

COMMUTUAL
Year ended 31 March 2018

ComMutual

Report and Financial Statements

Year ended 31 March 2018

Charity Number: 1152903

Company Registration Number: 08444912

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COMMUTUAL
Year ended 31 March 2018

COMMUTUAL TRUSTEES, ADVISORS AND BANKERS

Charity registration number 1152903

Company registration number 08444912

Trustee	Category	Changes in the year
P Morton	Chair, Director and Trustee	
A Forshaw	Director and Trustee	
P Brennan	Director and Trustee	
S Donaldson	Director and Trustee	
PJC Garrigan	Director and Trustee	
C D Martin	Director and Trustee	
E Stewart	Director and Trustee	
A Qassim	Director and Trustee	Resigned 14 April 2017

Registered office LMH @ The Observatory
1 Old Haymarket
Liverpool
L1 6RA

Auditors Grant Thornton UK LLP
Chartered Accountants and Registered Auditors
4 Hardman Square
Spinningfields
Manchester M3 3EB

Solicitors Brabners
Horton House
Exchange Flags
Liverpool, L2 3YL

Bankers Barclays Bank PLC
Liverpool Lord Street Branch
48b & 50 Lord Street , Liverpool L2 1TD

TRUSTEES' REPORT

The trustees are pleased to present their annual trustees' report together with the financial statements of the charity for the year ending 31 March 2018 which are also prepared to meet the requirements for a directors' report, accounts for Companies Act purposes and in accordance with the provisions applicable to companies entitled to the small companies exemption.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice: Accounting and Reporting by Charities, Charities SORP (FRS102) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Volunteering and In Kind Contributions

In kind support included digital training sessions, room hire and added value items which were sought through services which were procured. This demonstrates the excellent partnership arrangements that ComMutual has in place.

Objectives and Activities

LMH Group's charitable arm ComMutual was formed in January 2017 to make a positive difference to communities across Merseyside and the surrounding area.

Activities focus on four key impact areas: Employment; Money Matters; Health and Wellbeing; and Go Digital. All activities are delivered through the Community Investment and Toxteth FireFit Hub (TFFH) teams.

FINANCIAL REVIEW

In 2017/18, the charity received income of £2.5m (2016/17: £2.6m). This includes £2.0m received as Gift Aid from the Group's commercial contracting arm HMS and additional income of £0.5m, which was achieved through TFFH membership fees and hire charges, and Grant Income received from Restricted Funds.

Achievements and Performance

ComMutual achieved £9.22 in social value impact for every £1 spent in 2017/18 (2016/17: £8.74), with a total of 2,044 people experiencing an outcome. Six programmes and 11 projects were undertaken during the year. These include the following:

Project name	No. experiencing outcome	Social impact	Budget Impact Ratio
School Breakfast Club	591	£1,411,833	31.4
Activities for Older Adults	138	£877,568	16.4
Health Bursaries	231	£707,725	15.7
Healthy Children	270	£541,332	10.1
School Holiday Camps	211	£934,308	9.8

Source: ComMutual Impact Valuation Statement 2017/18. Figures derived from HACT Wellbeing Valuation methodology

COMMUTUAL
Year ended 31 March 2018

Key projects that made a positive impact this year include:

Employment

ComMutual helped 118 people to find work:

- 21 young people aged between 16 and 29 benefited from Access to Work, an Intermediate Labour Market Programme that creates practical paid work experience placements
- 68 tenants found employment through Liverpool Mutual in Work, a unique partnership between ComMutual and Liverpool City Council that offers LMH customers dedicated training and employment Information, Advice and Guidance (IAG) services
- 11 apprentices were taken on across LMH Group
- 18 people were supported into work through smaller employment programmes.

ComMutual also created 305 employment-related outcomes during the year.

Money Matters

- 140 people received charitable grant support, equivalent to £28,743 in social value
- 211 young people came to ComMutual School Holiday Camps. These were fully subscribed across LMH neighbourhoods.

Health & Wellbeing

- The Community Investment team delivered a total of 245 sessions across the city, adding to regular events and activities at TFFH.
- 275 older people attended health & wellbeing sessions
- 231 health bursaries helped to make children more active. These included swimming lessons delivered in partnership with Liverpool City Council's Lifestyles service
- 591 children attended School Breakfast Clubs at six local schools
- 25,788 young people visited TFFH, which supported over 10,000 formal learning programmes and had an average monthly membership of 1,496 people (there were 74,880 total visits to TFFH in 2017/18)

Go Digital

ComMutual teams carry out free IT sessions at 15 'Digital Hubs' across Liverpool (2016/17: 10 hubs). These sessions aim to help tenants get online and meet the challenges of Welfare Reform, including making Universal Credit applications and managing claims.

280 people visited the Digital Hubs this year. These are located at:

- Citron Close Residents Association
- The Green Residents Association
- Toxteth FireFit Hub
- Whiteoak Lodge sheltered housing scheme
- LMH Head Office, The Observatory
- LMH North Office, Clubmoor
- Dalemeadow Residents Association (x2)
- Sanctuary Family Support
- L6 Community Centre, Everton
- Macbeth Street Residents Association
- WETRA Residents Association
- Parkhill Court sheltered housing scheme

- Pine Lodge sheltered housing scheme
- Telford Court sheltered housing scheme

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is a company limited by guarantee, incorporated on the 14th March 2013 and registered as a charity on the 11th July 2013.

The company's governance is set out in its Memorandum and Articles of Association of 13th March 2013. The management of the company's affairs is vested in the Board of Trustees about whom the Memorandum and Articles of Association state that there will be a minimum of 3.

The ComMutual Board was formed from 3 former Toxteth Firefit Hub Trustees (P Morton, C Martin and P Garrigan) and 5 new trustees, one of whom (A Qassim) retired during the reporting period.

During the negotiations prior to the transaction incorporating the charity into the LMH Group, a Shadow ComMutual Board was established in order to oversee the transition and integration. On the 10 January 2017 the Shadow Board became the ComMutual Board.

Trustee training and development

The trustees have continued to support the development of the organisation. The trustees are drawn from a range of community representatives, including those associated with key stakeholders and key investors such as Merseyside Fire and Rescue Authority, Liverpool City Council and Liverpool Mutual Homes.

All trustees have been involved in formulating the plans and action required to ensure the ongoing development of the short and medium term strategy for the organisation and have been involved in Group Away Days discussing issues including:

- The Group's approach to merger opportunities
- The challenges ahead – Welfare Reform
- Group Governance arrangements

Trustees have had training on legal aspects of acting as a trustee and safeguarding which included trustee responsibilities and an overview of the operational arrangements in place to safeguard children and vulnerable adults.

As part of ComMutual's on-going training and development, the trustees have also had briefings on risk management, digital inclusion and money matters and will continue to receive 'spotlight on' briefings at Board meetings.

As and when new trustees are recruited and appointed, a full induction programme will be delivered to ensure that they are fully conversant with the aims, objectives and operation of ComMutual.

Public benefit

The trustees have had due regard to the guidance published by the Charity Commission on public benefit and in particular the supplementary guidance on public benefit and fee charging, ensuing ComMutual's work delivers its aims and charitable objectives.

Going Concern

After reviewing the charity's forecast and projections, following it joining the LMH Group. The trustees have a reasonable expectation that Commutual has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date of approval of these financial statements. The charity therefore continues to adopt the going concern basis in preparing its financial statements

Principal Risks and uncertainties

Risks that may prevent ComMutual from meeting its objectives are reported to Group Audit and Risk Committee on a quarterly basis. Risks are recorded and assessed in terms of their impact and probability.

A summary of the current risk areas for ComMutual are provided below:

Key Risk	Status	Planned Development in Internal Controls
Failure to increase revenue, as well as careful financial management	<ul style="list-style-type: none"> Bids continue to be submitted to try to diversify income streams and a growing commercial awareness at FFH will help. The ComMutual Fund Raising Strategy was approved at ComMutual Board in April 2018. Several applications for funding have been made and progress is recorded and presented to ComMutual Management Meetings as well as ComMutual Board. 	<ul style="list-style-type: none"> ComMutual has entered into an Intra Group Agreement (IGA) and Service Level Agreement (SLA) with the LMH Group. Both the IGA and SLA provide a structured approach to governance and the provision of corporate services. ComMutual will continually seek to generate income by diversifying income streams and submitting successful bids and tenders which support the charitable objects.
Failure to meet Big Lottery conditions	<ul style="list-style-type: none"> Data captured to support My Place Outcomes KPI's in place for completion each month monitored at SMT, EMT and ComMutual Board Effective Business Planning with due consideration for My Place Outcomes ComMutual has achieved four of the five MyPlace outcomes. Outcome 2 (975,000 visits to FireFit Hub by 2020) has not been achieved as yet. ComMutual Officers and the Executive Director (Operations) is in dialogue with Brabners to identify the best way to tackle this issue. 	<ul style="list-style-type: none"> The Big Lottery My Place grant conditions are in place until 2031. The conditions will continue to feature as a Business Plan priority and will be reported to ComMutual Board, LMH Group Audit and Risk Committee and LMH Group Board.

Two further risk areas have been highlighted which include safeguarding and lack of skills.

COMMUTUAL
Year ended 31 March 2018

Post Balance Sheet Events

LMH Group is currently in discussions with Torus about a potential merger, this is currently at the due diligence stage.

External Auditors

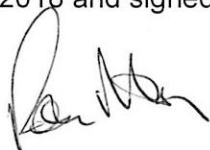
LMH Group appoints the external auditors for all Group companies.

Annual General Meeting

ComMutual is not required to hold an Annual General Meeting under its Articles of Association.

Approval

In approving the trustees report, the trustees are also approving the strategic report in their capacity as directors of the company. The Trustees' report was approved by the Board on 23 July 2018 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Peter Morton', written over a horizontal line.

Peter Morton
Trustee
Date: 23 July 2018

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees, who are also directors of ComMutual for the purposes of company law, are responsible for preparing the Trustees' 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), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

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

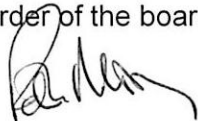
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any 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 business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

By order of the board of trustees



Peter Morton
Trustee
Date: 23 July 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUTUAL

Opinion

We have audited the financial statements of Commutual (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources including, its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, incorporating the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report, incorporating the strategic report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the 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' Report, incorporating the strategic report.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees for the financial statements

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

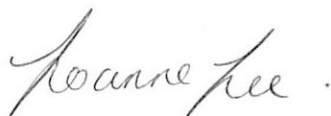
In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



Joanne Love
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester

Date: 9 August 2018 .

COMMUTUAL
Year ended 31 March 2018

STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)

For the year ended 31 March 2018

		2018			2017		
		Un- restricted Funds	Restricted Funds	Total funds	Un- restricted Funds	Restricted Funds	Total funds
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Income:							
Donations and legacies	3	2,000	-	2,000	2,258	8	2,266
Income from charitable activities	4	355	36	391	191	137	328
Commercial trading activities	5	67	-	67	44	-	44
Investment Income	6	3	-	3	-	-	-
Other Income	7	6	-	6	3	-	3
Total Income		2,431	36	2,467	2,496	145	2,641
Expenditure on:							
Costs of raising donations and legacies	8	-	-	-	(3)	-	(3)
Charitable activities	9/10	(2,051)	(35)	(2,086)	(722)	(131)	(853)
Total Expenditure		(2,051)	(35)	(2,086)	(725)	(131)	(856)
Net income and net movement in funds for the year		380	1	381	1,771	14	1,785
Total funds at beginning of year		1,889	22	1,911	118	8	126
Total funds at end of year		2,269	23	2,292	1,889	22	1,911

The incoming resources and resulting net movement in funds arise from continuing activities.

The accompanying notes form part of these financial statements.

COMMUTUAL
Year ended 31 March 2018

BALANCE SHEET

As at 31 March 2018

	Note	2018 £'000	2017 £'000
Fixed Assets			
Tangible assets	15	2	3
Current Assets			
Debtors	16	60	2,258
Cash at bank and in hand		2,424	175
Total current assets		<u>2,484</u>	<u>2,433</u>
Creditors: amounts falling due within one year	17	(194)	(525)
Net current assets		<u>2,290</u>	<u>1,908</u>
Total assets less current liabilities		<u>2,292</u>	<u>1,911</u>
Net assets		<u>2,292</u>	<u>1,911</u>
The funds of the charity:			
Restricted funds	18	23	22
Unrestricted funds	18	2,269	1,889
Total Charity Funds		<u>2,292</u>	<u>1,911</u>

The financial statements were approved by the Board on 23 July 2018 and signed on its behalf by:



Peter Morton
Trustee

Company Registration Number: 08444912

The accompanying notes form part of these financial statements.

COMMUTUAL
Year ended 31 March 2018

STATEMENT OF CASH FLOWS

For the year ended 31 March 2018

	2018 £'000	2017 £'000
Cash flows from operating activities	381	1,785
Decrease / (increase) in creditors	(331)	490
Decrease / (increase) in debtors	2,198	(2,192)
Depreciation	1	3
Interest received	(3)	-
Net cash provided by operating activities	2,246	86
Cash flows from investing activities		
Interest received	3	-
Net cash provided by investing activities	3	-
Change in cash and cash equivalents in the year	2,249	86
Cash and cash equivalents at the beginning of year	175	89
Cash and cash equivalents at the end of year	2,424	175

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Legal status

ComMutual is limited by guarantee and has no share capital. Every member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up whilst he or she is a member or within one period of ceasing to be a member for the debts and liabilities of the Society contracted before he or she ceases to be a member, such as may be required not exceeding £1.

Registered Office	LMH @ The Observatory 1 Old Haymarket Liverpool L1 6RA
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2. Accounting policies

Basis of accounting

The Financial Statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with:

- Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS102));
- Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102);
- Charities Act 2011 and the Companies Act 2006.

The charitable company constitutes a public benefit entity as defined by FRS102.

Incoming resources

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether capital grants or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Volunteers and donated services

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS102), the general volunteer time is not recognised and refer to the trustees' annual report for more information about their contribution.

On receipt, donation professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Funds

Unrestricted funds are donations and other incoming resources receivable or generated for the furtherance of the charity's objects without further specified purpose and are available as general funds.

Restricted funds are to be used for specific purposes are laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Resources expended

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

Costs of raising funds comprise the costs associated with attracting donations, grants and legacies and the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, as set out in the notes to the accounts.

Debtors

Short term debtors are measured at transaction price, less any impairment and are measured subsequently at amortised cost using the effective interest method.

Creditors

Short term creditors are measured at transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Financial Instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities, like accounts receivable and payable.

Fixed Assets

All fixed assets are initially recorded at cost.

Depreciation is provided to write off the cost of each asset over its useful economic life at the following rates

Fixtures and fittings	- 15% straight line
Office equipment	- 25% straight line
Sports equipment	- 15% straight line

Reserves

The charity establishes restricted reserves for specific purposes where their use is subject to external restrictions. Unrestricted reserves relate to historic surpluses and deficits from the charity's activities. Reserves are used to fund the Charity's future activities.

Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- A possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees control or;
- A present obligation following a grant offer where settlement is either not considered probable.

Significant judgements and key areas of estimation uncertainty

Trustees consider there to be no items in the financial statements where they have had to make significant judgements in the process of applying the charity's accounting policies or key sources of estimation uncertainty.

NOTES TO THE FINANCIAL STATEMENTS

3. Incoming resources from donations and legacies

	Unrestricted Funds £'000	2018 Restricted Funds £'000	Total funds £'000	2017 Total funds £'000
Donations				
Donations	2,000	-	2,000	11
Liverpool Mutual Homes	-	-	-	2,238
Grants receivable				
Telent	-	-	-	16
Liverpool City Council	-	-	-	-
Merseyside Fire & Rescue	-	-	-	-
Live Well	-	-	-	-
Sponsorship				
Sponsorship	-	-	-	1
	2,000	-	2,000	2,266

4. Income from Charitable Activities

	Unrestricted Funds £'000	2018 Restricted Funds £'000	Total funds £'000	2017 Total funds £'000
Memberships, activities and hire	355	-	355	191
Henry Smith	-	20	20	15
Children in need	-	7	7	-
Satellite Club	-	3	3	12
Big Music	-	2	2	-
Street Games	-	2	2	1
Greggs lunches	-	1	1	-
Steve Beko	-	1	1	-
Active 8	-	-	-	90
Sister Hub	-	-	-	7
Lottery funded – Love your hub	-	-	-	8
Sportivate	-	-	-	3
Music Hub	-	-	-	1
	355	36	391	328

NOTES TO THE FINANCIAL STATEMENTS

5. Commercial Trading Activities

	2018 Unrestricted Funds £'000	2018 Total Funds £'000	2017 Unrestricted funds £'000	2017 Total funds £'000
Vending income	11	11	1	1
Fundraising events	-	-	-	-
Rent received	56	56	43	43
	67	67	44	44

6. Investment Income

	2018 Unrestricted Funds £'000	2018 Total Funds £'000	2017 Unrestricted funds £'000	2017 Total funds £'000
Bank interest receivable	3	3	-	-
	3	3	-	-

7. Other Income

	2018 Unrestricted Funds £'000	2018 Total Funds £'000	2017 Unrestricted funds £'000	2017 Total funds £'000
Other incoming resources	6	6	3	3
	6	6	3	3

8. Costs of raising Donations and Legacies

	2018 Unrestricted Funds £'000	2018 Total Funds £'000	2017 Unrestricted funds £'000	2017 Total funds £'000
Fundraising events costs	-	-	2	2
Other	-	-	1	1
	-	-	3	3

NOTES TO THE FINANCIAL STATEMENTS

9. Costs of Charitable activities by fund type

	Unrestricted Funds £'000	2018 Restricted Funds £'000	Total funds £'000	2017 Total funds £'000
Staff costs	331	28	359	331
Events and activities project	1,269	7	1,276	304
Establishment expenses	75	-	75	3
Depreciation	2	-	2	2
Support costs	374	-	374	213
	2,051	35	2,086	853

10. Costs of charitable activities by activity type

	Activities undertaken directly £'000	2018 Support costs £'000	Total funds £'000	2017 Total funds £'000
Staff costs	359	356	715	530
Events and activities project	1,276	-	1,276	304
Establishment expenses	75	-	75	3
Depreciation	2	-	2	2
Governance costs	-	18	18	14
	1,712	374	2,086	853

11. Governance costs

	2018 £'000	2017 £'000
Other professional	18	14
	18	14

NOTES TO THE FINANCIAL STATEMENTS

12. Net Income/(Outgoing) resources for the year

	2018 £'000	2017 £'000
This is stated after charging:		
Depreciation	2	2

Auditor's remuneration for the company are included within the fees to Liverpool Mutual Homes Ltd and charged to ComMutual via the service level agreement.

13. Staff Costs and Emoluments

Total staff costs were as follows:	2018 £'000	2017 £'000
Wages and salaries	665	516
Social security costs	50	14
	715	530

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2018 No.	2017 No.
Number of management staff	3	2
Number of regeneration staff	9	7
Youth team and support staff	15	21
	27	30

No employee received remuneration of more than £60,000 during the year (2017: Nil). None of the trustees received any remuneration during the period (2017: Nil). Reimbursed expenses amounted to £Nil (2017: £Nil).

The key management personnel of the charity comprises of the trustees, none of the trustees are employed by the charity.

14. Taxation

The company is exempt from corporation tax on its charitable activities

NOTES TO THE FINANCIAL STATEMENTS

15. Tangible fixed assets

	Plant and machinery
	2018
	£'000
Cost	
At 1 April 2017	8
Additions in the year	1
Disposals in the year	-
At 31 March 2018	9
Depreciation	
At 1 April 2017	5
Charge for the year	2
At 31 March 2018	7
Net Book Value	
At 31 March 2018	2
At 31 March 2017	3

16. Debtors

	2018	2017
	£'000	£'000
Trade debtors	18	15
Prepayments	8	5
Other debtors	34	-
Intercompany debtor	-	2,238
	60	2,258

17. Creditors: amounts falling due within one year

	2018	2017
	£'000	£'000
Trade creditors	35	2
PAYE and social security	20	-
VAT creditor	-	66
Intercompany creditor	31	334
Other creditor	108	123
	194	525

NOTES TO THE FINANCIAL STATEMENTS

18. Funds

Restricted funds

	Restricted Funds £'000
Balance at 1 April 2016	8
Income	14
Balance at 31 March 2017	22
Income	1
Balance at 31 March 2018	23

The restricted funds relate to specific projects and events run by the charity in accordance with the conditions of the funding arrangements with the funding provider.

Restricted funds carried forward at the year end are made up as follows:

Henry Smith	£14,557 (2017: £14,469)	Provision of grants to support projects and services that help maximise the potential of young people who experience educational, social and economic disadvantage; including young people in, or leaving care.
Children in Need	£5,269 (2017: £5,269)	The charity was successful in their bid for a Children in Need grant in 2016, the grant runs for 1 year (with a view to more) and is based around engagement of young people in physical activities, activator course, young leader courses and the celebration of their achievements throughout the project.
Satellite Clubs	£2,351 (2017: £1,156)	Initially TFFH applied for 7 Satellite Clubs to run for 20 weeks. The idea is to link up with sports clubs around the Liverpool area who provide a coach to deliver sessions at TFFH, all the while establishing an exit route for the participants to feed straight in to the sports club. Satellite Clubs has been a success from the start, which has resulted in the continuation and sustaining of the project, which is currently on going. We have won a number of National Participant of the year awards and received bursaries to up-skill volunteers and participants. Also building up a great working relationship with Merseyside Sports Partnership (MSP).

NOTES TO THE FINANCIAL STATEMENTS

18. Funds (continued)

Big Music Projects	£891 (2017: £891)	A project for 14-25 year olds who plan and development their own music and dance. This was then showcased at Manchester Met Student union.
MSP Sustain	£800 (2017: £800)	Sustain is added funding for the continuation of the Satellite Clubs project, the sessions and clubs that had already been successful in the 2 years prior were sustained for a further 20 weeks. TFFH exceeded all participant targets for the sustained funding.

Unrestricted funds

	Unrestricted Funds £'000
Balance at 1 April 2016	118
Surplus for the year	1,771
Balance at 31 March 2017	1,889
Surplus for the year	380
Balance at 31 March 2018	2,269

19. Financial assets and liabilities

Financial assets

Other than short-term debtors, financial assets held are cash at bank. They are sterling denominated:

	2018 £'000	2017 £'000
Cash at bank	2,424	175
	<u>2,424</u>	<u>175</u>

Financial liabilities

ComMutual does not have any financial liabilities excluding trade creditors and other creditors.

NOTES TO THE FINANCIAL STATEMENTS

20. Related party transactions

A Forshaw, a trustee of the charity, is a representative of LMH. ComMutual has entered into a Service Level Agreement with LMH for the provision of support services such as IT, Human Resources, Finance and Asset Management. The value of services procured during the period was £237,468. In addition, LMH hired various facilities at Toxteth Fire Fit Hub. This amounted to £107 (2017: £6,736)

C Martin, a trustee of the charity, is a representative of Liverpool City Council. Liverpool City Council hired various facilities at Toxteth Fire Fit Hub. This amounted to £1,000 (2017: £435).

P Garrigan, a trustee of the charity, is a representative of Merseyside Fire and Rescue. Merseyside Fire and Rescue hired various facilities at Toxteth Fire Fit Hub. This amounted to £50 (2017: £3,870).

21. Ultimate controlling party

As LMH Group controls the appointment of the Board it is considered to be the beneficial owner. In the opinion of the trustees LMH Group is the ultimate parent company and controlling party.

22. Capital Commitments

There were no capital commitments at 31 March 2018 (2017: nil)