

Registered number: 03590328

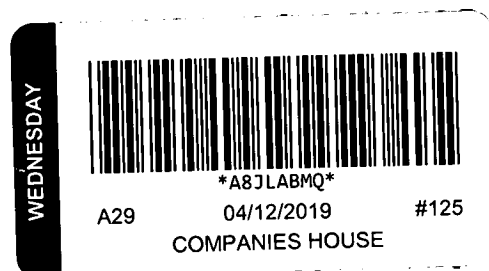
Charity number: 1070430

**HAMOAZE HOUSE**  
**(A COMPANY LIMITED BY GUARANTEE)**

**UNAUDITED**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019**



**HAMOAZE HOUSE  
(A COMPANY LIMITED BY GUARANTEE)**

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**HAMOAZE HOUSE  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2019**

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<b>Trustees</b>	Judge W E M Taylor, Director Mrs J S Ashley (resigned 25 October 2018) Mrs S J Hobbs Dr J J Lovett Mr S J Pearce Mr M R Thomas Cllr B Vincent Mr A J Westall Mr S D Young Mrs E Fluellen (appointed 25 April 2019)
<b>Company registered number</b>	03590328
<b>Charity registered number</b>	1070430
<b>Registered office</b>	Hamoaze House Mount Wise Devonport Plymouth Devon PL1 4JQ
<b>Chief executive officer</b>	Mr M Bignell
<b>Bankers</b>	The Co-Operative Bank Plc PO Box 250 Skelmersdale Lancashire WN8 6WT

**HAMOAZE HOUSE  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2019**

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The Trustees present their report and the certified financial statements for the year ended 31 March 2019. The accounts have been drawn up in compliance with the Statement of Recommended Practice – Accounting and Reporting by Charities (as revised in March 2005) ('SORP'), the Charities Act 2011, the Companies Act (2006), and in accordance with the company's Memorandum and Articles of Association.

**OBJECTIVES AND ACTIVITIES**

**a. POLICIES AND OBJECTIVES**

In furtherance of its objectives and public benefit, the charity's principle objectives according to its governing document are:

To preserve and safeguard the health, well-being and recovery of all persons whose lives are affected by dependency upon drugs (illegal and legal) and/or alcohol and the families of such persons and their communities.

To treat, preserve, intervene and safeguard the health and wellbeing of those persons at risk and vulnerable persons, young people, individuals and families.

To promote the education and further the attendance and attainment of those persons who have been unable to succeed in the traditional education system

To provide and manage a specialist day care centre for the benefit of the general public in Plymouth and elsewhere.

To advance the life skills of young people by, for example:

The provision of recreational and leisure time activities in the interest of social welfare, designed to improve their conditions of life;

The provision of support and activities which develop their skills, capacities and capabilities thus enabling them to participate in society as mature and responsible individuals

**HAMOAZE HOUSE**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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The charity operates day to day support facilities for all persons affected by problematic substance use and multiple vulnerabilities and complex needs in the community, an alternative education programme and a weekend and holiday short breaks programme for children and young people with disabilities. The program includes but is not limited to:

Individualised Recovery Care Plans	Theatre and drama productions
Structured time management	Music, i.e. writing, playing and performing
Group therapy	Anger management
Health promotion	Gardening and vegetable growing
Relapse prevention	Early intervention initiatives
Leisure and sport	Support into employment and training
Young persons' support	Education
Families' support	Life skills
Creative writing	Seymour Young Peoples' Day Support Service
Accredited cookery training	Student Placement
Supervised contact	Doorsteps sports (in conjunction with PCC Youth Service)
Trampolining – British Gymnastics Qualification	Barista project
Sensory room	SHARP project (in partnership with Harbour)
Hidden harm support and training	Nursery provision and support
Core maths and english	Charity Shop volunteering

**Young people**

The education and young people services remains successful and we continue to develop our partnership with ACE (Alternative Complimentary Service). This service engages with a number of young people with specialist education needs (SEN). This includes cognition and learning, autistic spectrum conditions, medical needs, physical disabilities, specific learning difficulties (dyslexia/dyscalculia). We are also supporting some of the Outreach provision.

The charity hopes to build on the success of the current provision in the next financial year and beyond.

**b. STRATEGIES FOR ACHIEVING OBJECTIVES**

**Strategic objectives**

The overall objective is to encourage and support people in developing and improving skills and strategies to facilitate a move on from dependent behaviour (substances, lifestyles and associated agencies).

In addition, of particular significance is the objective to provide support for families, parents and young people affected by problematic substance use within their family and/or neighbourhood. This is achieved through offering structured day programmes individually tailored to the identified need of the client.

In support of this we are currently able to offer a dedicated service known as Hidden Harm, to young people whose lives are affected by the problematic drug or alcohol use of their parents or carers.

Plymouth City Council is looking at tendering a new model of provision for those people whose lives are affected

**HAMOAZE HOUSE  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 MARCH 2019**

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by Alcohol and Drugs, Poor Mental Health, Offending and Homelessness.

Plymouth City Council in conjunction with partners and people who use services have been co-designing the future Complex Needs System. This will enable people using services to be supported flexibly, receiving the right care, at the right time, in the right place.

This Alliance Model plans to focus on creating systemic change; changes to culture, funding structures, commission and policy which will support this new way of working. It is planned that together we will create a contractual environment where suppliers share responsibility for achieving outcomes and are mutually supportive, because decisions will be made based on the best outcome for people using services.

The vision is now the Alliance vision. The Alliance started in April 2019 and we are now working within it.

Alliance success is based on leadership, alignment, shared risks and incentives and a commitment to collaboration. It promotes a new way of working, it drives collaboration and innovation, provides integrated care and will improve efficiency and stability promoting sustainable outcomes for those people using the services.

**Achievements and performance**

The successful realisation of each service user's care plan, their purpose for being here, is monitored with regular reviews by Hamoaze House staff, client and referrer. Many of the policies are standard with other drug and alcohol service providers.

**Performance objectives**

- To increase capacity of adult service users to 72.
- To maintain capacity of young people's combined service at 40.
- To increase capacity of affected others' group to 20.
- To increase access to our facilities, such as the cabin, for the benefit of families, young people and children through a multi-agency approach.
- To continue to develop opportunities for greater partnership working, through the Alliance with a view to embedding collaboration and combined service provision.
- To provide education, training and employment opportunities for those using our services through the Hamoaze House Charity Shop and the Hamoaze House Coffee Box.

**c. SIGNIFICANT ACTIVITIES FOR ACHIEVING OBJECTIVES**

To continually improve on quality of service.

To actively promote Hamoaze House's services.

To build capacity with "Not in Education, Employment, Training or School" young people ("NEETS").

Actively promote the facilities available at Hamoaze House and build on current working relationships with all services involved in adult social care and child social care.

We have launched a project, The Coffee Box, to sell coffee to members of the public. This is a small venture where service users will benefit from education, training and improved employment opportunities through customer service, barista training, food and hygiene training and bookkeeping experience. All surpluses from this project will be used to further the work of Hamoaze and Seymour House.

The Charity Shop has proven to be an effective way to build an independent income stream, wider engagement with the community and the city and also particularly providing volunteering opportunities for those citizens using

**HAMOAZE HOUSE  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 MARCH 2019**

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our services including accredited retail training.

**ACHIEVEMENTS AND PERFORMANCE**

**a. FUNDRAISING ACTIVITIES/INCOME GENERATION**

**Revenue funding**

Core revenue funding to cover the ongoing operating expenses has been covered for the next few months.

**Principal funding sources**

The principle funding sources of the organisation are set out in Note 3 of the accounts.

**Fundraising**

We are predominately funded by public health grants and individual grant making trusts. Hamoaze House do not employ professional bodies or employ any fundraising staff. Hamoaze has a JustGiving page on the Hamoaze website. We occasionally receive donations from supportive individuals and now raise independent funds through the Charity Shop and Coffee Box.

**FINANCIAL REVIEW**

**a. GOING CONCERN**

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**b. RESERVES POLICY**

Unrestricted general funds can be used in accordance with the Charitable Objects at the discretion of the Board of Trustees.

- To protect the charity against the consequences of any contract being terminated or not renewed resulting in redundancy of roles.
- To provide funds for urgent capital expenditure.
- To provide working capital in the event that there are short term funding gaps.

Having completed a review of the likely costs involved the Trustees consider it to be apposite to maintain unrestricted reserves within the range £175,000 to £200,000.

Restricted funds can only be used for particular restricted purposes within the objects of the charity.

**HAMOAZE HOUSE  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 MARCH 2019**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**a. CONSTITUTION**

The company was incorporated on 30 June 1998 and attained registered charity status on 7 July 1998. The company is limited by guarantee and does not have a share capital.

**b. METHOD OF APPOINTMENT AND TRAINING OF TRUSTEES**

The Trustees who served during the year and since the year end are set out on page 1. The Board of Trustees, which meets regularly during the year, appoints trustees and deals with the induction process for new trustees.

All new Trustees are given the opportunity to tour the project and meet both service users and staff. Trustees are always invited to various celebrations and festivities throughout the year. Hamoaze House also has an open door policy encouraging trustees to drop in.

Charity Commission booklets are also provided for new trustees such as "The Essential Trustee" to outline the role.

**c. PAY POLICY**

This Pay Policy Statement sets out the Hamoaze House policy on pay and conditions for senior managers and employees 2018-19.

Hamoaze House aims to attract and retain employees to deliver its objectives. In determining pay for senior managers and all other employees Hamoaze House operates in accordance with Plymouth City Council and the principles underlying the Living Wage and complies with current legislation.

**KEY PRINCIPLES FOR PAY POLICY**

- To be fair, reasonable and transparent
- To be affordable
- To reward employees for their contribution to the services delivered by Hamoaze House
- To maintain rates of pay which are both competitive in the local sector market place, reflect the need to retain key skills and recognise the commitment and hard work of all staff

**Chief Executive and Executive Directors**

The Board of Trustees is responsible for setting remuneration based on salary comparison against similar posts within the local charitable sector in line with the key principles above. During this financial year, Hamoaze was informed that there would be a significant shortfall in the Adult Service Funding and that savings would need to be made accordingly. Therefore with the Board of Trustee approval, the Chief Executive and Operations Manager volunteered to reduce their working week from 5 days to 4 days effectively. Thus ensuring that the public facing services were not affected and the quality of the delivery remained.

**OTHER EMPLOYEES' PAY STRUCTURE**

(including lowest paid employees)

Remuneration for other employees is normally determined by National Government Guidelines, in association with the Living Wage set by Plymouth City Council and also in line with other local sector charities within the same field of operation.

Any increases to salary structure are agreed by the Board of Trustees and recorded in the minutes of those meetings.



#### **d. ORGANISATIONAL STRUCTURE AND DECISION MAKING**

Day to day decisions are ultimately made by the Chief Executive in collaboration with the Operations Manager and Team Leaders. All decisions are made using appropriate operational policy and procedures, and if needed in consultation with the Specialist Public Health Consultant at the Office of the Director of Public Health, Plymouth City Council, Hamoaze House's core funder. Plymouth City Council is now responsible for implementing the Government's drug strategy at a local level, including commissioning and developing treatment services. The City has announced that the tender for services for 'multiple and complex needs' will need to be a collaborative partnership approach. This will mean that services working with people with multiple and complex needs will work very closely together using a single core assessment with multiple access to services. Closing gaps between services and ensuring that there is no duplication of services. Hamoaze House is working with partners to be in a position to apply for the tender. We have now established an Alliance with relevant partners commissioned by the current Complex Needs Budget. As such we have set up an integrated Model Development Group to collaborate with providers from across the sector including service users, family members and commissioners to co-produce a system model that will meet current and future demand. This is in preparation for the anticipated tendering process. Since this time the Alliance successfully completed the tendering process. The Alliance goes live from the 1st April 2019.

We are coming together as an Alliance to co-produce, co-ordinate and provide a range of support services for people with complex needs. As an Alliance, members, which include the provider(s) and commissioners, will drive forwards change and respond effectively to the complex needs of the citizens of Plymouth in an ever changing landscape, shaping the future system accordingly.

The Alliance aims to improve the lives of people with complex needs by supporting the whole person to meet their aspirations, whilst also contributing towards national outcome targets in relation to statutory homelessness, children in care and care leavers, drug treatment, reoffending rates, preventing admissions to hospital and urgent care targets.

The purpose of the Alliance is to:

- Enable people to fulfill their potential by resolving underlying issues and causes, the consequences of which are homelessness, substance misuse, offending, mental health and risk of exploitation and in the case of parents, often has a negative impact on their capacity to meet their child(ren)'s developmental, wellbeing and health needs
- Provide support to enable people to become independent and step down from services, by providing the right support at the right time, reducing the pressure on crisis and emergency services and moving towards independence and wellbeing
- Support people to achieve their goals (the things that matter most to the individuals) through an honest relationship that changes over time as aspirations grow, develop and are achieved
- Following the implementation of the Homelessness Reduction Act 2017, support the local authority in discharging its statutory duties in relation to homelessness.

Any strategic decision would be made in consultation and with the approval of the Board of Trustees.

Hamoaze House continuously collects data and returns this monthly and quarterly to the National Drug Treatment Monitoring Service (NDTMS).

Many areas are monitored, including waiting times to access treatment, duration of treatment, treatment modalities, family involvement, care planning and reviews. HALO our chosen case management system is now used by all staff. This is a system that allows there to be a single virtual case file, in which, all specialist drug and alcohol services providing treatment or a specific modality has access and are able to input to this file. This is to prevent replication of i.e. assessments, risk assessments and case notes. The file is essentially owned by the service user.

As part of a collaborative partnership approach we are piloting a single assessment process with our partners with shared training to reduce duplication and for the services to appear seamless for the service user.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 MARCH 2019**

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**e. RISK MANAGEMENT**

The Trustees confirm that the major risks to which the charity is exposed as identified by the Trustees have been reviewed and systems are established to mitigate those risks. A full review of the all our Safeguarding Policies and Procedures have been completed and compliance with the new GDPR Regulations.

**Public benefit**

The Trustees have complied with their duty outlined in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance issued by the Charity Commission.

The review of our activities given in this document exemplifies how we have acted for the benefit of the public in and around the City of Plymouth.

**PLANS FOR FUTURE PERIODS**

To further pursue, participate and invest in the Alliance framework and to be a valued and respected member within this new system for the benefit of the people of the city of Plymouth.

The Alliance will aim to improve the lives of people with complex needs by supporting the whole person to meet their aspirations, whilst also contributing towards National outcome targets in relation to drug treatment, statutory homelessness, re-offending rates, children in care and care leavers and preventing admissions to hospitals and urgent care targets.

The purpose of the Alliance will be to:

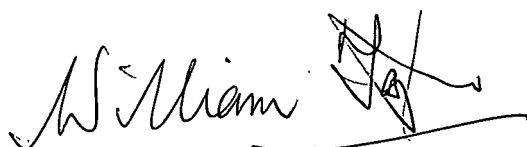
- Enable people to fulfil their potential by resolving underlying issues and causes, the consequences of which are problematic relations with substances, homelessness, offending, mental health and risk of exploitation and in the case of parents this often has a negative impact on the capacity to meet their child(ren)s developmental, wellbeing and health needs.

To steadily build capacity within the youth provision, essentially by responding to demand, youth clubs, Bud Club (which has significantly grown) and Street Games.

To continue and develop partnership with ACE.

Government policy is to encourage and sustain an environment where third sector organisations play an increasing role in the delivery of public services. It should be noted that people who use this service do not have simple issues; substance misuse is a multi-faceted status. More recently the term being used to identify these people is "multiple vulnerabilities and complex needs".

This report was approved by the Trustees, on 31/03/2019 and signed on their behalf by:



**Judge W E M Taylor**  
Trustee

**HAMOAZE HOUSE  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT EXAMINER'S REPORT  
FOR THE YEAR ENDED 31 MARCH 2019**

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**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HAMOAZE HOUSE (the 'company')**

I report to the charity Trustees on my examination of the accounts of the company for the year ended 31 March 2019.

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my work or for this report.

**RESPONSIBILITIES AND BASIS OF REPORT**

As the Trustees of the charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

**HAMOAZE HOUSE  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT EXAMINER'S REPORT (continued)  
FOR THE YEAR ENDED 31 MARCH 2019**

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**INDEPENDENT EXAMINER'S STATEMENT**

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed: 

Dated: 31/2/19

Pamela Tuckett FCA, DChA

**BISHOP FLEMING LLP**  
Chartered Accountants  
Salt Quay House  
4 North East Quay  
Sutton Harbour  
Plymouth  
PL4 0BN

**HAMOAZE HOUSE**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>INCOME FROM:</b>					
Donations and legacies	2	17,424	40,238	57,662	26,060
Charitable activities	3	422,352	139,332	561,684	650,909
Other trading activities	4	99,807	-	99,807	53,049
Investments	5	45	-	45	111
<b>TOTAL INCOME</b>		<b>539,628</b>	<b>179,570</b>	<b>719,198</b>	<b>730,129</b>
<b>EXPENDITURE ON:</b>					
Raising funds	4	29,132	40,238	69,370	9,936
Charitable activities	8	527,409	139,332	666,741	689,457
<b>TOTAL EXPENDITURE</b>		<b>556,541</b>	<b>179,570</b>	<b>736,111</b>	<b>699,393</b>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>(16,913)</b>	<b>-</b>	<b>(16,913)</b>	<b>30,736</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(16,913)</b>	<b>-</b>	<b>(16,913)</b>	<b>30,736</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		1,245,377	-	1,245,377	1,214,641
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,228,464</b>	<b>-</b>	<b>1,228,464</b>	<b>1,245,377</b>

The notes on pages 13 to 24 form part of these financial statements.

**HAMOAZE HOUSE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 03590328**

**BALANCE SHEET**  
**AS AT 31 MARCH 2019**

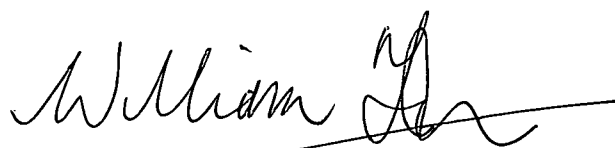
	Note	£	2019 £	£	2018 £
<b>FIXED ASSETS</b>					
Tangible assets	12		881,994		906,900
<b>CURRENT ASSETS</b>					
Stocks	13	351		-	
Debtors	14	72,114		61,217	
Cash at bank and in hand		327,869		333,072	
		<u>400,334</u>		<u>394,289</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(53,864)		(55,812)	
<b>NET CURRENT ASSETS</b>			<u>346,470</u>		<u>338,477</u>
<b>NET ASSETS</b>			<u>1,228,464</u>		<u>1,245,377</u>
<b>CHARITY FUNDS</b>					
Unrestricted funds	16		<u>1,228,464</u>		<u>1,245,377</u>
<b>TOTAL FUNDS</b>			<u>1,228,464</u>		<u>1,245,377</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on, and signed on their behalf, by:



**Judge W E M Taylor**

The notes on pages 13 to 24 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1. ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Hamoaze House meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**1.2 COMPANY STATUS**

The charity is a company limited by guarantee. The members of the charity are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

**1.3 INCOME**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

Gifts donated for resale are included as income when they are sold. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 EXPENDITURE**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

**1.5 TURNOVER**

Turnover comprises revenue recognised by the charity in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Short-term leasehold property	-	20% straight line
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	33% straight line



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**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1. ACCOUNTING POLICIES (continued)**

**1.7 INTEREST RECEIVABLE**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**1.8 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

**1.9 STOCKS**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.10 DEBTORS**

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

**1.11 CASH AT BANK AND IN HAND**

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

**1.12 LIABILITIES AND PROVISIONS**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.13 FINANCIAL INSTRUMENTS**

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

**1.14 PENSIONS**

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

**1.15 FUND ACCOUNTING**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**1.16 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting judgements, estimates and assumptions:

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Whilst there is a level of assumption in these judgements, the Trustees feel these are unlikely to have a significant effect on, or cause material error to the amounts recognised in the financial statements.

**2. INCOME FROM DONATIONS AND LEGACIES**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	17,424	-	17,424	26,060
Grants	-	40,238	40,238	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	17,424	40,238	57,662	26,060
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2018	26,060	-	26,060	
	<hr/>	<hr/>	<hr/>	

**HAMOAZE HOUSE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Sharp Substance Misuse Project	-	67,988	67,988	68,528
PCC - Adventure Breaks Project	-	19,333	19,333	19,443
Hidden Harm	-	38,069	38,069	38,069
Plymouth Drug and Alcohol Team	352,000	-	352,000	352,000
Youth Referral Project	50,400	-	50,400	60,510
Lloyds	-	13,942	13,942	24,300
Other Grant and Contract Income	19,952	-	19,952	48,088
Comic Relief - Family Resilience	-	-	-	39,971
	<u>422,352</u>	<u>139,332</u>	<u>561,684</u>	<u>650,909</u>
Total 2018	<u>500,569</u>	<u>150,340</u>	<u>650,909</u>	

**4. TRADING ACTIVITIES**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>CHARITY TRADING INCOME</b>				
Rental and other income	66,246	-	66,246	48,842
Shop Income	33,561	-	33,561	4,207
	<u>99,807</u>	<u>-</u>	<u>99,807</u>	<u>53,049</u>
<b>FUNDRAISING TRADING EXPENSES</b>				
Shop expenditure (incl. staff costs)	29,132	-	29,132	9,936
	<u>29,132</u>	<u>-</u>	<u>29,132</u>	<u>9,936</u>
	<u>70,675</u>	<u>-</u>	<u>70,675</u>	<u>43,113</u>

During the prior year a new charity shop was opened therefore, this is the first full year of trading.

**5. INVESTMENT INCOME**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	45	-	45	111
	<u>45</u>	<u>-</u>	<u>45</u>	<u>111</u>
Total 2018	<u>111</u>	<u>-</u>	<u>111</u>	

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**6. DIRECT COSTS**

	Charitable Activities £	Total 2019 £	Total 2018 £
Recruitment and training	2,918	2,918	430
Premises	103,801	103,801	102,272
Project Activities	2,571	2,571	2,996
Motor and Travel	16,659	16,659	14,214
Other expenses	13,996	13,996	15,141
Depreciation	33,986	33,986	28,761
Wages and salaries	298,011	298,011	334,581
National insurance	25,557	25,557	34,940
Pension cost	15,586	15,586	16,592
	<u>513,085</u>	<u>513,085</u>	<u>549,927</u>
Total 2018	<u>549,927</u>	<u>549,927</u>	

**7. SUPPORT AND GOVERNANCE COSTS**

	Governance £	Support costs £	Total 2019 £	Total 2018 £
Other support costs	1,704	-	1,704	1,943
Independent examination	3,178	-	3,178	2,790
Wages and salaries	-	148,774	148,774	134,797
	<u>4,882</u>	<u>148,774</u>	<u>153,656</u>	<u>139,530</u>
Total 2018	<u>4,733</u>	<u>134,797</u>	<u>139,530</u>	

**8. GOVERNANCE COSTS**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Support costs - Governance	<u>4,882</u>	<u>-</u>	<u>4,882</u>	<u>4,733</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets:		
- owned by the charity	<u>33,986</u>	<u>29,067</u>

During the year, no Trustees received any remuneration (2018: £NIL).

During the year, no Trustees received any benefits in kind (2018: £NIL).

During the year, no Trustees received any reimbursement of expenses (2018: £NIL).

**10. INDEPENDENT EXAMINERS' REMUNERATION**

	2019 £	2018 £
Fees payable to the charity's independent examiner and its associates in respect of:		
All taxation advisory services (inc. VAT)	-	600
Remuneration for independent examination services (inc. VAT)	<u>2,866</u>	<u>2,790</u>

**11. STAFF COSTS**

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	468,916	474,875
Social security costs	26,982	35,858
Other pension costs	16,511	16,776
	<u>512,409</u>	<u>527,509</u>

The average number of persons employed by the charity during the year was as follows:

2019 No.	2018 No.
28	27

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel comprise the Senior Management Team. The aggregate employee benefits payable to the key management personnel for the year was £101,151 (2018: £100,049), this included pension and social security costs of £14,582 (2018: £14,512).

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**12. TANGIBLE FIXED ASSETS**

	Freehold property £	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
<b>COST</b>					
At 1 April 2018	1,116,123	9,156	32,339	293,579	1,451,197
Additions	-	-	-	9,080	9,080
At 31 March 2019	1,116,123	9,156	32,339	302,659	1,460,277
<b>DEPRECIATION</b>					
At 1 April 2018	236,738	306	28,632	278,621	544,297
Charge for the year	22,323	1,832	1,214	8,617	33,986
At 31 March 2019	259,061	2,138	29,846	287,238	578,283
<b>NET BOOK VALUE</b>					
At 31 March 2019	857,062	7,018	2,493	15,421	881,994
At 31 March 2018	879,385	8,850	3,707	14,958	906,900

**13. STOCKS**

	2019 £	2018 £
Coffee boxes for resale	351	-

**14. DEBTORS**

	2019 £	2018 £
Trade debtors	45,382	12,464
Other debtors	237	447
Prepayments and accrued income	26,495	48,306
	72,114	61,217

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	2018 £
Trade creditors	494	792
Other creditors	12,755	13,607
Accruals and deferred income	40,615	41,413
	53,864	55,812

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 April 2018 £	Income £	Expenditure £	Balance at 31 March 2019 £
<b>DESIGNATED FUNDS</b>				
Staff restructuring	50,000	-	-	50,000
Property maintenance	82,632	-	-	82,632
Computer equipment/IT infrastructure	6,750	-	-	6,750
Net book value of fixed assets	906,900	9,080	(33,986)	881,994
	<u>1,046,282</u>	<u>9,080</u>	<u>(33,986)</u>	<u>1,021,376</u>
<b>GENERAL FUNDS</b>				
General Funds - all funds	199,095	530,548	(522,555)	207,088
Total Unrestricted funds	<u>1,245,377</u>	<u>539,628</u>	<u>(556,541)</u>	<u>1,228,464</u>
<b>RESTRICTED FUNDS</b>				
Restricted Funds - all funds	-	179,570	(179,570)	-
Total of funds	<u>1,245,377</u>	<u>719,198</u>	<u>(736,111)</u>	<u>1,228,464</u>

**Restricted funds**

The capital expenditure fund relates to donations and grants received in respect of specific capital expenditure. The balance is reducing as the assets are depreciated. Where the terms and conditions of the grant have been complied with, the balance (NBV of assets) has been transferred to designated funds as the restriction has been complied with.

The revenue expenditure fund relates to donations and grants received in respect of revenue expenditure.

**Designated funds**

Staff restructuring – Hamoaze House is reliant upon finite project funding. In order to attract staff to posts within the organisation, it is not normal practice to issue fixed term contracts. Therefore it may be necessary to make posts redundant were funding to end and this designated fund is included to cover the anticipated costs of this restructuring.

Property maintenance – Hamoaze House is a grade II listed building and as such requires a great deal of maintenance and upkeep. The Trustees think it prudent to set aside funds to support the cyclical and often expensive maintenance requirements.

Computer equipment / IT infrastructure – as the organisation continues to grow, the need for additional or replacement IT infrastructure becomes greater and funds have been set aside for this purpose.

Net book value of fixed assets - represents the value of fixed assets not available for day to day use as cash.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
<b>DESIGNATED FUNDS</b>					
Staff restructuring	47,187	-	-	2,813	50,000
Property maintenance	56,607	-	-	26,025	82,632
Computer equipment/IT infrastructure	5,938	-	-	812	6,750
Net book value of fixed assets	-	-	(29,067)	935,967	906,900
	<u>109,732</u>	<u>-</u>	<u>(29,067)</u>	<u>965,617</u>	<u>1,046,282</u>
General Funds - all funds	<u>366,442</u>	<u>539,118</u>	<u>(447,924)</u>	<u>(258,541)</u>	<u>199,095</u>
<b>RESTRICTED FUNDS</b>					
Capital expenditure fund	707,076	-	-	(707,076)	-
Revenue expenditure fund	31,391	191,011	(222,402)	-	-
	<u>738,467</u>	<u>191,011</u>	<u>(222,402)</u>	<u>(707,076)</u>	<u>-</u>
Total of funds	<u>1,214,641</u>	<u>730,129</u>	<u>(699,393)</u>	<u>-</u>	<u>1,245,377</u>

**SUMMARY OF FUNDS - CURRENT YEAR**

	Balance at 1 April 2018 £	Income £	Expenditure £	Balance at 31 March 2019 £
Designated funds	1,046,282	9,080	(33,986)	1,021,376
General funds	199,095	530,548	(522,555)	207,088
	<u>1,245,377</u>	<u>539,628</u>	<u>(556,541)</u>	<u>1,228,464</u>
Restricted funds	-	179,570	(179,570)	-
	<u>1,245,377</u>	<u>719,198</u>	<u>(736,111)</u>	<u>1,228,464</u>



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**16. STATEMENT OF FUNDS (continued)**

**SUMMARY OF FUNDS - PRIOR YEAR**

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
Designated funds	109,732	-	(29,067)	965,617	1,046,282
General funds	366,442	539,118	(447,924)	(258,541)	199,095
	<u>476,174</u>	<u>539,118</u>	<u>(476,991)</u>	<u>707,076</u>	<u>1,245,377</u>
Restricted funds	738,467	191,011	(222,402)	(707,076)	-
	<u>1,214,641</u>	<u>730,129</u>	<u>(699,393)</u>	<u>-</u>	<u>1,245,377</u>

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	881,994	-	881,994
Current assets	400,334	-	400,334
Creditors due within one year	(53,864)	-	(53,864)
	<u>1,228,464</u>	<u>-</u>	<u>1,228,464</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	906,900	-	906,900
Current assets	394,289	-	394,289
Creditors due within one year	(55,812)	-	(55,812)
	<u>1,245,377</u>	<u>-</u>	<u>1,245,377</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**18. PENSION COMMITMENTS**

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £22,617 (2018: £16,684). Contributions totaling £3,464 (2018: £3,152) were payable to the fund at the balance sheet date and are included in creditors.

**19. OPERATING LEASE COMMITMENTS**

At 31 March 2019 the total of the charity's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	27,750	27,250
Between 1 and 5 years	42,500	70,250
Total	<u>70,250</u>	<u>97,500</u>

**20. RELATED PARTY TRANSACTIONS**

There have been no related party transactions in the year.

**21. CONTROLLING PARTY**

The charitable company is controlled by its trustees.