



Smailes Goldie Group
CREATING ADVANTAGE

REGISTERED COMPANY NUMBER: 02432547
REGISTERED CHARITY NUMBER: 702269

**Registrar's
Copy**

Humbercare Limited
(A Company Limited by Guarantee)

Financial Statements

31st March 2023



SD-0210821-1-6

Humbercare Limited

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Humbercare Limited

Reference and Administrative Details

for the year ended 31st March 2023

TRUSTEES	P Robinson D Walker (resigned 23.1.2023) G Ziae (resigned 23.1.2023) P L Arksey (resigned 23.1.2023) A Young J E Malyon J M Sharpley FCA (appointed 23.1.2023) H J Spencer (appointed 23.1.2023)
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
KEY MANAGEMENT	R Mckinnon M Mercer J A Tribe K Allman C Hornsby

Humbercare Limited

Report of the Trustees for the year ended 31st March 2023

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 2023. 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 2019).

OBJECTIVES AND ACTIVITIES

Statement of Purpose

We will provide information, advice, guidance, care, and support services that are tailored to individuals needs and aspirations.

We will source and provide a range of accommodation that will meet the needs of those experiencing homelessness be that as a result of offending, leaving care or due to suffering complex needs or severe and multiple disadvantages.

Belief

That every individual has the opportunity to access a safe place that they can call home, within which they can realise their full potential, optimise their life chances, improve their skills, and achieve responsible and achieve independent living and become active and 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 Care Quality Commission accreditation, Investors in People and Matrix awards to be an employer of choice in the voluntary sector.

Values

Provide	Providing quality accommodation, innovative services, choices and appropriate information, advice and guidance.
Prevent	Preventing homelessness, reoffending, reliance on acute and long-term health and social care services.
Promote	Promoting potential, opportunity, and independence.

Significant activities

Humbercare delivers a range of person-centred services to vulnerable young people and adults. Our innovative community-based support packages include mentoring and volunteering, accommodation based and non-accommodation-based, including mental health crisis support, housing-related support services and supported lodgings. All our services are outcome focussed. Humbercare supply services on behalf of the following local authorities and organisations Hull City Council, Northeast Lincolnshire Council & Clinical Commissioning Group, East Riding of Yorkshire Council, University of Hull Humber Trust, National Probation Service and the University of Hull.

Public benefit

During the past financial year, Humbercare has worked with over 4,000 people by helping them to maintain their accommodation, by helping them motivate themselves regarding learning and employment, by acting as role models and advocates, to enable them to become valuable members of the community and therefore to reduce offending and improve the community for everyone.

Humbercare Limited

Report of the Trustees for the year ended 31st March 2023

OBJECTIVES AND ACTIVITIES

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 40 mentors/volunteers per year. They have completed 6,240 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, excluding gains on pension schemes, the company made a surplus in this operating year of £172,070 (2022: £345,925). This represents a deficit of £2,519 (2022: deficit £4,399) on restricted funds and a surplus of £174,589 (2022: £350,324) on unrestricted funds.

The surplus is a result of the Senior Management Team investing in infrastructure to support 3 of the organisation's most demanding services to deliver the highest standard possible and to ensure that the organisation can respond and be competitive in future procurement exercises. This includes investment in our property portfolio, personnel, on-going upgrades to internal software and information technology. The investments will assist the organisation in increasing its annual income over the next 3-5 years and continuing to deliver high-quality services meeting the requirements of the communities the organisation works with. During this financial year, there has been continued investment into the Finance team in terms of on going updates to systems and infrastructure to meet the growing demands of the organisation.

As at 31 March 2023 unrestricted reserves were £283,664 (2022: £67,369) whilst restricted reserves were £27,775 (2022: £30,294).

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 £27,775 as at 31 March 2023) 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 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 2023

FUTURE STRATEGY

Humbercare Limited has in place a five 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

Charity constitution and governing document

The charity 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. The charity constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Members of the management committee

Trustees and key management 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 2023 was 5 (2022 - 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.

Humbercare Limited

Report of the Trustees for the year ended 31st March 2023

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 27th September 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'R McKinnon', written over a faint horizontal line.

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 2023 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 2023 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.

Material uncertainty related to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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, 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 this gives rise to a material misstatement in the financial statements themselves. 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 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.

Report of the Independent Auditors to the Members of Humbercare Limited

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.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2006, Companies Act 2006, tax legislation, data protection, anti-bribery, employment, environmental and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Report of the Independent Auditors to the Members of Humbercare Limited

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and the charitable company's legal advisors.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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.

Stephen Bramall BSc 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

27th September 2023

Humbercare Limited

Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the year ended 31st March 2023

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	3,950	15,000	18,950	26,404
Charitable activities	5				
Accommodation, advice and support		8,423,158	-	8,423,158	8,035,863
Investment income	4	-	898	898	893
Total		<u>8,427,108</u>	<u>15,898</u>	<u>8,443,006</u>	<u>8,063,160</u>
EXPENDITURE ON					
Charitable activities	6				
Accommodation, advice and support		<u>8,252,519</u>	<u>15,898</u>	<u>8,268,417</u>	<u>7,712,836</u>
Net gains/(losses) on investments		-	(2,519)	(2,519)	(4,399)
NET INCOME/(EXPENDITURE)		174,589	(2,519)	172,070	345,925
Other recognised gains/(losses)					
Actuarial gains on defined benefit schemes		<u>41,706</u>	-	<u>41,706</u>	<u>25,765</u>
Net movement in funds		<u>216,295</u>	<u>(2,519)</u>	<u>213,776</u>	<u>371,690</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>67,369</u>	<u>30,294</u>	<u>97,663</u>	<u>(274,027)</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>283,664</u></u>	<u><u>27,775</u></u>	<u><u>311,439</u></u>	<u><u>97,663</u></u>

The notes form part of these financial statements

Humbercare Limited (Registered Company Number: 02432547)

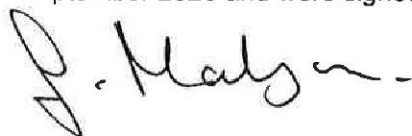
Balance Sheet

31st March 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	12	183,571	95,623
Investments	13	27,775	30,294
		211,346	125,917
CURRENT ASSETS			
Debtors	14	337,470	410,950
Cash at bank and in hand		588,811	611,416
		926,281	1,022,366
CREDITORS			
Amounts falling due within one year	15	(612,649)	(735,514)
NET CURRENT ASSETS		313,632	286,852
TOTAL ASSETS LESS CURRENT LIABILITIES		524,978	412,769
CREDITORS			
Amounts falling due after more than one year	16	-	(1,666)
PENSION LIABILITY	20	(213,539)	(313,440)
NET ASSETS/(LIABILITIES)		311,439	97,663
FUNDS	19		
Unrestricted funds		283,664	67,369
Restricted funds		27,775	30,294
TOTAL FUNDS		311,439	97,663

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 27th September 2023 and were signed on its behalf by:



J E Malyon - Trustee

Humbercare Limited

Cash Flow Statement

for the year ended 31st March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>122,898</u>	<u>537,624</u>
Net cash provided by operating activities		<u>122,898</u>	<u>537,624</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(143,902)	(74,048)
Sale of tangible fixed assets		-	11,501
Dividends received		<u>898</u>	<u>893</u>
Net cash used in investing activities		<u>(143,004)</u>	<u>(61,654)</u>
Cash flows from financing activities			
Hire purchase repayments in year		<u>(2,499)</u>	<u>(2,499)</u>
Net cash used in financing activities		<u>(2,499)</u>	<u>(2,499)</u>
Change in cash and cash equivalents in the reporting period		<u>(22,605)</u>	<u>473,471</u>
Cash and cash equivalents at the beginning of the reporting period		<u>611,416</u>	<u>137,945</u>
Cash and cash equivalents at the end of the reporting period		<u>588,811</u>	<u>611,416</u>

The notes form part of these financial statements

Humbercare Limited

Notes to the Cash Flow Statement

for the year ended 31st March 2023

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net income for the reporting period (as per the Statement of Financial Activities)	172,070	345,925
Adjustments for:		
Depreciation charges	55,954	43,411
Losses on investments	2,519	4,399
Loss on disposal of fixed assets	-	11,271
Dividends received	(898)	(893)
Decrease in debtors	73,480	172,619
(Decrease)/increase in creditors	(122,032)	29,376
Difference between pension charge and cash contributions	(58,195)	(68,484)
Net cash provided by operations	<u>122,898</u>	<u>537,624</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank and in hand	<u>611,416</u>	<u>(22,605)</u>	<u>588,811</u>
	<u>611,416</u>	<u>(22,605)</u>	<u>588,811</u>
Debt			
Finance leases	<u>(4,165)</u>	<u>2,499</u>	<u>(1,666)</u>
	<u>(4,165)</u>	<u>2,499</u>	<u>(1,666)</u>
Total	<u><u>607,251</u></u>	<u><u>(20,106)</u></u>	<u><u>587,145</u></u>

The notes form part of these financial statements

Humbercare Limited

Notes to the Financial Statements

for the year ended 31st March 2023

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 2019)', 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

The Senior Management Team, having considered Humbercare's contracts, housing portfolio and budget for the period 1 April 2023 - 31 March 2024, have a reasonable expectation that the organisation has adequate resources to continue in operational existence for a period of 12 months from the date of approval of these financial statements and therefore have been prepared the financial statements on a going concern basis.

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.

Humbercare Limited

Notes to the Financial Statements - continued

for the year ended 31st March 2023

2. ACCOUNTING POLICIES - continued

Allocation and apportionment of costs

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

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:

Long leasehold	- over 50 years for structural improvements
	- over the length of the lease for other improvements
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.

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.

Humbercare Limited

Notes to the Financial Statements - continued for the year ended 31st March 2023

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Other income	940	1,739
Donations	3,010	9,665
Sir James Reckitt Charity	15,000	15,000
	<u>18,950</u>	<u>26,404</u>

4. INVESTMENT INCOME

	2023	2022
	£	£
Dividends received	<u>898</u>	<u>893</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
	Accommodation, advice and support £	Total activities £
Grants	2,314,488	2,281,550
University of Hull	6,280	9,000
Supporters Lodgings Providers	98,573	107,043
Rents received	<u>6,003,817</u>	<u>5,638,270</u>
	<u>8,423,158</u>	<u>8,035,863</u>

Grants received, included in the above, are as follows:

	2023	2022
	£	£
Hull City Council	1,751,244	1,798,324
North East Lincolnshire Council	451,735	388,973
Humberside Probation Service	50,669	44,185
Social Services	<u>60,840</u>	<u>50,068</u>
	<u>2,314,488</u>	<u>2,281,550</u>

Humbercare Limited

Notes to the Financial Statements - continued for the year ended 31st March 2023

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 7) £	Totals £
Accommodation, advice and support	<u>7,576,669</u>	<u>691,748</u>	<u>8,268,417</u>

7. SUPPORT COSTS

	Administration £	Governance costs £	Totals £
Accommodation, advice and support	<u>641,062</u>	<u>50,686</u>	<u>691,748</u>

Support costs, included in the above, are as follows:

Governance costs

	2023	2022
	Accommodation, advice and support £	Total activities £
Legal and professional fees	10,274	7,514
Audit and accountancy fees	<u>40,412</u>	<u>37,182</u>
	<u>50,686</u>	<u>44,696</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation - owned assets	55,954	43,410
Deficit on disposal of fixed assets	-	11,271
Auditors' remuneration	12,576	10,650
Operating lease rentals - land and buildings	<u>2,639,590</u>	<u>2,494,782</u>

Humbercare Limited

Notes to the Financial Statements - continued for the year ended 31st March 2023

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2023 nor for the year ended 31st March 2022.

Trustees' expenses

Travel costs amounting to £nil (2022: £nil) were reimbursed to members of the Management Committee.

10. STAFF COSTS

	2023 £	2022 £
Wages and salaries	2,993,777	2,761,390
Social security costs	257,322	221,303
Other pension costs	158,243	149,114
	<u>3,409,342</u>	<u>3,131,807</u>

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

	2023	2022
Management and administration	15	15
Project co-ordinators and workers	128	121
	<u>143</u>	<u>136</u>

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

	2023	2022
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1
	<u>2</u>	<u>2</u>

Total remuneration for key management personnel is £361,128 (2022: £325,764).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	11,404	15,000	26,404
Charitable activities			
Accommodation, advice and support	8,035,863	-	8,035,863
Investment income	-	893	893
Total	<u>8,047,267</u>	<u>15,893</u>	<u>8,063,160</u>

Humbercare Limited

Notes to the Financial Statements - continued

for the year ended 31st March 2023

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
EXPENDITURE ON			
Charitable activities			
Accommodation, advice and support	<u>7,696,943</u>	<u>15,893</u>	<u>7,712,836</u>
Net gains/(losses) on investments	<u>-</u>	<u>(4,399)</u>	<u>(4,399)</u>
NET INCOME/(EXPENDITURE)	350,324	(4,399)	345,925
Other recognised gains/(losses)			
Actuarial gains on defined benefit schemes	<u>25,765</u>	<u>-</u>	<u>25,765</u>
Net movement in funds	376,089	(4,399)	371,690
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>(308,720)</u>	<u>34,693</u>	<u>(274,027)</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>67,369</u></u>	<u><u>30,294</u></u>	<u><u>97,663</u></u>

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Westbourne Improvements £	Fixtures and fittings £
COST			
At 1st April 2022	-	39,764	37,501
Additions	<u>40,851</u>	<u>29,254</u>	<u>18,638</u>
At 31st March 2023	<u>40,851</u>	<u>69,018</u>	<u>56,139</u>
DEPRECIATION			
At 1st April 2022	-	27,695	31,450
Charge for year	<u>1,100</u>	<u>5,474</u>	<u>4,088</u>
At 31st March 2023	<u>1,100</u>	<u>33,169</u>	<u>35,538</u>
NET BOOK VALUE			
At 31st March 2023	<u><u>39,751</u></u>	<u><u>35,849</u></u>	<u><u>20,601</u></u>
At 31st March 2022	<u><u>-</u></u>	<u><u>12,069</u></u>	<u><u>6,051</u></u>

Humbercare Limited

Notes to the Financial Statements - continued for the year ended 31st March 2023

12. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1st April 2022	14,994	278,120	370,379
Additions	-	55,159	143,902
At 31st March 2023	14,994	333,279	514,281
DEPRECIATION			
At 1st April 2022	12,661	202,950	274,756
Charge for year	2,333	42,959	55,954
At 31st March 2023	14,994	245,909	330,710
NET BOOK VALUE			
At 31st March 2023	-	87,370	183,571
At 31st March 2022	2,333	75,170	95,623

13. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1st April 2022	30,294
Revaluations	(2,519)
At 31st March 2023	27,775
NET BOOK VALUE	
At 31st March 2023	27,775
At 31st March 2022	30,294

There were no investment assets outside the UK.

The historical cost of the investments as at 31 March 2023 was £10,273 (2022: £10,273).

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	73,378	102,360
Other debtors	4,800	260
Prepayments and accrued income	259,292	308,330
	<u>337,470</u>	<u>410,950</u>

Humbercare Limited

Notes to the Financial Statements - continued for the year ended 31st March 2023

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Hire purchase (see note 17)	1,666	2,499
Trade creditors	342,141	360,779
Social security and other taxes	49,614	58,931
Other creditors	30,745	22,474
Accruals and deferred income	188,483	290,831
	<u>612,649</u>	<u>735,514</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Hire purchase (see note 17)	-	1,666

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2023	2022
	£	£
Net obligations repayable:		
Within one year	1,666	2,499
Between one and five years	-	1,666
	<u>1,666</u>	<u>4,165</u>

	Non-cancellable operating leases	
	2023	2022
	£	£
Within one year	2,683,499	2,607,192
Between one and five years	1,899,684	4,086,469
More than 5 years	1,378	-
	<u>4,584,562</u>	<u>6,693,661</u>

Humbercare Limited

Notes to the Financial Statements - continued

for the year ended 31st March 2023

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
Fixed assets	183,571	-	183,571	95,623
Investments	-	27,775	27,775	30,294
Current assets	926,281	-	926,281	1,022,366
Current liabilities	(612,649)	-	(612,649)	(735,514)
Long term liabilities	-	-	-	(1,666)
Pension liability	(213,539)	-	(213,539)	(313,440)
	<u>283,664</u>	<u>27,775</u>	<u>311,439</u>	<u>97,663</u>

19. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	67,369	216,295	283,664
Restricted funds			
HACRO	30,294	(2,519)	27,775
TOTAL FUNDS	<u>97,663</u>	<u>213,776</u>	<u>311,439</u>

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	8,427,108	(8,252,519)	41,706	216,295
Restricted funds				
J. Reckitt - Restricted	15,000	(15,000)	-	-
HACRO	898	(898)	(2,519)	(2,519)
	<u>15,898</u>	<u>(15,898)</u>	<u>(2,519)</u>	<u>(2,519)</u>
TOTAL FUNDS	<u>8,443,006</u>	<u>(8,268,417)</u>	<u>39,187</u>	<u>213,776</u>

Humbercare Limited

Notes to the Financial Statements - continued for the year ended 31st March 2023

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	(308,720)	376,089	67,369
Restricted funds			
HACRO	34,693	(4,399)	30,294
TOTAL FUNDS	<u>(274,027)</u>	<u>371,690</u>	<u>97,663</u>

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	8,047,267	(7,696,943)	25,765	376,089
Restricted funds				
J. Reckitt - Restricted	15,000	(15,000)	-	-
HACRO	893	(893)	(4,399)	(4,399)
	<u>15,893</u>	<u>(15,893)</u>	<u>(4,399)</u>	<u>(4,399)</u>
TOTAL FUNDS	<u>8,063,160</u>	<u>(7,712,836)</u>	<u>21,366</u>	<u>371,690</u>

20. EMPLOYEE BENEFIT OBLIGATIONS

Humbercare Limited operates various pension schemes resulting in a pensions charge in the Statement of Financial Activities of £158,243 (2022: £149,114). There were outstanding contributions of £30,806 (2022: £22,328) at the year end.

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 638 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. 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.

Humbercare Limited

Notes to the Financial Statements - continued

for the year ended 31st March 2023

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

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.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025 - £3,312,000 per annum
(payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

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

	2023 £	2022 £
Present value of provision	<u>2,967</u>	<u>4,654</u>

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	2023 £	2022 £
Provision at start of period	4,654	18,123
Unwinding of the discount factor (interest expense)	88	105
Deficit contribution paid	(1,696)	(4,586)
Remeasurements - impact of any change in assumptions	(79)	(107)
Remeasurements - amendments to the contribution schedule	-	(8,881)
Provision at end of period	<u>2,967</u>	<u>4,654</u>

INCOME AND EXPENDITURE IMPACT

	2023 £	2022 £
Interest expense	88	105
Remeasurements - impact of any change in assumptions	(79)	(107)
Remeasurements - amendments to the contribution schedule	-	(8,881)

Humbercare Limited

Notes to the Financial Statements - continued for the year ended 31st March 2023

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

ASSUMPTIONS

	2023 %	2022 %
Rate of discount	5.52	2.35

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.

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 37 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. 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.

A full actuarial valuation for the scheme was carried out at 30 September 2019. This valuation showed assets of £79m, liabilities of £93.9m and a deficit of £14.9m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2021 to 30 September 2027 - £1,530,000 per annum
(payable monthly and increasing by 3% each 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

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

	2023 £	2022 £
Present value of provision	<u>210,809</u>	<u>264,983</u>

Humbercare Limited

Notes to the Financial Statements - continued for the year ended 31st March 2023

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	2023	2022
	£	£
Provision at start of period	264,983	320,346
Unwinding of the discount factor (interest expense)	6,093	2,891
Deficit contribution paid	(48,225)	(46,820)
Remeasurements - impact of any change in assumptions	(12,042)	(11,434)
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	<u>210,809</u>	<u>264,983</u>

INCOME AND EXPENDITURE IMPACT

	2023	2022
	£	£
Interest expense	6,093	2,891
Remeasurements - impact of any change in assumptions	(12,042)	(11,434)
Remeasurements - amendments to the contribution schedule	-	-

ASSUMPTIONS

	2023	2022
	%	%
Rate of discount	5.18	2.55

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.

Defined contribution scheme

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 £Nil (2022: £44,040).

Deficit funding contributions totalling £17,500 were paid during the year, £3,045 was charged to the income and expenditure account in respect of the interest expense relating to the unwinding of the discount factor and a remeasurement of a £29,585 gain has been credited to the other recognised gains and losses.

Humbercare Limited

Notes to the Financial Statements - continued for the year ended 31st March 2023

21. RELATED PARTY DISCLOSURES

Parasol Homes

J Malyon was previously the Chair for Parasol Homes, later resigning in July 2022. Total transactions with Parasol Homes amounted to purchases of £455,886 (2022: £497,005), of which £77,421 (2022: £70,799) was outstanding at the year end.

22. 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.

23. INDEMNITY INSURANCE

The current cover for indemnity insurance for the charity and charity trustees is £1,000,000 (2022: £1,000,000).

