

Howgill Family Centre
(A company limited by guarantee)

Trustees' report and financial statements
for the year ended 31st March 2019

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
COMPANY LIMITED BY GUARANTEE

MEMBERS OF THE BOARD AND MANAGEMENT AND PROFESSIONAL ADVISERS

Registered charity name Howgill Family Centre

Charity number 519278

Company registration number 02045632

Registered office Birks Road
Cleator Moor
Cumbria
CA25 5HR

| | | |
|-----------------|----------------|---|
| Trustees | Brenda Holden | Chair |
| | Neville Denson | Vice Chair |
| | Eric Holmes | Honorary Life President (Deceased 4th August 2019) |
| | Ian Harvie | Treasurer |
| | Willie Slavin | |
| | Geoff Toogood | |
| | Judith Smith | |

Chief Executive Officer Andrea Hardle-Knight

Accountants Robinson + co., Chartered Accountants
Oxford Chambers, New Oxford Street, Workington, Cumbria

Auditors Saint & Co, Chartered Accountants & Statutory Auditor
12/13 Church Street, Whitehaven, Cumbria, CA28 7AY

Bankers National Westminster Bank plc
71 Lowther Street, Whitehaven, Cumbria, CA28 7AG

Solicitors Burnetts Solicitors
6 Victoria Place, Carlisle, Cumbria, CA1 1ES
HFT Gough & Co
38/42 Lowther Street, Whitehaven, Cumbria, CA28 7NR

Howgill Family Centre

(A company limited by guarantee)

Trustees' Annual Report for the year ended 31st March 2019

The Trustees, who are also directors for the purposes of company law, present their report and the financial statements of the company for the year ended 31 March 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

DIRECTORS/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 | Education |
| Neville Denson | Local government |
| Ian Harvie | Private industry |
| Eric Holmes (Deceased 4th August 2019) | Private industry |
| Willie Slavin | Education |
| Judith Smith | Finance |
| Geoff Toogood | Education |

CHAIR'S REPORT

I must begin with paying a tribute to one of our longest serving Trustees Eric Holmes who sadly died earlier this year after a short illness. Eric had many qualities and gave so much to Howgill over the years by giving us the benefit of his wisdom and by playing a full part in the governance of the organisation right up until the end. He will be sorely missed and fondly remembered.

Howgill's continued success relies on the extremely conscientious, committed and hard-working staff. We have seen some staff take on new roles and watched them grow successfully into them. They are all dedicated professionals who go out of their way to help support and also challenge the families they work with. Their involvement with families can often last for many years, often before children are born. Our centres, throughout Copeland, continue to thrive and services continue to be adapted and developed to ensure they meet the needs of the communities we serve.

Six weeks ago we learnt that, after 22 years of running Children's Centres and services across Copeland, we had not been awarded a new contract with Cumbria County Council. Howgill Family Centre have continued to work hard to ensure the good reputation and standing we have in the community of Copeland and beyond is maintained. This was demonstrated from all sectors of the community when the news broke and proves that the community we serve recognises the valuable role we have played in hundreds of families lives for many years. We must thank everyone for the support they gave in a number of ways.

Howgill Family Centre
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Trustees' Annual Report (continued)
for the year ended 31st March 2019

CHAIR'S REPORT (continued)

Many staff will transfer to the new provider and we wish them well for the future. As a board of Trustees we are working to find ways to sustain the organisation in the immediate future and we plan to grow Howgill again.

We must commend our staff who have continued to deliver services to support our families whilst being under considerable strain. Our Chief Executive, Andrea Hardie-Knight, has worked with great enthusiasm and conscientiousness, moulding an effective Senior Management Team that ensured future service delivery that fulfilled our remit to provide services across Copeland. Staff morale is always high and further reshaping of services has enabled us to extend the scope and number of our services so that we are responding more effectively to demands from our service users. Andrea and all the staff have ensured they are delivering the highest quality provision and often go over and above what is expected of them to ensure families are supported. We are indebted to them for the resilience they show when dealing with the challenges they face. On behalf of all the Trustees I would like to place on record our thanks to them all.

In the past few years we have looked to address the replacement of our Early Years premises at Kells and to extend our services to the area which is the most deprived ward in Copeland. The major housebuilding programme in the area continues to bring in many more families. The demand for places for 2 year-old children has grown and the premises we are currently using has reached the end of its life. Howgill has now purchased the old library building at Kells and we have negotiated with Copeland Borough Council to acquire land so that a new centre can be built, which will allow us to deliver Early Years education and to continue to deliver some services to the community. Funders have been approached and plans are being drawn up. This is an exciting new phase that we hope will come to fruition in the next few years.

Our Early Years setting at Catherine Street was subject to an Ofsted inspection in September, under the new framework, and were rated as Good in all areas. We thank all staff involved.

We are still actively recruiting new members to further strengthen the Board. Do please let us know at any time if you think you have something to offer or if you know anyone with the skills, experience and time to give to this vital role. On a personal level I would like to thank my fellow Trustees for their help and support during the last year.

Howgill Family Centre has always been an organisation that adapts to change and we must now look forward to working on new projects as they develop. The excellent links we have built up with partner organisations will stand us in good stead as we develop a new Howgill Family Centre and continue to support the community in whatever way we can.

Brenda Holden

November 2019

Howgill Family Centre

(A company limited by guarantee)

Trustees' Annual Report (continued)
for the year ended 31st March 2019

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 are 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.

Howgill recruits Trustees as volunteers for their skills in safeguarding, education, business, legal, financial, marketing and communications, public health or social care. Trustees are sought in a variety of ways involving exploration of the field of potential candidates, including through advertising and by recommendation from service users, members, officers and existing Trustees.

We aim to assess the implications of the Charity Governance Code 2017 for our charity, and take steps to ensure that we adopt those aspects of the Code that are relevant to us. We are aware that a number of our Trustees have been in office for an extended time, but face challenges in recruiting committed individuals to our Board in the location where we operate.

Trustee induction and training

We ensure that all new Trustees understand their responsibilities to the charity and carry out their duties based upon the principals of "Good Governance", A Code for the Voluntary and Community Sector, First Edition June 2005 and the guidance issued by the Charity Commission for England and Wales. All new Trustees undertake an induction programme.

Organisational structure

Trustees meet as a full Board at least 6 times during the year but more often should the need arise. Sub-committees and task groups of Trustees, co-opted members and officers may be convened when appropriate and report to the Board.

Howgill's Trustees have clearly defined roles and responsibilities and we have job descriptions for all Trustees, Chair and Treasurer. However, we encourage all Trustees to become as involved as they possibly can in the life and work of the organisation. It is so important that the Board understands fully what is involved so that they can make important strategic decisions and carry out their function efficiently.

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

Howgill Family Centre

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Trustees' Annual Report (continued)
for the year ended 31st March 2019

Organisational structure (continued)

The Chief Executive is supported by a Management Team consisting of the managers of the key operational areas of our activities: Business, Finance, Early Years, Millom Centre, Family Support, Child and Family Health and Adult Learning.

At 31 March 2019, we had 63 employees, full time and part time as well as several bank staff. The continued success of our organisation relies 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.

Key management and personnel remuneration

The Trustees consider the Board of Trustees and the Chief Executive, aided by the Management Team, as comprising the key management personnel of the charity, in charge of directing and controlling the charity and running the operation of the charity on a day to day basis.

All Trustees give of their time freely and no remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in notes 13 and 24 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 benchmarked 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.

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 us during the last year include: Cumbria County Council, Copeland Community Fund, Cumbria Community Foundation, BBC Children in Need Fund, Phyllis Harney Trust, North Lakes Foodbank, Vertex, Tesco, Buttle Trust, Cumbria CVS, Citizens Advice Bureau, Nuclear Decommissioning Agency (NDA), University of Central Lancashire (UCLan), Big Lottery Fund, Action for Children, Whitehaven, Egremont & District Credit Union, Police and Crime Commissioner, CADAS, Cumbria Youth Alliance, Inspira, Copeland Borough Council, Walney Extension Project, Dioceses of Carlisle and Lancaster, Lakes College West Cumbria, Young Cumbria, Impact Housing Association, The 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, Barnardo's, West Cumberland Hospital and many local schools, too numerous to mention individually.

Howgill Family Centre

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Trustees' Annual Report (continued)
for the year ended 31st March 2019

Risk Assessment

The two main risks to our charity are the loss of long term funding and maintaining appropriate staffing levels and skills to allow us to deliver effective services to as many people as possible. We aim, on a regular basis, to review the services we provide together with the level of funding that is required, and are alert to opportunities to increase the sources of our funding. We continue to provide training opportunities for employees and volunteers to maximise our skills base, and also offer career progression opportunities when these become available.

OBJECTIVES AND ACTIVITIES

The Charity is established to promote any charitable purpose for the benefit of the inhabitants of Copeland 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 aims to provide support to children and families with particular emphasis on the 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.
- Providing childcare for 0-5 years nursery provision in Cleator Moor.
- Improving child and family health, with a focus on the first 1,000 days.
- Providing intensive support to many families.

We are 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. Quarterly audits, undertaken by Cumbria County Council, ensure we remain on track to deliver our Early Help contract and help build positive relationships.

Our Early Years' provision continues at our settings at Catherine Street, Birks Road, Valley and Kells. The nursery at Birks Road continues to be extremely successful and popular. Our Early Years' provision was inspected by Ofsted in 2016 and 2017 at Birks Road, Valley and The Kabin at Kells and in 2019 at Catherine Street, all graded as Good. Our congratulations and appreciation goes to all involved with our Early Years. We have close to 100 children each day who benefit from this high quality provision.

We are 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. We aim to build the capacity and resilience of local communities.

Howgill Family Centre

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Trustees' Annual Report (continued)
for the year ended 31st March 2019

OBJECTIVES AND ACTIVITIES (continued)

Our 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.

In September 2018 Howgill was nominated for the Queen's Award for Volunteers by the Elected Mayor for Copeland, Mike Starkle. Although unsuccessful, knowing the organisation made the short list was an achievement.

The safeguarding of all children is a priority concern. 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 to drive continuous improvement.

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.

ACHIEVEMENTS

Howgill continues to deliver a major contract, originally until the end of March 2019 which has now been extended to the end of December 2019, with Cumbria County Council, providing Early Help services for vulnerable children. The emphasis 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 that 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.

Howgill has continued to operate Sure Start Children's Centres in Copeland on behalf of Cumbria County Council. 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 at all our settings.

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 at the prenatal stage and can continue as the children move towards adolescence and even into adulthood.

Howgill Family Centre
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Trustees' Annual Report (continued)
for the year ended 31st March 2019

ACHIEVEMENTS (continued)

Specific achievements during the past year include:

- Purchased Kells library to be developed into a community centre.
- Delivered services and support to 3897 people in and around Whitehaven, Hensingham, Cleator Moor, Egremont and Millom.
- Continued to ensure the CCC Early Help contract is fully operational, ensuring new employees are trained to comply with procedures and fulfilling requirements covering referral, assessment and reporting. From evidence of regular CCC audits we are on track to meet and in several areas exceeding our targets.
- Continued to deliver high quality 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.
- Implemented an Early Years' Plan that takes into account changes in population, government policy and best practice, realigning activities with emerging trends and widening our provision to cover the full range of pre-school children from 0-5.
- Continued to invest in developing our future Early Years' workforce. The lead given by our Early Years' Manager is evident in the outcomes from Ofsted inspections, as well as the growing popularity of our settings.
- Ran successful support groups for young, vulnerable teenage girls.
- Diversified sources of income, securing more support from corporate businesses and attracted more commissions from health and other funding bodies. In common with all other charities we can only deliver services if we have the funding. This is always an ongoing priority.
- Continued the joint venture in collaboration with Impact Housing to continue to support young people aged 16-24 and rent out the office space at the Whitehaven Foyer. Howgill has taken a lease and opened a shop on the premises, run by volunteers, which is also used as a drop-in centre.
- Continued to invest and enhance the provision in IT. This is part of a phased introduction of new technology.
- Continued the Pre-birth and beyond project with the Copeland Mayor Mike Starkie and Copeland Community Fund. This is now fully implemented and we have expanded the core offer for mothers and babies.
- Continued to provide training opportunities for our staff across all teams.

Howgill Family Centre

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Trustees' Annual Report (continued)
for the year ended 31st March 2019

FINANCIAL REVIEW AND RESERVES

The current free (unrestricted) reserves held, £354,228, are to enable the organisation to continue its operational activities in the event of any reduction or cessation of funding.

The reserves policy has been established to mitigate the main financial risks facing the charity. The Trustees aim to maintain those unrestricted funds that are not committed or invested in tangible fixed assets at a level to provide working capital covering 3 to 6 months of expenditure relating to normal activities and anticipated service delivery. It is expected that, for the next few years, the level of these reserves will need to be maintained at approximately £400,000.

The Trustees consider that the charity is adequately funded to meet its current obligations.

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

PLANS FOR FUTURE PERIODS

Howgill Family Centre recently tendered for the Cumbria County Council 0 – 19 Children and Families Support Contract. It was announced on 17 October 2019 that the charity was unsuccessful and the contract for the Copeland area was awarded elsewhere. The contract value was £820k p.a. and Howgill Family Centre employees working on the current contract will have their employment transferred to the new contract holder in January 2020. The trustees and management have prepared detailed budgets for 2019/20 and 2020/21 and are confident the charity will continue as a going concern without the family support contract.

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

- To manage our budget efficiently, by holding regular budget meetings and monitoring income and expenditure.
- To ensure we have a suitably qualified, well trained workforce to deliver our plans by providing opportunities for staff to attend regular training.
- To recruit new Trustees with relevant experience and expertise.
- Deliver the Healthy Child Programme and work closely with health visitors and practitioners.
- Continue to look for opportunities to extend the range and scope of our services in line with current thinking and service user need and demand.
- Replace and improve facilities and services in the Kells area of Whitehaven.
- Make further improvements to all of our premises, where funding permits.

Howgill Family Centre
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Trustees' Annual Report (continued)
for the year ended 31st March 2019

Trustees' responsibilities in relation to the financial statements

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;
- make judgements and estimates that are reasonable and prudent;
- 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.

The annual report was approved by Trustees of Howgill family Centre on 20/12/19 and signed on its behalf by:



Mrs Brenda Holden

Chair

Howgill Family Centre

Company Limited by Guarantee

Independent Auditor's Report to the Members of Howgill Family Centre

Year ended 31 March 2019

OPINION

We have audited the financial statements of Howgill Family Centre (the 'charity') for the year ended 31 March 2019 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, 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 FRS 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 2019 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;
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

CONCLUSION 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; and
- 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.

EMPHASIS OF MATTER

We draw attention to note 26 of the financial statements which describes a significant post balance sheet event. Our opinion is not modified in this respect.

Howgill Family Centre

Company Limited by Guarantee

Independent Auditor's Report to the Members of Howgill Family Centre *(continued)*

Year ended 31 March 2019

OTHER INFORMATION

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

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; 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 (who are also the directors 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 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.

Howgill Family Centre

Company Limited by Guarantee

Independent Auditor's Report to the Members of Howgill Family Centre *(continued)*

Year ended 31 March 2019

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.

USE OF OUR REPORT

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.



STUART FARRER (Senior Statutory Auditor)

For and on behalf of
Saint & Co
Chartered Accountant and Statutory Auditor
Sterling House
Wavell Drive
Carlisle
CA1 2SA

23 December 2019

Howgill Family Centre
(A company limited by guarantee)

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

For the year ended 31st March 2019

| | Notes | Unrestricted funds £ | Restricted funds £ | 2019 Total £ | 2018 Total £ |
|--|-------|----------------------------|--------------------------|--------------------|--------------------|
| Income | | | | | |
| Donations and legacies | 3 | 20,628 | - | 20,628 | 14,330 |
| Income from charitable activities | 4 | - | 1,258,333 | 1,258,333 | 1,248,149 |
| Income from other trading activities: | | | | | |
| Activities for generating funds | 5 | 117,314 | - | 117,314 | 101,480 |
| Investment income | 6 | 283 | - | 283 | 70 |
| Other incoming resources | 7 | 250 | - | 250 | - |
| Total income | | <u>138,475</u> | <u>1,258,333</u> | <u>1,396,808</u> | <u>1,364,029</u> |
| Expenditure | | | | | |
| Costs of raising funds: | | | | | |
| Fundraising trading: | | | | | |
| cost of goods sold and other costs | 8 | 13,146 | - | 13,146 | 4,858 |
| Charitable activities | 9, 10 | 135,484 | 1,260,006 | 1,395,490 | 1,367,170 |
| Total expenditure | | <u>148,630</u> | <u>1,260,006</u> | <u>1,408,636</u> | <u>1,372,028</u> |
| Net Income/(expenditure) for the year | | (10,155) | (1,673) | (11,828) | (7,999) |
| Total funds brought forward | | <u>364,383</u> | <u>227,942</u> | <u>592,325</u> | <u>600,324</u> |
| Total funds carried forward | | <u>354,228</u> | <u>226,269</u> | <u>580,497</u> | <u>592,325</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 17 to 30 form an integral part of these financial statements.

Howgill Family Centre
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Balance sheet
as at 31st March 2019

| | Notes | £ | 2019 £ | £ | 2018 £ |
|---|-------|----------------|----------------|----------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 16 | | 238,047 | | 212,739 |
| Current assets | | | | | |
| Debtors | 17 | 195,783 | | 147,819 | |
| Cash at bank and in hand | | 308,031 | | 316,179 | |
| | | <u>503,814</u> | | <u>463,998</u> | |
| Creditors: amounts falling due within one year | 18 | (161,364) | | (84,412) | |
| Net current assets | | | <u>342,450</u> | | <u>379,586</u> |
| Net assets | | | <u>580,497</u> | | <u>592,325</u> |
| Funds | 20 | | | | |
| Restricted income funds | | | 226,269 | | 227,942 |
| Unrestricted income funds | | | <u>354,228</u> | | <u>364,383</u> |
| Total funds | | | <u>580,497</u> | | <u>592,325</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
on its behalf by

20 December 2019

and signed

Ian Harvie

Ian Harvie
Trustee

Registration number 02045632

The notes on pages 17 to 30 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 2019

| | Notes | 2019 £ | 2018 £ |
|--|-------|-----------|-----------|
| Net cash provided by/(used in) operating activities | 27 | 44,760 | (15,219) |
| Cash flows from investing activities | | | |
| Interest and dividends | | 283 | 70 |
| Purchase of tangible fixed assets | | (53,441) | (21,009) |
| Proceeds from sale of tangible fixed assets | | 250 | - |
| Net cash used in investing activities | | (52,908) | (20,939) |
| Change in cash and cash equivalents in the year | | (8,148) | (36,158) |
| Cash and cash equivalents brought forward | | 316,179 | 352,337 |
| Cash and cash equivalents carried forward | | 308,031 | 316,179 |

The notes on pages 17 to 30 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 2019

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.

The presentational currency of the company is UK sterling.

1.2. 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.

Howgill Family Centre
(A company limited by guarantee)

Notes to financial statements
for the year ended 31st March 2019

1.3. 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 The Whitehaven Foyer programme. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Charitable expenditure in connection with the Sure Start programme is comprised entirely of depreciation on fixed assets purchased via this programme.

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 are allocated between Early Help 0-12, Youth Services and Nursery Provision based on total direct project expenditure.

1.4. 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.

The trustees have used judgement to estimate the expected useful life for each of the categories of tangible fixed assets.

Howgill Family Centre
(A company limited by guarantee)

Notes to financial statements
for the year ended 31st March 2019

1.5. Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

1.6. Leasing

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

1.7. Defined contribution pension schemes

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

2 Statutory Information

Howgill Family Centre is a private company, limited by guarantee, domiciled in England and Wales, registration number 02045632. The registered office is Birks Road, Cleator Moor, Cumbria, CA25 5HR. The company is a registered charity, number 519278.

3. Donations and legacies

| | Unrestricted funds £ | 2019 Total £ | 2018 Total £ |
|----------------------|----------------------------|--------------------|--------------------|
| Donations | 17,628 | 17,628 | 11,330 |
| Employment Allowance | 3,000 | 3,000 | 3,000 |
| | <u>20,628</u> | <u>20,628</u> | <u>14,330</u> |

In 2018 all of the income from donations and legacies was attributable to unrestricted income funds.

Howgill Family Centre
(A company limited by guarantee)

Notes to financial statements
for the year ended 31st March 2019

| 4. Income from charitable activities | Restricted funds £ | 2019 Total £ | 2018 Total £ |
|---|--------------------------|--------------------|--------------------|
| Cumbria CC - Two Year Old Funding Entitlement | 127,458 | 127,458 | 111,776 |
| Cumbria CC - Early Support Grant | 12,511 | 12,511 | 10,919 |
| Copeland Borough Council - Pre Birth and Beyond | 16,650 | 16,650 | 16,650 |
| Cumbria CC - Copeland Area Local Committee | 11,801 | 11,801 | 1,242 |
| Copeland Community Fund - Youth Work | 1,409 | 1,409 | 3,004 |
| Copeland Community Fund - Pre Birth and Beyond | 13,350 | 13,350 | 16,688 |
| Police and Crime Commissioner | - | - | 1,000 |
| Cumbria CC - Disability Access Fund | 1,230 | 1,230 | - |
| Cumbria CC - Early Help 0-12 Contract | 946,162 | 946,162 | 946,162 |
| Buttle Trust | - | - | 100 |
| Barnardos - MyTime Cumbria | 36,239 | 36,239 | 34,421 |
| BBC CIN - Youth Project | (15,000) | (15,000) | 30,000 |
| Cumbria CC - Nursery Grant | 47,451 | 47,451 | 35,070 |
| Walney Extension Project - Boys will be Boys | 7,040 | 7,040 | 11,732 |
| Big Lottery Fund - Awards for All | - | - | 10,000 |
| Cumbria Community Foundation - Family Group | 20,000 | 20,000 | - |
| Cumbria Community Foundation - UCLAN Project | 5,000 | 5,000 | - |
| The Phyllis Harney Trust | 16,760 | 16,760 | 9,190 |
| The Hadfield Trust | 3,200 | 3,200 | - |
| Tesco Groundwork UK | 1,000 | 1,000 | - |
| Copeland Community Fund - Progression | (293) | (293) | - |
| Sellafield Charity Snowball | 2,135 | 2,135 | - |
| Inspira - Friday Night Football | 980 | 980 | 3,195 |
| Inspira - Sellafield Youth Development Fund | 3,250 | 3,250 | 6,500 |
| Cumbria Community Foundation - Kipling | - | - | 500 |
| | <u>1,258,333</u> | <u>1,258,333</u> | <u>1,248,149</u> |

In 2018 all of the income from charitable activities was attributable to restricted income funds.

Howgill Family Centre
(A company limited by guarantee)

Notes to financial statements
for the year ended 31st March 2019

5. Income from other trading activities

| | Unrestricted funds £ | 2019 Total £ | 2018 Total £ |
|--|----------------------------|--------------------|--------------------|
| Shop income | 6,792 | 6,792 | 514 |
| Fundraising events | 4,895 | 4,895 | 1,295 |
| Use of facilities | 20,348 | 20,348 | 16,028 |
| The Whitehaven Foyer service provision | - | - | 3,750 |
| Fee Income | 79,776 | 79,776 | 76,065 |
| Training income | 2,960 | 2,960 | - |
| Activity income | 1,796 | 1,796 | 1,241 |
| Contract refunds | 162 | 162 | 34 |
| NMRU | 585 | 585 | 666 |
| Howgill Development Trust | - | - | 1,887 |
| | <u>117,314</u> | <u>117,314</u> | <u>101,480</u> |

In 2018 all of the income from other trading activities was attributable to unrestricted income funds.

6. Investment income

| | Unrestricted funds £ | 2019 Total £ | 2018 Total £ |
|--------------------------|----------------------------|--------------------|--------------------|
| Bank interest receivable | 283 | 283 | 70 |
| | <u>283</u> | <u>283</u> | <u>70</u> |

In 2018 all of the investment income was attributable to unrestricted income funds.

7. Other incoming resources

| | Unrestricted funds £ | 2019 Total £ | 2018 Total £ |
|---|----------------------------|--------------------|--------------------|
| Gain on disposal of tangible fixed assets | 250 | 250 | - |
| | <u>250</u> | <u>250</u> | <u>-</u> |

Howgill Family Centre
(A company limited by guarantee)

Notes to financial statements
for the year ended 31st March 2019

8. Costs of raising funds

| | Unrestricted funds £ | 2019 Total £ | 2018 Total £ |
|------------|----------------------------|--------------------|--------------------|
| Shop costs | 13,146 | 13,146 | 4,858 |
| | <u>13,146</u> | <u>13,146</u> | <u>4,858</u> |

In 2018 all of the costs of raising funds were attributable to unrestricted funds.

9. Costs of charitable activities - by fund type

| | Unrestricted funds £ | Restricted funds £ | 2019 Total £ | 2018 Total £ |
|-------------------|----------------------------|--------------------------|--------------------|--------------------|
| Early Help 0-12 | 60,797 | 930,119 | 990,916 | 961,898 |
| Youth Services | 213 | 60,259 | 60,472 | 56,356 |
| Nursery Provision | 74,474 | 262,421 | 336,895 | 341,709 |
| Sure Start | - | 7,207 | 7,207 | 7,207 |
| | <u>135,484</u> | <u>1,260,006</u> | <u>1,395,490</u> | <u>1,367,170</u> |

In 2018 of the costs of charitable activities, £1,236,752 were attributable to restricted funds, with the balance of £130,418 being unrestricted.

10. Costs of charitable activities - by activity

| | Activities undertaken directly £ | Support costs £ | 2019 Total £ | 2018 Total £ |
|-------------------|---|-----------------------|--------------------|--------------------|
| Early Help 0-12 | 740,128 | 250,789 | 990,917 | 961,898 |
| Youth Services | 46,540 | 13,932 | 60,472 | 56,356 |
| Nursery Provision | 253,295 | 83,599 | 336,894 | 341,709 |
| Sure Start | 7,207 | - | 7,207 | 7,207 |
| | <u>1,047,170</u> | <u>348,320</u> | <u>1,395,490</u> | <u>1,367,170</u> |

For analysis of support costs, see Note 11.

Howgill Family Centre
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Notes to financial statements
for the year ended 31st March 2019

11. Analysis of support costs

| | Early Help 0-12 £ | Youth Services £ | Nursery Provision £ | 2019 Total £ | 2018 Total £ |
|--|-------------------------|------------------------|---------------------------|--------------------|--------------------|
| Staff costs | 99,441 | 5,524 | 33,148 | 138,113 | 115,102 |
| Operating lease payments | 11,846 | 658 | 3,949 | 16,453 | 16,416 |
| Health and safety | 20,088 | 1,116 | 6,696 | 27,900 | 18,545 |
| Premises costs | 34,232 | 1,902 | 11,411 | 47,545 | 33,347 |
| Transport costs | 10,852 | 603 | 3,618 | 15,073 | 12,644 |
| Auditors' remuneration | 4,018 | 223 | 1,339 | 5,580 | 6,000 |
| Communication and Information technology | 18,869 | 1,048 | 6,290 | 26,207 | 27,821 |
| Depreciation and impairment | 12,702 | 706 | 4,234 | 17,642 | 18,923 |
| Other admin costs | 38,741 | 2,152 | 12,914 | 53,807 | 53,903 |
| | <u>250,789</u> | <u>13,932</u> | <u>83,599</u> | <u>348,320</u> | <u>302,701</u> |

Support costs are allocated between Early Help 0-12, Youth Services and Nursery Provision based on total direct project expenditure. On this basis 72% of support costs are allocated to Early Help 0-12, 4% to Youth Services and 24% to Nursery Provision. For the year ended 31 March 2018 71% of support costs were allocated to Early Help 0-12, 4% to Youth Services and 25% to Nursery Provision.

12. Net Income/(expenditure) for the year

| | 2019 £ | 2018 £ |
|--|------------|-----------|
| Net (expenditure)/Income is stated after charging: | | |
| Depreciation and other amounts written off tangible fixed assets | 28,133 | 29,167 |
| Operating lease rentals | | |
| - Land and buildings | 16,453 | 16,416 |
| Auditors' remuneration | 5,580 | 6,000 |
| and after crediting: | | |
| Profit on disposal of tangible fixed assets | <u>250</u> | <u>-</u> |

Howgill Family Centre
(A company limited by guarantee)

Notes to financial statements
for the year ended 31st March 2019

13. Employees

| Employment costs | 2019 | 2018 |
|-------------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 966,895 | 932,729 |
| Social security costs | 64,997 | 63,417 |
| Pension costs | 29,078 | 25,552 |
| Redundancy costs | - | 19,567 |
| | <u>1,060,970</u> | <u>1,041,265</u> |

Number of employees

No employee received emoluments of more than £60,000 (2018: None).

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

| | 2019 | 2018 |
|-------------------------------|---------------|---------------|
| | Number | Number |
| Provision of services | 54 | 54 |
| Management and administration | 10 | 9 |
| | <u>64</u> | <u>63</u> |

Trustees are not remunerated. Expenses of £133 were reimbursed to 1 trustee for directly incurred travel costs (2018: £55 to 1 trustee).

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 £46,640 (2018: £47,630).

14. 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 £29,078 (2018: £25,552). Contributions amounting to £287 are included in creditors at the year end (2018: £530).

| | 2019 | 2018 |
|----------------|---------------|---------------|
| | £ | £ |
| Pension charge | <u>29,078</u> | <u>25,552</u> |

Howgill Family Centre
(A company limited by guarantee)

Notes to financial statements
for the year ended 31st March 2019

15. 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.

| 16. Tangible fixed assets | Land and buildings freehold £ | Short leasehold property £ | Fixtures, fittings and equipment £ | Motor vehicles £ | Total £ |
|----------------------------------|--|---|---|---------------------------------|--------------------|
| Cost | | | | | |
| At 1st April 2018 | 161,682 | 273,325 | 192,147 | 9,040 | 636,194 |
| Additions | 33,209 | - | 17,057 | 3,175 | 53,441 |
| Disposals | - | - | - | (9,040) | (9,040) |
| At 31st March 2019 | <u>194,891</u> | <u>273,325</u> | <u>209,204</u> | <u>3,175</u> | <u>680,595</u> |
| Depreciation | | | | | |
| At 1st April 2018 | 56,693 | 205,514 | 152,208 | 9,040 | 423,455 |
| Charge for the year | 3,898 | 9,653 | 14,582 | - | 28,133 |
| On disposals | - | - | - | (9,040) | (9,040) |
| At 31st March 2019 | <u>60,591</u> | <u>215,167</u> | <u>166,790</u> | <u>-</u> | <u>442,548</u> |
| Net book values | | | | | |
| At 31st March 2019 | <u>134,300</u> | <u>58,158</u> | <u>42,414</u> | <u>3,175</u> | <u>238,047</u> |
| At 31st March 2018 | <u>104,989</u> | <u>67,811</u> | <u>39,939</u> | <u>-</u> | <u>212,739</u> |

17. Debtors

| | 2019 £ | 2018 £ |
|--------------------------------|-------------------|-------------------|
| Other debtors | 153,466 | 99,103 |
| Prepayments and accrued income | <u>42,317</u> | <u>48,716</u> |
| | <u>195,783</u> | <u>147,819</u> |

Howgill Family Centre
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Notes to financial statements
for the year ended 31st March 2019

18. Creditors: amounts falling due within one year

| | 2019 | 2018 |
|---------------------------------|----------------|---------------|
| | £ | £ |
| Trade creditors | 37,210 | 34,436 |
| Other taxes and social security | 14,251 | 15,450 |
| Other creditors | 287 | 530 |
| Accruals and deferred income | 109,616 | 33,996 |
| | <u>161,364</u> | <u>84,412</u> |

19. Financial Instruments

The carrying amount for each category of financial instrument is as follows:

| | 2019 | 2018 |
|--|----------------|---------------|
| | £ | £ |
| Financial assets that are debt Instruments measured at amortised cost | | |
| Other debtors | 153,466 | 99,103 |
| | <u>153,466</u> | <u>99,103</u> |
| Financial liabilities measured at amortised cost | | |
| Trade creditors | 37,210 | 34,436 |
| Other creditors | 287 | 530 |
| Accruals | 25,035 | 33,996 |
| | <u>62,532</u> | <u>68,962</u> |

Howgill Family Centre
(A company limited by guarantee)

Notes to financial statements
for the year ended 31st March 2019

20. Analysis of net assets between funds

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ |
|---|------------------------------------|----------------------------------|-----------------------------|
| Fund balances at 31st March 2019 as represented by: | | | |
| Tangible fixed assets | 3,175 | 234,872 | 238,047 |
| Current assets | 351,053 | 152,761 | 503,814 |
| Current liabilities | - | (161,364) | (161,364) |
| | <u>354,228</u> | <u>226,269</u> | <u>580,497</u> |
| | | | |
| | Unrestricted 2018 £ | Restricted 2018 £ | Total 2018 £ |
| Fund balances at 31st March 2018 as represented by: | | | |
| Tangible fixed assets | - | 212,739 | 212,739 |
| Current assets | 364,383 | 99,615 | 463,998 |
| Current liabilities | - | (84,412) | (84,412) |
| | <u>364,383</u> | <u>227,942</u> | <u>592,325</u> |

21. Analysis of movements in unrestricted funds

| | At 1 April 2018 £ | Incoming resources £ | Outgoing resources £ | At 31 March 2019 £ |
|---------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| General funds | <u>364,383</u> | <u>138,475</u> | <u>(148,630)</u> | <u>354,228</u> |

Analysis of movements in unrestricted funds - previous year

| | At 1 April 2017 £ | Incoming resources £ | Outgoing resources £ | At 31 March 2018 £ |
|---------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| General funds | <u>383,779</u> | <u>115,880</u> | <u>(135,276)</u> | <u>364,383</u> |

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.

Howgill Family Centre
(A company limited by guarantee)

Notes to financial statements
for the year ended 31st March 2019

22. Analysis of movements in restricted funds

| | At 1 April 2018 £ | Incoming resources £ | Outgoing resources £ | At 31 March 2019 £ |
|------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| Sure Start funds | 144,103 | - | (7,207) | 136,896 |
| Other restricted funds | 83,839 | 1,258,333 | (1,252,799) | 89,373 |
| | <u>227,942</u> | <u>1,258,333</u> | <u>(1,260,006)</u> | <u>226,269</u> |

Analysis of movements in restricted funds - previous year

| | At 1 April 2017 £ | Incoming resources £ | Outgoing resources £ | At 31 March 2018 £ |
|------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| Sure Start funds | 151,310 | - | (7,207) | 144,103 |
| Other restricted funds | 65,235 | 1,248,149 | (1,229,545) | 83,839 |
| | <u>216,545</u> | <u>1,248,149</u> | <u>(1,236,752)</u> | <u>227,942</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.

Howgill Family Centre
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Notes to financial statements
for the year ended 31st March 2019

23. Financial commitments

At 31 March 2019 the company had financial commitments under non-cancellable operating leases, as set out below, in respect of the premises at Birks Road, Cleator Moor, which expires on 21 February 2020. The company also entered into a service contract with Peninsula Business Services for HR services and Health and Safety. The HR contract is a five year contract commencing on 1 April 2015. The Health and Safety contract is a five year contract commencing on 22 May 2018.

| | Land and buildings | | Other | |
|----------------------------|--------------------|---------------|---------------|---------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Payable: | | | | |
| Within one year | 14,700 | 15,082 | 9,881 | 9,881 |
| Between one and five years | - | - | 19,761 | 9,881 |
| | <u>14,700</u> | <u>15,082</u> | <u>29,642</u> | <u>19,762</u> |

24. Related party transactions

Mr W Slavin, Mr I Harvie and Mr E Holmes, trustees of Howgill Family Centre during the year, are also trustees of Howgill Development Trust. The charity received grants of £nil (2018: £1,887) 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 4) of £25,000 (2018: £500) during the year from Cumbria Community Foundation on an arm's length basis.

Mr W Slavin and Mrs J Smith, trustees of Howgill Family Centre, are also trustees of The Whitehaven Foyer. At 31 March 2016 Howgill Family Centre had a £130,000 programme related investment in The Whitehaven Foyer. During the year ended 31 March 2017 the Trustees of Howgill Family Centre agreed to convert the programme related investment into a grant, with a condition that it will become repayable, in full or in part, should The Whitehaven Foyer dispose of its premises within the next 30 years. Howgill retains a second charge on these premises at 44 Irish Street, Whitehaven as protection for its funding.

In addition to the above, Howgill Family Centre received income from The Whitehaven Foyer for service provision amounting to £nil (2018: £3,750). Howgill Family Centre also made purchases of £11,933 (2018: £3,850) from the Whitehaven Foyer for shop rental and other costs.

25. 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 £923 (2018: £875).

Howgill Family Centre
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Notes to financial statements
for the year ended 31st March 2019

26. Subsequent events

Howgill Family Centre recently tendered for the Cumbria County Council 0 - 19 Children and Families Support Contract. It was announced on 17 October 2019 that the charity was unsuccessful and the contract for the Copeland area was awarded elsewhere. The contract value was £820k p.a. and Howgill Family Centre employees working on the current contract will have their employment transferred to the new contract holder in January 2020. The trustees and management have prepared detailed budgets for 2019/20 and 2020/21 and are confident the charity will continue as a going concern without the family support contract.

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

| | 2019 | 2018 |
|--|---------------|-----------------|
| | £ | £ |
| Net movement in funds | (11,828) | (7,999) |
| Add back depreciation charge and profit/loss on disposal | 27,883 | 29,167 |
| Deduct interest income shown in investing activities | (283) | (70) |
| (Increase)/decrease in debtors | (47,964) | (34,936) |
| (Decrease)/Increase in creditors | 76,952 | (1,381) |
| Net cash provided by/(used in) operating activities | 44,760 | (15,219) |

28. Analysis of changes in net funds

| | Opening balance | Cash flows | Closing balance |
|--------------------------|--------------------|----------------|--------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 316,179 | (8,148) | 308,031 |
| Net funds | 316,179 | (8,148) | 308,031 |

29. 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.