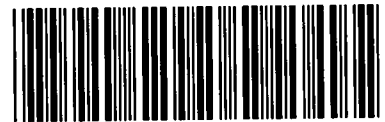


REGISTERED COMPANY NUMBER: 02952583 (England and Wales)
REGISTERED CHARITY NUMBER: 1040370

**Report of the Trustees and
Audited Financial Statements for the Year Ended 31 March 2017
for**

HealthWORKS Newcastle

FRIDAY



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A24

13/10/2017

#207

COMPANIES HOUSE

JN Straughan & Co.
Chartered Accountants
1st Floor, Portland House
Belmont Business Park
Durham
DH1 1TW

HealthWORKS Newcastle

**Contents of the Financial Statements
for the Year Ended 31 March 2017**

	Page
Report of the Trustees	1 to 15
Report of the Independent Auditors	16 to 17
Statement of Financial Activities	18
Balance Sheet	19
Cash Flow Statement	20
Notes to the Financial Statements	21 to 30

HealthWORKS Newcastle: Report of the Trustees for the Year Ended 31 March 2017

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 31 March 2017.



Five ways to
wellbeing

Legal and Administrative Information

Registered Company: 02952583
(England and Wales)

Registered Charity Number:
1040370

Registered Office
Health Resource Centre
Adelaide Terrace
Benwell
Newcastle upon Tyne
NE4 8BE

Trustees

Prof C K Drinkwater CBE
(Chair - Oct 2014)
Mrs D Creighton
Mr J Dawson MBE
Mr K Graham
Mr M Ions
Mrs R McCready
Professor E. Todd (Nov 2016)
Mr M.E. Turner
Mrs D Charlton (resigned Sept 2016)
Mrs L Woodcock (resigned Nov 2016)

Chief Executive

Mrs Sarah Cowling

Auditors

J N Straughan & Co
Portland House
Belmont Business Park
Durham
DH1 1TW

Bankers

Barclays Bank plc
446 Westgate Road
Newcastle upon Tyne
NE4 9BN

Solicitors

David Grey
56 Westgate Road
Newcastle upon Tyne
NE1 5XU

Patron

Professor Sir Michael Marmot

Professor Sir Michael Marmot has led research groups on health inequalities for the past 30 years, is Director of the UCL Institute of Health Equity and author of *The Health Gap: The Challenge of an Unequal World*

See: www.instituteofhealthequity.org

'better health: fairer health'

HealthWORKS Newcastle

Company status

The company is limited by guarantee and all members have agreed to contribute a sum not exceeding £1 in the event of a winding up. The number of guarantees at 31 March 2017 was 8.

Structure, governance & management

Governing Document

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

We are a company limited by guarantee first registered 26/07/94 (registration number 02952583) and re-registered on 11/04/08 as HealthWORKS Newcastle and registered as a charity on 25/08/94 (registration number 1040370). We are governed through our Memorandum and Articles of Association document.

Board of Trustees

We are governed by a trustee board that takes overall responsibility for all our work. Governance is a term used to describe the trustees' role in:

- the long term direction of the charity, including its objectives or purposes
- implementing policies and activities to achieve objectives
- complying with legal requirements
- accountability to those with an interest or 'stake' in the charity

**'give every child
the best start in
life'**

Marmot policy objective No 1

Recruitment of new trustees

We seek to maintain a diverse board with a broad range of skills, knowledge and experience relevant to our mission. We carry out due diligence checks to ensure that any appointment meets the requirements of our governing document and the law. Each new Trustee is supplied with an induction pack designed to ensure adequate knowledge of the organisation and of their role and responsibilities as Trustees.

Organisational structure

The Board meets bi-monthly and works to a largely strategic remit. Day to day operational management and decision making is delegated to the Chief Executive who is supported a small group of Directors and a Senior Management Team

Risk management

Major risks are considered at Board level and an appropriate risk assessment procedure is embedded in management and operational processes. The risk management policy specifies risks, evaluates the probability level and outlines the strategies for avoiding risk or minimising potential impact. This process enables Trustees to focus on avoiding risk that might prevent the charity achieving its strategic objectives. This enables us to take opportunities having duly considered potential risks, confident that reasonable steps have been taken to mitigate them. Operationally, Health and Safety and Information Governance remain as standing items on the Board agenda.

Objectives and activities

Our objects are to preserve and protect the good health of the community in Newcastle upon Tyne in particular by the establishment of a Health Resource Centre in that area.

These objects do not change from year to year, however our precise programme of work does change each year in line with community needs and priorities.

We work with communities to improve health equity, working to bring about 'better health and fairer health'.

HWN vision

For people to live longer, healthier and happier lives across our city.

HWN values

We believe in

- Working collaboratively with other agencies
- Achieving excellence in all that we do
- Developing a skilled local workforce
- Seeking out what works and changing what doesn't
- Clients being able to influence the design of our services
- The diversity of our staff and the people we serve being an asset
- Being accountable to our clients, staff and commissioners

**'create fair
employment
and good work
for all'** Marmot policy objective 2

Performance

Service total volume (total number of attendances)

56,988

Reach (number of unique individuals worked with)

13,375

Demographics

58% from areas of
<30% IMD
66% female
34% male
28% BAME

Volunteers engaged, trained and supported

Breast Feeding Peer
Support: **57**
Food skills: **4**
Community Garden: **6**
Friends of Lemington: **13**
Change4 Life Champions
(supported): **99**
Total: 172

Total volunteer hours = **3,129** hours

Proxy value @ £11.89* = **£37,204**

**Based on ONS figure for 2015 (published March 2017)*

What we do

To deliver our aims and objectives we provide:

- Support and activities to influence positive lifestyle changes, including physical activity and healthy eating, to maintain or improve the health of people living or working in areas of Newcastle upon Tyne recognised as being disadvantaged
- Services that are safe, welcoming, secure and well-managed, addressing access and equity issues
- Appropriate and user-friendly community activities, responding to locally identified needs and involving local residents in decisions about priorities
- Support via accessible information and advice, particularly for people with long-term illnesses, such as diabetes and heart disease, to increase health literacy and self-management
- Facilities and practical support for service delivery by other organisations whose objectives complement those of our organisation
- Participation and leadership in local health-related networks and partnerships contributing to our aims and objectives.

Our activities deliver public benefit by

Increasing the understanding and recognition of the wider social determinants of health

Building on the capacity of individuals to identify and act on issues that impact on their own, and others, health and wellbeing (asset base approach)

Providing local access to regular exercise via high quality, low price community gyms and classes

Encouraging people to engage in a range of other local services which enable them to socialise within their communities

Supporting people to access the services most appropriate to them which are available in the city

Recruiting and training a local workforce, investing in upskilling local people

Offering a range of volunteering opportunities for local people

Supporting local volunteers to engage with informal training opportunities, delivered by HealthWORKS or other local agencies, and move onto a 'skills escalator' of opportunities leading to accredited training

Achieving a wide reach into communities traditionally seen as 'hard to reach' through the support and co-ordination of local volunteers who increase our reach tenfold by giving their time, their local intelligence and their ability to access friends, family and neighbours

Buying from local suppliers and producers wherever possible, investing in the local economy

Linking into city-wide networks to share good practice and avoid duplication

Recognising and valuing the range of other local organisations that deliver services supporting people to manage their lives.

'create and develop healthy places and communities'

Marmot policy objective 3

Finances

Reserves

At the end of the financial year the total funds held were as follows:

Restricted funds £1,373,817

Unrestricted funds £317,982

Designated funds £200,000

Trustees review this policy on an annual basis to ensure that the designated funds held continue to be appropriate for our organisation, and to ensure monies held in General Reserve are appropriate.

Reserves policy

Our policy is to hold money in the following designated funds:-

Planned capital investment and major maintenance fund - to cover the costs of planned building and equipment updating to ensure we continue to have the required facilities to deliver our work.

Building alteration fund (The Resource Centre) to provide a short term cushion against the loss of premises rental income in line with the plans of a tenant to relocate, allowing sufficient time to redevelop the space for alternative use.

Building alteration fund (The Lemington Centre) to provide a short term cushion against the loss of premises rental income in line with the plans of a tenant to relocate, allowing sufficient time to redevelop the space for alternative use.

The policy also requires money to be held in a general reserve at an amount approximating to between 3 and 6 months operational costs in order to ensure service delivery is not jeopardised through fluctuations in funding. For 2016-17 this amounted to between £349,935 and £699,870. This amount will also function as a shut-down fund in the event of the need to close.

Principal funding sources

We received a mixture of fees for services provided (96% of our total income), grant funding (3% of our total income), and other sources of income (1%). This income funded the wide range of activities which took place both within our buildings and from local community settings across Newcastle upon Tyne.

Our principal sources of fee income were:

- Contracts/Service Level Agreements (66.5%)
- Sales (24%)
- Premises Rental (9.5%)

Our principal grant funders were:

- Local Authority (58%)
- Others (42%)

'Enable all children and adults to maximise their capabilities and control over their lives'

Marmot policy objective 4

Employment and training

We provide employment for 76 people (excluding trustees) (53 FTE). We know that our work is best delivered by local people who understand the wider determinants of health and the combination of pressures faced by people in areas of low income. We recruit and train local people who already have the core skills of resilience, effective communication and motivation. This peer to peer approach enables us to support service users to develop a greater understanding of local health services and what they can do to improve the health of both themselves and their families.

We provide vocational training needed for teams to achieve the professional qualifications to them to gain level 2 and level 3 NVQs.

"HealthWORKS is a good employer that embraces many aspects of flexible working to support its employees" Investors in People

Staff welfare

All staff are offered annual Health Checks, on site and in work time.

Support to quit, in work time, is available for any staff who still smoke.

Staff turnover rate
=20% (average voluntary sector rate 22%; private sector 15%:
Civil Society News)

Staff welfare

All salaries are either on or above the level of the national living wage.

All staff have free use of our two community gyms.

Staff are encouraged and supported to join the Moneywise credit union whereby we organise regular savings directly via pay role.

Staff can access HR advice and support in work time.

Part of the positive culture at HealthWORKS is that staff are listened to and heard (Investors in People status)

Pay Differentials

A report by the High Pay Centre highlighted how workplaces with big pay gaps between the highest and lowest wage earners suffer more industrial disputes, more sickness and higher staff turnover than employers with more equitable pay differentials.

The ratio of our highest salary (£42,509) to our **median** salary (£18,663) is **1: 2.3**

This corresponds to the lowest end of the range in the charity sector as determined by ACEVO (Association of Chief Executives of Voluntary Organisations).

'Ensure a healthy standard of living for all' Marmot policy objective 5

Community garden: we have a beautiful community garden in Lemington, maintained by green fingered volunteers, for local people to enjoy. A significant green space with seating and a childrens play centre, this is an attractive and safe oasis in the community.

Organic Fruit and Veg: Liz's Café (named after one of the founder members of the Lemington Community Association, Liz Beck) who died of cancer, would be thrilled to know that the café benefits from donations of produce from the local allotment helping us provide healthy food at low cost.

Ecohealth: low income communities in urban areas have less access to green open spaces, despite research confirming that the natural environment plays a crucial role in human well-being. HealthWORKS has brought together a broad local partnership to work on securing Heritage Lottery funding for community work in Hodgkin Park. Interim funding from the People's Postcode Lottery has enabled us to engage with local people via the delivery of two John Muir Award courses, building skills and knowledge about the green environment on their doorstep.

Solar panels: panels on both our centres produce renewable energy, and reduce our electricity bills.

Socialisation: We provide venues where people can meet up opportunistically building networks and friendships. The café at Lemington is a great drop-in place and people love to chat over a cup of tea. The two gyms offer physical health benefits, as well as mental health benefits from taking part in activities with others.

Local purchasing power: to help money remain within the local economy, we choose local providers wherever possible.

Local Facilities: a friendly welcome awaits everyone who comes into our buildings, luckily for the many people who come in desperate for a loo in areas where there are no public facilities! Breast feeding mums are very welcome to some quiet space when needed.

Safe Reporting Centres: we advertise and provide a supportive environment where people are able to report hate crime to police.

Community First Initiative – initiated via Cabinet Office funding a couple of years ago, HealthWORKS has supported the continuation of the work of this local group of residents who run local projects connected with health and wellbeing. Elswick Ward committee have generously funded some of the activities.

Social Prescribing: social prescribing has been a key activity for HealthWORKS since the introduction of Community Health Trainers in 2006. HealthWORKS also worked as one of four agencies delivering 'Ways to Wellness'; a Social Investment programme aiming to support people living with long term conditions to better manage their health.

'Strengthen the role and impact of ill health prevention'

Marmot policy objective 6

Members of

Newcastle CVS

The Tyne and Wear Community
Foundation

The Obesity Strategy Group

The Diabetes Strategy Group

Healthwatch Newcastle Board

The Wellbeing for Health Board

The Change for Life Partnership

The Sure Start West Partnership

The Hodgkin Park Partnership

We work in partnership with multiple agencies across the city and would like to take this opportunity to thank all our partners for their help and support during the year.

Health Literacy

"The ability to understand, access and use health information and health services to make decisions about health".

Prof Richard Osbourne
Deakin University, Australia

The Year Ahead - 2017/18

The challenges anticipated in 2017/18 will be shaped by the ongoing cuts in both social care and health service funding, alongside the impact of changes to benefit payments which, when combined, help increase the pressure on people already struggling with a wide range of challenges.

We plan to:

- Continue to explore new funding opportunities, to enable us to continue our activities in ways that meet local priorities
- Maintain our commitment to invest in the HealthWORKS workforce, aiming both to sustain local employment and maintain the current scale of frontline delivery
- Continue to test new tariff based projects e.g. delivering NHS Health Checks in the community to support our work to reduce health inequalities
- Continue joint planning with staff and partner agencies to ensure the best use of both our buildings and other community facilities over the next 5 years
- Use an agreed proportion of our reserves before wide scale redundancies
- Challenge ourselves to improve our ability to capture outputs and outcomes information and provide better service development intelligence
- Support our volunteers from all workstreams (Breast Feeding, Food Skills and The Lemington Centre) to gain valuable experience using their skills to support others in their community
- Continue to support the Volunteer Health Champions to link into a wide range of differing projects as a community capacity building model
- Work on better communicating outcomes, rather than outputs

'Good health is what matters to people, not just what's the matter with them' Duncan Selbie

Projects delivered in 2016/17

Community Health Trainers

One to one support for:

Quitting Smoking

Weight management/ healthy eating

Moving more / using green spaces more

Drinking within health guidelines

NHS Health Checks and mini MOTs

Support work in Hostels

Support regarding issues of debt/housing/
benefits

Change 4 Life a partnership working
on reducing childhood obesity in the
inner west using the national campaign
resources:

Partnership co-ordinator

C4L champions, developing volunteer
support

A lively Facebook page for local families

Support for families with overweight
toddlers

Physical Activity Team

Providing two affordable and accessible
community gyms and delivering studio
classes Delivering 'Exercise on Referral'
(support for long term conditions)

Supporting Cardiac Rehab phase 4 – nurse led
'Next Steps' – a progression class for adults
from exercise on referral / weight
management

/ post cardiac rehab

Staying Steady – a falls prevention
service across the city.

Breast Feeding Peer Support Team city wide

One to one support for mums from the
<30% IMD areas to support the initiation
and continuation of breast feeding

The recruitment, training and support of
peer support volunteers

Supporting a Facebook page

'Breastfeeding Mams Newcastle'

Food Skills Team

'Love food, hate waste' waste minimisation
Plus Mini Waste Champs in schools

The Welcome Project programme (working
with adults with learning difficulties)

Northumberland Wildlife Trust 'The Wild
West' working with families in 3 local parks
Warburton's funding: 'Making your family
budget go further'

Sure Start West Riverside:

'Big Cook, Little Cook' sessions

Weaning courses

Lemington Pre-school

Free range toddlers - high quality
childcare for 2, 3 and 4 year olds, based
in our community garden; an
environment that encourages learning
through play in a safe, caring and
stimulating setting. 48 places across two
half day sessions each day, 5 days a
week, for local families.

Community First Panel

Supporting a group of Elswick residents
funded to follow up the original
Community First work

Maintaining a Community Hub

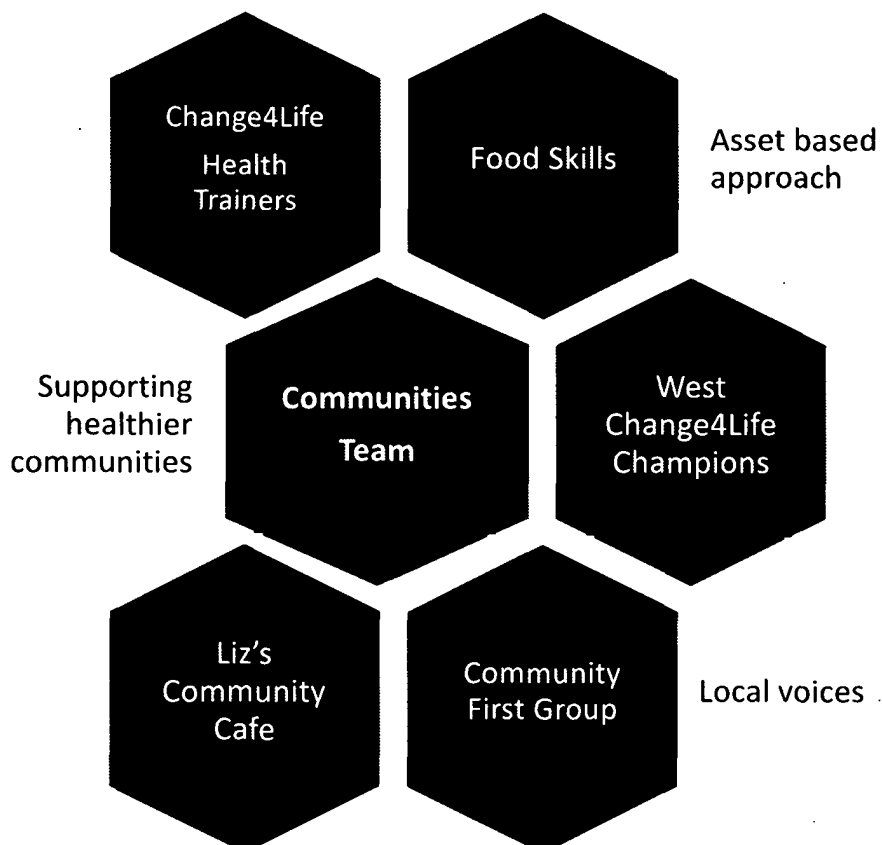
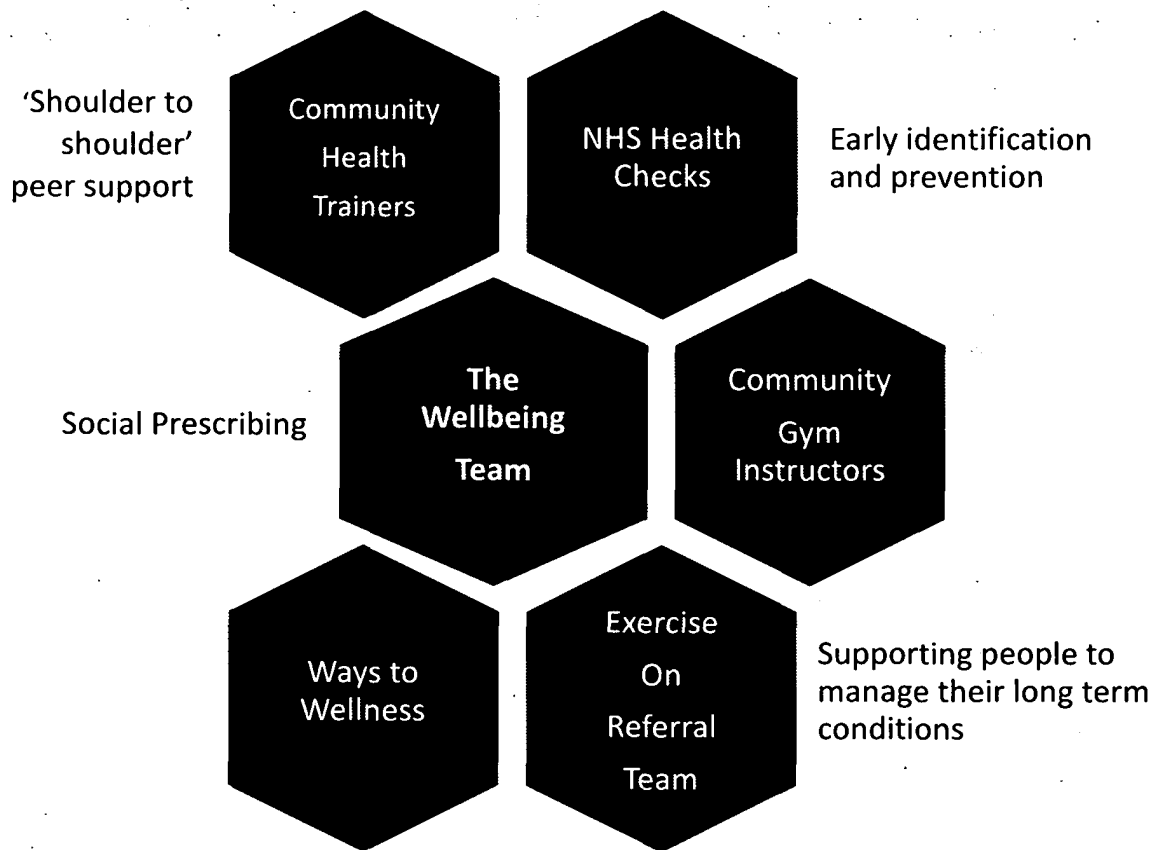
The Lemington Centre – a busy community hub
in the Outer West

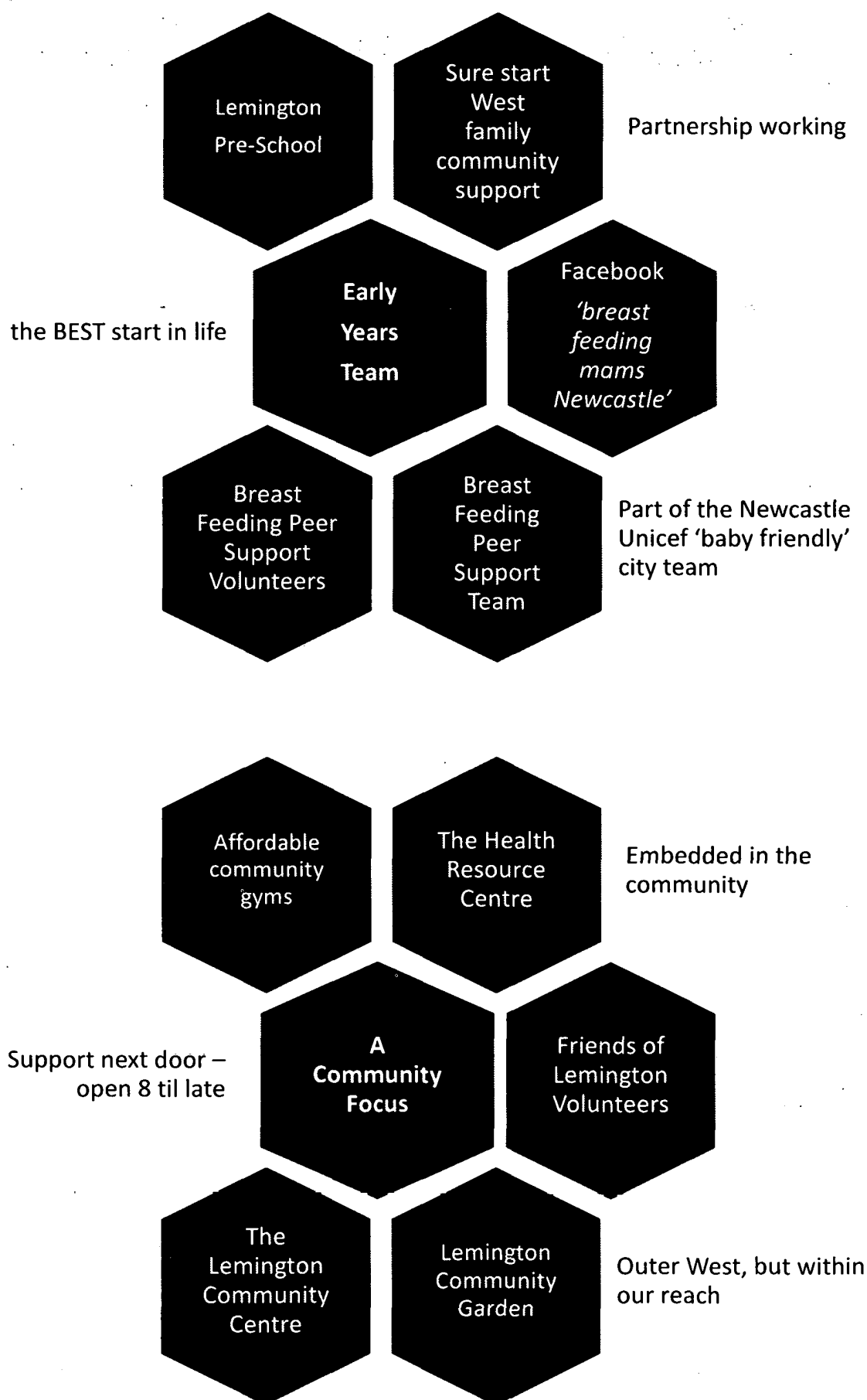
www.lemingtoncentre.co.uk

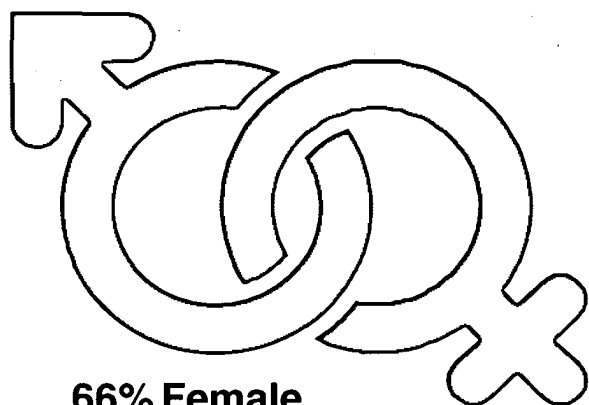
Social Media presence:

Two websites, multi-screens in each
centre, twitter account, and x4 facebook
pages

HealthWORKS Newcastle: what we do...







66% Female
34% Male

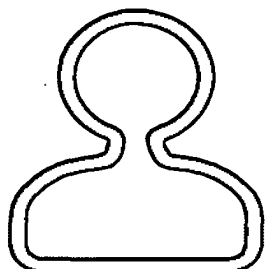
13,375

**Unique individuals
engaging in our services**

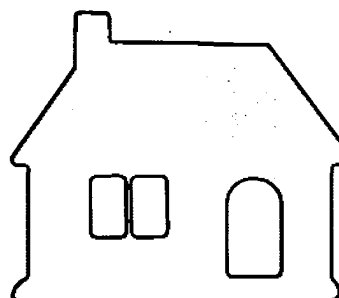


56,988

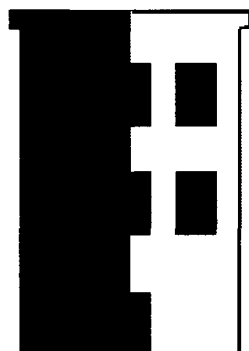
Total attendances



28%
**BAME engaging in
our services**



58%
**live in areas
identified as
IMD <30%**

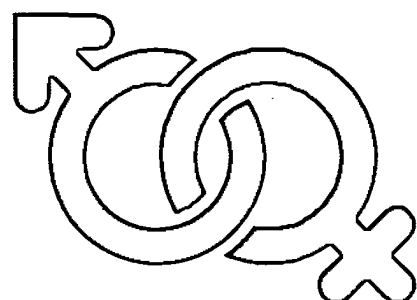
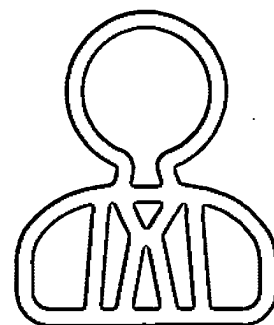


2 Centres

The Lemington Centre
The Health Resource Centre

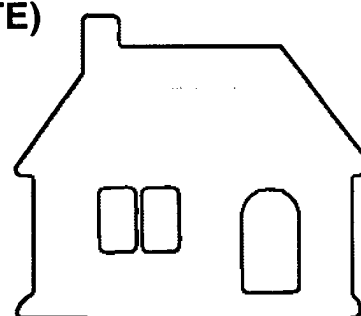
76

**Average
number of
staff
(53 FTE)**

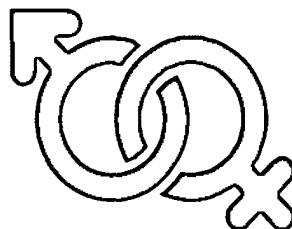
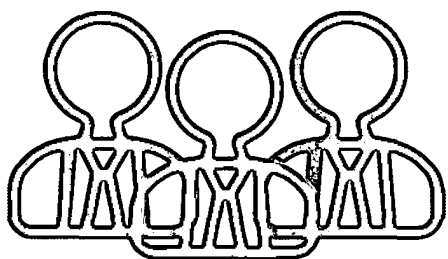


85%
Female
15%
Male

72%
**of staff live in
Newcastle**



8 Trustees



5 Male
3 Female

6

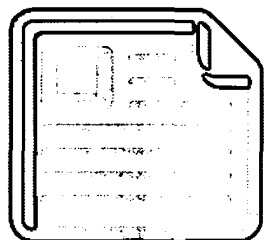
Board meetings

1

AGM

£1,389,445

Turnover for the year



10 Contracts

Other
income

from:



Lemington
Pre-school
offer



Lemington
Community
Cafe



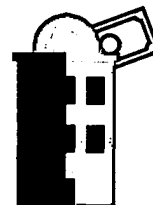
2 Mainstream
Gyms



8 Small Grants



Delivery of
training courses



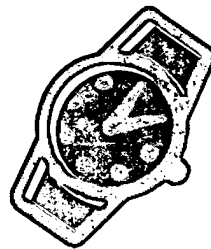
Room hire at
both Centres

We can't do it alone...



over
6
projects

Volunteers have supported our work



172

3129

Volunteer hours

**HealthWORKS Newcastle: Report of the Trustees - continued
for the Year Ended 31 March 2017**

TRUSTEE'S RESPONSIBILITIES

The Charity trustees (who are also the directors of HealthWORKS Newcastle for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 The Financial Reporting Standard applicable in UK and Republic of Ireland. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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 apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are

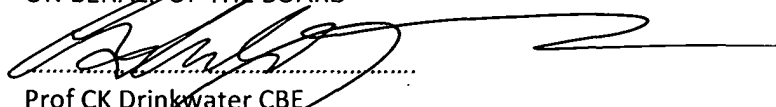
sufficient to show and explain the charitable company's transactions and disclose it with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

ON BEHALF OF THE BOARD


Prof CK Drinkwater CBE

.....
Mr J Dawson MBE

10th October 2017

Report of the Independent Auditors to the members of HealthWORKS Newcastle

We have audited the financial statements of HealthWORKS Newcastle for the year ended 31 March 2017 on pages five to eighteen. 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).

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.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page two, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Report of the Independent Auditors to the members of HealthWORKS Newcastle

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

W H Sawyer (Senior Statutory Auditor)
for and on behalf of JN Straughan & Co.
Chartered Accountants
1st Floor, Portland House
Belmont Business Park
Durham
DH1 1TW



Date: 10th October 2017

**HealthWORKS Newcastle: Statement of Financial Activities
for the Year Ended 31 March 2017**

		Unrestricted funds	Restricted funds	2017 Total funds	2016 Total funds
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	21,540	-	21,540	8,414
Charitable activities	6				
Core Activities		31,138	-	31,138	49,889
Physical Activities		274,613	-	274,613	287,231
Health & Wellbeing		393,289	-	393,289	413,050
Learning & Development		9,803	-	9,803	91,966
Early Years		170,889	-	170,889	178,210
Ward Committee		-	-	-	29,854
Sure Start		88,740	-	88,740	88,932
Food Skills		202,413	-	202,413	200,011
Cafe		-	-	-	3,070
Play Group		-	-	-	30,000
Other trading activities	4	151,252	-	151,252	115,638
Investment income	5	32,409	-	32,409	32,240
Other income		13,359	-	13,359	11,784
Total		1,389,445	-	1,389,445	1,540,289
EXPENDITURE ON					
Raising funds	7	122,846	7,661	130,507	125,248
Charitable activities	8				
Core Activities		411,295	10,141	421,436	412,069
Physical Activities		233,353	-	233,353	215,631
Health & Wellbeing		279,958	-	279,958	324,425
Learning & Development		23,139	-	23,139	74,720
Early Years		144,126	-	144,126	146,229
Ward Committee		-	-	-	26,176
Sure Start		32,002	2,039	34,041	31,976
Food Skills		153,020	-	153,020	150,811
Total		1,399,739	19,841	1,419,580	1,507,285
NET INCOME/(EXPENDITURE)		(10,294)	(19,841)	(30,135)	33,004
RECONCILIATION OF FUNDS					
Total funds brought forward		528,276	1,393,658	1,921,934	1,888,930
TOTAL FUNDS CARRIED FORWARD		517,982	1,373,817	1,891,799	1,921,934

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

HealthWORKS Newcastle: Balance Sheet
at 31 March 2017 (Company Registration Number: 02952583)

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	14	1,362,446	1,395,668
CURRENT ASSETS			
Debtors	15	119,739	117,718
Cash at bank and in hand		<u>547,417</u>	<u>569,984</u>
		667,156	687,702
CREDITORS			
Amounts falling due within one year	16	<u>(137,803)</u>	<u>(161,436)</u>
NET CURRENT ASSETS		<u>529,353</u>	<u>526,266</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,891,799</u>	<u>1,921,934</u>
NET ASSETS		<u>1,891,799</u>	<u>1,921,934</u>
FUNDS	18		
Unrestricted funds		517,982	528,276
Restricted funds		<u>1,373,817</u>	<u>1,393,658</u>
TOTAL FUNDS		<u>1,891,799</u>	<u>1,921,934</u>

The financial statements were approved by the Board of Trustees on 10th October 2017 and were signed on its behalf by:



Professor C K Drinkwater -Trustee



J Dawson -Trustee

**HealthWORKS Newcastle: Cash Flow Statement
for the Year Ended 31 March 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	20	<u>(15,334)</u>	<u>129,181</u>
Net cash provided by (used in) operating activities		<u>(15,334)</u>	<u>129,181</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(9,773)	(96,688)
Interest received		<u>2,541</u>	<u>2,709</u>
Net cash provided by (used in) investing activities		<u>(7,232)</u>	<u>(93,979)</u>
Cash flows from financing activities:			
Loan repayments in year		-	<u>(1,676)</u>
Net cash provided by (used in) financing activities		-	<u>(1,676)</u>
Change in cash and cash equivalents in the reporting period		<u>(22,566)</u>	<u>33,526</u>
Cash and cash equivalents at the beginning of the reporting period		<u>569,984</u>	<u>536,461</u>
Cash and cash equivalents at the end of the reporting period		<u><u>547,418</u></u>	<u><u>569,984</u></u>

HealthWORKS Newcastle: Notes to the Financial Statements for the Year Ended 31 March 2017

1. STATUTORY INFORMATION

HealthWORKS Newcastle is a charitable company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on page 1.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income 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' grants, 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 amount can be measured reliably and is not deferred.

Income received in advance of training courses or the provision of other specified services is deferred until the criteria for the income recognition are met.

Income from trading activities relates to trading activities to raise funds for the charity and income from fundraising events. It is recognised when earned.

Interest on funds held on deposit is included when receivable, this is normally upon notification of the interest paid or payable by the Bank.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading including the café and provision of the nursery at The Lemington Centre, together with their associated support costs.
 - Expenditure on charitable activities includes the costs of providing the various activities undertaken to further the purpose of the charity, together with their support costs.
 - Other expenditure represents those items not falling into any other heading.
- Irrecoverable VAT is charged against the activity for which the expenditure was incurred.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- in accordance with the property
Plant and machinery	- 20% on cost and 15% on cost
Fixtures and fittings	- 10% on cost
Computer equipment	- 25% on cost and 20% on cost

HealthWORKS Newcastle: Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

2. ACCOUNTING POLICIES – continued

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

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

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

Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Retirement benefits

Existing employees of the charity were entitled to join the defined contribution Peoples Pension Enhance Scheme which is funded by 5% contributions from employee and employer. Since July 2014 this scheme became closed to new members. New and existing employees who are not in the Peoples Pension Enhance Scheme were automatically enrolled into the charity's defined contribution Peoples Pension Scheme unless they have exercised their right to opt out of scheme membership.

Contributions payable to the charity's pension scheme are shown in the Statement of Financial Activities as incurred.

3. DONATIONS AND LEGACIES

	2017	2016
	£	£
Donations	19,040	8,414
Gift aid	<u>2,500</u>	<u>-</u>
	<u><u>21,540</u></u>	<u><u>8,414</u></u>

4. OTHER TRADING ACTIVITIES

	2017	2016
	£	£
Cafe Sales	38,672	32,943
Room Hire	12,668	11,571
Playgroup Admissions	99,327	71,124
Uniforms	<u>585</u>	<u>-</u>
	<u><u>151,252</u></u>	<u><u>115,638</u></u>

5. INVESTMENT INCOME

	2017	2016
	£	£
Rents received	29,868	29,531
Deposit account interest	<u>2,541</u>	<u>2,709</u>
	<u><u>32,409</u></u>	<u><u>32,240</u></u>

HealthWORKS Newcastle: Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

6. INCOME FROM CHARITABLE ACTIVITIES

		2017	2016
	Activity	£	£
Service Level Agreement	Core Activities	15,567	26,688
Admissions	Core Activities	10	-
Grants	Core Activities	9,783	22,471
Other Income	Core Activities	4,972	-
Other Sales	Core Activities	806	730
Service Level Agreement	Physical Activities	190,107	198,397
Admissions	Physical Activities	60,506	61,477
Rental Income	Physical Activities	-	8,205
Grants	Physical Activities	-	5,000
Other Income	Physical Activities	24,000	12,000
Other Sales	Physical Activities	-	2,152
Service Level Agreement	Health & Wellbeing	187,863	224,416
Rental Income	Health & Wellbeing	8,204	-
Grants	Health & Wellbeing	-	30,012
Other Income	Health & Wellbeing	502	-
Assessment Income	Health & Wellbeing	192,594	157,394
Other Sales	Health & Wellbeing	4,126	1,228
Grants	Learning & Development	-	13,000
Other Income	Learning & Development	-	199
Training & Development			
Courses	Learning & Development	9,803	78,767
Service Level Agreement	Early Years	169,213	168,710
Grants	Early Years	-	9,400
Other Income	Early Years	1,176	100
Other Sales	Early Years	500	-
Grants	Ward Committee	-	29,854
Rental Income	Sure Start	81,640	78,978
Other Income	Sure Start	6,930	9,954
Other Sales	Sure Start	170	-
Service Level Agreement	Food Skills	165,199	173,517
Grants	Food Skills	26,531	12,896
Other Income	Food Skills	-	1,028
Training & Development			
Courses	Food Skills	10,266	11,965
Other Sales	Food Skills	417	605
Grants	Café	-	3,070
Grants	Play Group	-	30,000
		<u>1,170,885</u>	<u>1,372,213</u>

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

	2017	2016
	£	£
Other grants	<u>36,314</u>	<u>155,703</u>

HealthWORKS Newcastle: Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

7. RAISING FUNDS

Raising donations and legacies

	2017	2016
	£	£
Consultancy	1,196	10,500
Depreciation	<u>7,661</u>	<u>7,662</u>
	<u>8,857</u>	<u>18,162</u>

Other trading activities

	2017	2016
	£	£
Café	31,055	27,710
Playgroup costs	<u>90,595</u>	<u>79,376</u>
	<u>121,650</u>	<u>107,086</u>

Aggregate amounts	<u>130,507</u>	<u>125,248</u>
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8. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 8)	Totals
	£	£	£
Core Activities	435	421,001	421,436
Physical Activities	231,913	1,440	233,353
Health & Wellbeing	277,969	1,989	279,958
Learning & Development	23,109	30	23,139
Early Years	142,342	1,784	144,126
Sure Start	32,042	1,999	34,041
Food Skills	<u>151,628</u>	<u>1,392</u>	<u>153,020</u>
	<u>859,438</u>	<u>429,635</u>	<u>1,289,073</u>

9. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Core Activities	416,953	4,048	421,001
Physical Activities	1,440	-	1,440
Health & Wellbeing	1,989	-	1,989
Learning & Development	30	-	30
Early Years	1,784	-	1,784
Sure Start	1,999	-	1,999
Food Skills	<u>1,392</u>	<u>-</u>	<u>1,392</u>
	<u>425,587</u>	<u>4,048</u>	<u>429,635</u>

**HealthWORKS Newcastle: Notes to the Financial Statements - continued
for the Year Ended 31 March 2017**

10. NET INCOME/(EXPENDITURE)

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

	2017	2016
	£	£
The auditing of accounts of any associate of the charity	4,000	4,000
Depreciation - owned assets	42,995	42,825
Hire of plant and machinery	1,631	2,427
Other operating leases	<u>6,106</u>	<u>12,359</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2017 nor for the year ended 31 March 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2017 nor for the year ended 31 March 2016.

12. STAFF COSTS

	2017	2016
	£	£
Wages and salaries	<u>1,047,625</u>	<u>1,120,571</u>

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

	2017	2016
Management & Administration	21	23
Change 4 Life	2	2
Sure Start	2	2
Food Skills	10	10
Community Health Trainer	10	13
Learning & Development	1	3
Physical Activity	11	12
Unicef Breastfeeding Peer Support	7	6
Playgroup	5	6
Ways2Wellness	<u>7</u>	<u>7</u>
	<u>76</u>	<u>84</u>

No employees received emoluments in excess of £60,000.

The key management personnel of the charity comprise the Trustees, the Chief Executive Officer, the Deputy Chief Executive Officer, Director of Community Development, Director of Wellbeing, Director of Finance and Director of Operations.

The total employee benefits of the key management personnel of the Charity were £198,971 (2016: £169,804).

HealthWORKS Newcastle: Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	8,414	-	8,414
Charitable activities			
Core Activities	49,889	-	49,889
Physical Activities	287,231	-	287,231
Health & Wellbeing	413,050	-	413,050
Learning & Development	91,966	-	91,966
Early Years	178,210	-	178,210
Ward Committee	29,854	-	29,854
Sure Start	88,932	-	88,932
Food Skills	200,011	-	200,011
Café	570	2,500	3,070
Play Group	-	30,000	30,000
Other trading activities	115,638	-	115,638
Investment income	32,240	-	32,240
Other income	11,784	-	11,784
Total	1,507,789	32,500	1,540,289
EXPENDITURE ON			
Raising funds	117,586	7,662	125,248
Charitable activities			
Core Activities	401,928	10,141	412,069
Physical Activities	215,631	-	215,631
Health & Wellbeing	324,425	-	324,425
Learning & Development	74,720	-	74,720
Early Years	146,229	-	146,229
Ward Committee	26,176	-	26,176
Sure Start	29,937	2,039	31,976
Food Skills	150,811	-	150,811
Total	1,487,443	19,842	1,507,285
NET INCOME/(EXPENDITURE)	20,346	12,658	33,004
Transfers between funds	(31,337)	31,337	-
Net movement in funds	(10,991)	43,995	33,004
RECONCILIATION OF FUNDS			
Total funds brought forward	539,267	1,349,663	1,888,930
TOTAL FUNDS CARRIED FORWARD	528,276	1,393,658	1,921,934

HealthWORKS Newcastle: Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

14. TANGIBLE FIXED ASSETS

	Long leasehold	Plant and machinery	Fixtures and fittings	Computer and other equipment	Totals
	£	£	£	£	£
COST					
At 1 April 2016	1,529,693	31,122	133,560	202,118	1,896,493
Additions	-	-	-	9,773	9,773
At 31 March 2017	<u>1,529,693</u>	<u>31,122</u>	<u>133,560</u>	<u>211,891</u>	<u>1,906,266</u>
DEPRECIATION					
At 1 April 2016	201,439	31,122	104,859	163,405	500,825
Charge for year	<u>18,755</u>	<u>-</u>	<u>6,373</u>	<u>17,867</u>	<u>42,995</u>
At 31 March 2017	<u>220,194</u>	<u>31,122</u>	<u>111,232</u>	<u>181,272</u>	<u>543,820</u>
NET BOOK VALUE					
At 31 March 2017	<u>1,309,499</u>	<u>-</u>	<u>22,328</u>	<u>30,619</u>	<u>1,362,446</u>
At 31 March 2016	<u>1,328,254</u>	<u>-</u>	<u>28,701</u>	<u>38,713</u>	<u>1,395,668</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade debtors	101,738	95,055
Other debtors	1,732	1,200
Prepayments and accrued income	<u>16,269</u>	<u>21,463</u>
	<u>119,739</u>	<u>117,718</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	30,029	23,665
Social security and other taxes	63,393	70,855
Other creditors	3,040	2,711
Accruals and deferred income	<u>41,341</u>	<u>64,205</u>
	<u>137,803</u>	<u>161,436</u>

HealthWORKS Newcastle: Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2017 Total funds	2016 Total funds
	£	£	£	£
Fixed assets	50,775	1,311,671	1,362,446	1,395,668
Current assets	605,010	62,146	667,156	687,702
Current liabilities	<u>(137,803)</u>	<u>-</u>	<u>(137,803)</u>	<u>(161,436)</u>
	<u>517,982</u>	<u>1,373,817</u>	<u>1,891,799</u>	<u>1,921,934</u>

18. MOVEMENT IN FUNDS

	At 1.4.16	Net movement in funds	At 31.3.17
	£	£	£
Unrestricted funds			
General fund	320,735	(2,753)	317,982
Planned Maintenance & Equipment Repair	150,000	-	150,000
Building Alteration	50,000	-	50,000
C4L Working Group	530	(530)	-
Software Development Group	<u>7,011</u>	<u>(7,011)</u>	<u>-</u>
	528,276	(10,294)	517,982
Restricted funds			
Capital Health Resource Centre	1,061,561	(10,141)	1,051,420
Sure Start Refurbishment	275,922	(2,039)	273,883
Savoy Cooker	1,955	(545)	1,410
TLC Playgroup	<u>54,220</u>	<u>(7,116)</u>	<u>47,104</u>
	1,393,658	(19,841)	1,373,817
TOTAL FUNDS	<u>1,921,934</u>	<u>(30,135)</u>	<u>1,891,799</u>

HealthWORKS Newcastle: Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

18. MOVEMENT IN FUNDS – continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,389,445	(1,392,198)	(2,753)
C4L Working Group	-	(530)	(530)
Software Development Group	-	(7,011)	(7,011)
	1,389,445	(1,399,739)	(10,294)
Restricted funds			
Savoy Cooker	-	(545)	(545)
TLC Playgroup	-	(7,116)	(7,116)
Capital Health Resource Centre	-	(10,141)	(10,141)
Sure Start Refurbishment	-	(2,039)	(2,039)
	-	(19,841)	(19,841)
TOTAL FUNDS	<u>1,389,445</u>	<u>(1,419,580)</u>	<u>(30,135)</u>

Planned Capital Investment and Major Maintenance Fund
The maintenance and equipment replacement program.

Building Alteration Fund Lemington

To provide short term cushion against the loss of premises rental income at Lemington Centre in line with the plans of a tenant to relocate, allowing sufficient time to redevelop the space for alternative use.

C4L Working Group

To provide resources for the Change for Life Working Group.

Software Development project

The management of information software for outputs and outcomes.

Capital

This represents grants given for the purchase of the building leasehold and equipment, which is expended in line with the depreciation on the relevant assets.

Sure Start Refurbishment

Grant to help towards the cost of the refurbishment of the offices used by the Sure Start Team.

TLC Playgroup Extension

Grant to help towards the cost of the extension to the nursery at the Lemington Centre.

Savoy Cooker

Grant to cover the cost of a cooker for use in the café at the Lemington Centre.

HealthWORKS Newcastle: Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

19. RELATED PARTY DISCLOSURES

Professor C Drinkwater (Chairman of HealthWORKS Newcastle) is also Chairman of the Board of Trustees of Ways2Wellness. A contract was awarded to HealthWORKS Newcastle along with another three parties to deliver the Ways2Wellness Service. During the year activity was undertaken on an arms-length basis totaling £132,612 (2016: £121,405).

The net aggregate donations received from trustees and related parties during the year totaled £11,000.

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

	2017	2016
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(30,135)	33,004
Adjustments for:		
Depreciation charges	42,993	42,826
Interest received	(2,541)	(2,709)
(Increase)/decrease in debtors	(2,019)	36,463
(Decrease)/increase in creditors	<u>(23,632)</u>	<u>19,597</u>
Net cash provided by (used in) operating activities	<u>(15,334)</u>	<u>129,181</u>