



The Honey Pot Children's Charity

Annual Report & Accounts

YEAR ENDING 31ST MARCH 2018





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**THE HONEYPOT CHILDREN'S CHARITY
GENERAL INFORMATION
YEAR ENDING 31ST MARCH 2018**

CHARITY	Registered Charity No. 1011672
TRUSTEES	Caspar MacDonald Hall (Chair) David Clark Mary Davis Laurie Oppenheim Paddy Grafton Green Hugh Whitaker Michael Jolliffe Verne Grinstead Carl Leighton-Pope Mikhail Watford Michael Steele Natalie Rebeiz
LEADERSHIP TEAM	Simmi Woodwal (Chief-Executive) Sarah Wallace (Director of Operations) Phil Gellhorn (Director of Finance)
ADDRESS	19 Berghem Mews Blythe Road London W14 0HN
AUDITORS	Wilkins Kennedy Audit Services Templars House Lulworth Close Chandlers Ford Southampton, Hampshire SO53 3TL
SOLICITORS	Simkins LLP Lynton House 7-12 Tavistock Square London WC1H 9LT
BANKERS	Barclays Bank PLC No. 1 High Street Bracknell Branch Berkshire RG12 1DR

THE HONEYPOT CHILDREN'S CHARITY ANNUAL REPORT & ACCOUNTS YEAR ENDING 31ST MARCH 2018

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

Our vision is for every child to make the most of their one chance at childhood. We enhance the lives of vulnerable children and young carers aged 5-12 years by providing residential respite breaks and on-going outreach support to:

- *Give the children a break from demanding and stressful responsibilities at home*
- *Provide a safe and nurturing environment where children at risk can develop their full potential*



We aim to achieve this by providing:-

- *Residential Respite Breaks (3 nights/4 days and 4 nights/ 5 days) for children and young carers at the Honeypot House, New Forest and our new house in Powys, Wales;*
- *Continued support through annual Residential Repeat Visits (2 nights) for children and young carers until the age of 12, at the Honeypot House, New Forest and in Wales;*
- *Regular outreach support in the form of the Honeypot Playbus, which offers safe, informal educational opportunities;*
- *A maintained and ongoing supportive relationship to the children through birthday cards, photos and Christmas parties;*
- *Volunteers, who through their enthusiasm and desire to make a difference significantly add to the child's experience.*
- *Through informal play and organised activities, Honeypot encourages the children to interact socially with their peers and develop personal skills that will support them throughout life.*

ACHIEVEMENTS AND PERFORMANCE-DELIVERING PUBLIC BENEFIT

During 2017/18 we achieved the following:

Hampshire

2017/18 was a bumper year for Honeypot House, with the team in the New Forest welcoming 273 first time children on site, as an additional holiday was squeezed into the calendar, bringing the number of breaks for new Honeypot children to 23. This represented 99% occupancy, as the team worked hard maximising the use of our site by filling last minute gaps in take-up of the breaks.

Additionally, we delivered 31 weekend breaks to support 371 children returning for a second or subsequent stay with us.

The Hampshire site also benefitted from the addition of a new art studio, which will give the children far more space to be creative, learn different skills and discover hidden talents. And we are extremely grateful to the Leigh Webb Charitable foundation for making that possible.

The Playbus

To maintain our support to our Honeypot Children throughout the year, the Playbus visits schools, young carer groups, Young Carers festivals and community events in the areas that the Honeypot Children come from. Following a year when the Playbus spent time out of commission because of necessary repairs, in 2017/18 the Playbus was much better utilised, providing 160 play sessions at 50 different venues. The friends of Honeypot Children are welcomed onto the Playbus alongside the Honeypot Child so as not to explicitly identify our service users to their peers and these children form part of our total numbers.

In total during the year 2,431 children visited the Playbus, including 1,006 Honeypot Children.



Wales

2017/18 was the first year that Honeypot Pen y Bryn was fully operational. The hard work invested in networking and marketing paid off, with the team delivering 20 Honeypot Breaks for first time children and 14 Project Breaks, where staff from organisations such as Young Carers groups attend with a group of children from their projects to gain a better understanding of the Honeypot ethos. Through all of these breaks, the team welcomed 347 children to the site throughout the year.

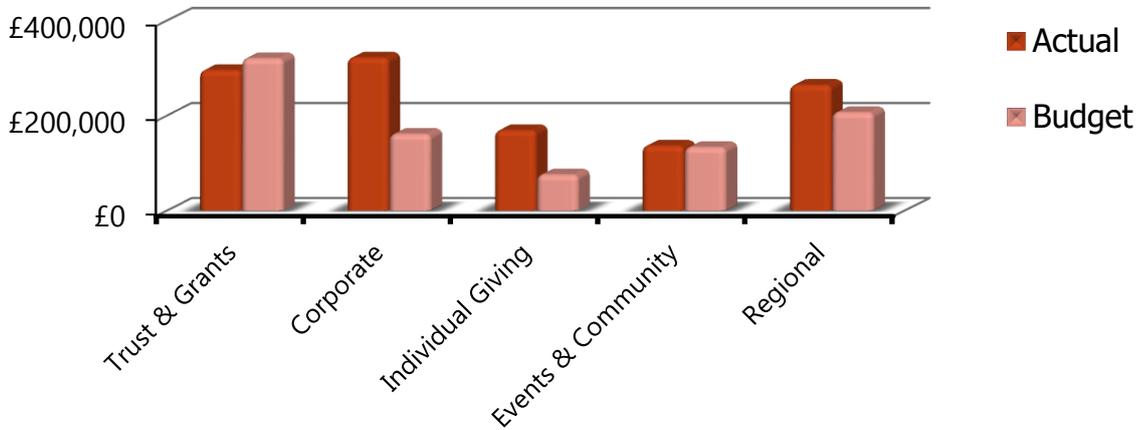
Additionally, to maximise the use of the site and to build referral networks with local partners, the team delivered 6 Arts Days, hosted 3 Christmas parties and ran 19 THRIVE sessions, in partnership with a local school, to develop emotional intelligence and resilience among some of their most vulnerable pupils.

Major Achievements

This year we were selected as 10 Downing Street's Charity Partner for 2018. The partnership was formally announced at a reception hosted by the Prime Minister during Carers Week in June 18.

Thanks to some very generous supporters, we have now raised the funds to build a swimming pool on our site in Dolfor, Honeypot Pen y Bryn. The plans have been finalised and work began in May 18 with a completion date of October. The swimming pool will be enclosed so the children can enjoy it all year round regardless of the weather. Swimming is an integral part of a child's break with Honeypot and has been voted as one of the children's favourite activities. It is wonderful to watch the children develop their confidence in the water and some of them even leave having learned to swim. As always, we are hugely grateful to Richard Porter and Neil Pegrum for their continued support.

Core Actual income v Budgeted income



Honeypot’s fundraisers have all worked hard over the past 12 months in what has been a very challenging fundraising environment; not just for Honeypot, but for the charity sector as a whole.

Despite this, there have been some significant fundraising and marketing achievements this year. Mention has already been made of our having been appointed 10 Downing Street’s Charity of the Year, and during July 2018 Honeypot received two BBC Radio 4 Charity Appeal broadcast slots. Large sums were also raised at the London Marathon (£30,000) and our Corporate Challenge Bowling Event (£28,000). In both these cases, the amounts raised were significantly higher than in any previous year.

17/18 also saw two inaugural events: the Honeypot Hampshire Ball which raised £12,000 , and our first Comedy event – a wonderful evening of stand-up comedy which raised over £11,000 . Amongst our corporate supporters, St. George’s plc, invited teams to take part in a Clay Pigeon Shoot for Honeypot, which raised £53,000 in one day!

As ever, we are hugely grateful to all of the Trusts, Individuals, Companies, Community Groups,

Schools, Colleges and Rotary Clubs for their continued support. We would also like to thank all those who have attended our various events and taken part in our sporting challenges. It is this outstanding support that makes it possible to provide our children with a much needed break and the opportunities they would otherwise not have.



Our fundraising practices

Members of The Honeypot Children's Charity's fundraising department organise fundraising events and co-ordinate the activities of our supporters both at bespoke events and in the wider community. The Honeypot Children's Charity does not use professional fundraisers or involve commercial participators. There have been no complaints about fundraising activity this year.

The fundraising department has signed up to the Fundraising Regulator's Code of Fundraising Practice. As a result, all of the fundraising guidance and working practices have been updated so that they are compliant. Volunteer fundraisers are now given a briefing before they raise funds for The Honeypot Children's Charity and will also be given annual updates and reminders.

All direct marketing is undertaken by the fundraising department to ensure that it is not unreasonably intrusive or persistent. All marketing material contains clear instructions on how a person can be removed from mailing lists.

FUTURE DEVELOPMENT

Since the opening of Honeypot Pen Y Bryn in 2016 we have been steadily increasing awareness of our services across Wales and the North-West. 2018/19 will see the house at 75% capacity and the following year (year 3) we plan to be at 100% capacity.

The work on the swimming pool at Honeypot Pen Y Bryn began in May 2018 with a completion date set for mid-October. This wonderful facility will be in an enclosed building so accessible to children all year round regardless of the outside temperature.

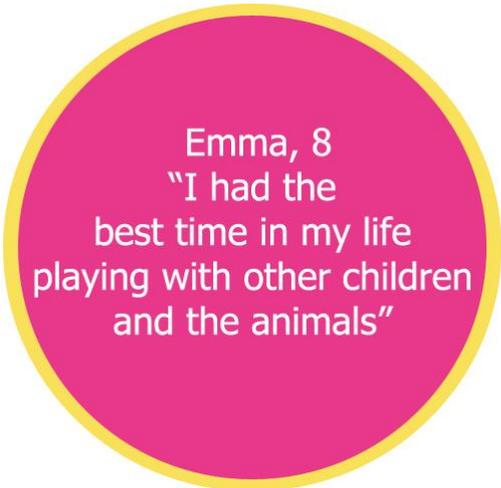
Honeypot House in Hampshire has needed significant refurbishment work due to wear and tear and we are delighted that this will be carried out by Aspire in November 2018. Leigh Webb has also very kindly paid for a new art studio on site; this is a wonderful space for the children to enjoy during their respite breaks.

FINANCIAL REVIEW

The overall gross income of the charity was £1,210,922; down by 24% over the previous year (2017: £1,590,008). The shortfall in the year reflects the fact that no Honeypot Party or Chester Party took place in 2018 whereas in 2017 both took place. The Honeypot Party at the Dorchester is put on by the trustees once every two years. Adjusting for this,

income in 2018 was in fact £16K higher than income in 2017 when using a like for like comparison.

The gross reported expenditure of the charity was £1,459,586, an increase of 4% compared to the previous year (2017: £1,408,211). The increase in expenditure was only marginal but would have been higher if the Honeypot Party had occurred in the year, as it had in 2017. Adjusting to show like for like actual expenditure in 2018 was £127K or 9% higher in 2018. The overall increase in expenditure was due to the increased activity at the new house in Wales and the increased head office costs associated with an increase in charitable activity. This is reflected in slightly higher charitable spend in the pound. During 2017/18, 75p in every £1 was spent on charitable activity (73p : 2016/17).



Emma, 8
"I had the
best time in my life
playing with other children
and the animals"

INVESTMENT POLICY

The Trust Deed authorises the Trustees to make and hold investments as they deem fit. 100% of the share capital of Honeypot Trading Limited, the trading arm of the charity, is held by the Trustees. This year the trading company did not trade. In general, the Board operates a cautious investment policy. Currently, the majority of cash reserves are held in 30 to 90 day notice deposit accounts paying between 0.75% and 1%.

RESERVES POLICY

The Trustees are currently operating a policy whereby the reserves held by The Honeypot Children's Charity should be a maximum of six months of resources expended. This would enable current activities to continue in the short-term

should funding drop significantly, something that cannot be discounted. Currently, unrestricted general funds stand at £190,443 and operational restricted funds stand at £179,516 giving a total for operating funds of £369,959 (2017: £533,058) or 3 months (2017: 4.5 months).

In addition to unrestricted general funds, the trustees have designated funds for the following purposes:

Fixed Asset Fund	1,019,717
Third Honeypot House Fund	32,448
Disaster Recovery Fund	30,000
£	1,082,165

REFERENCE AND ADMINISTRATIVE DETAILS

The Trustees present their report along with the financial statements of the charity for the year end 31st March 2018.

The Honeypot Children's Charity is registered with the Charity Commission under registration number 1011672 and is governed by a Board of Trustees.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are required under the Charities Act 2011 to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- (a) Select suitable accounting policies and apply them consistently;*
- (b) Make judgments and estimates that are reasonable and prudent;*
- (c) State whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements;*
- (d) Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation;*

The Trustees are responsible for keeping accounting records, which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with applicable law and regulations. 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Honeypot Children's Charity is constituted by a Deed of Trust dated 13th April 1992, as amended by Supplemental Deeds dated 11th March 1996; 1st

December 1999; 7th September 2006, 29th March 2007 and 16th February 2010.

The Board of Trustees is governed by the Deed of Trust, and Trustees are responsible for controlling the management and administration of the Charity. The Deed of Trust limits the number of Trustees to between three and twelve. Recruitment and selection of potential Trustees is performed by current Trustees and the Chairman. Once appointed, the Trustee is presented with a New Trustees' pack that outlines the policies and procedures of the Charity and the Trustees' specific responsibilities. The Induction process also includes a visit to one of the Honeypot Houses.

Full Board of Trustees meetings are held four times a year to review and agree major areas of policy. The agenda for these meetings also addresses performance, budgets, future strategy and risk management.

The sub-committees, operate within specific terms of reference agreed by the Board, and include specialist co-opted members as well as Trustees. The day-to-day running of the charity is delegated to the Chief Executive and the Senior Management Team.

The Current Sub-Committees are:

Policy – Children Services Sub-Committee has responsibility for ensuring that the Honeypot Service is achieving the strategy of the Board of Trustees while adhering to current legislation. The Children's Services Manager in Hampshire sits on a variety of Hampshire social services and child support agency committees. The Charity has also enjoyed relationships with Universities in Bath, Winchester and Southampton in the development of service delivery and been involved in outplacement of undergraduate trainees. In Wales, the Children's Services Manager has close links with social services in both Wales and the Midlands area, and is well versed with the minor differences pertaining to delivering child support under the auspices of the Welsh Assembly. The committee oversees the management of Health and Safety and other operational risk factors.

Finance - Finance and Administration Sub-Committee is principally concerned with overseeing the financial well-being of the charity and its ability to deliver the strategy laid down by the Trustees. The sub-committee is responsible for ensuring that internal and external controls are in place and effective in meeting current legislation, propriety and risk management.

Income – Fundraising Sub-Committee is responsible for the review and delivery of the Fundraising activities to ensure that the operations of the charity can be achieved.

Responsibility for reviewing key areas of activity and policy are delegated to sub-committees that report back to the trustees meetings.



"All the children had a wonderful time at Honeypot. They all enjoyed the freedom to play outside in a safe and secure environment."
Karen, Family Support Worker (Southampton)

RISK POLICY

We actively review the major risks, which the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with a periodic review of fundraising activities and the financial system controls will provide sufficient resources in the event of adverse conditions. A risk register is maintained and we consider carefully the four major areas that the charity deems itself to be at risk: Charity Governance and Direction, Financial, Adults and Children and Premises and Property.

PUBLIC BENEFIT

All our charitable activities have until very recently only supported children residing in London and the South-East. We are now in a position to start supporting children in Wales, the Midlands and the North-West. When planning activities for the year, the trustees have considered the Charity Commission's guidance on public benefit, and in particular, the specific guidance for the relief of those in need by reason of financial hardship or other disadvantage. We have recently achieved our medium term strategic goal to open a second house. We look forward to working hard to extend this process to open a third house in due course.

APPROVAL

This report was approved by the Trustees and signed on their behalf by:



Caspar MacDonald Hall

Chairman of the Board of Trustees

Date: 5/11/18

Independent auditor's report to the Trustees of The Honeypot Children's Charity

Opinion

We have audited the financial statements of The Honeypot Children's Charity (the 'charity') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, Balance Sheet and the related 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 charity's affairs as at 31 March 2018 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 Charities Act 2011.*

Basis for opinion

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

Conclusions relating to going concern

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 charity'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 annual report, other than the financial statements and our auditor's report thereon⁴. Our opinion on the financial statements does not cover the other information and 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.

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 Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or

- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees’ responsibilities statement, the trustees 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 charity’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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Use of our report

This report is made solely to the charity’s trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity’s trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Wilkins Kennedy

 Wilkins Kennedy Audit Services
 Statutory Auditors
 Templars House
 Lulworth Close
 Chandlers Ford
 SO53 3TL
 Date.....*27/11/18*.....

Wilkins Kennedy LLP is eligible for appointment as auditor by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE HONEYPOT CHILDREN'S CHARITY

FINANCIAL STATEMENTS

FOR YEAR ENDED 31ST MARCH 2018

The Honeypot Children's Charity

Statement of Financial Activities For the Year End 31st March 2018

	Notes	Unrestricted Funds	Restricted Funds	Totals 2018	Totals 2017
		£	£	£	£
Income					
Donations and legacies	2	615,397	467,608	1,083,005	1,118,185
Other trading activities	3	110,571	-	110,571	460,260
Income from investments	2	6,659	-	6,659	6,474
Income from charitable activities	2	10,687	-	10,687	5,089
Total Income & Endowments		743,314	467,608	1,210,922	1,590,008
Expenditure					
Expenditure on raising funds	3	364,538	-	364,538	384,493
Expenditure on charitable activities	4	670,301	424,747	1,095,048	1,023,718
Total Expenditure		1,034,839	424,747	1,459,586	1,408,211
Net movement in Funds		(291,525)	42,861	(248,664)	181,797
Fund Balances Brought Forward at 1 April 2017		1,564,134	815,732	2,379,866	2,198,069
Fund Balances Carried Forward at 31 March 2018		1,272,609	858,593	2,131,202	2,379,866

All income and expenditure relates to continuing activities.

There were no recognised gains or losses for 2018 (or 2017) other than those included in the Statement of Financial Activities.

The Honeypot Children's Charity

Balance Sheet

For the Year End 31st March 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	8	1,157,340	1,087,762
Investments	9	<u>2</u>	<u>2</u>
		<u>1,157,342</u>	<u>1,087,764</u>
Current assets			
Debtors	10	120,002	258,205
Short term deposits		895,738	926,401
Cash at bank and in hand		<u>79,336</u>	<u>225,587</u>
		<u>1,095,076</u>	<u>1,410,193</u>
Creditors: amounts falling due within one year	11	(121,216)	(118,091)
Net Current Assets		<u>973,860</u>	<u>1,292,102</u>
Total assets less current liabilities		<u>2,131,202</u>	<u>2,379,866</u>

Net Assets	2,131,202	2,379,866
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The Funds of the charity:

Unrestricted funds

General Funds	16	190,444	479,878
Designated funds	16	<u>1,082,165</u>	<u>1,084,256</u>
		1,272,609	1,564,134

Restricted funds	17	858,593	815,732
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Total Charity Funds	2,131,202	2,379,866
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The financial statements on pages 11 to 23 were approved by the Board of Trustees and signed on their behalf by:

.....
 Caspar MacDonald Hall
 (Chairman)

Date:

5/11/18

**Statement of Cash Flows
For the Year End 31st March 2018**

		Total Funds 2018 £	Total Funds 2017 £
	<u>Note</u>		
Net cash provided by operating activities	15	(53,098)	286,696
<i>Cash flows from investing activities:</i>			
Interest income		6,659	6,474
Purchase of tangible fixed assets (net of disposals)		<u>(130,475)</u>	<u>(281,913)</u>
<i>Net cash provided / (used) by investing activities</i>		<u>(123,816)</u>	<u>(275,439)</u>
Increase (decrease) in cash and cash equivalents in the year			
		(176,914)	11,257
Cash and cash equivalents at the beginning of the year		1,151,988	1,140,731
Cash and cash equivalents at the end of the year		975,074	1,151,988

**Notes to the Financial Statements
For the Year End 31st March 2018**

1. Accounting Policies

1.1 Basis of Preparation and assessment of going concern

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. The charity constitutes a public entity as defined by FRS 102.

1.2 Fund Accounting

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

Designated Funds are unrestricted funds but have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the Financial Statements.

Restricted Funds are funds which will be used in accordance with specific restrictions imposed by donors or have been raised by the charity for particular purposes. Expenditure that meets the criteria is charged to the fund. The aim and use of each restricted fund is set out in the notes to the Financial Statements.

1.3 Incoming Resources

Donation and legacy income is received by way of donations and gifts and is included in full in the Statement of Financial Activities, when receivable.

For legacies, entitlement is taken as the earlier of the date on which either : the charity is aware that the probate has been granted , the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received by the estate.

Grants and other income are 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.

Other trading activities comprises of amounts receivable from specific events held during the year inclusive of gift aid tax repayment claims.

Income from investments includes bank interest receivable during the year.

No amounts are included in the Financial Statements for services donated by volunteers. Other gifts in kind are recognised at a reasonable estimate of their value to the charity.

Accrued income is recognised where it is probable that entitlement exists, subject to any conditions of receipt.

Income from charitable activities relates to monetary contributions towards attendance on the playbus and use of the house in Hampshire. They are recorded as received.

Notes to the Financial Statements

For the Year End 31st March 2018

1. Accounting Policies (Contd.)

1.4 Resources Expended

Expenditure is accounted for on an accruals basis and allocated to the appropriate heading in the accounts. Expenditure on raising funds include the costs incurred in generating donation and legacy income and fundraising costs. These costs are regarded as necessary to generate funds that are needed to finance charitable activities.

Charitable activities expenditure enables the charity to meet its charitable aims and objectives.

Support costs are those costs which enable fund generating and charitable activities to be undertaken. These costs include Central Premises costs and Central Management costs such as finance, administration and human resources. These costs have been apportioned on a basis of time spent on each of the direct activities.

Resources expended include attributable VAT which cannot be recovered.

1.5 Tangible Fixed Assets

Tangible Fixed Assets costing more than £1,000, and computer equipment, are capitalised and included at cost. Depreciation is applied to all Tangible Fixed Assets with the exception of freehold land (due to the fact that it shouldn't normally depreciate) and is calculated in order to write off the cost less estimated residual value over their expected useful lives as follows:-

Freehold Land	Nil
Freehold Buildings	2% Straight Line
Fixtures and Fittings	20% Straight Line
Equipment	25% Straight Line
Motor Vehicles	25% Reducing Balance

£100,000 each on the house in Hampshire and the one in Wales are deemed to be the freehold land element which is not charged depreciation. Donated Assets are capitalised at the value of the cost to the donor or if not new, at the current market value. The value of the donation is credited to the Statement of Financial Activities.

1.6 Operating Leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

1.7 Consolidation

The results of the Charity's trading Company have not been consolidated on a line by line basis due to the insignificant level of activity. Any trading profit donated by way of a gift aid is included in income from investments.

1.8 Pensions

The Charity makes payments to a defined contribution scheme on behalf of employees. The contributions are treated as an expense in the year. The charity commenced its staging date for auto-enrol purposes on 1st October 2015. The contribution by employees is 3% and by the employer 5%.

1.9 Short term investments

Short term investments are held to seek a return on low risk cash deposit bank accounts.

Notes to the Financial Statements

For the Year End 31st March 2018

1. Accounting Policies (Contd.)

1.10 Debtors

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

1.11 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Creditors and provisions

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

1.13 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

The Honeypot Children's Charity

Notes to the Financial Statements For the Year End 31st March 2018

2 Income

	2018 £	2017 £
Trust & Grants	295,769	314,937
Corporate Donations	376,906	451,367
Individual Donations	277,312	219,834
Community Fundraising	133,018	132,047
Total donation and legacy income	1,083,005	1,118,185

Interest receivable on deposit bank accounts	6,659	6,474
Total income from investments	6,659	6,474

Other contributions	9,510	3,909
Contributions towards Playbus	1,177	1,180
Total income from charitable activities	10,687	5,089

During 2018, donation and legacy income was the only source of income which had unrestricted and restricted income. This was the same for 2017. During 2018, restricted income made up £467,608 of total donation and legacy income (2017: £461,834).

3 Expenditure on raising funds

	Activities undertaken directly £	Support Costs £	2018 £	2017 £
Donation and legacy income	1,083,005	-	1,083,005	1,118,185
Cost of generating donation and legacy income	(189,757)	(80,204)	(269,961)	(235,270)
Net donation and legacy income	893,248	(80,204)	813,044	882,915
Other trading activities income	110,571	-	110,571	460,260
Cost of generating trading activity income	(54,475)	(40,102)	(94,577)	(149,223)
Net fundraising events and hire of facilities income	56,096	(40,102)	15,994	311,037
Total fundraised income	1,193,576	-	1,193,576	1,578,445
Total costs on raising income	(244,232)	(120,306)	(364,538)	(384,493)
Net donation, legacy & fundraising income	949,344	(120,306)	829,038	1,193,952

**Notes to the Financial Statements
For the Year End 31st March 2018**

4 Expenditure on charitable activities

	Activities undertaken directly £	Support Costs £	2018 £	2017 £
Respite Breaks and Repeat Weekends	749,481	253,038	1,002,519	867,828
The Honeypot PlayBus	64,413	28,116	92,529	155,890
Total Charitable Expenditure	813,894	281,154	1,095,048	1,023,718

During 2018, there was £424,746 of restricted charitable expenditure (2017: £549,139).

A Child's journey with Honeypot begins with an initial week's Respite Break at The Honeypot House in Hampshire or Wales, followed by a programme of long-term support which includes annual Repeat Weekend Breaks until the child reaches the age of Twelve.

The Honeypot Playbus is a fully customised mobile play resource that provides on-site play opportunities for disadvantaged children in their own communities.

5 Analysis of support costs

For year ended 31 Mar 2018	Total £	Fundraising: Donation and legacy £	Fundraising: Events £	Charitable Activities £
Finance, audit & payroll costs	93,494	18,699	9,349	65,446
Executive and professional costs	183,238	36,648	18,324	128,266
Premises & IT costs	98,961	19,792	9,896	69,273
Other office support costs	25,767	5,065	2,533	18,169
Total Support Costs	401,460	80,204	40,102	281,154

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2018 £	2017 £
Wages and salaries	849,233	631,895
Social security costs	73,026	55,641
Agency costs	-	395
Pension costs (money purchase scheme)	33,917	29,910
Total Staff Costs	956,176	717,841

One employee received emoluments in excess of £90,000 (2017: one employee received emoluments in excess of £90,000). No other employees were in receipt of emoluments over £60,000 (2017: Nil).

The Leadership team comprises of the Chief Executive, the Director of Fundraising & Marketing, the Director of Operations and the Director of Finance. Total benefits paid in the year were £266,981 (2017: £242,146).

Trustees' remuneration

The Trustees neither received nor waived any emoluments during the year.

Trustee travel expenses during the year were £Nil (2017: £Nil).

**Notes to the Financial Statements
For the Year End 31st March 2018**

7 Staff numbers

The average number of employees analysed by function was:

	2018 Full-time	2018 Part-time	2017 Full-time	2017 Part-time
Charitable Activities	6	14	5	14
Cost of generating funds	8	1	7	1
Management and administration	2	3	1	3
Total number of Employees	16	18	13	18

8 Tangible fixed assets

	Freehold Land & Buildings £	Fixtures & Fittings £	Equipment £	Motor Vehicles £	Total £
Cost					
At 1 April 2017	1,172,667	269,955	205,504	147,898	1,796,024
Additions	95,688	19,231	15,556	-	130,475
At 31 March 2018	1,268,355	289,186	221,060	147,898	1,926,499
Depreciation					
At 1 April 2017	174,389	249,925	186,633	97,315	708,262
Charge for the year	21,367	11,985	12,741	14,804	60,897
At 31 March 2018	195,756	261,910	199,374	112,119	769,159
Net book value					
At 31 March 2018	1,072,599	27,276	21,686	35,779	1,157,340
At 31 March 2017	998,278	20,030	18,871	50,583	1,087,762

9 Fixed asset investments

	2018 £	2017 £
Unquoted UK investments at cost	2	2
At 31 March 2018	2	2

The unquoted fixed asset investment comprises 100% of the issued share capital of Honeypot Trading Limited, the trading arm of the charity, company number 03806058. All taxable profits are transferred to the charity. The net value of the company at 31st March 2018 was £5. There was no trading by the company during the year.

**Notes to the Financial Statements
For the Year End 31st March 2018**

10 Debtors and prepayments

	2018	2017
	£	£
Trade Debtors	12,685	111,864
Accrued Income	48,667	99,283
Tax repayment claim	4,165	7,914
Deposits	17,128	9,501
Prepayments	37,357	29,643
Debtors: amounts falling due within one year	120,002	258,205

11 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade Creditors	4,810	43,490
PAYE & National Insurance	21,385	17,795
Other Creditors	8,982	7,531
Accruals	72,536	40,639
Deferred Income	13,503	8,636
Creditors: amounts falling due within one year	121,216	118,091

12 Deferred income

Deferred income comprises of advance sponsorship donations received in year relating to the 2018 London Marathon , which took place on 22nd April 2018, and sponsorship towards the London Comedy Night , held on 9th April 2018.

	£
Balance as at 1st April 2017	8,636
Amount released to income relating to the 2017 London Marathon	(8,636)
Amount deferred in year (2018 London Comedy Night)	250
Amount deferred in year (2018 London Marathon)	13,253
Balance as at 31 March 2018	13,503

**Notes to the Financial Statements
For the Year End 31st March 2018**

13 Operating lease commitments

At 31 March 2018 the charity had commitments under a non-cancellable operating lease on land, buildings and motor vehicles as follows:

	2018	2017
	£	£
Expiry date:		
Expiry within 1 year	75,976	50,264
Between 2-5 years	265,343	146,956
Total lease commitments	341,319	197,220

Total spent in the year on operating leases was £60,733 (2017: £52,111).

14 Analysis of net assets between Funds

	Restricted Funds £	Designated Funds £	General Funds £	Total Funds £
Fund balances at 31 March 2018 are represented by:				
Tangible fixed assets	137,623	1,019,717	-	1,157,340
Investments	-	-	2	2
Current assets	720,970	62,448	311,659	1,095,076
Current liabilities	-	-	(121,216)	(121,216)
Total Funds	858,593	1,082,165	190,445	2,131,202

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

	2018	2017
	£	£
Net movement in funds	(248,664)	181,797
Add back depreciation charge/eliminated on disposal of fixed assets	60,897	63,799
Deduct investment income	(6,659)	(6,474)
Decrease in debtors	138,203	2,252
Increase in creditors	3,125	45,322
Net cash used in operating activities	(53,098)	286,696

The Honeypot Children's Charity

Notes to the Financial Statements For the Year End 31st March 2018

16 Unrestricted Funds

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
General Reserve	479,878	743,314	(1,003,182)	(29,566)	190,444
Designated Funds					
Fixed Asset Fund	1,021,808	-	(31,657)	29,566	1,019,717
Third Honeypot House Fund	32,448	-	-	-	32,448
Disaster Recovery Fund	30,000	-	-	-	30,000
	1,084,256	-	(31,657)	29,566	1,082,165
Total Unrestricted Funds	1,564,134	743,314	(1,034,839)	-	1,272,609

The General Reserve represents the free funds of the charity, which are not designated for any particular purpose.

The Fixed Asset Fund has been set up to assist in identifying those funds that are not free funds and it represents the net book value of the tangible fixed assets except for those funded from the Honeypot House Fund and the Wales House Fund. The expenditure for the year relates to depreciation charged on those assets.

The Disaster Recovery Fund has been set up to allow the charity to test its disaster recovery plan specifically in the areas of IT provisioning.

The Third Honeypot House Fund has been set up to assist in identifying those funds that have been designated to aid the strategic goal of the charity, which is to reach more children through additional accommodation.

17 Restricted funds

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
House Respite Breaks and Repeat Weekends	53,180	302,355	(176,019)		179,516
House Equipment	35,527	93,756	(27,228)		102,055
The Honeypot House Fund	88,707	396,111	(203,247)	-	281,571
Wales House (includes Welsh Playbus)	727,025	71,497	(221,500)	-	577,022
The Wales House Fund	727,025	71,497	(221,500)	-	577,022
Total Restricted funds	815,732	467,608	(424,747)	-	858,593

**Notes to the Financial Statements
For the Year End 31st March 2018**

17 Restricted funds(contd)

The Honeypot House Fund represents incoming and outgoing monies that have been received and spent in accordance with specific donor requests, relating to respite breaks and house equipment.

The Wales House Fund has been set up to furnish the new house in Wales, provide for the extensive refurbishment works required and underwrite the costs of the operation of the new Wales house over the first two years.

18 Pension contributions

The amount outstanding at the year end was £8,891 (2017: £7,530).

19 Post Balance sheet event

At the year end the charity had a commitment relating to the building of a new swimming pool of £226,000 (2017: £ nil).

20 Related Party Transactions

The amount of charitable donations from Honeypot Trading Ltd, the 100% subsidiary, was £ nil.
(2017 : £ nil).

21 Control

The ultimate controlling parties are the Trustees listed in page 2.

22 Auditor's remuneration

The auditor's remuneration constituted an audit fee of £6,840 (2017 : £6,660) and payroll bureau fees of £3,768 (2017: £3,546).