

CHARITY REGISTRATION NUMBER: 1151911

SUFRA - NW LONDON
Annual Report and Independently Examined
Financial Statements
For the year ended 31 March 2020

SUFRA - NW LONDON

Financial Statements

Year ended 31 March 2020

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SUFRA - NW LONDON

Trustees' Annual Report

Year ended 31 March 2020

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2020.

Reference and administrative details

Registered charity name SUFRA - NW LONDON

Charity registration number 1151911

Charitable Incorporated Organisation (CIO) number CE000394

Principal office 160 Pitfield Way
Stonebridge
London
NW10 0PW

Website <https://www.sufra-nwlondon.org.uk>

Director Rajesh Makwana

The trustees

Mr Aaseem Mulji	
Mr Philip Mundy	(Resigned 16/09/2019)
Mr Diarmuid O'Hegarty	(Resigned 21/02/2020)
Mr Nicholas Luder	
Ms Rosemary Heaney	(Secretary)
Ms Susan Crane	(Appointed Chair 21/02/2020)
Ms Rosie Birch	(Resigned 09/12/2019)
Ms Helena Krawitz	(Appointed 28/10/2019)
Mr Mohammed Asad Abdullah	(Appointed 28/10/2019)
Ms Abida Khan	(Appointed 30/10/2019)
Ms Krystyna Kozniewska	(Appointed 30/10/2019)

Principal Bankers HSBC

Independent examiner Deitch Cooper LLP
Accountants and Business Consultants
2nd Floor
Congress House
Lyon Road
Harrow
HA1 2EN

SUFRA - NW LONDON

Trustees' Annual Report *(continued)*

Year ended 31 March 2020

Structure, governance and management

Governing Document

The organisation was established in April 2013 and the charity received its charity registration on 7th May 2013. The charity is governed by its constitution dated the same. Sufra - NW London is a Charitable Incorporated Organisation.

Organisational Structure

Sufra - NW London has a Board of 8 trustees; provisions regarding trustee appointment, terms of office, re-appointment, and retirement are detailed in the constitution.

During the reporting period 19/20 the board of trustees met every 2 months. The trustees are responsible for the organisational governance and oversight including strategic direction, organisational policy, oversight of financial and resource management.

Trustee Recruitment

Sufra - NW London endeavours to make skills-based appointments to its board of trustees. Potential trustees are required to submit a CV and a one-page expression of interest. Potential trustees are interviewed by a panel (Chair, Sufra NW Director and one other board member). Additionally, potential trustees are invited to attend a food bank service. All trustees must clear a CRB check before appointment is finalised. Once appointed trustees are taken through an appropriate and detailed induction.

Public Benefit

The trustees confirm that they have complied with the Charity Commission guidance on public benefit. In planning our services, Sufra has considered the Charity Commission's guidance on Public Benefit including the guidance on public benefit: running a charity (PB2) to ensure that our activities continue to fulfil our aims and objectives as outlined within our current constitution.

Risk Management

The Board has conducted a review of the major risks to which the charity is exposed to and continues to monitor this on an ongoing basis. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Internal control risks are minimised by the implementation of policies and procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the centre. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Objectives and activities

Sufra - NW London exists to relieve poverty and economic disadvantage among persons who are in a condition of need, hardship or distress; in particular within the London Boroughs of Brent, Harrow and Ealing and in such other parts of the United Kingdom, by providing such persons with goods and services which they could not otherwise afford through lack of means.

The charity is a Food and Support Hub that provides a lifeline to people in crisis - including families living in extreme poverty and people who are vulnerable, homeless or socially isolated. We provide them with the essential food and welfare advice they need to survive, empower them to learn new skills and improve their wellbeing, and help them to find work and become financially stable.

The charity is well established as a cornerstone of community life on St. Raphael's Estate - a neglected and isolated neighbourhood in Stonebridge where a staggering 47% of children grow up in poverty. With one of the highest rent-to-income ratios in the capital, many households in Brent are struggling to feed themselves and their families, let alone maintain a healthy diet, and many children from the local area are going without adequate food and nutrition.

SUFRA - NW LONDON

Trustees' Annual Report *(continued)*

Year ended 31 March 2020

Objectives and activities *(continued)*

Never has the injustice of hunger and poverty in an area with an abundance of wealth been so stark. Whilst our staff and volunteers distribute emergency food aid to families struggling to survive, thousands of lavish apartments are being erected around Wembley Stadium and shoppers spend millions every year at Ikea Wembley and Brent Cross - all within walking distance of the Food Bank. This picture of inequality is much the same across London, where 50% of all wealth is now earned by the richest 10% of households, while the poorer 50% of people own a meagre 5%.

Although the charity may not be able to directly address the systemic issues that underpin food insecurity, much of Sufra's work is focussed on addressing the proximal causes of hunger and deprivation such as a lack of educational attainment and life skills, poor mental and physical health, low paid work and unemployment, social inequalities, overcrowded or substandard housing - to name but a few.

Whilst our core work focuses on providing emergency food aid through our Food Bank and Community Kitchen, these are gateway services that enable our guests to access a wider programme of activities designed to address the root causes of poverty and homelessness. Our services include:

Food Bank: Last year, we distributed food parcels to 10,582 recipients who cannot afford the basic cost of living. Guests are referred to Sufra by a registered referral agency and access is typically limited to four food parcels a year, with a focus on providing welfare advice to address the underlying causes of impoverishment. The Food Bank operates twice a week and is run by a large team of volunteers.

Community Kitchen: We serve a freshly cooked three-course meal every Friday evening. Referrals are not required; the service is open to the community. Last year we served over 2,000 meals, mainly to people who are homeless, socially isolated, food bank users or claiming benefits.

Welfare Advice Service: Our Advice Workers help guests address the problems that lead them to the Food Bank - such as benefit disruptions, housing problems, debts and other financial difficulties. The support we provide is ongoing and tailored to the needs of the individual.

Food Academy: An accredited 6-week cookery course that teaches young people about nutrition and healthy eating as well as food preparation and kitchen skills. The course is designed to increase community cohesion, reduce social isolation and improve the health and wellbeing of the families we support.

Refugee Support: Our Refugee Resettlement Programme helps refugees and asylum seekers access the housing, healthcare, training and jobs they need to build a new life in the community. We offer women's support groups, ESOL classes, homework clubs and orientation workshops, as well as events to improve integration and self-sufficiency.

Employment Training: We regularly run programmes designed to empower the long-term unemployed to find work by gaining professional skills and experience. Our AQA accredited courses also help with CV writing, work experience and finding paid work.

St. Raphael's Edible Garden: We've worked with local residents to turn an abandoned space on the estate into a thriving growing project, where we offer horticulture courses (AQA accredited) and volunteering opportunities for local residents and people with additional mental/physical health needs.

Sufra Community Catering: We provide training and employment opportunities to the long term unemployed, whilst providing a delicious local catering service that redistributes profits to help finance our core activities.

SUFRA - NW LONDON

Trustees' Annual Report *(continued)*

Year ended 31 March 2020

Objectives and activities *(continued)*

Each of these services is designed to lead vulnerable people on a personal journey from crisis to social inclusion and economic stability. We rely heavily on our dedicated team of around 100 regular volunteers and 200 one-off volunteers to ensure that we can deliver these services, and we work closely with the many schools, businesses, faith groups and voluntary sector organisations that support our work.

Achievements and performance

Despite ongoing increases in demand for food aid and other forms of emergency support, Sufra - NW London experienced another strong year of growth and development across all operations and services and continued to demonstrate agility and adaptability - particularly in responding to the coronavirus pandemic.

Over the 12-month period, we distributed over 10,500 food parcels to people experiencing food insecurity and served over 2,000 three-course meals in our Community Kitchen. In accordance with our focus on addressing the proximal causes of poverty, our Advice Workers and volunteers provided signposting and welfare advice to 90% of guests receiving food aid. Aside from advice, we secured over £268,000 in additional income from welfare benefits for our guests and distributed over £14,152 in emergency aid to families struggling to survive - including the large number of refugees and asylum seekers we continue to support.

Sufra relied on over 200 regular volunteers to run a 7-day a week operation, as well as over 300 corporate volunteers from local businesses. We organised 26 corporate team building days, many of which took place in the Community Garden, and volunteers dedicated over 10,000 hours of their time to support our work - equivalent to 5 full time members of staff. After its successful launch the previous year, we also published an updated edition of our Directory of Services, which is compiled entirely by volunteers and is now widely in use by voluntary sector organisations across the borough.

Sufra continued to consolidate core programmes and increase the quality standard of all the interventions we offer. We successfully renewed our Advice Quality Standard accreditation and St. Raphael's Edible Garden received a second 'outstanding' award from the Royal Horticulture Society/London in Bloom. The charity also hosted a number of events over the year, including a Ramadan Iftar film screening and panel discussion about the plight of refugees, which was well attended and included speeches from the Mayor of Brent and the Leader of Brent Council; the grand public opening of St. Raphael's Edible Garden, which included an award ceremony for donors, volunteers and other stakeholders; and our annual Christmas Dinner on December 25, where our volunteers transported 150 guests to and from Sufra to enjoy a traditional Christmas feast served alongside presents, crackers and carol singers.

In June 2019, the Interim Director (Rajesh Makwana) was formally appointed Director and after successfully managing this transition, he initiated a consultation with staff, volunteers, trustees and guests to review our past performance and agree key objectives from which to draft a new 3-year Strategy and Annual Business plan (2020-2023). Due to the onset of the coronavirus pandemic, these documents (which were due to be adopted by the Board in April 2020) were temporarily placed on hold, and an emergency business plan was created to enable the charity to respond to this unexpected crisis. In the meanwhile, the charity Pilot Light selected Sufra - NW London for its programme of strategic and business support for a 12-month period.

In early March, our response to Covid-19 was immediate and well ahead of the curve. We implemented strict transmission control measures, re-organised our food aid services so that parcels and hot food were delivered to guests rather than collected, shifted many of our staff to remote working - including our Advice Workers - and postponed all non-essential activities and programmes. We were also contacted by Brent Council who asked to appoint the charity as thematic lead on food aid in the borough, which we accepted on behalf of the Brent Food Aid Network (BFAN). We collaborated closely with Brent Council as they responded to a huge rise in food insecurity in Brent and chaired regular meetings with BFAN to share resources and ensure a coordinated food aid response across the borough.

SUFRA - NW LONDON

Trustees' Annual Report *(continued)*

Year ended 31 March 2020

Achievements and performance *(continued)*

This year marks an important turning point in the strategic direction of the charity - albeit one that has been disrupted by the onset of Covid-19. With an experienced leadership team in place, the expertise and guidance of an expanded Board of Trustees and a strong balance sheet, the charity is well placed to weather the immediate impacts of the pandemic, as well as the longer term economic and social consequences. Add to this a large pool of loyal volunteers, a strong donor base and the goodwill we have developed with the voluntary sector, local businesses and Brent Council, we can expect continued agility and innovation in adapting to the challenges of extreme poverty in the years ahead.

Financial review

Once again, the charity's growth and development were underpinned by strong financial performance over the year, with income totalling £663,369 - a significant annual increase of 57% compared to the last financial year (£422,789).

With continued increase in demand for food aid and the employment of additional staff, total expenditure was £447,663, an increase of 11% compared to last year.

The growth in income builds on the existing fundraising capabilities of the charity, which were enhanced by the recruitment of a new Director in Q1 and a dedicated Fundraising Manager in Q3. The fundraising strategy continues to focus on diversification of income and applications for larger, multi-year grants. However, the significant increase in income was largely the result of effective community fundraising activities, which included a successful Ramadan Appeal in May, the launch of our Coronavirus Appeal in mid-March, and more effective donor engagement processes.

The charity ended the year with a strong cash position and diversified income streams, and is therefore well positioned to respond to increase in demand for food aid and emergency support that we are already witnessing as a consequence of Covid-19.

Plans for future periods

A new three-year strategy has been agreed by the Board of Trustees to cover the expected areas of service and operational development. However, given greater than normal levels of uncertainty across society, Sufra - NW London will need to remain agile in order to adapt effectively to the challenges posed by lock-downs, social distancing protocols and unprecedented levels of demand for emergency food aid and support.

As such, an emergency business plan has also been adopted in response to Covid-19, which has had a significant impact on every aspect of the charity's operation. A key element of our response to coronavirus is to significantly increase the size and scope of the charity's operation, which necessitates employing several new staff. At the same time, new working patterns, volunteering opportunities and methods for operating existing and new services are being implemented across the organisation.

As a result of these changes and the many new alliances and partnerships that have been formed with voluntary sector organisations and Brent Council as part of our response to Covid-19, we envisage the charity undergoing a significant transformation in the way we operate as a consequence of the pandemic. Spurred by the social injustice and economic inequality the pandemic has highlighted, Sufra - NW London will continue to innovate and build its capacity to address both the causes and consequences of poverty and disadvantage in northwest London.

SUFRA - NW LONDON

Trustees' Annual Report *(continued)*

Year ended 31 March 2020

Reserve policy

Sufra - NW London's Reserve Policy stipulates a three months operating reserve target, not including any restricted or designated funds. As per our agreed budget for the year, three months of average annual operating cost equates to £198,402.

However, the Board of Trustees deemed it reasonable and prudent to maintain a slightly higher reserve threshold on a temporary basis in light of the coronavirus pandemic, which resulted in a three-fold increase in demand for food aid, and will necessitate a further expansion of operations and the recruitment of new staff in the year ahead. Additional concerns include the impact of a second wave of Covid-19 in the winter months, the economic consequences of the pandemic, which include increased unemployment in the year ahead, and the impact of Brexit on food prices.

As a result of these concerns, total unrestricted funds to be carried over to the next financial year are equivalent to approximately four months of our budgeted annual operating cost.

Given that Sufra - NW London is one of the largest provider of food aid in Brent and with food and economic insecurity sharply on the rise, there is a moral imperative to ensure that the charity has the financial resources needed to sustain its operations in the aftermath of the coronavirus pandemic. Reserves may therefore remain higher than the level stipulated in our Reserve Policy in the next financial year.

Board of trustees statement

The Board of Trustees confirm:

- Under the Charities Act 2011, they have had regard to the Public Benefit Guidance issued by the Charity Commission.
- There were no material related party transactions that require disclosure
- They have not claimed any expenses or remuneration.

Independent Examiner

Deitch Cooper LLP has been appointed as independent examiner for the ensuing year.

The trustees' annual report was approved on 2 November 2020 and signed on behalf of the board of trustees by:

DocuSigned by:

Susan Crane

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Ms Susan Crane
Chair

SUFRA - NW LONDON

Independent Examiner's Report to the Trustees of Sufra - NW London

Year ended 31 March 2020

I report to the Trustees on my examination of the financial statements of Sufra - NW London (the charity) for the year ended 31 March 2020.

Responsibilities and basis of report

As the Trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

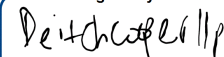
I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

DocuSigned by:



Mohamedkazi M S Bhaloo, FCCA

2nd Floor, Congress House
Lyon Road
Harrow
Middlesex
HA1 2EN

Dated: 2 November 2020

The notes on pages 11 to 21 form part of these financial statements.

SUFRA - NW LONDON

Statement of Financial Activities

Year ended 31 March 2020

				2020	2019
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	4	358,962	287,204	646,167	373,681
Charitable activities	5	5,418	—	5,418	8,745
Other trading activities	6	11,298	—	11,298	39,978
Investment income	7	486	—	486	385
Total income		<u>376,164</u>	<u>287,204</u>	<u>663,369</u>	<u>422,789</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	8	17,827	208	18,035	4,755
Expenditure on charitable activities	9	221,389	208,239	429,628	399,054
Total expenditure		<u>239,216</u>	<u>208,447</u>	<u>447,663</u>	<u>403,809</u>
Net income and net movement in funds		<u>136,948</u>	<u>78,757</u>	<u>215,706</u>	<u>18,980</u>
Reconciliation of funds					
Total funds brought forward		134,828	17,480	152,308	133,328
Total funds carried forward		<u>271,776</u>	<u>96,238</u>	<u>368,014</u>	<u>152,308</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 11 to 21 form part of these financial statements.

SUFRA - NW LONDON

Statement of Financial Position

31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	11	750	750
Tangible fixed assets	12	<u>15,309</u>	<u>21,050</u>
		16,059	21,800
Current assets			
Debtors	13	22,149	—
Cash at bank and in hand		<u>345,758</u>	<u>287,802</u>
		367,907	287,802
Creditors: amounts falling due within one year	14	<u>15,952</u>	<u>157,294</u>
Net current assets		351,955	130,508
Total assets less current liabilities		<u>368,014</u>	<u>152,308</u>
Net assets		<u>368,014</u>	<u>152,308</u>
Funds of the charity			
Restricted funds		96,238	17,480
Unrestricted funds		<u>271,776</u>	<u>134,828</u>
Total charity funds		<u>368,014</u>	<u>152,308</u>

These financial statements were approved by the board of trustees and authorised for issue on 2 November 2020, and are signed on behalf of the board by:

DocuSigned by:

Susan Crane

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Ms Susan Crane
Chair

The notes on pages 11 to 21 form part of these financial statements.

SUFRA - NW LONDON

Statement of Cash Flows

31 March 2020

	2020	2019
£	£	£
Cash flows from operating activities		
Cash absorbed by operations	57,470	171,170
Investing activities		
Purchase of tangible fixed assets	(22,965)	
Investment income received	486	385
Net cash generated from investing activities	486	(22,580)
Net increase in cash and cash equivalents	57,956	148,590
Cash and cash equivalents at beginning of year	287,802	139,212
Cash and cash equivalents at end of year	345,758	287,802
Relating to: Cash at bank and in hand	345,758	287,802

The notes on pages 11 to 21 form part of these financial statements.

SUFRA - NW LONDON

Notes to the Financial Statements

Year ended 31 March 2020

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is a Charitable incorporated organisation. The address of the principal office is 160 Pitfield Way, Stonebridge, NW10 0PW, London.

2. Statement of compliance

These financial statements have been prepared in accordance with the Charities Act 2011 and "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 (FRS102)" (effective 1 January 2019).

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity and monetary amounts are rounded to the nearest £.

Going concern

There are no material uncertainties about the charity's ability to continue as a going concern for at least twelve months from the date of approval of the financial statements.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

SUFRA - NW LONDON

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

SUFRA - NW LONDON

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

3. Accounting policies *(continued)*

Intangible assets *(continued)*

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	25% Straight Line
Motor vehicles	-	25% Straight Line
Equipment	-	25% Straight Line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

SUFRA - NW LONDON

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

3. Accounting policies *(continued)*

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Financial assets classified as other financial assets are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

SUFRA - NW LONDON

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

3. Accounting policies *(continued)*

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in or in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Operating leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations	207,870	51,661	259,532
Gift Aid	16,497	—	16,497
Grants from Organisations	134,595	225,543	360,138
Covid 19 Appeal	—	10,000	10,000
	<u>358,962</u>	<u>287,204</u>	<u>646,167</u>
For the year ended 31 March 2019	<u>167,977</u>	<u>205,704</u>	<u>373,681</u>

Grants from Organisations over £15,000

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
LBB Mayor Award	41,701	—	41,701	—
Tudor Trust	—	35,000	35,000	35,000
Penny Appeal	—	20,841	20,841	—
John Lyons Charity	—	20,000	20,000	20,000
People's Postcode	19,744	—	19,744	—
David Cock Foundation	15,000	—	15,000	—
Ernest Cook Trust	—	15,000	15,000	—
The London Community Foundation	—	20,000	20,000	—

SUFRA - NW LONDON

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

5. Charitable activities

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Sponsorship	2,200	2,200	5,840	5,840
Events and tickets	1,286	1,286	1,040	1,040
Other	1,932	1,932	1,865	1,865
	<u>5,418</u>	<u>5,418</u>	<u>8,745</u>	<u>8,745</u>

6. Other trading activities

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Corporate sponsorships	11,298	11,298	9,950	9,950
Income from trading subsidiary	—	—	30,028	30,028
	<u>11,298</u>	<u>11,298</u>	<u>39,978</u>	<u>39,978</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Bank interest receivable	486	486	385	385

8. Costs of raising donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Fundraising costs	17,827	208	18,035	4,755

9. Expenditure on charitable activities by fund type

	Food Aid	Welfare Advice and Support	Refugee Support	Community Garden	Total 2020	Total 2019
	£	£	£	£	£	£
Staff costs	128,259	28,287	26,403	28,031	210,980	193,916
Other direct costs	77,553	6,620	7,874	21,402	113,449	124,062
	<u>205,812</u>	<u>34,907</u>	<u>34,277</u>	<u>49,433</u>	<u>324,429</u>	<u>317,978</u>
Share of support costs	58,681	8,979	8,817	12,716	89,193	75,688
Share of governance costs	10,154	1,722	1,691	2,439	16,006	5,388
	<u>274,647</u>	<u>45,608</u>	<u>44,785</u>	<u>64,588</u>	<u>429,628</u>	<u>399,054</u>

SUFRA - NW LONDON

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

Analysis by fund:

Year ended 31 March 2020

	£	£	£	£	£	£
Unrestricted Funds	160,985	11,205	18,568	30,631	221,389	—
Restricted Funds	113,662	34,403	26,217	33,957	208,239	—
	<u>274,647</u>	<u>45,608</u>	<u>44,785</u>	<u>64,588</u>	<u>429,628</u>	<u>—</u>

Year ended 31 March 2019

	£	£	£	£	£	£
Unrestricted Funds	151,945	8,247	8,098	11,680	—	179,970
Restricted Funds	83,990	65,081	39,448	30,566	—	219,085
	<u>235,935</u>	<u>73,328</u>	<u>47,546</u>	<u>42,246</u>	<u>—</u>	<u>399,054</u>

Support costs

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Salaries & related expenses	46,131	—	46,131	42,400
Events	8,118	—	8,118	15,263
Repairs and Maintenance	7,693	—	7,693	1,037
Depreciation	5,741	—	5,741	1,914
Training & Recruitment	4,459	—	4,459	1,217
Office Costs	4,399	—	4,399	3,277
Membership & Subscriptions	3,034	—	3,034	708
Marketing and Outreach	2,465	—	2,465	3,348
Miscellaneous Costs	2,229	—	2,229	1,858
IT	2,058	—	2,058	1,545
Recycling, Refuse & Cleaning	1,701	—	1,701	2,237
Insurance	1,165	—	1,165	885
	<u>89,193</u>	<u>—</u>	<u>89,193</u>	<u>75,688</u>

Governance costs

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Bookkeeping	4,000	—	4,000	3,400
Independent examination Costs	2,144	—	2,144	632
Consultancy and Other	9,862	—	9,862	1355
	<u>16,006</u>	<u>—</u>	<u>16,006</u>	<u>5,387</u>

Basis of Allocation

Support Costs - % of total staff and direct costs except for depreciation which is fully allocated to Food Bank.

Governance Costs - % of total staff and direct costs.

SUFRA - NW LONDON

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

Description of Charitable Activities

Food Aid: Food Bank and Community Kitchen – distributing food parcels to those who cannot afford the basic cost of living and serving freshly cooked hot meals to the community. Also delivering accredited cooking classes.

Welfare Advice and Support: Helping guests address the problems that lead them to the Food Bank and providing short term emergency aid for non-food essentials.

Refugee Support: Helping refugees and asylum seekers access the housing, healthcare and training they need to settle into the community. Also providing peer-support groups, ESOL classes, homework clubs and orientation workshops.

Community Garden: Growing organic food and farming eggs to supply our food aid services. Also offering accredited horticulture courses and volunteering opportunities for local residents and people with mental/physical health needs.

10. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2020 £	2019 £
Wages and salaries	245,254	216,359
Social security costs	19,086	15,787
Employer pension contributions	6,522	4,170
	<u>270,862</u>	<u>236,316</u>

The average head count of employees during the year was 10 (2019: 10). The average number of full-time equivalent employees during the year is analysed as follows:

	2020 No.	2019 No.
Charitable	<u>10</u>	<u>10</u>

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

None of the Trustees (nor any person connected with them) received any remuneration or benefits from the charity during the year (2019: £nil).

11. Intangible assets

	Website £
Cost	
At 1 April 2019 and 31 March 2020	<u>750</u>
Amortisation	
At 1 April 2019 and 31 March 2020	<u>–</u>
Carrying amount	
At 31 March 2020	<u>750</u>
At 31 March 2019	<u>750</u>

SUFRA - NW LONDON

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

12. Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost				
At 1 April 2019 and 31 March 2020	<u>2,442</u>	<u>31,652</u>	<u>5,137</u>	<u>39,231</u>
Depreciation				
At 1 April 2019	2,442	10,602	5,137	18,181
Charge for the year	<u>—</u>	<u>5,741</u>	<u>—</u>	<u>5,741</u>
At 31 March 2020	<u>2,442</u>	<u>16,343</u>	<u>5,137</u>	<u>23,922</u>
Carrying amount				
At 31 March 2020	<u>—</u>	<u>15,309</u>	<u>—</u>	<u>15,309</u>
At 31 March 2019	<u>—</u>	<u>21,050</u>	<u>—</u>	<u>21,050</u>

13. Debtors

	2020 £	2019 £
Prepayments and accrued income	<u>22,149</u>	<u>—</u>

14. Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	<u>15,952</u>	<u>136,816</u>
Other creditors	<u>—</u>	<u>20,478</u>
	<u>15,952</u>	<u>157,294</u>

15. Retirement benefit schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The charge to the SOFA in respect of defined contribution schemes was £15,219 (2019: £9,108).

SUFRA - NW LONDON

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

16. Restricted funds

	Food Aid	Welfare Advice and Support	Refugee Support	Community Garden	Covid-19 Emergency Appeal	TOTAL
	£	£	£	£	£	£
Balance at 1 April 2019	63	9,507	7,910	-	-	17,480
Income	160,053	33,060	39,919	44,173	10,000	287,204
Expenditure	(103,662)	(34,403)	(26,217)	(34,165)	(10,000)	(208,447)
Transfers	-	-	-	-	-	-
Balance at 31 March 2020	56,454	8,164	21,612	10,009	-	96,238
Balance at 1 April 2018	31,491	61	714	-	-	32,144
Income	87,246	28,917	38,525	51,015	-	205,704
Expenditure	(118,675)	(19,349)	(31,329)	(51,015)	-	(220,368)
Transfers	-	-	-	-	-	-
Balance at 31 March 2019	63	9,507	7,910	-	-	17,480

Food Aid – Funding provided towards the Food Bank, Community Kitchen and Accredited Cooking Classes projects and activities.

Welfare Advice and Support - Salary costs for a dedicated Welfare Advisor, providing short-term emergency aid including emergency accommodation, travel costs, white goods and other basic necessities.

Refugee Support – Salary costs of a dedicated Refugee Officer and providing basic items for the safe settlement of refugees when first arriving in the Borough.

Community Garden – Funding provided towards the Community Garden projects and activities.

Covid-19 Emergency Appeal – Providing additional support to the local community during the Covid-19 Pandemic.

17. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£
Intangible Assets	750	-	750
Tangible assets	-	15,309	15,309
Net current assets	271,025	80,930	351,955
	271,776	96,238	368,014

SUFRA - NW LONDON

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

18. Operating lease commitments

At the year end, the charity had total commitments under operating leases of £10,950 (2019: £21,900).

19. Related party transactions

During the period the charity received £2,120 (2019: £30,028) income and incurred £600 (2019: £nil) expenditure from Sufra Care Limited, a company in which a Trustee was a director and the charity has since been appointed director.

20. Cash generated from operations

	2020	2019
	£	£
Surplus for the year	215,706	18,980
<u>Adjustments for:</u>		
Investment income recognised in statement of financial activities	(486)	(385)
Depreciation and impairment of tangible fixed assets	5,741	1,914
(Increase)/decrease in debtors	(22,149)	25,928
Increase/(decrease) in creditors	(37,087)	20,478
Increase/(decrease) in deferred income	(104,255)	104,255
Cash absorbed by operations	<u>57,470</u>	<u>171,170</u>

21. Analysis of changes in net funds

The charity had no debt during the year.