



Smailes Goldie Group
CREATING ADVANTAGE

**Registrar's
Copy**

Humbercare Limited

(A Company Limited by Guarantee)

Financial Statements

31st March 2018

Amending

FF MONDAY			
	A13	*A7YKRB8* 04/02/2019	#235
	COMPANIES HOUSE		
FF	A10	*A7XFV436* 18/01/2019	#343
	COMPANIES HOUSE		

Humbercare Limited

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for the year ended 31st March 2018**

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Humbercare Limited

**Reference and Administrative Details
for the Year Ended 31st March 2018**

TRUSTEES	L Alderson-Speight I Burnitt (resigned 11.5.2018) P Robinson D Walker G Ziae J Robinson (resigned 4.9.2017)
KEY MANAGEMENT PERSONNEL	R McKinnon M Mercer J A Tribe
COMPANY SECRETARY	R McKinnon
REGISTERED OFFICE	81 Beverley Road Hull East Yorkshire HU3 1XR
REGISTERED COMPANY NUMBER	02432547 (England and Wales)
REGISTERED CHARITY NUMBER	702269
INDEPENDENT AUDITORS	Smailes Goldie Chartered Accountants Statutory Auditor Regent's Court Princess Street Hull East Yorkshire HU2 8BA
SOLICITORS	Andrew Jackson Solicitors LLP Marina Court Castle Street Hull HU1 1JT
BANKERS	Bank of Scotland Plc Lloyds Bank 1st Floor Lisbon House 116 Wellington Street Leeds LS1 4LT

Humbercare Limited

Report of the Trustees for the year ended 31st March 2018

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2018. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Statement of Purpose

Humbercare - an enabling organisation dedicated to providing quality and innovative services to adults and young people in need.

Belief

All people should have the opportunity to realise their potential, improve their skills, optimise their life chances and become responsible members of the community.

Strategic Aims

- To provide quality and value driven services;
- To provide services that contribute to the safety and wellbeing of our community;
- To utilise the organisation's resources, expertise and reputation in its skill base using Investors in People and other awards to be an employer of choice in the voluntary sector.

Values

- Effectiveness - services that are outcome focused and improve our community;
- Efficiency - viable services that are cost effective with added value;
- Facilitating Positive Change - assisting and creating opportunities for people to optimise their life chances;
- Belief in Diversity - to acknowledge and respect all individuals.

Significant activities

Hull City Council Complex needs service

Customers accessing Housing Related Support services can include those with enduring mental health problems that require a package of support enabling them to recover from an episode of crisis and/or regression that impact on their ability to retain a tenancy. The service responds to customers who present more complex and acute needs, who may have also been subjected to long term homelessness, who may be younger and only recently diagnosed with a Mental Health problem, who require suitable accommodation, support and homecare to address their situation and enable them to achieve a better experience of independence

Hull City Council Accommodation based recovery and supported living service for offenders

The service meets the need of re-establishing ex-offenders back into the community when leaving prison and in securing a tenancy within suitable accommodation. Additional community management plans may also be in place implemented by professionals within the Criminal Justice system, such as MAPPA (Multi Agency Public Protection Arrangement).

Self-Enablement Service

The aim of the service is to deliver a programme of care and/or support that can enable a person with complex needs to reach improved health and wellbeing, citizenship, control and independence. Humbercare provide or identify suitable self-contained accommodation where a programme of outcome focused support (low or enhanced level of service based on changing need) can be delivered over a short-to medium-term period of time, reducing over an assessed period of time as the person meets their personal outcome milestones to success. The self-enablement service works in conjunction with statutory services involved with risk management and social care solutions.

Chrysalis Housing

Humbercare's Chrysalis Housing provides accommodation and a low level of support. There are no limitations regarding the length of time the tenant can stay in this accommodation. The aim of the service is to deliver a programme of care and/or support that can enable a person with complex needs to reach improved health and wellbeing, citizenship, control and independence. Humbercare provide or identify suitable self-contained accommodation where a programme of outcome focused support can be delivered over a short-to medium-term period of time, reducing over an assessed period of time as the person meets their personal outcome milestones to success

Hull City Council Cold Weather Provision

The provision was to provide additional direct access hostel accommodation in the city, to minimise rough sleeping in Hull during the coldest weather. The service was designed for additional bed spaces. As part of the Hull City Council Severe Weather Protocol and Extended Provision, it was identified that current accommodation did not meet needs and approximately 15 additional bed spaces was required. The customers accessing the Hull City Council Winter provision frequently have multiple, complex needs including alcohol and substance misuse and mental health conditions.

**Report of the Trustees
for the year ended 31st March 2018**

OBJECTIVES AND ACTIVITIES

Significant activities

Probation Accommodation Project

The project's aim is to provide a service for referrals from the Probation Service, to access appropriate accommodation and to provide advice on addressing issues that may affect accessing accommodation. Referrals are assessed as to the most appropriate accommodation for their needs. We discuss options with the offender manager to ensure license conditions/risk issues etc. are being complied with. We help referrals to obtain funding to purchase items to set up in independent living. For specific support needs, which we cannot directly help with, we signpost referrals to other agencies.

Crisis Pad - Adults Mental Health Service (commenced November 2017)

The Crisis Pad is a safe place for people aged 18 and above from Hull and East Riding who are experiencing emotional crisis or distress and who require a safe, calm environment to aid their recovery. Working in partnership Humber NHS Foundation Trust and Humbercare are working in partnership to support adults in providing a sanctuary for when experiencing a mental health crisis.

Safe Space - Children and Adolescent Mental Health Service (commenced January 2018)

The provision of a safe space for young people aged 14-18 years which enhances the support currently available to the young people of Hull and East Riding who are experiencing a crisis. The service will offer a safe, calm and welcoming environment where young people can receive support and advice in the aim of improving emotional wellbeing and prevent the onset of a crisis. Working in partnership Humber NHS Foundation Trust and Humbercare are working in partnership to support young people in providing a sanctuary for when experiencing a mental health crisis.

MEAM Service - Making Every Adult Matter (commenced October 2017)

MEAM (Making Every Adult Matter) is a unique coalition of national charities - Clinks, Homeless Link and Mind - formed in 2009 to improve policy and services for people facing a combination of homelessness, substance misuse, mental health problems and repeat contact with the Criminal Justice System. To support areas, MEAM has developed the MEAM Approach, a non-prescriptive seven stage framework that local areas can adapt to local circumstances. Using the MEAM Approach, local areas design and deliver their own coordinated solutions for people with multiple needs, with a specific focus on the most chaotic individuals.

MEAM is a national approach to working with individuals who face exclusions and historically lack meaningful engagement with services. Humbercare began this work in partnership with Hull City Council service in November 2017 officially although work started with some individuals prior to that.

Move on up Project (commenced January 2018)

The Move on up Project provides a mentoring and peer mentoring service to support young people aged between 16-25 years, who Humbercare come into contact with across all of our projects. Humbercare provides referral pathways for young people who are not currently receiving any peer mentoring or volunteering support. The service is funded by a donation of £25,000 the Balcombe Trust.

Vulnerable Adults Housing Related Support Framework - N E Lincolnshire Clinical Commissioning Group

A long term housing related support service for clients with learning disabilities, physical disabilities or a dual diagnosis. The service is designed to meet the needs of highly vulnerable clients with varying complex needs who require and agree to receive a package of floating support to enable their independent living within the community.

Young People's Housing Related Support Project - N E Lincolnshire

Providing housing related support to young people aged 16 - 25 who are care leavers, young offenders or young people in need/at risk. The young people require and agree to a package of floating support in their own, permanent, self-contained accommodation to enable them to develop the necessary life skills to maintain their tenancy and live independently.

Humbercare Accommodation Scheme

North East Lincolnshire

The Humbercare Accommodation Scheme (North East Lincolnshire) has been set up, in partnership with the North East Lincolnshire Council's Learning and Childcare Directorate, to meet the growing need to prepare young people in the area for adult life and equip them with the life and social skills necessary for independent living.

The project recruits accommodation providers who can offer suitable, safe and well supported accommodation for young people, aged 16 - 25, either on a short or long term basis. The accommodation providers receive on-going support from Humbercare workers, as well as a weekly allowance from the local authority. Young people referred to the scheme have a named social worker, who continues to offer them support and help, for the duration of the placement. Humbercare also provides on-going support for the young person.

Humbercare Limited

Report of the Trustees for the year ended 31st March 2018

OBJECTIVES AND ACTIVITIES

Significant activities

Humbercare Accommodation Scheme

Hull & East Riding

These schemes provide, through a network of carers, accommodation to vulnerable young people between the ages of 15 - 25 years, referred by the local authority Social Services and assessed as children in need. The aim of the scheme is to provide young people with an environment where they can develop their own identity and potential and enable them to equip themselves with the necessary life skills in preparation for independent living and adult life.

Home from Hospital/Avoidance - North Lincolnshire (ceased December 2017)

Funded by North Lincolnshire council to deliver housing related support for up to 6 weeks for individuals aged 18 and over leaving hospital or to avoid them from being admitted to hospital.

The service was taken in house by North Lincolnshire Council in December 2017.

The Education Project (ceased August 2017)

This project is funded through Hull College and Humbercare and is responsible for the co-ordination and delivery of an effective service throughout the organisation. The programme has been set up to specifically target hard to engage learners, such as those clients with offending, substance misuse, mental health and/or homeless issues, young people in the process of leaving local authority care and other socially excluded groups, in a way that is innovative, actively encourages those hard to reach learners and that breaks down the barriers of learning. The project will deliver a recognised award.

The service ended in August 2017 as the funding was discontinued by Hull College.

Social Workers in Training Project - Hull, North and North East Lincolnshire

This project is worked in partnership with the University of Hull and Lincolnshire University. It provides placements for student social workers to gain practical experience with vulnerable and high risk clients.

The User Involvement Service

The User Involvement Service is an integral part of the service provided by Humbercare and is responsible for the co-ordination and delivery of an effective user involvement service throughout the organisation.

Mentoring Project (ceased October 2017)

This project is funded by the Humberside Probation Trust to assist clients to address domestic/personal issues that can prevent them completing their order. Volunteers are recruited to support offenders with life skills and budgeting, role modelling, literacy and numeracy, employment and training support, further education and accommodation support. Volunteers also support clients in national programmes such as Basic Skills, Drug Testing and Treatment Order (DTTO).

Circles of Support

Funded by the National Circles of Support to recruit, train and monitor volunteers to work with low risk clients to reduce sex offending, working in close partnership with the criminal justice agencies.

Client Fund

This project is funded by individual grants/gifts applied for on behalf of individual Clients to provide them with assistance in setting up/maintaining their tenancies.

HACRO

This fund utilises a grant received from the Sir James Reckitt Charity and investment income from a number of shares and unit trusts transferred to Humbercare from the former Hull and East Riding Association for the Care and Resettlement of Offenders to provide assistance to offenders and those at risk of offending.

Offender Fund

A small grant giving project, funded from Humbercare reserves providing assistance to offenders or those at risk of offending via application from statutory or voluntary agencies.

The Ken Kirk Educating Young People in Need Fund

This project has been funded by a 'one-off' donation of £70,850 from the former Kingston Training Workshop Limited Charity. The funds have been designated for the purpose of Educating Young People in Need in accordance with the restriction placed on the transfer by the Charity Commission. The project is named after Ken Kirk, the late Chairman of the former Kingston Training Workshops.

Humbercare Limited

Report of the Trustees for the year ended 31st March 2018

OBJECTIVES AND ACTIVITIES

Significant activities

Public benefit

During the past financial year Humbercare has worked with over 4,500 (2017: 2,500) people by helping them to maintain their accommodation, by helping them motivate themselves with regard to learning and employment, by acting as role models and advocates, to enable them to become useful members of the community and therefore to reduce offending and improve the community for everyone.

Contribution of Volunteers

Management Committee

Humbercare's Management Committee are volunteers and they commit themselves to 6 meetings per year with the possibility of more for those who are involved in a sub-committee.

Mentors/Volunteers

Humbercare had 150 mentors/volunteers (2017: 96) per year. They have completed 10,000 (2017: 7,488) voluntary hours in the following areas: life skills and budgeting, literacy and numeracy, befriending/role modelling, employment and training support, education support, accommodation support.

FINANCIAL REVIEW

Financial position

The results for the year and the financial position of the company are shown in the annexed financial statements.

Overall the company made a deficit in this operating year of £218,487 (2017: deficit £161,794). This represents a surplus of £55,380 (2017: surplus £3,365) on restricted funds and a deficit of £256,919 on unrestricted funds (2017: deficit £165,159). As at 31st March, 2018 unrestricted reserves were negative £719,230 (2017: negative £462,311) whilst restricted reserves were £156,311 (2017 £100,931).

The deficit of £218,487 is a result of the charity investing in infrastructure, to support two of the organisations most demanding services to deliver the highest standard possible and to ensure the organisation is able to respond and be competitive in future procurement exercises. This includes investment in our property portfolio, personnel, upgrade of internal software and IT equipment. This investment will assist the organisation to increase the annual income over the next three years and continue to deliver high quality services meeting the requirements of the communities the organisation works within. During this financial year, there has also been significant direct investment within the finance department in personnel and software in order to upgrade systems, making the department operate more efficiently, thus meeting the demands of a growing organisation.

Grant Making Policy

Humbercare is only able to provide grants to individuals who are using our projects or are referred by statutory or other voluntary organisations.

Investment Policy

All surplus funds are invested with the Charity's bankers either on deposit or in a current account with the exception of a number of shares and unit trusts (market value £28,776 as at 31st March 2018) transferred to Humbercare from HACRO (Hull & East Riding Association for the Care and Resettlement of Offenders) in May, 2001.

Reserves policy

The Trustees have established a policy whereby unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity will be expended at the Trustees' discretion in furtherance of any of the Charity's objects. Reserves are required to cover:

- any redundancy costs that become due, together with winding up and associated legal costs;
- working capital for running the core;
- exceptional and unforeseen expenditure; and
- grants received in arrears to ensure cash flow remains healthy.

The present level of free reserves is a deficit of £719,230. This position has arisen primarily as a result of the recognition of pension fund deficit arrangement totalling £503,685. It has been agreed that this deficit is to be repaid by monthly instalments until 2028.

The trustees propose to build free reserves and strengthen the financial position of the charity by reducing debtor repayment days and by continued close control of spending and regular monitoring against prudent budgets. Due to the charity's ongoing successful expansion, it is felt that the charity is able to continue its ongoing funded activities, or in the event of a significant drop in funding and the charity being wound up meet redundancy and associated legal costs.

Humbercare Limited

Report of the Trustees for the year ended 31st March 2018

FUTURE STRATEGY

Humbercare Limited has in place a three year business strategy and yearly plans which set out to continue the activities as outlined above in the forthcoming years subject to satisfactory funding arrangements. These projects may be subject to further development and expansion in the future.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Charity constitution

The company was established in September 1989 under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Members of the management committee

The directors who served during the year and up to the date of this report are set out on page 1.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31st March, 2018 was 5 (2017 - 5).

Recruitment, appointment, induction and training of new trustees

The directors of the Management Committee are elected at the AGM to serve a period of 3 years with one third of all directors retiring annually, and being eligible, offering themselves for re-election at the forthcoming Annual General Meeting. To ensure induction to Humbercare Limited, Management Committee Trustees receive all relevant documentation and information relating to their role as a Trustee and all relevant information relating to Humbercare.

Key management remuneration

Key management remuneration is set by the board, based on market rates commensurate with level of sector experience. The company does not offer a company car scheme.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Humbercare Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company 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 charitable company'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

The auditors, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report was approved by the Board on 22nd October 2018 and signed on its behalf by:

R McKinnon - Secretary



Report of the Independent Auditors to the Members of Humbercare Limited

Opinion

We have audited the financial statements of Humbercare Limited (the 'charitable company') for the year ended 31st March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Emphasis of matter

We draw your attention to note 2 of the financial statements which describes the directors' assessment of the charity's ability to operate as a going concern. Our opinion is not qualified in respect of this matter.

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 Report of the Independent Auditors thereon.

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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

Report of the Independent Auditors to the Members of Humbercare Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

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

Our 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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

Use of our report

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

James Sharpley FCA (Senior Statutory Auditor)
for and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire HU2 8BA

22nd October 2018

Humbercare Limited

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31st March 2018**

		Unrestricted fund	Restricted funds	2018 Total funds	2017 Total funds as restated
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	-	109,982	109,982	25,690
Charitable activities	5				
Advice and support		5,424,795	4,075	5,428,870	4,894,886
Investment income	4	<u>88</u>	<u>648</u>	<u>736</u>	<u>567</u>
Total		5,424,883	114,705	5,539,588	4,921,143
 EXPENDITURE ON					
Raising funds	6	8,548	-	8,548	11,000
Charitable activities	7				
Advice and support		<u>5,690,202</u>	<u>62,062</u>	<u>5,752,264</u>	<u>5,074,812</u>
Total		5,698,750	62,062	5,760,812	5,085,812
Net gains/(losses) on investments		<u>-</u>	<u>2,737</u>	<u>2,737</u>	<u>2,875</u>
NET INCOME/(EXPENDITURE)		(273,867)	55,380	(218,487)	(161,794)
 Other recognised gains/(losses)					
Actuarial gains/losses on defined benefit schemes		<u>16,948</u>	<u>-</u>	<u>16,948</u>	<u>(93,074)</u>
Net movement in funds		(256,919)	55,380	(201,539)	(254,868)
 RECONCILIATION OF FUNDS					
Total funds brought forward		(462,311)	100,931	(361,380)	(106,512)
 TOTAL FUNDS CARRIED FORWARD		<u>(719,230)</u>	<u>156,311</u>	<u>(562,919)</u>	<u>(361,380)</u>

The notes form part of these financial statements

Humbercare Limited

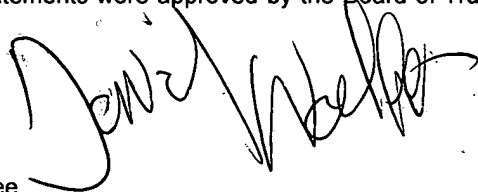
**Balance Sheet
At 31st March 2018**

		2018	2017
		£	as restated £
FIXED ASSETS	Notes		
Tangible assets	15	99,116	136,380
Investments	16	<u>28,776</u>	<u>26,039</u>
		127,892	162,419
 CURRENT ASSETS			
Debtors	17	341,628	595,202
Cash at bank and in hand		<u>4,709</u>	<u>606</u>
		346,337	595,808
 CREDITORS			
Amounts falling due within one year	18	<u>(533,463)</u>	<u>(565,040)</u>
 NET CURRENT (LIABILITIES)/ASSETS		<u>(187,126)</u>	<u>30,768</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES		(59,234)	193,187
 PENSION LIABILITY	24	<u>(503,685)</u>	<u>(554,567)</u>
 NET LIABILITIES		<u>(562,919)</u>	<u>(361,380)</u>
 FUNDS	23		
Unrestricted funds		(719,230)	(462,311)
Restricted funds		<u>156,311</u>	<u>100,931</u>
 TOTAL FUNDS		<u>(562,919)</u>	<u>(361,380)</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 22nd October 2018 and were signed on its behalf by:

D Walker -Trustee



Humbercare Limited

**Cash Flow Statement
for the year ended 31st March 2018**

		2018	2017
		£	as restated £
Cash flows from operating activities:	Notes		
Cash generated from operations	28	<u>(13,296)</u>	<u>13,896</u>
Net cash provided by (used in) operating activities		<u>(13,296)</u>	<u>13,896</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(9,200)	(1,869)
Interest received		87	143
Dividends received		<u>648</u>	<u>424</u>
Net cash provided by (used in) investing activities		<u>(8,465)</u>	<u>(1,302)</u>
Cash flows from financing activities:			
Unwinding of pension discount factor		<u>8,998</u>	<u>20,714</u>
Net cash provided by (used in) financing activities		<u>8,998</u>	<u>20,714</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		(12,763)	33,308
Cash and cash equivalents at the beginning of the reporting period	28	<u>(14,624)</u>	<u>(47,932)</u>
Cash and cash equivalents at the end of the reporting period	28	<u><u>(27,387)</u></u>	<u><u>(14,624)</u></u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the year ended 31st March 2018**

1. COMPANY INFORMATION

Humbercare Limited is a charitable company limited by guarantee and was incorporated in the United Kingdom on 16th October 1989 and registered as a charity on 7th December 1989. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

Despite the balance sheet showing net liabilities, the directors consider it appropriate to prepare the financial statements under the going concern basis.

The current net liabilities position has largely arisen due to the recognition of pension fund deficit arrangements in prior years as required by the application of FRS 102, along with current year losses. The financial review on page five outlines management's assessment of current and future performance. Manageable repayment plans are in place to meet the pension fund deficit over 10 years, as disclosed in note 24. The directors have assessed the financial resources of the charity, including the preparation of financial projections for the year to 31st March 2019 which demonstrate that the charity has the ability to meet its obligations as they fall due and operate as a going concern for the foreseeable future, with continuing bank support.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds and any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

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

Income received in advance of the delivery of specific deliverables is deferred until the criteria for income recognition are met.

The value of services provided by volunteers are not included.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly and general costs are apportioned on an appropriate basis e.g. number of staff employed on each project.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and accounting costs.

**Notes to the Financial Statements - continued
for the year ended 31st March 2018**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Westbourne improvements	- over 10 years
Fixtures and fittings	- over 3 years
Motor vehicles	- over 5 years
Computer equipment	- over 3 years

Taxation

Humbercare Limited is a UK registered charity and all of its income is applied to the achievement of its charitable objects. The charitable company is therefore exempt under current legislation from most forms of taxation.

Fund accounting

Unrestricted funds

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the management committee.

Restricted funds

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the Report of the Trustees.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the statement of financial activities unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Pension costs and other post-retirement benefits

The company operates both a defined contribution pension scheme and a defined benefits scheme. The assets of the schemes are held separately from those of the company in independently administered funds. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme. There is no liability under the defined benefit scheme other than the payment of those contributions.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

3. DONATIONS AND LEGACIES

	2018	2017 as restated
	£	£
Gifts	15,210	11,405
Donations	9,772	4,285
Sir James Reckitt Charity	10,000	10,000
Millhouse Charity Trust	50,000	-
Balcombe Charity	25,000	-
	<u>109,982</u>	<u>25,690</u>

Gifts in kind comprise white goods, furniture and equipment, food parcels and other forms of assistance to clients.

Notes to the Financial Statements - continued
for the year ended 31st March 2018

4. INVESTMENT INCOME

	2018	2017 as restated
	£	£
Dividends received	648	424
Interest received	88	143
	<u>736</u>	<u>567</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2018 Advice and support	2017 Total activities as restated
	£	£
Grants and other income – see analysis below	2,243,614	2,474,640
University of Hull	19,155	27,490
Hull College	-	22,694
Supporters Lodgings Providers	187,785	212,651
Rents received	2,978,316	2,155,915
Humber Beacon Charity	-	1,496
	<u>5,428,870</u>	<u>4,894,886</u>

Grants and other income arising:

	2018	2017 as restated
	£	£
Hull City Council	1,510,525	1,925,788
North Lincolnshire Council	25,775	34,367
North East Lincolnshire Council	407,516	301,110
Humberside Probation Service	75,167	81,722
Social Services	67,818	109,847
Humber NHS Foundation	152,738	-
Other - Unrestricted	-	9,238
Other - Restricted	4,075	12,568
	<u>2,243,614</u>	<u>2,474,640</u>

6. RAISING FUNDS

Raising donations and legacies

	2018	2017 as restated
	£	£
Staff costs	<u>8,548</u>	<u>11,000</u>

Notes to the Financial Statements - continued
for the year ended 31st March 2018

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 8)	Totals
	£	£	£
Advice and support	<u>5,167,632</u>	<u>584,632</u>	<u>5,752,264</u>

8. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Advice and support	<u>539,467</u>	<u>45,165</u>	<u>584,632</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging:

	2018	2017 as restated
	£	£
Depreciation - owned assets	46,464	52,507
Auditors' remuneration	10,200	10,050
Operating lease rentals - land and buildings	<u>2,020,906</u>	<u>1,177,778</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2018 nor for the year ended 31st March 2017.

Trustees' expenses

Travel costs amounting to £16 (2017: £158) were reimbursed to members of the Management Committee.

11. STAFF COSTS

	2018	2017 as restated
	£	£
Wages and salaries	2,522,662	2,604,657
Social security costs	172,714	203,960
Other pension costs	<u>145,786</u>	<u>139,783</u>
	<u>2,841,162</u>	<u>2,948,400</u>

The average monthly number of employees during the year was as follows:

	2018	2017
Management and administration	14	12
Project co-ordinators and workers	<u>121</u>	<u>128</u>
	<u>135</u>	<u>140</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2018	2017
£70,001 - £80,000	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

Total remuneration for key management personnel is £213,339 (2017: £198,821).

Notes to the Financial Statements - continued
for the year ended 31st March 2018

12. EX GRATIA PAYMENTS

The total number of ex-gratia payments during the year were £4,736 which related to the redundancy of one employee.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted funds	Total funds as restated
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	-	25,690	25,690
Charitable activities			
Advice and support	4,882,318	12,568	4,894,886
Investment income	143	424	567
Total	4,882,461	38,682	4,921,143
 EXPENDITURE ON			
Raising funds	11,000	-	11,000
Charitable activities			
Advice and support	5,036,620	38,192	5,074,812
Total	5,047,620	38,192	5,085,812
Net gains/(losses) on investments	-	2,875	2,875
NET INCOME/(EXPENDITURE)	(165,159)	3,365	(161,794)
 Other recognised gains/(losses)			
Actuarial gains/losses on defined benefit schemes	(93,074)	-	(93,074)
Net movement in funds	(258,233)	3,365	(254,868)
 RECONCILIATION OF FUNDS			
Total funds brought forward	(204,078)	97,566	(106,512)
 TOTAL FUNDS CARRIED FORWARD	(462,311)	100,931	(361,380)

14. PRIOR YEAR ADJUSTMENT

Prior period adjustments represent cut-off adjustments made for Rents received and Rent for accommodation for clients. The net effect on the prior period Statement of Financial Activities is as follows:

	£
Correction for understatement of Rents received	182,454
Correction for understatement of Rental costs	(82,927)
	<u>99,527</u>

Notes to the Financial Statements - continued
for the year ended 31st March 2018

15. TANGIBLE FIXED ASSETS

	Westbourne Improvements £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1st April 2017	108,164	30,018	37,691	144,656	320,529
Additions	<u>4,503</u>	<u>-</u>	<u>-</u>	<u>4,697</u>	<u>9,200</u>
At 31st March 2018	<u>112,667</u>	<u>30,018</u>	<u>37,691</u>	<u>149,353</u>	<u>329,729</u>
DEPRECIATION					
At 1st April 2017	21,483	28,049	15,077	119,540	184,149
Charge for year	<u>11,267</u>	<u>1,469</u>	<u>7,538</u>	<u>26,190</u>	<u>46,464</u>
At 31st March 2018	<u>32,750</u>	<u>29,518</u>	<u>22,615</u>	<u>145,730</u>	<u>230,613</u>
NET BOOK VALUE					
At 31st March 2018	<u>79,917</u>	<u>500</u>	<u>15,076</u>	<u>3,623</u>	<u>99,116</u>
At 31st March 2017	<u>86,681</u>	<u>1,969</u>	<u>22,614</u>	<u>25,116</u>	<u>136,380</u>

16. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1st April 2017	26,039
Revaluations	<u>2,737</u>
At 31st March 2018	<u>28,776</u>
NET BOOK VALUE	
At 31st March 2018	<u>28,776</u>
At 31st March 2017	<u>26,039</u>

There were no investment assets outside the UK.

The historical cost of the investments as at 31 March 2018 was £10,273 (2017 £10,273).

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 as restated £
Trade debtors	101,315	370,678
Other debtors	2,512	3,412
Prepayments	<u>237,801</u>	<u>221,112</u>
	<u>341,628</u>	<u>595,202</u>

Notes to the Financial Statements - continued
for the year ended 31st March 2018

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017 as restated
	£	£
Bank loans and overdrafts (see note 19)	32,096	15,230
Trade creditors	358,321	167,338
Social security and other taxes	58,515	227,204
Other creditors	16,204	52,625
Accruals and deferred income	68,327	102,643
	<u>533,463</u>	<u>565,040</u>

Deferred income comprises contract income due to commence 1 April 2018.

19. LOANS

An analysis of the maturity of loans is given below:

	2018	2017 as restated
	£	£
Amounts falling due within one year on demand:		
Bank overdraft	<u>32,096</u>	<u>15,230</u>

20. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017 as restated
	£	£
Within one year	1,335,425	1,340,258
Between one and five years	2,316,013	2,871,656
In more than five years	<u>379,080</u>	<u>556,988</u>
	<u>4,030,518</u>	<u>4,768,902</u>

21. SECURED DEBTS

The following secured debts are included within creditors:

	2018	2017 as restated
	£	£
Bank overdraft	<u>32,096</u>	<u>15,230</u>

The bank overdraft is secured over the assets of the company.

Humbercare Limited

**Notes to the Financial Statements - continued
for the year ended 31st March 2018**

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	2018 Total funds	2017 Total funds as restated
	£	£	£	£
Fixed assets	99,116	-	99,116	136,380
Investments	-	28,776	28,776	26,039
Current assets	218,802	127,535	346,337	595,808
Current liabilities	(533,463)	-	(533,463)	(565,040)
Pension liability	(503,685)	-	(503,685)	(554,567)
	<u>(719,230)</u>	<u>156,311</u>	<u>(562,919)</u>	<u>(361,380)</u>

23. MOVEMENT IN FUNDS

	At 1.4.17 £	Net movement in funds £	At 31.3.18 £
Unrestricted funds			
General fund	(462,311)	(256,919)	(719,230)
Restricted funds			
Single Persons Homeless & Housing Project	3,607	-	3,607
J. Reckitt - Restricted	18,444	7,775	26,219
Big Lottery Fund - IT Outreach	1,844	-	1,844
Educating Young People in Need	49,184	-	49,184
Client Fund - Grants	(9,724)	13,848	4,124
HACRO	28,427	557	28,984
Young Persons Mentoring Scheme	9,149	-	9,149
Millhouse Charity Trust	-	14,416	14,416
Balcombe Charity	-	18,784	18,784
	<u>100,931</u>	<u>55,380</u>	<u>156,311</u>
TOTAL FUNDS	<u>(361,380)</u>	<u>(201,539)</u>	<u>(562,919)</u>

Notes to the Financial Statements - continued
for the year ended 31st March 2018

23. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	5,424,883	(5,698,750)	16,948	(256,919)
Restricted funds				
J. Reckitt - Restricted	10,000	(2,225)	-	7,775
Client Fund - Grants	13,848	-	-	13,848
Client Fund - Gifts in Kind	15,210	(15,210)	-	-
HACRO	647	(2,827)	2,737	557
Millhouse Charity Trust	50,000	(35,584)	-	14,416
Balcombe Charity	25,000	(6,216)	-	18,784
	114,705	(62,062)	2,737	55,380
TOTAL FUNDS	5,539,588	(5,760,812)	19,685	(201,539)

Comparatives for movement in funds

	At 1.4.16 £	Net movement in funds £	At 31.3.17 £
Unrestricted Funds			
General fund	(204,078)	(258,233)	(462,311)
Restricted Funds			
Single Persons Homeless & Housing Project	3,607	-	3,607
J. Reckitt - Restricted	744	7,700	8,444
Big Lottery Fund - IT Outreach	1,844	-	1,844
Educating Young People in Need	49,184	-	49,184
Client Fund - Grants	5,965	(5,689)	276
HACRO	27,073	1,354	28,427
Young Persons Mentoring Scheme	9,149	-	9,149
	97,566	3,365	100,931
TOTAL FUNDS	(106,512)	(254,868)	(361,380)

Notes to the Financial Statements - continued
for the year ended 31st March 2018

23. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	4,882,461	(5,047,620)	(93,074)	(258,233)
Restricted funds				
J. Reckitt - Restricted	7,700	-	-	7,700
Client Fund - Grants	19,153	(24,842)	-	(5,689)
Client Fund - Gifts in Kind	11,405	(11,405)	-	-
HACRO	424	(1,945)	2,875	1,354
	<u>38,682</u>	<u>(38,192)</u>	<u>2,875</u>	<u>3,365</u>
TOTAL FUNDS	<u><u>4,921,143</u></u>	<u><u>(5,085,812)</u></u>	<u><u>(90,199)</u></u>	<u><u>(254,868)</u></u>

24. EMPLOYEE BENEFIT OBLIGATIONS

DEFINED BENEFIT SCHEME

Humbercare Limited operates various pension schemes resulting in a pensions charge in the Statement of Financial Activities of £145,786 (2017: £139,783). There were outstanding contributions of £14,885 at the year end date being the contributions for March 2018.

Details of the various schemes are as follows:

TPT Retirement Solutions - The Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK.

It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. This is due to the share of underlying assets and liabilities belonging to individual participating employers, and as the scheme is a multi-employer scheme, the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The Company has been notified by The Pensions Trust of the estimated employer debt on withdrawal from The CARE Scheme, based on the financial position of the Scheme as at 2 June 2016. At this date the estimated employer debt for the company was £90,871 (2014: £106,521).

Notes to the Financial Statements - continued
for the year ended 31st March 2018

24. EMPLOYEE BENEFIT OBLIGATIONS
- continued

A full actuarial valuation for the scheme was carried out at 30 September 2014. This actuarial valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid to the scheme.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities. The allocation for Humbercare Limited has been calculated as follows:

From 1 April 2016 to 30 September 2025 - £3,838 per annum

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUES OF PROVISION

	2018 £	2017 £
Present value of provision	<u>30,677</u>	<u>34,535</u>

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	2018 £	2017 £
Provision at start of period	34,535	36,473
Unwinding of the discount factor (interest expense)	428	714
Deficit contribution paid	(3,838)	(3,726)
Remeasurements - impact of any change in assumptions	(448)	1,074
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	<u>30,677</u>	<u>34,535</u>

INCOME AND EXPENDITURE IMPACT

	2018 £	2017 £
Interest expense	428	714
Remeasurements - impact of any change in assumptions	(448)	1,074
Remeasurements - amendments to the contribution schedule	-	-

ASSUMPTIONS

	2018 %	2017 %
Rate of discount	1.71	1.32

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Notes to the Financial Statements - continued
for the year ended 31st March 2018

24. EMPLOYEE BENEFIT OBLIGATIONS
- continued

TPT Retirement Solutions - Career Average Revalued Earnings ("CARE") Pension Scheme

The company participates in the scheme, a multi-employer scheme which provides benefits to some 41 non-associated employers. The scheme is a defined benefit scheme in the UK.

It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. This is due to the share of underlying assets and liabilities belonging to individual participating employers, and as the scheme is a multi-employer scheme, the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The Company has been notified by The Pensions Trust of the estimated employer debt on withdrawal from The CARE Scheme, based on the financial position of the Scheme as at 30 September 2016. At this date the estimated employer debt for the Company was £3,613,530.

A full actuarial valuation for the scheme was carried out at 30 September 2016. This actuarial valuation showed assets of £60.5m, liabilities of £85.3m and a deficit of £24.9m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid to the scheme.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities. The allocation for Humbercare Limited has been calculated as follows:

From 1 April 2018 to 30 November 2028 - £41,003 per annum

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUES OF PROVISION

	2018 £	2017 £
Present value of provision	<u>396,913</u>	<u>437,000</u>

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	2018 £	2017 £
Provision at start of period	437,000	356,000
Unwinding of the discount factor (interest expense)	8,570	20,000
Deficit contribution paid	(32,157)	(31,000)
Remeasurements - impact of any change in assumptions	(16,500)	-
Remeasurements - amendments to the contribution schedule	-	92,000
Provision at end of period	<u>396,913</u>	<u>437,000</u>

Notes to the Financial Statements - continued
for the year ended 31st March 2018

24. EMPLOYEE BENEFIT OBLIGATIONS
- continued

INCOME AND EXPENDITURE IMPACT

	2018 £	2017 £
Interest expense	8,570	20,000
Remeasurements - impact of any change in assumptions	(16,500)	-
Remeasurements - amendments to the contribution schedule	-	92,000

ASSUMPTIONS

	2018 %	2017 %
Rate of discount	1.47	1.47

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

In addition to the above, from 1 April 2018, an amount of £4,803 is required for scheme expenses, increasing by 3% from April each year. These amounts have not been recognised as a liability in the accounts as only contributions relating to the funding shortfall require providing for.

East Riding of Yorkshire Pension Fund

Humbercare Limited ceased to be an employing authority in the East Riding Pension Fund on 9 January 2014. The fund previously provided retirement benefits for two employees and was a defined benefit scheme.

The value of the fund at the date of cessation, and still outstanding to date, has been calculated at £76,095.

25. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st March 2018.

26. ULTIMATE CONTROLLING PARTY

The charitable company, being limited by guarantee, has no share capital and was controlled throughout the period by its members and therefore no one party had ultimate control.

27. INDEMNITY INSURANCE

The current cover for indemnity insurance for the charity and charity trustees is £1,000,000 (2017 £1,000,000).

Notes to the Financial Statements - continued
for the year ended 31st March 2018

24. EMPLOYEE BENEFIT OBLIGATIONS
- continued

INCOME AND EXPENDITURE IMPACT

	2018 £	2017 £
Interest expense	8,570	20,000
Remeasurements - impact of any change in assumptions	(16,500)	-
Remeasurements - amendments to the contribution schedule	-	92,000

ASSUMPTIONS

	2018 %	2017 %
Rate of discount	1.47	1.47

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

In addition to the above, from 1 April 2018, an amount of £4,803 is required for scheme expenses, increasing by 3% from April each year. These amounts have not been recognised as a liability in the accounts as only contributions relating to the funding shortfall require providing for.

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The value of the fund at the date of cessation, and still outstanding to date, has been calculated at £76,095.

25. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st March 2018.

26. ULTIMATE CONTROLLING PARTY

The charitable company, being limited by guarantee, has no share capital and was controlled throughout the period by its members and therefore no one party had ultimate control.

27. INDEMNITY INSURANCE

The current cover for indemnity insurance for the charity and charity trustees is £1,000,000 (2017 £1,000,000).

Notes to the Financial Statements - continued
for the year ended 31st March 2018

28. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 as restated £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(218,487)	(161,794)
Adjustments for:		
Depreciation charges	46,464	52,506
Gain on investments	(2,737)	(2,875)
Interest received	(87)	(143)
Dividends received	(648)	(424)
Decrease/(increase) in debtors	253,574	(595,201)
(Decrease)/increase in creditors	(48,443)	549,810
Difference between pension charge and cash contributions	<u>(42,932)</u>	<u>(34,726)</u>
Net cash provided by (used in) operating activities	<u>(13,296)</u>	<u>(192,847)</u>
	2018	2017
	£	£
Cash in hand	4,711	605
Notice deposits (less than 3 months)	(2)	1
Overdrafts included in bank loans and overdrafts falling due within one year	<u>(32,096)</u>	<u>(15,230)</u>
Total cash and cash equivalents	<u>(27,387)</u>	<u>(14,624)</u>