

**Charity Registration No. 1074508**

**Company Registration No. 3614799 (England and Wales)**

**NETHERTON FEELGOOD FACTORY  
COMPANY LIMITED BY GUARANTEE  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**NETHERTON FEELGOOD FACTORY  
COMPANY LIMITED BY GUARANTEE  
LEGAL AND ADMINISTRATIVE INFORMATION**

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**Trustees** Mr L James (Chairperson)  
Ms H Pfeiffer  
Mr H Jones  
Mr J Flynn  
Mr G Loughlin  
Ms H Martin (Appointed 6 June 2016)  
Mr W Penney (Appointed 6 June 2016)

**Secretary** Mrs S Duncan

**Chief Executive** Mrs S Duncan

**Charity number** 1074508

**Company number** 3614799

**Registered office** Glovers Lane  
Netherton  
Liverpool  
L30 5QW

**Auditor** BWM  
Castle Chambers  
43 Castle Street  
Liverpool  
L2 9SH

**Bankers** HSBC Bank plc  
46 Westway  
Maghull  
Liverpool  
L31 0AD

NatWest Bank  
West Yorkshire Retail CSC  
1 Victoria Place  
Holbeck  
Leeds  
LS11 5AN

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# **NETHERTON FEELGOOD FACTORY COMPANY LIMITED BY GUARANTEE CONTENTS**

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**NETHERTON FEELGOOD FACTORY  
COMPANY LIMITED BY GUARANTEE  
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 MARCH 2017**

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The trustees present their report and accounts for the year ended 31 March 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's governing document, the Companies Act 2006 and the "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)".

**Objectives and activities**

The objects of the Netherton Feelgood Factory are to promote the health, education and quality of life of the public in the Metropolitan Borough of Sefton. The organisation aims to enable people to improve their health and well being by using a community development approach to ill health prevention and health improvement.

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Priorities identified through consultation with the local community are:

- \* to improve access to health, social care and related information and services
- \* to encourage healthier lifestyles
- \* to provide services and activities to support isolated older people
- \* to provide services and activities to support families

The Feelgood Factory's strategy to achieve these objectives has been by means of a variety of activities and services held both within the purpose-built healthy living centre and as outreach services in the wider community. The charity has continued to lease office space to other organisations and hire rooms and facilities on a day or half day basis.

The Feelgood Factory provides services for the whole community, from childhood to old age in order to promote health and well-being in the most holistic way possible. During the year our range of services has included:

- Advice and Information services.
- Healthy Living activities for the whole community that concentrate on physical exercises and food and nutrition.
- Breast Start which provides a comprehensive service to support and encourage breast feeding.
- The Young People's Project which links in with local schools and youth clubs and provides health programmes and volunteering opportunities.
- Mental health activities including a drop-in to support people with more severe and enduring mental health issues and programmes to promote good mental health.
- Community Services Project which provides a range of practical services to help older people stay safe and well both by providing support in their own home and through activities in the centre.

**Advice and Information**

The Feelgood Factory has continued to provide the main information and advice service in the centre of Netherton. Our centre and its staff have provided key information about local and national services and health and wellbeing to local people. We also provide a community computer hub.

**Healthy Living Activities**

We have provided a range of activities aimed at promoting health and wellbeing. These have included exercise classes such as Zumba, Pilates, Line Dancing and Aerobics as well as a general health programme, Steps to Health, and a variety of food and nutrition programmes.

**Breast Start and the Young People's Project**

These programmes have both used a peer mentor model to provide help and support to ensure a good start in life. Breast Start ceased to operate on the 30 June 2016.

**NETHERTON FEELGOOD FACTORY  
COMPANY LIMITED BY GUARANTEE  
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 MARCH 2017**

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**Mental Health Projects**

During the year Upstairs@83, a drop-in service for people with more severe and enduring mental health problems, moved into the Feelgood Factory for one day a week, whilst remaining in Bootle for the second day. This has enhanced the service provided in Netherton. We have also continued to provide more general wellbeing support sessions, in particular Think Differently, Cope Differently and Bereavement Support, and some one-to-one support sessions. Our programme to support people experiencing loneliness has also continued to grow and now includes a befriending service and a range of groups and activities including Feelgood Friday, the Good Afternoon Social, Crafting and Feelgood Learning. We also have a well-attended Reading Group run by the Readers' Association.

**Community Services**

Despite constant pressure from cut-backs we continued to provide some services to help older and vulnerable people live safely in their own home, including shopping, gardening and handyman.

**Netherton Community Garden**

In December 2016, the Feelgood Factory commenced management of the Netherton Community Garden behind the shop on Marian Square. This project is funded by the L30 Million and is based on land owned by One Vision Housing.

**Achievements and performance**

The Feelgood Factory has continued to provide general services for the benefit of the local community and to act as a hub for information and advice. The information and advice service has provided an accessible and friendly access point for a range of queries from local people ranging from health and welfare rights to transport and housing. Knowsley Mutual Credit Union replaced ALAN Credit Union and have developed a good service in the building. We also have a Smoking Cessation Drop-In on a Thursday and Citizens Advice Bureau on a Tuesday. During the twelve month we raised funds to develop the reception area to expand the community computer facilities and to begin work to change the front area into a community lounge.

The Feelgood Factory operates in areas of deprivation throughout the Borough of Sefton. In order to relieve hardship we have provided the following services.

- Shopping services to ensure that older and vulnerable people are able to make the purchases necessary for health and wellbeing.
- A gardening service to provide reliable, affordable and trustworthy help for older and vulnerable people.
- A befriending service which matches trained volunteers with socially-isolated people living at home.
- Our programme of activities for socially-isolated people has continued to develop and to grow. In the year group membership was as follows:
  - Good Afternoon Social - 19
  - Feelgood Learning - 18
  - Feelgood Crafting - 10

The Reading Group which is run by the Readers' Association had a membership of 20.

- Volunteering opportunities for all ages and abilities which develops social cohesion and enables local people to improve their skills. 73 volunteers gave 2,331 hours of service to relieve hardship in the community through our services. This equates to £17,482 if paid at National Minimum Wage.
- A new development during the year is a monthly Saturday afternoon tea which is run in partnership with the local post office. This has an attendance of between 35 and 40 people a month and is a really good example of what the community can achieve when it works together.
- Volunteering opportunities for all ages and abilities which develops social cohesion and enables local people to improve their skills. 51 volunteers gave 3,226 hours of service to relieve hardship in the community through our services.

**NETHERTON FEELGOOD FACTORY  
COMPANY LIMITED BY GUARANTEE  
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 MARCH 2017**

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The main focus of our work has continued to be the promotion of health and wellbeing in the local community. We ran specialist services for men and for young people as well as continuing to develop programmes to support weight management and healthy eating.

- There were 5,183 attendances at programmes aimed at improving physical health through exercise.
- There were 237 attendances at overall wellbeing programmes to promote healthy eating and positive mental health.
- There were 108 attendances at programmes to enhance psychological coping strategies.

The Feelgood Factory continues to depend for the achievement of its objectives upon the support of a range of partner organisations and upon the hard work of its staff and volunteers.

**Financial review**

As previously, the majority of the charity's income is from grants and donations. Most grants are restricted to specific projects. The Feelgood Factory also received rent and service charge income relating to the new premises and internal income from the projects managed by the organisation.

As at 31 March 2017, the charity had reserves of £1,181,227 (2016: £1,283,509). Included within these reserves are £65,112 (2016: £111,957) of restricted funds (see note 19) and £103,666 (2016: £103,666) of designated funds (see note 20). Included within unrestricted funds are fixed assets totalling £865,861 (2016: £936,416). These funds can only be realised upon sale of these assets. The charity had free reserves of £146,588 as at 31 March 2017 (2016: £131,470).

**Fundraising**

The organisation seeks grant aid for specific projects and/or core running costs and did not seek to fundraise through donations during this year. The longer-term plan is to begin processes for fundraising through donor acquisition.

Some small donations are received from service users.

**Reserves policy**

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

**Investment Policy and Returns**

Trustees make all decisions about investments and receive regular financial reports from the Finance Sub-Committee detailing the financial position of the organisation.

**Risk Identification and Management**

The Board have identified the main areas of risk as the costs attached to running and maintaining the building. The risks have been minimised through monitoring the extent of dependence on particular donors.

The Board has a wide range of funding sources to minimise dependence on any one source. Core costs are continued to be supported by Sefton Metropolitan Borough Council.

A set of financial regulations exists which specify the cheque signatories and their delegated authority levels. Two signatories, one of whom must be a board member, must sign each cheque.

A computerised financial management system is fully operational and a system to maintain the highest standards of financial management is in place.

**NETHERTON FEELGOOD FACTORY  
COMPANY LIMITED BY GUARANTEE  
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 MARCH 2017**

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**Structure, governance and management**

The Charity is a charitable company limited by guarantee and not having a share capital. The company is registered in England and Wales, No: 3614799. The principal governing document is the company Memorandum and Articles of Association. The charity is registered with the Charity Commissioners, No: 1074508.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr L James (Chairperson)

Ms H Pfeiffer

Mr H Jones

Mr J Flynn

Mr G Loughlin

Ms H Martin

(Appointed 6 June 2016)

Mr W Penney

(Appointed 6 June 2016)

The charity is governed by its Board of Directors who, as Trustees of the charity, are responsible for setting the strategic direction of the organisation and for establishing policy. The Board meets monthly and delegates day-to-day management to the Chief Executive, Sandra Duncan, who leads a staff team with specific areas of responsibility. Written financial and progress reports are provided in advance of Board Meetings. There is a Personnel Sub Committee and a Finance Sub Committee that have delegated authority and written terms of reference.

Trustees are nominated and elected by Feelgood Factory members. New Trustees are inducted into their new role by way of formalised information about the role of a trustee and about the Feelgood Factory.

A membership register is held by the Company Secretary. One third of Trustees will normally retire each year and are eligible for re-election at the Annual General Meeting. At the 31 March 2017 there were 15 members.

Trustees are appointed in accordance with the company's Memorandum and Articles of Association. The trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

**Employees**

The organisation had 18 staff at the 31 March 2017.

**Auditor**

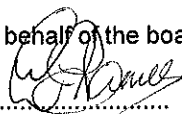
In accordance with the company's articles, a resolution proposing that BWM be reappointed as auditor of the company will be put at a General Meeting.

**Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board of trustees



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**Mr L James (Chairperson)**

Trustee

Dated: 25/09/17.....

**NETHERTON FEELGOOD FACTORY  
COMPANY LIMITED BY GUARANTEE  
STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2017***

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The trustees, who are also the directors of Netherton Feelgood Factory for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



**NETHERTON FEELGOOD FACTORY  
COMPANY LIMITED BY GUARANTEE  
INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF NETHERTON FEELGOOD FACTORY**

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We have audited the accounts of Netherton Feelgood Factory for the year ended 31 March 2017 set out on pages 8 to 24. 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), including Financial Reporting Standard 102.

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 and regulations made under that Act. 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditor**

As explained more fully in the statement of trustees' responsibilities set out on page 5, the trustees, who are also the directors of Netherton Feelgood Factory for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 accounts**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on accounts.**

In our opinion the accounts:

- 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, based on the work undertaken in the course of our audit, the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts, and the Trustees' Report has been prepared in accordance with applicable legal requirements.

**NETHERTON FEELGOOD FACTORY  
COMPANY LIMITED BY GUARANTEE  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE MEMBERS OF NETHERTON FEELGOOD FACTORY**

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**Matters on which we are required to report by exception**

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

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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare accounts in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustee' Report (which is also the director's report for the purposes of Company law) and take advantage of the small companies exemption from the requirement to prepare a strategic report.



**Peter Taaffe FCA CTA DChA (Senior Statutory Auditor)  
for and on behalf of BWM**

*14.11.2017*

**Chartered Accountants  
Statutory Auditor**

Castle Chambers  
43 Castle Street  
Liverpool  
L2 9SH

**NETHERTON FEELGOOD FACTORY  
COMPANY LIMITED BY GUARANTEE  
STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	Unrestricted funds general £	Unrestricted funds designated £	Restricted funds £	Total 2017 £	Total 2016 £
<b><u>Income and endowments from:</u></b>						
Donations and legacies	3	7,691	-	33,086	40,777	48,345
Charitable activities	4	111,656	-	318,973	430,629	528,923
Other trading activities	5	1,287	-	349	1,636	1,320
Investments	6	47,673	-	-	47,673	47,139
Other income	7	11,078	-	2,450	13,528	1,660
<b>Total income and endowments</b>		<b>179,385</b>	<b>-</b>	<b>354,858</b>	<b>534,243</b>	<b>627,387</b>
<b><u>Expenditure on:</u></b>						
Charitable activities	8	259,125	-	377,400	636,525	710,183
<b>Net outgoing resources before transfers</b>		<b>(79,740)</b>	<b>-</b>	<b>(22,542)</b>	<b>(102,282)</b>	<b>(82,799)</b>
Gross transfers between funds	19	24,303	-	(24,303)	-	-
<b>Net expenditure for the year/ Net movement in funds</b>		<b>(55,437)</b>	<b>-</b>	<b>(46,845)</b>	<b>(102,282)</b>	<b>(82,796)</b>
Fund balances at 1 April 2016		1,067,886	103,666	111,957	1,283,509	1,366,305
<b>Fund balances at 31 March 2017</b>		<b>1,012,449</b>	<b>103,666</b>	<b>65,112</b>	<b>1,181,227</b>	<b>1,283,509</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**NETHERTON FEELGOOD FACTORY  
COMPANY LIMITED BY GUARANTEE  
BALANCE SHEET**

**AS AT 31 MARCH 2017**

	Notes	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		865,861		936,416
<b>Current assets</b>					
Debtors	15	85,748		126,153	
Cash at bank and in hand		299,160		312,294	
		<u>384,908</u>		<u>438,447</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(69,542)</u>		<u>(91,354)</u>	
Net current assets			315,366		347,093
<b>Total assets less current liabilities</b>			<u>1,181,227</u>		<u>1,283,509</u>
<b>Income funds</b>					
Restricted funds	19		65,112		111,957
<u>Unrestricted funds</u>					
Designated funds	20	103,666		103,666	
General unrestricted funds		1,012,449		1,067,886	
			<u>1,116,115</u>		<u>1,171,552</u>
			<u>1,181,227</u>		<u>1,283,509</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Trustees on 25/09/17.....



Mr L James (Chairperson)  
Trustee

Company Registration No. 3614799

**NETHERTON FEELGOOD FACTORY  
COMPANY LIMITED BY GUARANTEE  
STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017		2016	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	24		(55,391)		(107,098)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(5,416)		-	
Rental income and interest received		47,673		47,139	
<b>Net cash generated from investing activities</b>			42,257		47,139
<b>Net cash used in financing activities</b>			-		-
<b>Net decrease in cash and cash equivalents</b>			(13,134)		(59,959)
Cash and cash equivalents at beginning of year			312,294		372,253
<b>Cash and cash equivalents at end of year</b>			299,160		312,294

**NETHERTON FEELGOOD FACTORY  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**1 Accounting policies**

**Charity information**

Netherton Feelgood Factory is a private company limited by guarantee incorporated in England and Wales. The registered office is Glovers Lane, Netherton, Liverpool, L30 5QW.

**1.1 Accounting convention**

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The Charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

**1.2 Going concern**

At the time of approving the accounts, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

**1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for a particular purpose. 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 aim and use of each restricted fund is set out in the notes to the financial statements.

**1.4 Income**

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the preconditions for use have been met.

**NETHERTON FEELGOOD FACTORY  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017**

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**1 Accounting policies**

**(Continued)**

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to preconditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Voluntary income includes discretionary grants for projects, goods and services where no service agreement or contract exists.

Other grants, which have particular service requirements and which are provided in accordance with a contract or service level agreement are included in the statement of Financial Activities under the heading Incoming Resources from Charitable Activities.

Interest is included when receivable by the charity.

**1.5 Expenditure**

Expenditure reflects all amounts paid and accrued during the year. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates. All costs are allocated between the expenditure categories of the Statement of Financial Activities (SOFA) on a basis designed to reflect the use of the resource. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

**1.6 Tangible fixed assets**

All assets costing more than £1,000 are capitalised at cost.

The cost of Tangible Fixed Assets includes only expenditure incurred in bringing the assets into working condition for their intended use. Depreciation is provided to write off each asset over its expected useful life using the following rates and methods:-

Short leasehold land and buildings	4% p.a. on a straight line basis
Building equipment	15% p.a. on a straight line basis
Fixtures, fittings & equipment	Between 15% - 50% p.a. on a straight line basis
Computer equipment	33% p.a. on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

**1.7 Impairment of fixed assets**

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

**1.8 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**NETHERTON FEELGOOD FACTORY  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017**

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**1 Accounting policies**

**(Continued)**

**1.9 Financial instruments**

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

**1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.11 Retirement benefits**

The Company contributes to Individual Personal Pension Arrangements for its employees. Contributions are charged to the Income and Expenditure Account in the period to which they relate.

**1.12 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.



**NETHERTON FEELGOOD FACTORY  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017**

**1 Accounting policies**

(Continued)

**1.13 Taxation**

The charity benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions.

The charity is not able to recover Value Added Tax. Expenditure is recorded in the accounts inclusive of VAT.

**2 Critical accounting estimates and judgements**

In the application of the Charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**3 Donations and legacies**

	Unrestricted funds general £	Restricted funds £	Total 2017 £	Total 2016 £
Donations and gifts	1,691	33,086	34,777	36,044
Grants receivable	6,000	-	6,000	12,301
	<u>7,691</u>	<u>33,086</u>	<u>40,777</u>	<u>48,345</u>
<b>For the year ended 31 March 2016</b>	<u>283</u>	<u>48,062</u>		<u>48,345</u>
<b>Grants receivable for core activities</b>				
Stockport MBC	-	-	-	12,301
L30's Millions	5,000	-	5,000	-
Anne Duchess of Westminster's Charity	1,000	-	1,000	-
	<u>6,000</u>	<u>-</u>	<u>6,000</u>	<u>12,301</u>

**NETHERTON FEELGOOD FACTORY  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017**

**4 Charitable activities**

	Public Benefit	Quality of Life	Health and Wellbeing	Total 2017	Total 2016
	£	£	£	£	£
Performance related grants	111,656	60,162	258,811	430,629	528,923
Analysis by fund					
Unrestricted funds - general	111,656	-	-	111,656	
Restricted funds	-	60,162	258,811	318,973	
	111,656	60,162	258,811	430,629	
<b>For the year ended 31 March 2016</b>					
Unrestricted funds - general	96,492	-	-		96,492
Restricted funds	-	42,794	389,637		432,431
	96,492	42,794	389,637		528,923
<b>Performance related grants</b>					
Public Health	75,992	4,458	156,876	237,326	364,300
Sefton MBC	25,878	19,317	6,132	51,327	50,950
CCG - Social Inclusion	-	36,387	-	36,387	16,396
CCG - Brighter Living Partnership	-	-	-	-	12,437
The Big Lottery Fund	-	-	63,277	63,277	61,464
NHS South Sefton CCG	-	-	14,026	14,026	14,026
NHS Southport & Formby CCG	-	-	9,350	9,350	9,350
Awards for all	9,786	-	-	9,786	-
L30's Million	-	-	9,150	9,150	-
Other	-	-	-	-	-
	111,656	60,162	258,811	430,629	528,923

**NETHERTON FEELGOOD FACTORY  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017**

**5 Other trading activities**

	Unrestricted funds general £	Restricted funds £	Total 2017 £	Total 2016 £
Fundraising events	810	302	1,112	1,165
Catering	477	47	524	155
	<u>1,287</u>	<u>349</u>	<u>1,636</u>	<u>1,320</u>
<b>Other trading activities</b>	<u>1,287</u>	<u>349</u>	<u>1,636</u>	<u>1,320</u>
<b>For the year ended 31 March 2016</b>	<u>570</u>	<u>750</u>		<u>1,320</u>

**6 Investments**

	2017 £	2016 £
Rental income	47,672	46,436
Interest receivable	1	703
	<u>47,673</u>	<u>47,139</u>

**7 Other income**

	Unrestricted funds general £	Restricted funds £	Total 2017 £	Total 2016 £
Sundry income	1,378	-	1,378	1,480
External training	-	2,450	2,450	180
Management charges	9,700	-	9,700	-
	<u>11,078</u>	<u>2,450</u>	<u>13,528</u>	<u>1,660</u>
<b>For the year ended 31 March 2016</b>	<u>1,480</u>	<u>180</u>		<u>1,660</u>

**NETHERTON FEELGOOD FACTORY  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017**

**8 Charitable activities**

	Public Benefit £	Education £	Quality of Life £	Health and Wellbeing £	Total 2017 £	Total 2016 £
Staff costs	112,607	28,971	48,830	162,494	352,902	433,037
Premises and other costs	29,168	1,695	5,542	21,259	57,664	78,088
Office costs	11,775	1,029	18,301	72,996	104,101	80,905
	<u>153,550</u>	<u>31,695</u>	<u>72,673</u>	<u>256,749</u>	<u>514,667</u>	<u>592,030</u>
Share of support costs (see note 9)	98,457	1,938	2,326	12,019	114,740	111,686
Share of governance costs (see note 9)	7,118	-	-	-	7,118	6,467
	<u>259,125</u>	<u>33,633</u>	<u>74,999</u>	<u>268,768</u>	<u>636,525</u>	<u>710,183</u>
<b>Analysis by fund</b>						
Unrestricted funds - general	259,125	-	-	-	259,125	
Restricted funds	-	33,633	74,999	268,768	377,400	
	<u>259,125</u>	<u>33,633</u>	<u>74,999</u>	<u>268,768</u>	<u>636,525</u>	
<b>For the year ended 31 March 2016</b>						
Unrestricted funds - general	182,524	-	-	-		182,524
Restricted funds	-	38,116	60,282	429,261		527,659
	<u>182,524</u>	<u>38,116</u>	<u>60,282</u>	<u>429,261</u>		<u>710,183</u>

**NETHERTON FEELGOOD FACTORY  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2017**

**9 Support costs**

	Support costs	Governance costs	2017	2016	Basis of allocation
	£	£	£	£	
Staff costs	38,769	-	38,769	38,422	CEO's salary is allocated following an assessment of the time spent in monitoring and supervising front line staff.
Depreciation	75,971	-	75,971	73,264	Depreciation is allocated to Public Benefit as all other activities are funded by restricted funds.
Audit fees	-	4,000	4,000	4,000	Governance costs are allocated to Public Benefit as all other activities are funded by restricted funds.
Accountancy	-	3,054	3,054	2,288	
Trustee insurance	-	64	64	179	
	<u>114,740</u>	<u>7,118</u>	<u>121,858</u>	<u>118,153</u>	
Analysed between					
Public Benefit	98,457	7,118	105,575	102,016	
Education	1,938	-	1,938	1,921	
Quality of Life	2,326	-	2,326	2,305	
Health and Wellbeing	12,019	-	12,019	11,911	
	<u>114,740</u>	<u>7,118</u>	<u>121,858</u>	<u>118,153</u>	

**10 Auditor's remuneration**

The analysis of auditor's remuneration is as follows:

	2017	2016
	£	£
Fees payable to the charity's auditor for the audit of the charity's annual accounts	4,000	4,000
<b>Non-audit services</b>		
Accountancy fees	3,054	2,288

**11 Trustees**

None of the trustees (or any persons connected with them) received any remuneration during the year, and no trustees were reimbursed expenses (2016, £nil).

**NETHERTON FEELGOOD FACTORY  
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017**

**12 Employees**

**Number of employees**

The average monthly number employees during the year was:

	<b>2017 Number</b>	<b>2016 Number</b>
Charitable activities	17	26
Administration	3	3
	<u>20</u>	<u>29</u>

**Employment costs**

	<b>2017 £</b>	<b>2016 £</b>
Wages and salaries	357,566	433,123
Social security costs	22,224	26,295
Other pension costs	11,881	12,041
	<u>391,671</u>	<u>471,459</u>

There were no employees whose annual remuneration was £60,000 or more.

**13 Tangible fixed assets**

	<b>Short leasehold land and buildings £</b>	<b>Building equipment £</b>	<b>Fixtures, fittings &amp; equipment £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 April 2016	1,831,596	90,172	21,051	23,814	1,966,633
Additions	-	-	5,416	-	5,416
At 31 March 2017	<u>1,831,596</u>	<u>90,172</u>	<u>26,467</u>	<u>23,814</u>	<u>1,972,049</u>
<b>Depreciation and impairment</b>					
At 1 April 2016	895,180	90,172	21,051	23,814	1,030,217
Depreciation charged in the year	73,264	-	2,707	-	75,971
At 31 March 2017	<u>968,444</u>	<u>90,172</u>	<u>23,758</u>	<u>23,814</u>	<u>1,106,188</u>
<b>Carrying amount</b>					
At 31 March 2017	<u>863,152</u>	<u>-</u>	<u>2,709</u>	<u>-</u>	<u>865,861</u>
At 31 March 2016	<u>936,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>936,416</u>

During the year part of the leasehold property was rented out by the charity to other charitable organisations. The fair value of this component part of the property cannot be reliably measured without undue cost to the charity.

**NETHERTON FEELGOOD FACTORY  
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017**

<b>14 Financial instruments</b>		<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>			
Debt instruments measured at amortised cost		381,790	432,550
		<u>          </u>	<u>          </u>
<b>Carrying amount of financial liabilities</b>			
Measured at amortised cost		22,556	24,024
		<u>          </u>	<u>          </u>
<b>15 Debtors</b>		<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>			
Trade debtors		79,610	120,256
Other debtors		3,020	-
Prepayments and accrued income		3,118	5,897
		<u>          </u>	<u>          </u>
		85,748	126,153
		<u>          </u>	<u>          </u>
<b>16 Creditors: amounts falling due within one year</b>		<b>2017</b>	<b>2016</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Other taxation and social security		6,986	7,330
Deferred income	17	40,000	60,000
Trade creditors		20,751	11,508
Other creditors		1,805	3,925
Accruals		-	8,591
		<u>          </u>	<u>          </u>
		69,542	91,354
		<u>          </u>	<u>          </u>

**NETHERTON FEELGOOD FACTORY  
COMPANY LIMITED BY GUARANTEE**  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017

**17 Deferred income**

	2017 £	2016 £
Deferred income	40,000	60,000

Deferred income is included in the financial statements as follows:

	2017 £	2016 £
Current liabilities	40,000	60,000
	<u>40,000</u>	<u>60,000</u>

	2017 £	2016 £
Total deferred income at 1 April 2016	60,000	91,685
Amounts received in year	-	-
Amounts credited to statement of financial activities	(20,000)	(31,685)
Total deferred income at 31 March 2017	<u>40,000</u>	<u>60,000</u>

Deferred income relates to amounts received in advance of entitlement.

**18 Retirement benefit schemes**

**Defined contribution schemes**

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £11,881 (2016 - £12,041).



**NETHERTON FEELGOOD FACTORY  
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017**

**19 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2016 £	Movement in funds		Transfers £	Balance at 31 March 2017 £
		Income £	Expenditure £		
Healthy Living Centre	58,396	127,537	(141,258)	-	44,675
Breaststart	90,171	47,860	(49,744)	(88,287)	-
Skills for Living	(12,536)	(20)	(31,616)	44,172	-
Big Lottery Fund (formally Your Health)	12,038	63,557	(41,199)	(22,086)	12,310
Vulnerable People	(28,803)	10,994	(24,089)	41,898	-
Other funds	(7,309)	104,930	(89,494)	-	8,127
	<u>111,957</u>	<u>354,858</u>	<u>(377,400)</u>	<u>(24,303)</u>	<u>65,112</u>

The Healthy Living Centre Project provides a wide range of activities to improve health and well being.

Breaststart (the breastfeeding peer support project) trains local mothers to provide support and advice to women starting to breastfeed. The Breaststart project ceased on 30 June 2016 and the remaining funds were transferred to unrestricted funds.

Skills for Living provides information and support to help local people improve their mental well being. This project has been partially funded by unrestricted funds and the balance has been transferred to the Big Lottery Fund project as this is now running this service.

The Big Lottery Fund (formally Your Health) supports peer led health activities for younger people.

Vulnerable People aims to relieve the hardship of vulnerable people living within the local community. This project was being funded from unrestricted funds and has now ceased.

Included in Other Funds are Mow and Grow, Shopping Squad, Social Isolation, Upstairs at 83, Craft Group, History Group, GAS group, Garden Project and Breastfeeding Support Sefton.

**NETHERTON FEELGOOD FACTORY  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017**

**20 Designated funds**

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2016 £	Movement in funds		Balance at 31 March 2017 £
		Income	Expenditure	
	£	£	£	£
Redundancy reserve	89,266	-	-	89,266
Maintenance fund	14,400	-	-	14,400
	<u>103,666</u>	<u>-</u>	<u>-</u>	<u>103,666</u>

The Redundancy reserve has been designated to cover the costs of redundancy payments should the organisation cease to operate.

The Maintenance fund has been designated to cover the ongoing regular but infrequent costs associated with the maintenance of the building.

**21 Analysis of net assets between funds**

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2017 are represented by:				
Tangible assets	865,861	-	-	865,861
Current assets/(liabilities)	146,588	103,666	65,112	315,366
	<u>1,012,449</u>	<u>103,666</u>	<u>65,112</u>	<u>1,181,227</u>

**22 Operating lease commitments**

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	6,893	11,369
Between two and five years	2,397	10,170
	<u>9,290</u>	<u>21,539</u>

**NETHERTON FEELGOOD FACTORY  
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2017**

**23 Related party transactions**

**Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Aggregate remuneration	<u>34,745</u>	<u>34,745</u>

No guarantees have been given or received.

**24 Cash generated from operations**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Deficit for the year	(102,282)	(82,796)
Adjustments for:		
Investment income recognised in profit or loss	(47,673)	(47,139)
Depreciation and impairment of tangible fixed assets	75,971	73,264
Movements in working capital:		
Decrease/(increase) in debtors	40,405	(22,695)
(Decrease)/increase in creditors	(1,812)	3,953
(Decrease) in deferred income	(20,000)	(31,685)
<b>Cash absorbed by operations</b>	<u>(55,391)</u>	<u>(107,098)</u>

**25 Company Limited by Guarantee**

Netherton Feelgood Factory was incorporated as a company limited by guarantee under the Companies Act 1985 on 13 August 1998. The liability of the members is limited to £1.