emoluments

Gross wages, salaries and benefits in kind	24,031	23,837
Employer's pension costs	1,200	700
	<u>25,231</u>	<u>24,537</u>

14 Average number of full-time equivalent employees for the year

	2016 Number	2015 Number
The parts of the charity in which the employee's work	1.0	1.0
Charitable activities	1.0	1.0
Other	1.0	1.0
	<u>2.0</u>	<u>2.0</u>

15 Defined contribution pension scheme

Brief details of the scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The employer's pension costs represent contributions payable by the charity to the fund

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For the year ended 31 March 2016

	Fixtures and fittings	Equipment	Total
	£	£	£
16 Tangible fixed assets			
Cost			
Balance brought forward	76,890	7,620	84,510
Additions	9,807	2,575	12,382
Disposals	-	-	-
Balance carried forward	86,697	10,195	96,892
Depreciation			
Balance brought forward	10,436	3,098	13,534
Depreciation charge for year	3,634	2,549	6,183
Disposals	-	-	-
Balance carried forward	14,070	5,647	19,717
Net book value			
Brought forward	66,454	4,522	70,976
Carried forward	72,627	4,548	77,175
17 Debtors and prepayments (receivable within 1 year)			
	2016	2015	
	£	£	
Prepayments and accrued income	1,412	786	
	1,412	786	
18 Bank and cash balances			
	2016	2015	
	£	£	
Bank current account	12,599	18,376	
Closing stock	1,500	1,200	
	14,099	19,576	

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For the year ended 31 March 2016

19 Creditors and accruals (payable within 1 year)

	2016 £	2015 £
Accruals		
Independent examination of accounts	840	831
Other accruals	-	1,586
Pre-paid income		
Donations	2,550	-
Deferred income		
Big Lottery Fund	5,404	-
Newcastle City Council - Ward grant	357	-
Newcastle City Council - Polytunnel	-	833
Newcastle City Council - Gate works	-	1,152
Newcastle City Council - Sparks	-	575
	<u>9,151</u>	<u>4,977</u>

20 Movements of major funds

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Restricted fund					
Newcastle City Council	-	6,788	(6,713)	-	75
Community Foundation	2,000	2,000	-	-	4,000
Big Lottery Fund	-	4,596	(4,596)	-	-
Totals	<u>2,000</u>	<u>13,384</u>	<u>(11,309)</u>	<u>-</u>	<u>4,075</u>
Unrestricted fund					
General funds	17,907	63,154	(84,033)	-	(2,972)
Designated - Value of building	66,454	9,807	(3,636)	-	72,625
Totals	<u>84,361</u>	<u>72,961</u>	<u>(87,669)</u>	<u>-</u>	<u>69,653</u>

Purpose of restricted funds

Newcastle City Council	Sparks project and construction works at premises
Community Foundation	Arts projects
Big Lottery Fund	Construction of new car park at premises

21 Company limited by guarantee

(a) The company is limited by guarantee and its governing document is its memorandum and articles of association

(b) The trustees hold no shares in the company but each trustee, as a member, is a guarantor of the company, to an amount not exceeding £1, in the event of the winding up of the company.

22 Capital commitments

(a) At 31 Mar 2015, the charity had no capital commitments (2014 -£nil)

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23 Ultimate controlling party

- (a) The trustees consider that the charitable company has no other ultimate controlling party other than the board of trustees themselves.