
SOUTHSIDE REHABILITATION LIMITED
(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

SOUTHSIDE REHABILITATION LIMITED
(A company limited by guarantee)

COMPANY INFORMATION

Trustees	D Akinlade E Ball Ann Gillian Dennis (appointed 23 October 2017) E Duthie R Hughes (appointed 18 October 2017) A Kirby A Manickam P Newman H Mir (resigned 21 February 2018)
Company registration number	02572177 Charity No: 1002882
Registered office	45 Knights Hill West Norwood London SE27 0HS
Bankers	National Westminster Bank Plc PO Box 3166 70 Denmark Hill London SE5 8TT
Legal and administrative details	Southside Rehabilitation Limited is a company limited by guarantee and a registered charity governed by its memorandum and articles of association. The directors of the charity are its trustees for the purpose of charity law.
Charity registration number	1002882
Charity working name	Southside Rehabilitation Association

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SOUTHSIDE REHABILITATION LIMITED
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018

The Trustees presents its report and the financial statements for the year ended 31 March 2018.

Legal and administrative information set out on this page forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

Structure, Governance and Management

The Charity is governed by its Memorandum and Articles of Association adopted on 7th January 1991.

The Trustees, who form the Management Committee, meet at least bimonthly, to administer the charity. They appoint members (Trustees) who are members of the company. Members are chosen for the particular expertise they can bring to the charity. The Chief Executive, Stephanie Correia, was appointed by the Management Committee to manage the day-to-day operations of the charity. Trustees refer to the guidance on public benefit when reviewing the charity's aims and objectives and when planning for the future. Trustees ensure that the charity carries out its object for the public benefit. The sections below, Objectives and Activities, and Achievements and Performance provide the evidence that we have complied with public benefit.

New Trustees are provided with information related to structure, finances and strategic direction of Southside Rehabilitation Limited, as well as their roles and responsibilities. Training is also available. A skills audit is completed annually.

Objectives and Activities

The charity was established 'for the advancement of the science and practice of Work Rehabilitation as a technique for the relief and rehabilitation of persons suffering from long-term mental ill health'. In relation to the principle of public benefit, our aim is to assist these disadvantaged people to achieve their aim of social inclusion including attaining open employment.

When planning services, the charity is committed to putting each person's individual needs at the heart of the process, whatever their abilities or difficulties. We are a not-for-profit provider working with people with mental health problems who experience social exclusion, unemployment, poverty, social isolation, stigma, etc as a result of their mental health difficulties. Our aim is to provide and maintain high quality services in order to enable our trainees to recover and achieve their goals. The service enables each trainee to reach a high level of independence in all areas of their life, including those which are not directly related to work such as housing, medication management, and social skills. This enables them to achieve greater social inclusion.

The charity is situated in South East London. Its main activity is employment training/intermediate employment for people with mental health problems, who wish to return to open employment. In order to do this, we run three social enterprises (printing and copying, catering and cleaning), which provide services to other departments here and to customers. Each department has its own supervisor whose role it is to manage that department and provide training for the trainees. These supervisors are employed for their specific trade, knowledge and skills such as a printer for printing.

Training for all staff related to mental illness is provided once employment commences. Annual appraisals are carried out and all staff are encouraged and supported to attend courses related to their job and their career intentions. We employ 11 staff, 5 men and 6 women, 4 of who are full time. One of our employees is a person with lived experience of mental illness.

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REPORT OF THE TRUSTEES
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In April 2015 we became a London Living Wage employer, in line with the Local Authorities and Clinical Commissioning Groups we work with. This is a financial pressure for us as we have no control as to the annual increase. In April 2017 the increase was 4% and in April 2018 it is 5%. We have all the policies and procedures in place required to protect the interests of staff, trainees and customers. We use our Trustees and independent, external, Health and Safety, HR and Occupational Health Consultants to add to the expertise available to staff.

We worked with 107 trainees in 2017/18. 77% of them were from the BME community, 60% male and many have been in trouble with the law. Qualified professionals assess all our trainees before they are referred here and, where necessary, a risk assessment is completed. When they are referred here the department's supervisor sees them and their first four weeks are probationary. During this time the trainee is supported to complete a Recovery Star, a self-assessment tool that helps people to identify areas which require improvement and set goals. Close links are kept with their Care Coordinator in the community in order to facilitate communication. Most of our trainees are on the Care Programme Approach and are regularly seen by their Care Coordinator.

At present, although we offer training to anyone with a mental health problem aged 18 to 65, we receive very few referrals from those who are 18-24. We are still waiting to see if the move to personalisation/personal health budgets will increase the demand for places from this group of people. The personalisation/personal health budget agenda will have a significant impact on this organisation in coming years. Personalisation sees the individual as a person with strengths and preferences who may have a network of support and resources but who may need more input in order to achieve their goals. They may have their own funding sources or be eligible for state funding. If eligible for the latter the person requiring help will be allocated resources to purchase the services they require, such as those offered by Southside Rehabilitation Association.

We also offer work placements to our local community, including school children and language students, and volunteering opportunities. It is essential that we are an integral part of our local community. We work closely with a gallery just down the road, The Portico Gallery, and as a result they raise funds for us whenever they hold an event such as the Lambeth Open and the West Norwood Feast. They also share the use of the display window in the front of our building in Knights Hill. This relationship continues to develop and one of the results again this year is that we were one of the charities sponsored by Urban Art (Lambeth) 2017 and will be again in 2018. Exhibitions are held every year and 5% of the sales will be awarded to us. In July 2017 we were awarded £1,000. Through the year we have raised another £5,441, including gift aid in donations and were fortunate to receive a legacy of £9,867 from a client who sadly passed away. We would like to take this opportunity to thank all those who have supported us this year.

With the reduction of resources for the public sector, the Clinical Commissioning Groups, formerly the Primary Care Trusts, who fund our services, are looking at ways to reduce the monies they spend in secondary services. This year, 2017/18, we have had no reduction in our Lambeth or Southwark contracts but no inflation uplifts either. One of the results of the overall reduction of resources is that the voluntary sector is recognised for the work it already does for their users, and more service users could be taken off the Care Programme Approach or be discharged from the community mental health teams when they are engaged with SRA. Both in Lambeth and Southwark there are plans to change the way services are contracted. It is expected that in the future this will be done by the Alliance, a group of the largest providers in the Borough and the Clinical Commission Group. This has resulted in some uncertainty.

Both in Southwark and Lambeth we are in discussions with similar organisations about developing closer collaboration in order to meet the new commissioning agenda – Alliance contracting. In Lambeth we are part of the Lambeth Employment Providers Alliance. Some of these contracts might be new to the third sector.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018

This year continued to be very stressful for our trainees. Some have been involved in a review of their benefits and the constant threat from the government to further reduce the level of income they receive while having additional outgoings such as Council Tax. Most of those who have received Disability Living Allowance in the past has had this benefit withdrawn thus reducing their income. In addition, it continues to be a battle to get a Freedom Pass, the absence of which would have a major impact on their ability to get around and be more socially included. The latter has also impacted on our income, as we have to reimburse trainees for their journeys to and from training. Fortunately, some have been successful in getting a discount Oyster Card, which allows trainees to travel for less than an ordinary Oyster Card. An additional pressure on our resources will be the fee for adult education, which can be between £30 and £300. We are encouraging trainees to apply for personal health budgets to fund these courses. All our trainees are encouraged to attend Adult Education to update/increase their knowledge. This gives them an edge when applying for jobs. During the year 15 attended courses in adult education/ at Thames Reach academy/Blackfriars and many are participating in short courses being run at the Recovery College at the Maudsley.

Achievements and Performance

During the year we have continued to develop and maintain the work skills of our trainees. On average it takes 2 years to get someone to work readiness. It takes this long because most people when referred have not worked for 10 years or more or not at all. During the last couple of years' unemployment has moved up the Government's agenda and, both at a local and national level, much energy is being focused on how to change things in order to get more people into work. At present we have 10 people who are work ready and looking for jobs without much success. The choice of jobs is limited as our trainees cannot afford to take the risk of getting a job where there is a zero-hour contract.

During the year we worked with 107 people in total, 16 of who were new referrals during the year and 16 of these remain at time of writing. 42 trainees moved on during the year - 8 gained employment, 4 got volunteer posts and 2 went into education, and the others were either discharged or left of their own accord due to a lack of motivation or to try something different. We have a contract with the Lambeth Clinical Commissioning Group to provide places for 40 Lambeth and Southwark Clinical Commissioning Group to provide 28 places for Southwark residences.

Unlike many other mental health services, our attendance level is over 80%, 10% more than we are contracted to do. We lose less than 1% during the initial induction period. This reflects the hard work we put into engaging and retaining service users, many of whom have some challenging problems.

In 2017/18 we continued to develop strong relationships with our Commissioners - Lambeth and Southwark Clinical Commissioning Groups- voluntary sector organisations, providers in the statutory and the private sectors and our local community. We play an active role in West Norwood where we are based. We have done some joint events and are actively participating in Station to Station, a project to help small businesses, and West Norwood Wonder, a project to prevent social isolation of local residents.

This year we bought a new large format printing machine to improve our offer to customers, having previously bought new colour and black and white printers.

Our end of year figure is much better this year. All staff have worked hard to increase our sales and to manage monies better. They have also been part of the of the Half Marathon and the London Marathon where we raised most of our donations this year. Our thanks to all of them.

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FOR THE YEAR ENDED 31 MARCH 2018

Financial Review

Total incoming resources increased by just under 3% to £436,496. This was mainly due to the generous legacy received and an increase in donations received including from several staff taking part in the Southwark Big Half Marathon. Resources expended on charitable activities have decreased in the year by nearly 8% to £410,751 due partly to a reduction in staff numbers for part of the year and also a reduction in department expenditure. We have been fortunate to receive weekly food donations through another local charity which has reduced our food bill by almost a third. We work very hard each year to keep our overheads down and to increase the income generated through our sales in order to keep the price of our training places down and ensure that every penny goes to our trainees. A big thank you to staff, trainees and customers for their efforts towards our financial success.

The financial statements have been prepared on the assumption that the company will continue as a going concern for the foreseeable future. The directors recognise, however, that the company relies upon a small number of contracts for most of its revenue. In the event that any of these contracts are lost, or not renewed, the directors consider that the company may not be able to replace them at short notice and this would jeopardise its ability to continue to trade. The present financial constraints in the public sector have yet to have a major impact on this organisation. There have been no changes in the contract price for 17/18. Employment is very high on both the national and local agenda.

Reserves

The Management Committee reviews annually the charity's need for reserves in line with the Charity Commission's guidelines. Our Policy is to maintain free reserves equivalent to four months' expenditure less depreciation to meet shortfalls in income or unforeseen expenditure.

Investments

Our investment policy is to achieve the highest possible returns consistent with maintaining adequate liquidity and minimising risk but this is very difficult in the present climate. The present investment environment is very poor which is reflected in the interest we have earned this year.

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Plans for future period

In 2018/19 we are going to continue to work at increasing our customer base particularly in cleaning and printing. We are in the process of updating our website and developing and implementing a marketing plan with the help of the Cranfield Trust and various individuals. We are also increasing our efforts to raise more money through fund raising.

We will have to spend some time this year working with four other employment organisations in Lambeth developing an Alliance at the request of the Clinical Commissioners. We are now called the Lambeth Employment Providers Alliance. We need to look at what we do and reduce duplication. It is expected that between us we will save 16% during 2019 and 2024.

We continue to implement our Business Plan. The development and implementation of the Marketing Strategy is an integral part of this. Individual Trustees have taken responsibility for various aspects of the Action Plan including Governance, Risk, Staffing, Succession Planning, Maximising Grant and Tender Outcomes, Maximising Sales Income, Developing an Online Strategy and Performance Management and Outcomes. We have bimonthly Trustee Business Plan Meetings to take the plan forward.

As part of the succession plan being implemented to achieve a smooth transition when the present CEO retires, we will recruit an occupational therapist to support staff here, who will work directly with the trainees. The present CEO provides this specific support at present. In addition, the present CEO and her Deputy are continuing to build the skills and knowledge of the Deputy.

We will continue to implement the Recovery Model. The trend now is to use the community mental health teams for their expertise in dealing with people with complex needs. Many of our trainees are referred by these teams and once they are engaged and can demonstrate that they can manage their lives they will be referred back to their GP's. This means our trainees will rely on us to help with benefits, housing and other issues related to daily living. We do this anyway. The important bit is that we are informed when they are discharged from the community mental health teams.

We will continue to campaign on issues related to our trainees. Two of these issues are zero hour contracts and stigma, which are very unhelpful in relation to our trainees gaining open employment. We may have to use another assessment tool should the Lambeth Alliance mentioned earlier come to fruition. We will also support our trainees in their benefit review and support their campaigns aimed at maintaining the Freedom Pass. In both Southwark and Lambeth, we will actively engage in discussions about the future of mental health services in the light of the government's health agenda and financial cuts. We are actively involved in the Lambeth Collaborative, which is about changing the way community services are provided. We will continue to be involved in discussions about GP commissioning, Payment by Result and the personalisation/personal health budgets agendas locally.

Once again we will be participating in Urban Art and the Lambeth Open and we hope to raise some money to update our equipment.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018

Responsibilities of the Management Committee

Company law requires the Management Committee to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company as at balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the year then ended.

In preparing those financial statements which give a true and fair view, the Management Committee follows best practice and:

- Selects suitable accounting policies and applies them consistently
- Makes judgements and estimates that are reasonable and prudent
- States whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepares the financial statements on an on-going concern basis unless it is inappropriate to assume that the company will continue on that basis.

The Management Committee is responsible for keeping adequate accounting records, which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Company's Act 2006.

The Management Committee is also responsible for safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Management Committee confirms that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The Management Committee also confirm that they have taken the necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.


Members of the Management Committee

Members of the Management Committee, who are Trustees under charity law, who served during the year and up to the date of this report were as follows:

Anton Manickam	Pamela Newman (Chair)
Doye Akinlade	Hannah Mir
Liz Duthie	Ed Ball (Treasurer)
Alison Kirby	Rhiannon Hughes
Ann Dennis	

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2018 was 8. Members of the charitable company have no beneficial interest in the charitable company.

Approved by the Management Committee on 19 November 2018 and signed on its behalf by


P. NEWMAN

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SOUTHSIDE REHABILITATION LIMITED

I report on the accounts of Southside Rehabilitation Limited for the year ended 31 March 2018, which are set out on pages 9 to 20.

This report is made solely to the charitable company's trustees, as a body, in accordance with the regulations made under section 154 of the Charities Act 2011. My work has been undertaken so that I might state to the charitable company's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for my work, for this report, or for the opinions I have formed.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the accounts. The charitable company's trustees consider that an audit is not required for this year (under section 144(2) of the Charities Act 2011 and Part 16 of the Companies Act 2006 and that an independent examination is needed). The charitable company's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

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

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

Basis of independent examiner's statement

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

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**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SOUTHSIDE REHABILITATION LIMITED
(CONTINUED)**

Independent examiner's statement

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

- which gives me reasonable cause to believe that in any material respect, the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006;
 - to prepare accounts which accord with the accounting records;
 - to comply with the accounting requirements of the section 396 of the Companies Act 2006; and
 - to comply with the Statement of Recommended Practice 'Accounting and reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2015)' have not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

A handwritten signature in cursive script that reads "Christian Heeger".

Christian Heeger FCA
Grant Thornton UK LLP
Chartered Accountants
Gatwick

19 November 2018

SOUTHSIDE REHABILITATION LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
AS AT 31 MARCH 2018**

	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
Incoming from				
Donations and gifts	17,014	-	17,014	3,301
Health authority grants - grants received in year	3 196,852	88,647	285,499	285,499
Charitable activities				
Charitable trading	4 133,983	-	133,983	135,228
Total	<u>347,849</u>	<u>88,647</u>	<u>436,496</u>	<u>424,028</u>
Expenditure on: Raising funds				
Fund raising and publicity	1,964	-	1,964	3,106
Charitable activities				
Costs of activities in furtherance of charity's objects	322,104	88,647	410,751	444,018
Total resources expended	<u>324,068</u>	<u>88,647</u>	<u>412,715</u>	<u>447,124</u>
Net income/ (Expenditure) resources for the year before transfers	<u>23,781</u>	<u>-</u>	<u>23,781</u>	<u>(23,096)</u>
Net movement in funds	<u>23,781</u>	<u>-</u>	<u>23,781</u>	<u>(23,096)</u>
Balance at 1 April 2017	235,500	12,883	248,383	271,479
Balance at 31 March 2018	<u><u>259,281</u></u>	<u><u>12,883</u></u>	<u><u>272,164</u></u>	<u><u>248,383</u></u>

All of the activities of the company are classed as continuing.

There were no recognised gains or losses other than the (deficit)/ surplus for the financial year.

The accompanying accounting policies and notes form part of these financial statements.

SOUTHSIDE REHABILITATION LIMITED
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REGISTERED NUMBER: 02572177
CHARITY NO: 1002882

BALANCE SHEET
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	10	67,763	81,200
		<u>67,763</u>	<u>81,200</u>
Current assets			
Stocks	11	4,929	5,955
Debtors: amounts falling due within one year	12	23,561	32,196
Cash at bank and in hand		192,438	139,432
		<u>220,928</u>	<u>177,583</u>
Creditors: amounts falling due within one year	13	(16,527)	(10,400)
Net current assets		<u>204,401</u>	<u>167,183</u>
Total assets less current liabilities		<u>272,164</u>	<u>248,383</u>
Net assets		<u><u>272,164</u></u>	<u><u>248,383</u></u>
Capital and reserves			
Unrestricted funds		259,281	235,500
Restricted funds		12,883	12,883
		<u>272,164</u>	<u>248,383</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 November 2018.

P Newman
Director



The notes on pages 12 to 20 form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	2018 £	2017 £
Cash flows from operating activities		
Net (outgoing)/ incoming resources for the year	23,781	(23,096)
Adjustments for:		
Depreciation	20,520	12,472
Interest received	(797)	(494)
Decrease in stocks	1,026	1,452
Decrease in debtors	8,635	4,607
Increase/(decrease) in creditors	6,127	(3,800)
Net cash generated from operating activities	59,292	(8,859)
Cash flows from investing activities		
Purchase of tangible fixed assets	(7,083)	(65,510)
Interest received	797	494
Net cash from investing activities	(6,286)	(65,016)
Net increase/(decrease) in cash and cash equivalents	53,006	(73,875)
Cash and cash equivalents at beginning of year	139,432	213,307
Cash and cash equivalents at the end of year	192,438	139,432
Cash at bank and in hand	192,438	139,432

SOUTHSIDE REHABILITATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Southside Rehabilitation Limited is incorporated in England and Wales and meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.2 Basis of preparation of financial statements under the going concern assumption

The financial statements have been prepared on the assumption that the company will continue as a going concern for the foreseeable future. See also note 21.

The principal accounting policies adopted in the financial statements have remained unchanged from the previous year and are set out below.

1.3 Charitable trading activities

Income from charitable trading activities is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

1.4 Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual installments over their expected useful lives.

Printers are depreciated at 20% on a straight line basis

Folding machines (part of printing equipment) are depreciated at 10% on a straight line basis

All other fixed assets are depreciated at 25% on a straight line basis

1.5 Incoming resources

Incoming resources are recognised in the period in which the Charity is entitled to receipt and when the amount can be measured with reasonable certainty

1.6 Fixed assets for charitable use

All fixed assets are included at their historic cost. It is the charity's policy not to capitalise individual items with a value less than £200.

1.7 Stock

Stock is stated at the lower of cost and net realisable value.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting policies (continued)

1.8 Donated Stock

Donated stock is given to the charity by a local charitable organisation. The amounts donated are not significant by value of donation or when passed on through the charity as they are used by trainees and hence not accounted for.

1.9 Contributions to pension funds

The pension costs charged to the income and expenditure account represent the amount of the contributions payable to the defined contribution scheme, in respect of the accounting period.

1.10 Operating leases

All leases are regarded as operating leases and the payments made under them are charged to the income and expenditure account on a straight line basis over the lease term.

1.11 Resources expended and the basis of allocation of costs

Resources expended are accounted for on an accruals basis.

Resources expended have been classified under headings that aggregate costs attributable to that specific activity. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the usage of those resources.

Governance costs are incurred in compliance with constitutional and statutory requirements.

1.12 Funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure for those purposes is charged to the relevant fund.

Only funds that should be restricted are those contracts where funding is given for named individuals for a specific period of time. Once the contractual obligation is fulfilled there is no remaining restriction over the fund and there is no requirement to repay funds unspent.

Unrestricted funds are funds that are to be used in accordance with the objects of the charity and at the discretion of the trustees.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2. Format of accounts

The expense headings as shown in the statement of financial activities are not those specified in the Companies Act 2006 but the directors consider that the nature of the Association's activities is such that this analysis is more appropriate and informative and is required to comply with the Charities Commission Statement of Recommended Practice - Accounting and Reporting by practises of the Charity SORP (FRS102) - Accounting and Reporting by charities: Statement of Recommended Practice Applicable to charities preparing their clients in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

3. Activities in furtherance of the charity's objects

	2018 £	2017 £
Lambeth CCG	196,852	184,352
Lambeth CCG SIW	-	12,500
South London & Maudsley NGS Trust (South Southwark)	-	12,500
Southwark CCG	88,647	76,147
	285,499	285,499

4. Net income from charitable trading

	Catering	Print	Clerical	Sweepers / Laundry	Southside works	Interest received	2018 Total	2017 Total
	£	£	£	£	£	£	£	£
Turnover	28,503	83,902	-	20,011	768	797	133,983	135,228
Cost of sales	<u>(62,625)</u>	<u>(58,170)</u>	<u>(44,360)</u>	<u>(68,191)</u>	<u>(7,530)</u>	-	<u>(240,875)</u>	<u>(238,234)</u>
Gross profit/ (loss)	<u>(34,121)</u>	<u>25,732</u>	<u>(44,360)</u>	<u>(48,179)</u>	<u>(6,761)</u>	-	<u>(106,892)</u>	<u>(103,006)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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5. Governance costs

	2018 £	2017 £
Salary costs	8,056	11,172
Legal and professional	311	12,907
Independent review	3,674	3,165
	12,041	27,244

6. Direct charitable expenditure

	Charitable trading £	Support costs £	2018 Total £	2017 Total £
Staff costs	165,168	89,593	254,761	267,109
Depreciation	-	20,520	20,520	12,472
Other costs	75,707	46,696	122,403	137,193
	240,875	156,809	397,684	416,774

7. Net outgoing resources

Net outgoing resources is stated after:

	2018 £	2017 £
Independent review	3,674	3,165
Depreciation of owned tangible fixed assets	20,520	12,472
Property rental	22,000	22,000
	46,194	37,637

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8. Directors and employees

Staff costs during the year were as follow:

	2018 £	2017 £
Wages and salaries	232,876	244,335
Social security costs	18,295	19,183
Pension costs for defined contribution schemes	3,589	3,591
	<u>254,760</u>	<u>267,109</u>

The average number of employees of the company for the year was 15 (2017: 15).

No employees earned £60,000 per annum or more in the current accounting period (2017: No employees).

The directors did not receive any remuneration during the year ended 31 March 2018 or 31 March 2017.

No expenses were reimbursed to the Trustees during the year ended 31 March 2018 or 31 March 2017.

9. Taxation

Southside Rehabilitation Limited is a registered Charity.

Her Majesty's Revenue and Customs have granted an exemption from taxation under section 505(1) of Income and Corporation Taxes Act 1988. For this reason no taxation is provided for the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

10. Tangible fixed assets

	Computer hardware £	Computer software £	Printing equipment £	Kitchen equipment £	Cleaning equipment £	Fixtures and fittings £	Motor vehicles £	Plant and tools £	Total £
Cost or valuation									
At 1 April 2017	46,095	12,432	104,740	12,729	7,904	79,744	24,379	652	288,675
Additions	-	-	7,083	-	-	-	-	-	7,083
At 31 March 2018	<u>46,095</u>	<u>12,432</u>	<u>111,823</u>	<u>12,729</u>	<u>7,904</u>	<u>79,744</u>	<u>24,379</u>	<u>652</u>	<u>295,758</u>
Depreciation									
At 1 April 2017	41,483	11,496	35,482	12,729	7,624	73,630	24,379	652	207,475
Charge for the year on owned assets	2,025	535	15,065	-	160	2,735	-	-	20,520
At 31 March 2018	<u>43,508</u>	<u>12,031</u>	<u>50,547</u>	<u>12,729</u>	<u>7,784</u>	<u>76,365</u>	<u>24,379</u>	<u>652</u>	<u>227,995</u>
Net book value									
At 31 March 2018	<u>2,587</u>	<u>401</u>	<u>61,276</u>	<u>-</u>	<u>120</u>	<u>3,379</u>	<u>-</u>	<u>-</u>	<u>67,763</u>
At 31 March 2017	<u>4,612</u>	<u>936</u>	<u>69,258</u>	<u>-</u>	<u>280</u>	<u>6,114</u>	<u>-</u>	<u>-</u>	<u>81,200</u>

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11. Stocks

	2018 £	2017 £
Goods for resale	<u>4,929</u>	<u>5,955</u>

12. Debtors

	2018 £	2017 £
Trade debtors	16,189	13,872
Prepayments and accrued income	7,372	8,283
VAT	-	10,041
	<u>23,561</u>	<u>32,196</u>

13. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	2,073	3,315
PAYE/NI	3,316	4,085
VAT	4,863	-
Other	3,000	-
Accruals	3,275	3,000
	<u>16,527</u>	<u>10,400</u>

14. Unrestricted funds

	2018 £	2017 £
At 1 April 2017	235,500	258,596
Incoming resources	347,849	322,881
Resources expended	(324,068)	(345,977)
At 31 March 2018	<u>259,281</u>	<u>235,500</u>

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15. Restricted funds

	2018 £	2017 £
At 1 April 2017	12,883	12,883
Incoming resources	88,647	101,147
Resources expended	(88,647)	(101,147)
At 31 March 2018	12,883	12,883

The restricted funds represents grants from local authorities to support and develop training programmes.

16. Analysis of total funds

	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
Tangible fixed assets	67,763	-	67,762	81,200
Current assets	208,045	12,883	220,928	177,583
Current liabilities	(16,527)	-	(16,525)	(10,400)
	259,281	12,883	272,165	248,383

17. Leasing commitments

At 31 March 2018, the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 Land and buildings £	2017 Land and buildings £
Not later than one year	9,167	22,000
Between two and five years	-	9,167
	9,167	31,167

Leases in respect of land and buildings are subject to periodic rent reviews.

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18. Contingent liabilities

There were no contingent liabilities at 31 March 2018 or March 2017.

19. Capital commitments

There were no capital commitments at 31 March 2018 or 31 March 2017.

20. Pensions

The company operates a defined contribution pension scheme for the benefit of certain employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

21. Basis of preparation of financial statements under the going concern assumption

The financial statements have been prepared on the assumption that the company will continue as a going concern for the foreseeable future. The directors recognise, however, that the company relies upon a small number of contracts for most of its revenue. In the event that any of these contracts are lost, or not renewed, the directors consider that the company may not be able to replace them at short notice and this would jeopardise its ability to continue to trade. The present financial constraints in the public sector have yet to have a major impact on this organisation. Both the largest funders, Lambeth and Southside Rehabilitation Limited has been working with four other employment organisations in Lambeth to develop an Alliance at the request of the Clinical Commissioners. The formation is called Lambeth Employment providers Alliance. There are opportunities for new contracts in the third sector. Employment is very high on the national and local agenda so the company is well planned to provide support in this area.

22. Status of company

The company is a private company limited by guarantee. The liability of members is restricted to a contribution of £1 each in the event of winding up.

23. Related party transactions

The company did not engage in any transactions with related parties in the year ended 31 March 2018 or 31 March 2017.

