

Charity Registration No. 1128515

Company Registration No. 06773665 (England and Wales)

SOUTH KILBURN TRUST

**TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**



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SOUTH KILBURN TRUST
REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees	Peter Brown (Chair) Mary Arnold (Vice Chair) Robert Johnson Ali Awes Alexander Nilere David Ellison Cllr. Thomas Stephens (resigned 5 May 2022) Eleanor Southwood (appointed 18 May 2022) Tracy Mukendi (resigned 30 June 2022) Dale Thomson (resigned 21 July 2022) Cllr. Shama Tatler (appointed 17 May 2023)
Independent Chair	Ros Dunn (resigned 1 November 2022)
Chair Of Trustees	Peter Brown (appointed 1 November 2022)
Chief Executive Officer	Carl Blackburn (resigned 31 August 2022)
Centre Director (Interim)	Shazia Mustafa (appointed 1 August 2022)
Company Secretary	Peter Brown
Charity number	1128515
Company number	06773665
Principal address & Registered office	<i>Until 8 November 2023</i> The Granville 140 Carlton Vale London NW6 5HE <i>From 8 November 2023</i> International House Nile Street London N1 7SR
Auditors	Haines Watts, Chartered Accountants Old Station House Station Approach Newport Street Swindon SN1 3DU
Bankers	Scottish Widows Bank P O Box 883 Leeds LS1 9TY Charities Aid Foundation (CAF) 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4TA

SOUTH KILBURN TRUST TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Trustees of the South Kilburn Trust ("the Trust") present their report and accounts for the year ended 31st March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Trust's Memorandum & Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", FRS 102.

The Trustees have complied with the duty in Section 4 of the 2006 Charities Act to have paid due regard to guidance issued by the Charity Commission in relation to the activities being for the public benefit.

Principal aims and objectives

The Trust's charitable objects are set out in the Articles of Association.

The Trust's vision is for South Kilburn to be recognised for its strong, supportive, diverse, inclusive and welcoming communities; an area of opportunity where we are all empowered to achieve our full potential and improve our quality of life.

The Trust continues to review its planned activities with regard to public benefit ensuring both the identifiable benefits and the benefit to the South Kilburn community.

The objectives of the Trust are:

- To achieve financial sustainability for the Trust and its core programmes, including The Granville and future assets
- To secure space in the wider South Kilburn area to enable the continuation of community programmes and activities for the Trust and partner organisations.
- To make The Granville a thriving community hub at the heart of South Kilburn.
- To develop strong, inclusive and trusting relationships between the Trust and the many diverse communities in South Kilburn, and also between those communities.

Structure and history

The Trust is a company limited by guarantee, which was registered as a charity on 12th March 2009. The Trust's legal and administrative details are set out on page 3. It is governed by the Memorandum and Articles adopted on the date of incorporation (15th December 2008) as amended by special resolutions in 2009 and 2017. The Trust commenced operations on 23rd February 2009.

The Trust was created to be the "legacy vehicle" for the government-funded South Kilburn New Deal for Communities (NDC), a ten-year limited life regeneration initiative started in 2001 and wound up in March 2011. In line with government guidance, CLG guidance note 44, the Trust was set up before the end of the NDC programme with the support of the local authority, the London Borough of Brent (LBB), and with an asset base and business plan to ensure long-term viability.

Governance and Management

The Trustees, who are also the directors for the purpose of company law and who served during the year are listed on page 3.

None of the Trustees have or had any beneficial interest in the company during their period of service. All serving Trustees are members of the company and guarantee to contribute £1 in the event of the company winding up.

SOUTH KILBURN TRUST TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Independent Chair resigned in November 2022. The Independent Chair as a non-trustee remunerated position was not replaced. The existing Vice-Chair Peter Brown was appointed Chair and Mary Arnold was appointed Vice-Chair.

Three existing trustees resigned, and two new trustees were appointed. The Trust recognises that due to extenuating circumstances many of the trustees have been serving on the board longer than provided for in the Articles of Association. A board succession plan is in the process of being approved to regulate this situation with a plan for longer serving trustees to hand over to new trustees. The board is in the process of recruiting new trustees.

Recruitment, appointment & terms of office of Trustees

Trustees are recruited in accordance with the procedure described in the Memorandum & Articles of Association. A person cannot be admitted as a Trustee unless s/he has signed a completed application to be a Trustee. When recruiting Trustees, the Board, takes into account, to the extent the Board considers it practicable to do so, the need for new Trustees to contribute to the skills mix and balance of the Board. Alongside "stakeholder" Trustees amongst whom there will be a representative from the London Borough of Brent (LBB), there should always be at least two "resident" Trustees on the Board.

Trustee induction and training

New Trustees are offered an induction which includes familiarisation with the demographic and socio-economic characteristics of South Kilburn and details of the regeneration proposals for the area. The role and responsibilities of a Trustee and relevant Charity law is explained to new Trustees by the Trust's Company Secretary as well as the more specific charitable objectives of the Trust.

Staff Structure

The Chief Executive left the Trust in August 2022. An Interim Centre Director was put in place for The Granville from August 2022 whilst a review of the Trust's Governance and Structure was carried out.

Strategic level decisions are taken by the Board of Trustees, with the day-to-day operational decisions delegated to the Chief Executive/Interim Centre Director.

The Finance and Investment Board Sub-Committee reviews staff remuneration on an annual basis, which is recommended to the Board for approval. It is noted that staff remuneration was not reviewed during this accounting period.

After the period covered by these accounts, but before the accounts were approved by the Board of Trustees, the Board of Trustees took the decision to temporarily leave the Granville centre and to wind down operations in line with a refurbishment and capital development programme at this site. Whilst ultimately this project will result in larger, more modern facilities for the Trust to provide services from, the temporary closure has required a contraction of the Trust's staff structure and a reduction in posts, necessitating some posts becoming redundant.

The Trust takes its HR legal advice from a contracted provider, which includes benchmarking roles against others in the sector, and this advice will be sought where an independent view is required.

Related parties

Although the Trust is an independent charity, there is an ongoing Framework Agreement between the Trust and the London Borough of Brent which sets out governance and constitutional agreements between the parties. The Framework Agreement provides for a director of the Trust to be appointed by the London Borough of Brent (the Council Director) Cllr Thomas Stephens served as the Council Director from September 2020 to

SOUTH KILBURN TRUST TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

May 2022, Cllr Eleanor Southwood served as the Council Director from May 2022 to May 2023 and Cllr Shama Tatler served as the Council Director from May 2023. Cllr Shama Tatler continues to serve as the Council Director and Eleanor Southwood continues to serve as a Trustee.

There are no outstanding amounts due from London Borough of Brent as at 31 March 2023.

Risk management

The Trustees review risk management regularly in terms of identifying the types of risks the charity faces (operational, financial and governance), analysing and prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks identified.

Those mitigations include robust Financial Procedures to reduce the risk of fraud, theft or mismanagement, and safeguarding procedures to protect all service users, clients and the general public. The possible risks associated with the Trust's management of The Granville are identified and mitigated through comprehensive building management procedures, and contracts with professional agencies to cover fire regulations, building safety and the health and safety of all users and visitors.

Vision, Strategic Aims and Activities

The Trust's charitable objects are given under the Principal aims and objectives section of this report and are taken from our governing document, the Memorandum and Articles of Association. The Trust continues to review its planned activities with regard to public benefit ensuring both the identifiable benefits and the benefit to the South Kilburn community.

The Trust's role is to understand and champion the needs of South Kilburn's diverse communities and provide spaces, services, opportunities and support that enable them to thrive. The Trust does this principally through The Granville, their multi-purpose community space in the heart of South Kilburn, providing a range of services, activities and events - co-working spaces, an enterprise hub, venue hire, recording studios, sports, health and wellbeing, music production, games and crafts.

The Trust is amidst a significant period of change. The funding agreement with the London Borough of Brent ended in September 2022 significantly reducing the Trust's income and necessitating the need for alternative income streams, and a future legal structure that allows for trading. There was also a change in the senior leadership. The Trust undertook a comprehensive review of its operational model, governance arrangements and legal structure and its plans for the Granville and Carlton centre currently subject to a regeneration programme. Delays to the Granville/Carlton build programme have also necessitated a temporary closure of the Granville and winding down of operations and staff at that site. When the redevelopment works are complete (expected 2024/2025), the Trust will take control of a new flagship centre, The Carlton and Granville, with 1,410 sq./m of community- and workspace across four buildings, significantly amplifying the Trust's social, educational and economic impact.

Whilst the winding down of operations is disappointing, the Trust will use the pause ensure its future growth, success and impact - clarifying and communicating its purpose, developing partnerships and stakeholder relationships, building community engagement, creating alternative income streams and building strong operations for the new flagship centre.

The period has therefore been a year of reorganising and refocusing. Whilst the Trust has had to pause much of its activity, it is planning bigger and better things for the future and engaging with communities and stakeholders to ensure that it is ready to deliver much-needed services when the new centre opens. The Trust's core team (Chief Executive and a focused team of Community Engagement, Partnerships and Marketing staff) is working with our newly-established Community Working Party to build stronger relationships

SOUTH KILBURN TRUST TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

with all parts of the South Kilburn community – providing feedback, information on community needs and insight to the Board.

Funding Sources

The Trust generates income from renting studio and desk space to local entrepreneurs and creatives, and hall and room hire for community activities. This was subsidised through a funding agreement with the London Borough of Brent which came to an end September 2022.

Financial control

The Trust receives a financial report on a quarterly basis which draws attention to any variances from the budget. This is reviewed by the Finance and Investment Sub-Committee before being presented to the Board. The administration of payments is managed by staff in the South Kilburn Trust in accordance with the Trust's Financial Procedures. It is the policy of the Trust that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to twelve month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue current activities while consideration is given to ways in which additional funds may be raised. The Trust had reserves in excess of this minimum requirement.

Financial review

The position of the charity at 31 March 2023 is set out on page 15. The year ended with the organisation in a settled position to take forward its plans and to use its resources for the benefit of the local community, recognising the future space which will be leased to the Trust at the Carlton and Granville centre which is under construction.

During the year the charity had a net outflow of resources amounting to £376,926 (2022: net inflow £4,705).

Income was affected by the building works at the Granville site, making it harder for the Trust to derive income from renting space and venue facilities. At the same time, the uncertainty around future operations at the Granville in its current form were uncertain and investment in future operations were curtailed. The anticipated cessation of funding via a funding agreement with London Borough of Brent also had an impact on resources.

The Trust undertook a comprehensive review of its operational model, governance arrangements and legal structure and its plans for the Granville and Carlton centre. This work included significant staff resource and specialist external resource contributing to higher than usual expenditure in the period. This work was essential to secure the Trust's future viability and the success of the future Carlton/Granville space and operations – ensuring that the Trust's significant capital investment is utilised to best effect. This expert legal, business and property advice enables the Trust to confidently invest in future project delivery, with planned investments from reserves. A significant amount of Trust's funds held in reserves have been designated for specific projects (see note 14) which will secure the long-term sustainable strategy for the charity in the form of an asset leased on a long-term arrangement. Based on the level of reserves at 31 March 2023 the Trust has sufficient resources to see the Trust through the intervening period and take it forward into the longer term.

At the year end the charity had total reserves of £3,911,676. £113,937 related to restricted funds, £3,790,950 to designated funds and £6,789 to unrestricted funds. Details of these are included in notes 13 and 14.

Free reserves of the charity at the year-end (unrestricted funds less designated funds and those tied up in tangible fixed assets) amounted to £945 (2022 £25,636).

SOUTH KILBURN TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

Disclosure of information to auditors

Each of the Trustees have confirmed that there is no information of which they are aware which is relevant to the audit; but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

A resolution proposing that Haines Watts, Chartered Accountants be reappointed as auditors of the company will be put to the members at the Board meeting which considers the draft accounts.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Board of Trustees



Peter Brown
Trustee



Mary Arnold
Trustee

21 November 2023

SOUTH KILBURN TRUST STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also the directors of South Kilburn Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, 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 and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the trust will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charity website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements differ from legislation in other jurisdictions.

SOUTH KILBURN TRUST INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SOUTH KILBURN TRUST

Opinion

We have audited the financial statements of South Kilburn Trust (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, Balance Sheet, Cash flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

SOUTH KILBURN TRUST INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SOUTH KILBURN TRUST

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report (and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 9, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

We obtained an understanding of the legal and regulatory framework applicable to both the charity itself and the environment in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Companies Act 2006, UK GAAP (FRS102), Charities Act 2011 and relevant tax legislation.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

**SOUTH KILBURN TRUST
INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF SOUTH KILBURN TRUST

- making enquires of Trustees and management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our Report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

S Plumb ACA

Susan Plumb ACA
Senior Statutory Auditor
For and on behalf of Haines Watts, Chartered Accountants and Statutory Auditors
Old Station House
Station Approach
Newport Street
Swindon
SN1 3DU

13 Dec 2023

SOUTH KILBURN TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(including Income & Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	2023 £	2022 £
Income from:						
Donations	2	82,521	-	30,557	113,078	230,333
Investment income	3	11,071	-	-	11,071	32,526
Charitable activities		173,369	-	-	173,369	136,712
Other trading income		6,742	-	-	6,742	6,393
Total income		273,703	-	30,557	304,260	405,964
Expenditure						
Raising funds	4					
Investment management costs		154	-	-	154	24,754
Charitable activities						
SKT operations		191,265	-	-	191,265	52,138
Enterprise hub		179,570	-	-	179,570	154,224
The Granville		173,223	-	-	173,223	150,714
Community engagement		54,387	-	24,345	78,732	58,853
Youth Provision		34,822	-	-	34,822	29,125
Employment		23,420	-	-	23,420	22,401
		656,687	-	24,345	681,032	467,455
Total expenditure		656,841	-	24,345	681,186	492,209
Net expenditure before transfers		(383,138)	-	6,212	(376,926)	(86,245)
Transfers						
Gross-transfers between funds	14	357,197	(350,000)	(7,197)	-	-
Other recognised gains and losses						
Gain on investment properties		-	-	-	-	90,950
Net (expenditure) / income for the period		(25,941)	(350,000)	(985)	(376,926)	4,705

Continued

SOUTH KILBURN TRUST
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Continued

Reconciliation of Funds

Fund balances brought forward at 1 April 2022	32,730	4,140,950	114,922	4,288,602	4,283,897
Fund balances carried forward at 31 March 2023	<u>6,789</u>	<u>3,790,950</u>	<u>113,937</u>	<u>3,911,676</u>	<u>4,288,602</u>

There were no other recognised gains and losses for the period other than those included in the statement of financial activities. All the company's activities are classified as continuing.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SOUTH KILBURN TRUST
BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	9		5,844		7,094
			<u>5,844</u>		<u>7,094</u>
Current assets					
Debtors	11	11,107		48,248	
Investment	10	-		1,030,950	
Cash at bank and in hand		3,951,851		3,258,119	
		<u>3,962,958</u>		<u>4,337,317</u>	
Creditors: amounts falling due within one year	12	(57,126)		(55,809)	
		<u></u>		<u></u>	
Net current assets			3,905,832		4,281,508
			<u></u>		<u></u>
Total assets less current liabilities			3,911,676		4,288,602
			<u></u>		<u></u>
Funds					
Restricted income funds	13		113,937		114,922
Unrestricted funds:					
Designated funds	14		3,790,950		4,140,950
Other charitable funds			6,789		32,730
			<u>3,911,676</u>		<u>4,288,602</u>
Total charity funds			<u></u>		<u></u>

The financial statements have been prepared in accordance with the special provisions relating to small companies in Part 15 of the Companies Act 2006. The accounts were approved by the Board on



Peter Brown
Trustee

21 November 2023

Company Registration No. 06773665



Mary Arnold
Trustee

CASH FLOW STATEMENT**FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	2022 £
Net cash (outflow)/inflow from operating activities	a	(348,289)	(83,724)
Returns on investments and servicing of finance			
Interest received	11,071	1,326	
Net cash inflow from returns on investments and servicing of finance		11,071	1,326
Capital expenditure			
Payments to acquire tangible fixed assets	-	(4,133)	
Proceeds of sale of investment properties	1,030,950	-	
Net cash inflow/(outflow) from capital expenditure		1,030,950	(4,133)
Increase/(decrease) in cash	b	693,732	(86,531)

SOUTH KILBURN TRUST NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

1.1 General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is The Granville, 140 Carlton Vale, London, NW6 5HE.

Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011. The charity constitutes a public benefit entity.

1.2 Basis of preparation

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

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

Going concern

There are no material uncertainties regarding the going concern position of the charity.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes.

Where part of an unrestricted fund is earmarked for a particular project but there is no legal restriction to the Trustees' discretion to apply to the fund, the affected assets will transfer to form a designated fund. Where the Trustees have the power to declare specific trusts over unrestricted funds and such power is exercised, the assets affected will transfer to form a restricted fund. Where there is a surplus on a restricted fund after any obligations relating to the fund have been discharged, the surplus will then transfer to unrestricted funds.

1.4 Incoming resources

Donations are accounted for when conditions have been met and there is reasonable assurance of receipt and the amount receivable can be reliably estimated.

Legacies are accounted for when notified, providing the amount can be reliably ascertained and that ultimate receipt is reasonably certain. Donated services and gifts in kind are included at the value to the Trust where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

Grants received are accounted for as receivable as and when conditions for receipt have been met. Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to performance conditions is recognised (as the related goods or services are provided). Grant income included in this category provides funding to support activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

SOUTH KILBURN TRUST NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Advance payments received during the year for activities to be carried out in later financial years are not reflected in the statement of financial activities. The amounts have been deferred to the financial year in which the activities will be carried out and are reported as deferred income. Deferred income is included within creditors.

Amounts which were received after the period end for activities carried out during the period have been accrued for in the financial period in which the activities were carried out and reported as accrued income.

Investment and rental income is recognised on a receivable basis. Income from property disposals is recognised on the completion of contract.

1.5 Debtors and Creditors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount.

1.6 Resources expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that result in the payment being unavoidable.

Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities include both the direct and support costs relating to these activities.

Governance costs include the cost of any legal advice to Trustees on governance or constitutional matters, external accountancy and audit costs, a proportion of consultancy costs which related to strategic management of the charity as well as other various expenses.

Support costs include central functions and have been allocated equally across the different activities.

The Trust is not registered for VAT so all expenses shown in the Statement of Financial Activities and notes to the accounts are shown gross (i.e. inclusive of VAT).

The Trust employees participates in a defined contribution pension scheme. Pension contributions are charged to the Statement of Financial Activities in the year in which they fall due.

1.7 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:

Office equipment	15% reducing balance
Fixture & fittings	15% reducing balance

Investment properties are included in the balance sheet at the open market value and are revalued annually and the aggregate surplus or deficit is transferred to the revaluation reserve. No depreciation or amortisation is provided in respect of investment properties. Although this is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the director compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation and amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

SOUTH KILBURN TRUST
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Assets are capitalised if they are deemed to have a beneficial use of greater than one year from purchase and have a cost greater than £2,500.

Trade and other debtors are recognised at the settlement amount due after and trade discounts. Prepayments are valued at the amount prepaid net of any discounts.

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount to settle the obligation can be measured or estimated reliably.

SOUTH KILBURN TRUST
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Voluntary income

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2023 £	Total 2022 £
Donations	82,521	-	-	82,521	163,219
Grant income	-	-	30,557	30,557	27,795
Government grant – Coronavirus Job Retention Scheme	-	-	-	-	8,956
Kick Start Scheme	-	-	-	-	12,363
London Borough of Brent Restart Grant	-	-	-	-	18,000
	<u>82,521</u>	<u>-</u>	<u>30,557</u>	<u>113,078</u>	<u>230,333</u>

2022 income comprised £27,795 restricted and £202,538 unrestricted.

3 Investment income

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2023 £	Total 2022 £
Rental income	-	-	-	-	31,200
Interest receivable	11,071	-	-	11,071	1,326
	<u>11,071</u>	<u>-</u>	<u>-</u>	<u>11,071</u>	<u>32,526</u>

SOUTH KILBURN TRUST
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Analysis of expenditure on charitable activities

Charitable activities	Activities undertaken directly	Support costs	Total
	2023	2023	2023
	£	£	£
SKT Operations	7,611	183,654	191,265
Enterprise hub	34,176	145,394	179,570
The Granville	27,827	145,396	173,223
Community engagement	15,957	62,775	78,732
Youth provision	18,282	16,540	34,822
Employment	2,552	20,868	23,420
	106,405	574,627	681,032
2022	108,563	358,892	467,455

5 Support costs

Support costs are apportioned across each activity on time spent and represent the following: -

	2023 £	2022 £
Governance	28,801	20,503
Information technology	17,920	24,338
Legal and professional fees	128,594	22,472
Depreciation/loss on disposal	1,250	1,319
Salaries	<u>398,062</u>	<u>290,326</u>
	<u>574,627</u>	<u>358,892</u>

SOUTH KILBURN TRUST
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Net incoming resources for the year

	2023	2022
	£	£
Net incoming resources for the year are stated after charging:		
Depreciation	1,250	1,319
Auditors remuneration - audit services	4,500	4,200

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, nor were they reimbursed travelling expenses.

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Management	3	3
Administration	4	1
Services & operations	8	7
	<u>15</u>	<u>11</u>

Employment costs

	2023	2022
	£	£
Wages and salaries	356,646	265,657
Social security costs	26,293	13,012
Pension costs	15,123	11,658
	<u>398,062</u>	<u>290,327</u>

One employee received emoluments between £60,000 and £69,999 during the year (2022: one employee received emoluments between £60,000 and £69,999).

Ex-gratia payments made during the year amounted to £26,000 (2022: £nil).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £230,646 (2022: £154,460)

SOUTH KILBURN TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

9 Tangible fixed assets

	Fixtures & Fittings	Office Equipment	Total
Cost	£	£	£
At 1 April 2022	3,688	6,929	10,617
Additions	-	-	-
Disposals	-	-	-
At 31 March 2023	<u>3,688</u>	<u>6,929</u>	<u>10,617</u>
Depreciation			
At 1 April 2022	1,423	2,100	3,523
Charge for the year	340	910	1,250
Disposals	-	-	-
At 31 March 2023	<u>1,763</u>	<u>3,010</u>	<u>4,773</u>
Net book value			
At 31 March 2023	<u>1,925</u>	<u>3,919</u>	<u>5,844</u>
At 31 March 2022	<u>2,265</u>	<u>4,829</u>	<u>7,094</u>

10 Current Asset Investments

	Investment property £
Market value at 1 April 2022	<u>1,030,950</u>
Sale proceeds	<u>(1,030,950)</u>
At 31 March 2023	<u>-</u>
Historical cost:	
At 31 March 2022	<u>620,085</u>

SOUTH KILBURN TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

11 Debtors	2023	2022
	£	£
Trade debtors	9,979	11,380
Prepayments and accrued income	1,128	36,868
	<u>11,107</u>	<u>48,248</u>
	<u><u>11,107</u></u>	<u><u>48,248</u></u>
 12 Creditors: amounts falling due within one year	 2023	 2022
	£	£
Trade creditors	19,506	5,205
Other creditors	8,722	10,877
Accruals and deferred income	28,898	39,727
	<u>57,126</u>	<u>55,809</u>
	<u><u>57,126</u></u>	<u><u>55,809</u></u>

Deferred income of £13,247 (2022: £15,167) will all be released in 2023/2024 and represent advance room bookings.

SOUTH KILBURN TRUST
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at	Movement in funds		
	1 April 2022	Incoming resources	Expended/ Transfers	March 2023
	£	£	£	£
St Augustine's	110,057	-	-	110,057
YES	-	22,927	(22,927)**	-
Brent Health Matters Grant	4,865	4,865	(5,850)	3,880
Countryside Partnerships – Festive Get Together	-	2,210	(2,210)	-
Brent Council	-	555	(555)	-
	<u>114,922</u>	<u>30,557</u>	<u>(31,542)</u>	<u>113,937</u>

The St Augustine's restricted fund was comprised of a grant received from the London Borough of Brent, set aside by the Trust to fund "Pay & Play" provided by the Trust to encourage local residents into sports at affordable prices. Pursuant to an agreement with the London Borough of Brent payments out of the funds can only be made for purposes that will further the provision of "Pay & Play" or general community use at the St Augustine's Sports Hall.

Youth Engagement Solutions Ltd (YES) – restricted fund comprises of a grant received from LBB, set aside by the Trust to fund the 'Youth Connect' project. The project aims to offer prevention and intervention services to support young people, around the South Kilburn and surrounding areas, to be kept away from gangs and crime. The service is provided by YES, who will carry out activities for the youth in a safe environment, engage in development activities and develop aspirations.

(** being £15,730 expenditure and £7,197 transfer to unrestricted funds)

Brent Health Matters Grant – restricted fund comprises of a grant received from LBB, set aside by the Trust to fund a new project, 'Stayin' Alive', which aims to empower the local community to take their health into their own hands through delivering a series of wellbeing events and working with a team of health and wellbeing community volunteers to offer support and information to different groups within the community. The key elements of this programme are Women's Wellbeing, South Kilburn Community Group, and Space for Growth – a service offering opportunities for young people.

Countryside Partnerships – restricted funds comprise of a grant received from Countryside Partnerships to fund the 'Festive Get Together'. An event to celebrate the Festive Season with the local community of South Kilburn, providing hot food, activities for the children and giving the opportunity for the Hub Members to show

SOUTH KILBURN TRUST
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

case their products and services to the community. Local DJ was providing the music entertainment. The event was attended by over 150 people.

Brent Council - restricted funds comprise of a grant received from LBB, under S106, to fund the purchase of equipment for the music studio.

14 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific purposes:

	Movement in funds					Balance at 31 March 2023
	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	Investments gains/losses	
	£	£	£	£	£	£
Capital/development	2,040,950	-	-	(40,950)	-	2,000,000
Contingency fund	100,000	-	-	1,040,950	-	1,140,950
Investment fund	2,000,000	-	-	(1,350,000)	-	650,000
	<u>4,140,950</u>	<u>-</u>	<u>-</u>	<u>(350,000)</u>	<u>-</u>	<u>3,790,950</u>

The Trustees have reviewed the nature and level of the designated fund at the year-end with the result that the new designated funds created in the previous financial year will continue. While it had been anticipated that the contingency fund would reduce at a slower rate, the business model to increase income from the new hub has been and will be slower than anticipated:-

Capital/Development - the development of new premises and a Community and Enterprise Hub.

Contingency fund - to enable the organisation's reliance on its legacy funding to reduce by incremental percentages during the period of the South Kilburn Regeneration.

Investment fund – to secure a long-term income to sustain the Trust in the long term with the aim that this will bring the organisation an annual return.

15 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2023 are represented by:			
Tangible fixed assets	5,844	-	5,844
Current assets	3,849,021	113,937	3,962,958
Creditors: amounts falling due within one year	(57,126)	-	(57,126)
	<u>3,797,739</u>	<u>113,937</u>	<u>3,911,676</u>

SOUTH KILBURN TRUST
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Related parties and controlling interest

No related party transactions took place during the year.

The trust was under the control of the Trustees throughout the current and previous period.

17 Leasing agreements	2023	2022
Minimum lease payments under non-cancellable operating leases fall due:	£	£
Within one year	-	5,195
Two to five years	-	-
More than 5 years	-	-
	<u>-</u>	<u>5,195</u>
	<u>-</u>	<u>5,195</u>