

Howgill Family Centre
(A company limited by guarantee)

Trustees' report and financial statements

for the year ended 31st March 2016

Charity number: 519278

Company number: 02045632

robinson + co

Chartered Accountants

Howgill Family Centre
(A company limited by guarantee)

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HOWGILL FAMILY CENTRE

TRUSTEES' REPORT for the Year ended 31 March 2016

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity no: 519278

Registered Company No: 02045632

Registered Office and Principal Office:

Howgill Family Centre, Birks Road, Cleator Moor, CA25 5HR

Directors and Trustees

The Directors of the charitable company (the charity) are its Trustees for the purpose of the charity law and throughout this report are collectively referred to as Trustees.

The Trustees serving during the year were as follows, and contribute their experience from:

Brenda Holden, Chairman	Education
Neville Denson, Vice Chairman	Local Government
Willie Slavin	Education
Ian Harvie, Treasurer	Private Industry
Eric Holmes, Company Secretary	Private Industry
Geoff Toogood	Education
Andrew Wonnacott (Resigned 27 th June 2016)	Private Industry
Stephen Asquith	Private Industry
Zena Bergmann (Resigned 25 th April 2016)	Private Industry
Judith Smith	Private Industry
Zoe Tremeer-Holme	Law

Chief Executive Officer:

Patrick Leonard

Accountants

robinson + co, Chartered Accountants, 72 Lowther Street, Whitehaven, Cumbria.

Auditors

Saint & Co., Chartered Accountants, 12/13 Church Street, Whitehaven, Cumbria.

Bankers

National Westminster Bank plc, 71 Lowther Street, Whitehaven, Cumbria.

Solicitors

Burnett's, 6 Victoria Place, Carlisle, Cumbria.

H.T.F. Gough & Co, 38/42 Lowther Street, Whitehaven, Cumbria.

HOWGILL FAMILY CENTRE

TRUSTEES' REPORT for the Year ended 31 March 2016 (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Howgill Family Centre is a company limited by guarantee and the roles and responsibilities are laid down in the Memorandum and Articles of Association dated 12th June 1986 and amended on 9th December 2004.

Appointment of Trustees

The Board of Trustees is responsible for the organisation in all respects and is elected by all members at the Annual General Meeting. Under the Articles of Association there is no maximum number of Trustees and the minimum number is three.

The Trustees carry out their duties on a voluntary basis and receive no financial reward for their time or efforts.

Trustee induction and training

Howgill recruits Trustees as volunteers for their skills in safeguarding, education, business, legal, financial, marketing and communications or social care. Trustees are sought in a variety of ways involving exploration of the field of potential candidates, including by recommendation from service users, members, officers and existing Trustees. Potential Trustees are assessed by the current Board. The membership of the Board was refreshed by the recruitment of four new members in 2014.

All new Trustees undertake an induction programme and undergo a structured introduction to the operation of Howgill, based upon the principles of 'Good Governance', a Code for the Voluntary and Community Sector, First Edition June 2005.

Organisational Structure

The Board of Trustees administers the charity. The Board meets at least six times a year. Task groups of Trustees, co-opted members and officers may be convened when appropriate and report to the Board.

The Chief Executive manages the day-to-day operations of the charity. Trustees have delegated responsibility to the Chief Executive for operational matters to allow effective management over project delivery, finance and employment.

Key management personnel remuneration

The Trustees consider the Board of Trustees and the chief executive as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All Trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 23 to the accounts.

The pay of the charity's chief executive and senior staff is reviewed annually and assessed in accordance with average earnings. The remuneration is also bench-marked with charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

HOWGILL FAMILY CENTRE

TRUSTEES' REPORT for the Year ended 31 March 2016 (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Partnership

In line with Howgill's objectives, many of the initiatives that are developed and delivered gain from the involvement and support of other charitable, voluntary and public sector bodies including schools, colleges and universities, as well as commercial businesses. This can be in the form of co-working, mutual support and direct funding.

Charities and organisations who have worked in partnership with Howgill Family Centre during the last year include: Cumbria County Council, Copeland Community Fund, Nuclear Management Partners, Cumbria Community Foundation, BBC Children in Need, Heritage Lottery Young Roots Fund, Arts Council England, Grizedale Arts, Phyllis Harney Trust, North Lakes Foodbank, Vertex, Tesco, Buttle Trust, Cleator Bus, Cumbria CVS, Citizens Advice Bureau, Nuclear Decommissioning Agency (NDA), University of Central Lancashire (UCLan), Barnardo's, Action for Children, Whitehaven, Egremont & District Credit Union, Cumbria Alcohol and Drug Advisory Service (CADAS), Cumbria Youth Alliance, Inspira, Copeland Borough Council, Dioceses of Carlisle and Lancaster, Lakes College West Cumbria, Young Cumbria, Impact Housing, Whitehaven Foyer, Townscape Heritage Initiative,

Phoenix Youth Centre, Francis C Scott Charitable Trust, University of Cumbria, Whitehaven Harbour Youth Project, Cumbria Partnership NHS Foundation Trust, West Cumberland Hospital and many local schools, too numerous to mention individually.

Our thanks go to all organisations and charitable funders who continue to support us. Without the financial support of our funders we would face greater challenges in delivering our much needed work.

Risk Assessment

The Trustees have examined the major strategic and operational risks to which the organisation is exposed and confirm that systems are in place to mitigate these. The key risks that have been identified are collated together with the scope of the risk, action taken to mitigate that risk and the assessment of the degree to which that risk is being managed, in line with best practice. The developed Risk Register is updated and reviewed twice yearly by the Board. Action to address risk will be planned and monitored in these six monthly reviews and used to update the Risk Register. The Board is kept apprised on the fulfilment of appropriate responsibilities. The Risk Register is a component of the business plan of the Board.

The principal risks facing the charity are considered to be the loss of long term funding in the current economic climate and the loss of trained qualified staff to other organisations. The trustees have considered the above and there is a programme of continual development and training plans for staff to ensure staff succession. With respect to loss of funding, the charity has opened a nursery facility and is looking for alternative sources of income to reduce the reliance on low numbers of funders.

OBJECTIVES AND ACTIVITIES

The Charity is established to promote any charitable purpose for the benefit of the inhabitants of Whitehaven and surrounding area in West Cumbria, including the advancement of education and the provision of facilities for recreation and leisure time occupation, in the interests of social welfare and with the objective of improving the condition of life of those inhabitants.

HOWGILL FAMILY CENTRE

TRUSTEES' REPORT for the Year ended 31 March 2016 (continued)

OBJECTIVES AND ACTIVITIES (continued)

Howgill aims to provide support to children and families with particular emphasis on the vulnerable and disadvantaged. Over the last year it has done this by:

- providing Early Help services for vulnerable children that prevent families getting into crisis
- operating Sure Start Children's Centres in North Copeland on behalf of Cumbria County Council
- delivering Early Years Childcare & Education for 2 – 4 year olds
- improving child and family health, with a focus on the first 1,000 days
- providing intensive support to Focus Families (part of the Government's 'Troubled Families' initiative).

Howgill is dedicated to providing high quality services, open to external inspection, evaluation and assessment. Premises and activities are registered with Ofsted where appropriate. Distinctive services are provided to children and families based on trusting relationships.

Howgill is committed to people's growth and development. By increasing aspirations and expectations service users, parents, carers, children, volunteers and employees, are encouraged to learn and progress towards fulfilling their potential by increasing aspirations and expectations. We aim to build the capacity and resilience of local communities.

Howgill's approach is collaborative. Families are at the centre of what we do and we have high expectations of the adults in the relationship. There is a recognition that people we work with have responsibilities too – to act safely and responsibly. Our aim is to foster greater independence and resilience. We believe that people can address the issues they face – recognising that they may need support in the forms of information, skills and confidence to enable them to do so. We will enable people, when they are ready, to move beyond the point where Howgill's support is required. Former service users are encouraged to become volunteers, sponsors and patrons.

The safeguarding of all children is Howgill's priority concern and all staff and volunteers (including Trustees) are regularly trained in safeguarding. Staff and volunteers have a clear pathway for reporting concerns as soon as they arise. Safer Recruitment practices are rigorously deployed, including obtaining enhanced Disclosure and Barring Service (DBS) checks (renewed every three years) on Trustees, employees and volunteers. Training is recorded and monitored to ensure that employees' qualifications, especially in safeguarding and first aid, are kept up-to-date. There is a designated Safeguarding Lead and an in-house Safeguarding Team, led by a Trustee, to drive continuous improvement.

Howgill is committed to a policy of Equal Opportunities for children, families, volunteers and employees. During 2014 Howgill attained the Equalities Award following an audit of equalities practice.

Trustees have regard to the Charity Commission's guidance on public benefit when reviewing Howgill's aims and objectives and in planning future activities. Howgill fulfils its public benefit objectives through its support to children and families with particular emphasis on the vulnerable and disadvantaged.

In accordance with the charity's ongoing social investment into the above activities, where applicable the charity will make programme related investments (see note 16).

HOWGILL FAMILY CENTRE

TRUSTEES' REPORT for the Year ended 31 March 2016 (continued)

OBJECTIVES AND ACTIVITIES (continued)

Howgill's continued success relies on its dedicated and professional team of employees and on the core of volunteers who freely give their time, energy and expertise within all levels of the organisation. Their contribution to strategic direction, staff recruitment, external representation and service delivery is invaluable and hugely appreciated by Trustees who are themselves volunteers. In the last year we employed an average of 65 full and part-time staff members, and 35 volunteers have regularly contributed to the work of the organisation.

ACHIEVEMENTS

From 1 April 2015 Howgill began to deliver a major new contract providing Early Help services for vulnerable children. The idea is to intervene early, at the first point at which concerns are raised about a child. Referrals are received from a wide range of agencies, the majority from midwives, health visitors and primary schools.

Howgill's support aims to prevent families getting into crisis that could arise if the child's difficulties escalate to such an extent parents and carers are unable to cope. In the long run this approach helps to reduce the number of children who have to be supported through statutory care.

As part of this contract Howgill has continued to operate Sure Start Children's Centres in Copeland on behalf of Cumbria County Council. One major success has been the successful integration of staff at the Millom Children's Centre who joined Howgill following a TUPE transfer. The way in which the Millom team has co-operated and rapidly become an integral and highly-valued part of Howgill's operations is hugely to the credit of the individuals who work there. Howgill's deep roots in local communities provide distinctive strengths in drawing in some of the most disadvantaged families who, in other parts of England, have been less willing to engage with Children's Centre activities and this has been reflected in the strong partnerships and relationships that have been established in the Millom area too.

Trustees view the provision of Early Years Learning for 2-4 year olds as an integral part of Howgill's offer, enabling the organisation to reinforce the support it provides that ensures children are receiving the best start, especially as they prepare to enter formal nursery education. There is great continuity in Howgill's relationship with families, which will often have started prenatally and can continue as the children move towards adolescence and even into adulthood.

Specific achievements during the past year include:

- delivering services and support to a significant number of people.
- making the new Early Help contract fully operational, ensuring employees were trained to comply with new procedures and fulfilling requirements covering referral, assessment and reporting. A number of audits by Cumbria County Council commented favourably on the quality of Howgill's Early Help Assessments.
- using these new procedures Howgill has continued to provide outstanding family support, health and well-being and learning services. A number of cases have been closed as the children and families have successfully achieved the outcomes which they themselves identified and have moved on to new, more productive relationships.

HOWGILL FAMILY CENTRE

TRUSTEES' REPORT for the Year ended 31 March 2016 (continued)

ACHIEVEMENTS (continued)

- appointing a new Early Years Manager with the brief to carry out a thorough review of Howgill's Early Years activities taking into account changes in public demand for nursery services, changes in Government policy and continued learning from best practice. Trustees approved a new Early Years Plan which led to consultation on the proposed closure of one setting in Egremont while expanding provision in Cleator Moor. In this way the charity refocused its efforts in an area where fewer children are achieving a good level of development, and parents have less choice of provision to meet their childcare needs.
- opening supported accommodation for young people aged 16-24 at the Whitehaven Foyer, in conjunction with Impact Housing Association. Restoration of the historic former YMCA will continue into future years.
- continuing good progress with the Knowledge Transfer Partnership with UCLan, developing a proactive approach to promoting family resilience, in line with the aim of intervening early and helping to prevent crisis. This project runs until summer 2016.
- trialling an innovative programme to encourage parental engagement in the education of pre-school children ("Grow Our Own") with support from the Sutton Trust and Esmée Fairbairn Foundation. Guidance on developing the evaluation framework is provided by Oxford University.
- adopting a new, streamlined Safeguarding Policy, accompanied by comprehensive Safeguarding procedures to ensure that everyone in the organisation has clear guidance to enable them to ensure the safety of every child, ensuring adherence to the policies and procedures of the Cumbria Local Safeguarding Children's Board.

FINANCIAL REVIEW

The current free (unrestricted) reserves held, £361,085, are to enable the organisation to continue its operational activities in the event of any reduction or cessation of funding.

The reserves policy is to accumulate, in line with best practice, sufficient resources to fulfil six months of revenue expenditure at anticipated service delivery levels, which equates to approximately £700,000.

Early Help 0-12 services have been supported by Cumbria County Council Early Help 0-12 contract, Copeland Community Fund and The Phyllis Harney Trust.

Youth Services have been supported by the BBC Children in Need grant.

Nursery Provision has been supported by Cumbria County Council Two Year Old Entitlement, Early Support grant, Fee income and Nursery grant funding.

Also within the terms of governance documents and stated objectives, Trustees have invested £130,000 in the Whitehaven Foyer Company, a registered charity, which seeks to develop integrated provision of accommodation and support for Young People in West Cumbria, particularly when homeless. The investment is to be repaid when mutually agreed, but not in the first twelve months, together with interest at 2% above the base rate of the Clydesdale Bank PLC, secured by a first charge on the Foyer's property assets.

HOWGILL FAMILY CENTRE

TRUSTEES' REPORT for the Year ended 31 March 2016 (continued)

INVESTMENT POWERS AND POLICY

In furtherance of the company's objects, but not further or otherwise, the company shall have the power to invest the money of the company not immediately required for its objects in or upon such investments or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law.

Current policy is to invest any such money safely on deposit.

PLANS FOR FUTURE PERIODS

Over the next 12 months Howgill's plans can be summarised as follows:

- continue to deliver outstanding family support, health and well-being and learning services that benefit children and families in Copeland, especially the most disadvantaged, in line with the Early Help contract.
- prepare for the proposed contract variation from April 2017 which, it is anticipated, will involve greater integration with delivery of the Healthy Child Programme.
- implement an Early Years Plan that takes into account changes in population, Government policy and best practice, realigning activities with emerging trends and widening Howgill's provision to cover the full range of pre-school children from 0-5.
- employ apprentices and invest in developing our future Early Years workforce.
- commence provision of accommodation and support for vulnerable young people at the Whitehaven Foyer. Continue to support conversion of the Georgian building to provide a town centre community hub.
- bring the Knowledge Transfer Partnership with UCLan to a successful conclusion with the production of a ground-breaking marketable programme ('Connect!') that promotes improved family resilience.
- launch an innovative programme to encourage parental engagement in the education of pre-school children ('Grow our Own')
- continue to monitor financial sustainability given the challenges in maintaining support from funders and the reduction in council funding. The Trustees have identified the need to diversify sources of income by implementing "Payroll Giving" plans, securing more support from corporate businesses and attracting more commissions from the health sector.
- maintain and improve efficient use of our premises. Birks Road will be given priority, by identifying improvements to office facilities for employees, carrying out an energy audit, and reinstating nursery provision for under-tuos. Our premises at Catherine Street in Whitehaven and The Kabin located in Kells, Whitehaven will also be assessed.
- modernise ICT provision. Howgill's current provision is coming to the end of its useful life, creating the opportunity to take a "technological leap" in ways that should deliver significant efficiency savings, through phased introduction of new technology, including use of Wi-Fi, videoconferencing etc.

HOWGILL FAMILY CENTRE

TRUSTEES' REPORT for the Year ended 31 March 2016 (continued)

RESPONSIBILITIES OF THE TRUSTEES

The Trustees are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period.

In preparing these financial statements, the Trustees are required to:

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

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

Saint & Co., Statutory Auditor, are deemed to be re-appointed as auditors to the charity under section 487(2) of the Companies Act 2006.

Signed.....*Ian Harvie*.....Date: *2nd November 2016*
Ian Harvie - Trustee
On behalf of the Board of Howgill Family Centre

**HOWGILL FAMILY CENTRE
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOWGILL FAMILY CENTRE**

YEAR ENDED 31 MARCH 2016

We have audited the financial statements of Howgill Family Centre for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES' AND AUDITOR

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

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 2016, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the 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 Trustees Annual Report.

**HOWGILL FAMILY CENTRE
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOWGILL FAMILY CENTRE**

YEAR ENDED 31 MARCH 2016

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime when not eligible and to take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the trustees report.



IAN SCOTT
(Senior Statutory Auditor)
For and on behalf of SAINT & CO
Chartered Accountants and
Statutory Auditors

12/13 Church Street
Whitehaven
Cumbria
CA28 7AY

2nd November 2016

Howgill Family Centre
(A company limited by guarantee)

Statement of financial activities (incorporating the income and expenditure account)

For the year ended 31st March 2016

	Notes	Unrestricted funds £	Restricted funds £	2016 Total £	2015 Total £
Income					
Donations and legacies	2	10,801	-	10,801	16,477
Income from charitable activities	3	-	1,241,495	1,241,495	1,345,004
Income from other trading activities:					
Activities for generating funds	4	88,079	-	88,079	95,678
Investment income	5	243	-	243	648
Total income		<u>99,123</u>	<u>1,241,495</u>	<u>1,340,618</u>	<u>1,457,807</u>
Expenditure					
Costs of raising funds:					
Fundraising trading:					
cost of goods sold and other costs	6	718	-	718	583
Charitable activities	7, 8	73,929	1,251,089	1,325,018	1,451,914
Exceptional costs of charitable activities	10	65,496	16,076	81,572	-
Total expenditure		<u>140,143</u>	<u>1,267,165</u>	<u>1,407,308</u>	<u>1,452,497</u>
Net income/(expenditure) for the year		(41,020)	(25,670)	(66,690)	5,310
Total funds brought forward		<u>532,105</u>	<u>265,969</u>	<u>798,074</u>	<u>792,764</u>
Total funds carried forward		<u>491,085</u>	<u>240,299</u>	<u>731,384</u>	<u>798,074</u>

The statement of financial activities includes all gains and losses in the year and therefore a separate statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 14 to 26 form an integral part of these financial statements.

Howgill Family Centre
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Balance sheet
as at 31st March 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	15		232,223		263,105
Programme related investments	16		130,000		130,000
			<u>362,223</u>		<u>393,105</u>
Current assets					
Debtors	17	111,256		78,093	
Cash at bank and in hand		326,724		437,366	
		<u>437,980</u>		<u>515,459</u>	
Creditors: amounts falling due within one year	18	(68,819)		(110,490)	
Net current assets			<u>369,161</u>		<u>404,969</u>
Net assets			<u>731,384</u>		<u>798,074</u>
Funds	19				
Restricted income funds			240,299		265,969
Unrestricted income funds			491,085		532,105
Total funds			<u>731,384</u>		<u>798,074</u>

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies .

The financial statements were approved by the board on 2nd November 2016 and signed on its behalf by

Ian Harvie

Ian Harvie
Trustee

Registration number 02045632

The notes on pages 14 to 26 form an integral part of these financial statements.

Howgill Family Centre
(A company limited by guarantee)

Cash flow statement
for the year ended 31st March 2016

	Notes	2016 £	2015 £
Net cash (used in)/provided by operating activities	25	(98,188)	55,563
Cash flows from investing activities			
Interest and dividends		243	648
Purchase of tangible fixed assets		(12,697)	(27,381)
Net cash used in investing activities		(12,454)	(26,733)
Change in cash and cash equivalents in the year		(110,642)	28,830
Cash and cash equivalents brought forward		437,366	408,536
Cash and cash equivalents carried forward		326,724	437,366

The notes on pages 14 to 26 form an integral part of these financial statements.

Howgill Family Centre
(A company limited by guarantee)

Notes to financial statements
for the year ended 31st March 2016

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are summarised below.

1.1. Basis of accounting

The financial statements are prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: '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) issued on 16 July 2014 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The company constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

1.2. Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed.

At the date of transition in applying the requirement to recognise liabilities arising from employee benefits, a liability was recognised for short-term compensated absence arising from employee entitlement to paid annual leave. The initial liability recognised at the date of transition was for the holiday entitlement carried forward and for the entitlement arising in the year but not taken. The initial liability was for £5,116. No other restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances is provided.

Reconciliation of charity funds and balances

	1 April	31 March
	2014	2015
	£	£
Fund balances as previously stated	797,880	803,190
Short-term compensated absences	(5,116)	(5,116)
Fund balances as restated	<u>792,764</u>	<u>798,074</u>

Howgill Family Centre
(A company limited by guarantee)

Notes to financial statements
for the year ended 31st March 2016

1.3. Income

All income is included in the statement of financial activities once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The following specific policies are applied to particular categories of income:

(a) Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

(b) Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

(c) Gifts donated for resale are included as income within activities for generating funds when they are sold.

(d) Income from the charity shop is included in the year in which it is receivable.

(e) Income from investments is included in the year in which it is receivable.

(f) Income from grants, where related to specific performance conditions, are accounted for as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, receipt of the income is probable and the amount can be measured with sufficient reliability.

(g) Income or grants received in advance are held in deferred income. Any grants restricted to future accounting periods are deferred and recognised in those accounting periods.

1.4. Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of raising funds comprise the costs associated with attracting voluntary income and those incurred in activities that raise funds.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for Early Help 0-12, Youth Services, Nursery Provision and Sure Start programmes. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs in respect of the Sure Start programme are directly attributed to that programme. Other support costs are allocated between Early Help 0-12, Youth Services and Nursery Provision based on total direct project expenditure. On this basis 69% of support costs are allocated to Early Help 0-12, 6% to Youth Services and 25% to Nursery Provision.

Howgill Family Centre
(A company limited by guarantee)

Notes to financial statements
for the year ended 31st March 2016

1.5. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	-	Straight line over fifty years
Leasehold land and buildings	-	Straight line over the life of the lease
Fixtures and fittings	-	10% straight line
Motor vehicles	-	10-20% straight line
IT equipment	-	25% straight line
Outdoor play equipment	-	50% straight line
Other equipment	-	4-20% straight line

Fixed assets costing less than £500 are not capitalised.

1.6. Programme related investments

Programme related investments are included in the balance sheet at the amount invested less any impairments and any amounts repaid. Impairments are charged to resources expended on charitable activities in the statement of financial activities. Similarly, a loan subsequently converted into a grant is charged to charitable activities.

Where a gain is made on disposal of a programme related investment, then the gain is either set off against any prior impairment loss or included as a gain on disposal of fixed assets for the charity's own use and recorded under other incoming resources in the statement of financial activities.

1.7. Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8. Defined contribution pension schemes

The pension costs charged in the financial statements represent the contribution payable by the charity during the year.

2. Donations and legacies

	Unrestricted funds £	2016 Total £	2015 Total £
Donations	8,801	8,801	14,477
Employment Allowance	2,000	2,000	2,000
	<u>10,801</u>	<u>10,801</u>	<u>16,477</u>

In 2015 all of the income from donations and legacies was attributable to unrestricted income funds.

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Notes to financial statements
for the year ended 31st March 2016

3. Income from charitable activities	Restricted	2016	2015
	funds	Total	Total
	£	£	£
Health Authority - Breastfeeding Initiative	-	-	24,000
Enterprise Holding Foundation	-	-	1,500
Copeland Community Fund - Open Gates Project	-	-	9,220
Copeland Community Fund - Grow Our Own	9,083	9,083	-
Cumbria CC - Two Year Old Funding Entitlement	126,057	126,057	152,375
Cumbria CC - Early Support Grant	9,914	9,914	7,945
Arts Council	15,000	15,000	14,500
Police and Crime Commissioner	(1,600)	(1,600)	8,000
Cumbria CC - Short Breaks Disability Playscheme	-	-	14,116
Cumbria CC - Early Help 0-12 Contract	916,444	916,444	961,878
Cumbria CC - Focus Family	-	-	53,838
Buttle Trust	130	130	400
Barnardos - MyTime Cumbria	8,605	8,605	-
BBC CiN - Youth Project	16,500	16,500	8,908
BBC CiN - Bereavement Group	-	-	1,970
Cumbria CC - Nursery Grant	13,167	13,167	19,625
Heritage Lottery Fund	18,750	18,750	-
Cumbria CC - Winter Warmth Grant	6,000	6,000	8,000
Cumbria Community Foundation - Educational Fund	9,000	9,000	-
The Phyllis Harney Trust	12,700	12,700	5,800
Cumbria CC - Copeland Area Local Committee	-	-	1,500
Sutton Trust - Parental Engagement Fund	42,500	42,500	-
Copeland Homes - Progression Award	-	-	10,000
Copeland Community Fund - Progression	25,079	25,079	25,079
West Cumbria Probation Fund	10,000	10,000	-
Sellafield Charity Snowball	1,450	1,450	-
Inspira - Friday Night Football	2,716	2,716	-
Cumbria Community Foundation - NMP	-	-	13,750
Cumbria CVS - Child Poverty Conference	-	-	2,000
St Monica and St Mary Charity	-	-	600
	<u>1,241,495</u>	<u>1,241,495</u>	<u>1,345,004</u>

In 2015 all of the income from charitable activities was attributable to restricted income funds.

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Notes to financial statements
for the year ended 31st March 2016

4. Income from other trading activities

	Unrestricted funds £	2016 Total £	2015 Total £
Shop income	2,096	2,096	162
Fundraising events	940	940	3,960
Use of facilities	17,585	17,585	7,430
Fee income	32,684	32,684	29,305
Training income	3,000	3,000	3,111
Activity income	1,248	1,248	3,697
Contract refunds	-	-	1,489
NMRU	1,664	1,664	471
Cumbria Family Arts Network	2,807	2,807	-
Staff external secondment	25,426	25,426	46,053
Howgill Development Trust	212	212	-
Whitehaven Foyer	417	417	-
	<u>88,079</u>	<u>88,079</u>	<u>95,678</u>

In 2015 all of the income from other trading activities was attributable to unrestricted income funds.

5. Investment income

	Unrestricted funds £	2016 Total £	2015 Total £
Bank interest receivable	243	243	648
	<u>243</u>	<u>243</u>	<u>648</u>

In 2015 all of the investment income was attributable to unrestricted income funds.

6. Costs of raising funds

	Unrestricted funds £	2016 Total £	2015 Total £
Fundraising events	718	718	583
	<u>718</u>	<u>718</u>	<u>583</u>

In 2015 of the costs of raising funds, £488 were attributable to restricted funds, with the balance of £95 being unrestricted.

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Notes to financial statements
for the year ended 31st March 2016

7. Costs of charitable activities - by fund type

	Unrestricted funds £	Restricted funds £	2016 Total £	2015 Total £
Early Help 0-12	65,759	845,170	910,929	981,824
Youth Services	4,124	71,249	75,373	86,979
Nursery Provision	4,046	327,463	331,509	375,595
Sure Start	-	7,207	7,207	7,516
	<u>73,929</u>	<u>1,251,089</u>	<u>1,325,018</u>	<u>1,451,914</u>
Exceptional costs of charitable activities (note 10)	<u>65,496</u>	<u>16,076</u>	<u>81,572</u>	<u>-</u>
	<u>139,425</u>	<u>1,267,165</u>	<u>1,406,590</u>	<u>1,451,914</u>

In 2015 of the costs of charitable activities, £1,387,449 were attributable to restricted funds, with the balance of £64,465 being unrestricted.

8. Costs of charitable activities - by activity

	Activities undertaken directly £	Support costs £	2016 Total £	2015 Total £
Early Help 0-12	647,508	263,421	910,929	981,824
Youth Services	52,468	22,905	75,373	86,979
Nursery Provision	236,066	95,443	331,509	375,595
Sure Start	7,207	-	7,207	7,516
	<u>943,249</u>	<u>381,769</u>	<u>1,325,018</u>	<u>1,451,914</u>
Exceptional costs of charitable activities (note 10)	<u>81,572</u>	<u>-</u>	<u>81,572</u>	<u>-</u>
	<u>1,024,821</u>	<u>381,769</u>	<u>1,406,590</u>	<u>1,451,914</u>

For analysis of support costs, see Note 9.

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Notes to financial statements
for the year ended 31st March 2016

9. Analysis of support costs

	Early Help 0-12 £	Youth Services £	Nursery Provision £	2016 Total £	2015 Total £
Staff costs	145,116	12,619	52,578	210,313	264,342
Operating lease payments	11,622	1,010	4,211	16,843	17,157
Health and safety	10,640	925	3,855	15,420	21,999
Premises costs	28,285	2,460	10,248	40,993	109,082
Transport costs	4,971	432	1,801	7,204	6,872
Auditors' remuneration	3,142	273	1,139	4,554	4,500
Communication and information technology	13,187	1,147	4,778	19,112	22,577
Depreciation and impairment	11,368	988	4,119	16,475	16,536
Other admin costs	35,090	3,051	12,714	50,855	52,148
	<u>263,421</u>	<u>22,905</u>	<u>95,443</u>	<u>381,769</u>	<u>515,213</u>

10. Exceptional costs of charitable activities

	Unrestricted funds £	Restricted funds £	2016 Total £	2015 Total £
Dilapidation costs	64,468	-	64,468	-
Loss on disposal of tangible fixed assets	1,028	16,076	17,104	-
	<u>65,496</u>	<u>16,076</u>	<u>81,572</u>	<u>-</u>

During the year the charity ceased to occupy the premises at Howgill Street, Whitehaven and incurred exceptional relocation costs totalling £81,572. Of these costs £64,468 relates to dilapidation costs charged to the charity and £17,104 relates to loss on disposal of tangible fixed assets at Howgill Street.

11. Net (expenditure)/income for the year

	2016 £	2015 £
Net (expenditure)/income is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	26,475	26,558
Operating lease rentals		
- Plant and machinery	352	703
- Land and buildings	16,491	16,454
Auditors' remuneration	4,554	4,500
Exceptional items (note 10)	<u>81,572</u>	<u>-</u>

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12. Employees

Employment costs	2016	2015
	£	£
Wages and salaries	881,343	923,175
Social security costs	56,176	61,038
Pension costs	26,417	27,947
Redundancy costs	1,467	15,088
	<u>965,403</u>	<u>1,027,248</u>

Number of employees

No employee received emoluments of more than £60,000 (2015: None).

The average monthly numbers of employees (including the trustees) during the year, was as follows:

	2016	2015
	Number	Number
Provision of services	54	54
Management and administration	11	11
	<u>65</u>	<u>65</u>

Trustees are not remunerated. Expenses of £68 were reimbursed to 1 trustee for directly incurred travel costs (2015: No trustees received any expenses during the year).

Staff were seconded from Cumbria Partnership NHS Foundation Trust during the year at a cost of £19,519 (2015: £17,982).

The key management personnel of the charity comprise the trustees and Chief Executive Officer. The total employment benefits including employer pension contributions of the key management personnel were £49,762 (2015: £53,380).

13. Pension costs

The company operates a defined contribution pension scheme in respect of certain employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £26,417 (2015: £27,947). Contributions amounting to £nil are included in creditors at the year end (2015: £nil).

	2016	2015
	£	£
Pension charge	<u>26,417</u>	<u>27,947</u>

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Notes to financial statements
for the year ended 31st March 2016

14. Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

15. Tangible fixed assets	Land and buildings freehold £	Short leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1st April 2015	175,270	270,959	166,175	9,040	621,444
Additions	-	672	12,025	-	12,697
Disposals	(15,490)	(8,144)	(11,411)	-	(35,045)
At 31st March 2016	<u>159,780</u>	<u>263,487</u>	<u>166,789</u>	<u>9,040</u>	<u>599,096</u>
Depreciation					
At 1st April 2015	51,714	178,263	119,322	9,040	358,339
Charge for the year	3,196	9,781	13,498	-	26,475
On disposals	(4,647)	(4,058)	(9,236)	-	(17,941)
At 31st March 2016	<u>50,263</u>	<u>183,986</u>	<u>123,584</u>	<u>9,040</u>	<u>366,873</u>
Net book values					
At 31st March 2016	<u>109,517</u>	<u>79,501</u>	<u>43,205</u>	<u>-</u>	<u>232,223</u>
At 31st March 2015	<u>123,556</u>	<u>92,696</u>	<u>46,853</u>	<u>-</u>	<u>263,105</u>

16. Programme related investments

	Loans £	Total £
Cost		
At 1st April 2015 and At 31st March 2016	<u>130,000</u>	<u>130,000</u>
Net book values		
At 31st March 2016	<u>130,000</u>	<u>130,000</u>
At 31st March 2015	<u>130,000</u>	<u>130,000</u>

Within the terms of governance documents and stated objectives, the trustees have invested £130,000 in the Whitehaven Foyer Company, a registered charity, which seeks to develop integrated provision for Young People in West Cumbria, particularly when homeless. The investment is to be repaid when mutually agreed, but not in the first twelve months, together with interest at 2% above the base rate of the Clydesdale Bank PLC, secured by a first charge on the Foyer's property assets.

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Notes to financial statements
for the year ended 31st March 2016

17. Debtors

	2016 £	2015 £
Other debtors	60,024	34,757
Prepayments and accrued income	51,232	43,336
	<u>111,256</u>	<u>78,093</u>

18. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	32,604	45,528
Other taxes and social security	14,056	14,770
Accruals and deferred income	22,159	50,192
	<u>68,819</u>	<u>110,490</u>

19. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31st March 2016 as represented by:			
Tangible fixed assets	-	232,223	232,223
Investment assets	130,000	-	130,000
Current assets	361,085	76,895	437,980
Current liabilities	-	(68,819)	(68,819)
	<u>491,085</u>	<u>240,299</u>	<u>731,384</u>

20. Unrestricted funds

	At 1 April 2015 £	Incoming resources £	Outgoing resources £	At 31 March 2016 £
General funds	532,105	99,123	(140,143)	491,085

Purposes of unrestricted funds

General funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

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Notes to financial statements
for the year ended 31st March 2016

21. Restricted funds	At			At
	1 April 2015 £	Incoming resources £	Outgoing resources £	31 March 2016 £
Sure Start funds	176,518	-	(18,001)	158,517
Other restricted funds	89,451	1,241,495	(1,249,164)	81,782
	<u>265,969</u>	<u>1,241,495</u>	<u>(1,267,165)</u>	<u>240,299</u>

Purposes of restricted funds

Incoming resources shown as restricted funds are raised and given for specific purposes and projects. The conditions governing the income or grants restrict these funds and when these conditions have been met any balance may become unrestricted and can be used as a contribution to the charity's unrestricted funds.

Sure Start funds relate to the delivery of the Sure Start Copeland Whitehaven local programme. Howgill Family Centre ceased to be the accountable body for this programme on 31 March 2006 and the balance on this fund is represented entirely by fixed assets purchased via this programme.

Other restricted funds relate to the delivery of services in respect of Early Help 0-12, Youth Services, Nursery Provision and capital developments.

22. Financial commitments

At 31st March 2016 the company had commitments under non-cancellable operating leases in respect of the premises at Birks Road, Cleator Moor, which expires on 21 February 2017. The operating lease in respect of the photocopier at Birks Road expired on 24 September 2015. The company also entered into a service contract with Peninsula Business Systems for HR services. The contract was a five year contract commencing on 1 April 2015.

	Land and buildings		Other	
	2016 £	2015 £	2016 £	2015 £
Payable:				
Within one year	16,453	16,453	9,881	10,232
Between one and five years	-	-	29,642	39,523
	<u>16,453</u>	<u>16,453</u>	<u>39,523</u>	<u>49,755</u>

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Notes to financial statements
for the year ended 31st March 2016

23. Related party transactions

Mr W Slavin, Mr I Harvie and Mr E Holmes, trustees of Howgill Family Centre, are also trustees of Howgill Development Trust. The charity received grants of £212 (2015: £523) during the year from Howgill Development Trust on an arm's length basis.

Mr W Slavin, a trustee of Howgill Family Centre, is a trustee of Cumbria Community Foundation. The charity received grants (as detailed in note 3) of £9,000 (2015: £13,750) during the year from Cumbria Community Foundation on an arm's length basis.

Mr W Slavin, a trustee of Howgill Family Centre, and Dr P J Leonard, chief executive of Howgill Family Centre, are also trustees of The Whitehaven Foyer. Howgill Family Centre has a £130,000 programme related investment in the Whitehaven Foyer. In addition, The Whitehaven Foyer owes £417 (2015: £nil) to Howgill Family Centre at the year end for management charges.

Mr N Denson, a trustee of Howgill Family Centre, is also a trustee of Age UK West Cumbria. During the year Age UK West Cumbria paid Howgill Family Centre £345 (2015: £nil) for room hire, this was on an arm's length basis.

Mrs J Smith, a trustee of Howgill Family Centre, is also a trustee of Kirkgate Arts. In the year Kirkgate Arts paid Howgill Family Centre £200 (2015: £nil) towards the Cumbria Arts Network.

24. Indemnity insurance

The charity paid for the insurance premiums to indemnify trustees and senior staff from any loss arising from neglect or defaults of trustees or staff and any consequent loss. The cost of this insurance was £831 (2015: £858).

25. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net movement in funds	(66,690)	5,310
Add back depreciation charge and loss on disposal	43,579	26,558
Deduct interest income shown in investing activities	(243)	(648)
(Increase)/decrease in debtors	(33,163)	2,753
(Decrease)/increase in creditors	(41,671)	21,590
Net cash (used in)/provided by operating activities	(98,188)	55,563

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Notes to financial statements
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26. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	437,366	(110,642)	326,724
Net funds	<u>437,366</u>	<u>(110,642)</u>	<u>326,724</u>

27. Company limited by guarantee

Howgill Family Centre is a company limited by guarantee and accordingly does not have a share capital.

The guarantors are the members and the liability in respect of the guarantee as set out in the memorandum is limited to £1 per member.