

HOMELESS ACTION
(A Company Limited by Guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MAY 2025

Company Number: 3366712

Registered Charity Number: 1063208

HOMELESS ACTION

Financial Statements For the year ended 30 May 2025

Contents	Page
Reference and Administrative Details	1
Trustees' Annual Report	2 - 6
Independent Auditor's Report	7 - 10
Statement of Financial Activities	11
Balance Sheet	12
Statement of Cash Flows	13
Notes to the Financial Statements	14 - 29

HOMELESS ACTION

Reference and Administrative Details For the year ended 30 May 2025

Registered Charity Name:	Homeless Action
Charity Registration Number:	1063208
Company Registration Number:	3366712
Principal Office:	81 Abingdon Street Blackpool Lancashire FY1 1PP
Registered Office:	81 Abingdon Street Blackpool Lancashire FY1 1PP
Trustees:	Mrs L Edwards - Chair Dr M O'Donnell Mr A Oldfield Mr S Robinson Mrs E Warren
Solicitors:	Napthens Jubilee House East Beach Lytham St Annes Lancashire FY8 5FT
Bankers:	Lloyds Bank 25-27 Birley Street Blackpool Lancashire FY1 1EG
Auditor:	Mitchell Charlesworth (Audit) Limited 3rd Floor 44 Peter Street Manchester M2 5GP

HOMELESS ACTION

Trustees' Annual Report For the year ended 30 May 2025

The Trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 30 May 2025, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. On 10th March 2023 the name of the charity was changed from The Ashley Foundation to Homeless Action.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

The principal objective of the charity throughout the year was the relief of poverty by the provision of accommodation to persons in need and providing support to clients to assist them with the wider issues of homelessness. This was achieved by the operation of 88 hostel rooms up to February 2025 and then 105 rooms following the successful completion of the Elm House extension project, with one further room to be added in 2025-26 (2024: 88) hostel rooms spread across 4 sites (2024: 4) in Blackpool and Sunderland, 83(2024: 83) self-contained Move On flats across 19 sites (2024: 19) in Blackpool and Sunderland. In addition, in June 23 a further 49 hostel rooms were provided on 1 site in Blackburn prior to the termination of the lease and associated management agreement. The properties in Blackpool are all owned by the Charity and those in Sunderland operated on behalf of other parties under the terms of long-term Management Agreements.

In the hostels, daily support is provided to the clients assisting them with daily living skills. The clients in the flats are supported to live independently.

During the Covid pandemic additional accommodation was provided in both Blackpool and Sunderland. The provision of accommodation in Sunderland via creative use of existing accommodation has continued. In addition, the Charity supported the Severe Weather Emergency Provision and Emergency Weather provision requirements of Blackpool Council in the winter of 24-25.

The Charity's Community Café & Hub in Blackpool, which opened in 2019 had to close at the end of December 2024 as a result of a serious flood in the property. Following a thorough evaluation the Trustees reluctantly decided that the Café should close permanently due to financial reasons. Arrangements were subsequently made for residents to volunteer in the kitchens of the Blackpool Hostels to ensure that the valuable work experience could continue.

The Trustees are clear that the objectives and activities of Homeless Action are carried out for public benefit. They have referred to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the purpose and objectives and when planning future activities. In particular, the Trustees consider how planned activities contribute to the aims and objectives they have set.

Achievements and performance

Provision of accommodation - During the year accommodation was provided for 275 homeless individuals in Blackpool (2024: 247) and 165 in Sunderland (2024: 162).

There continues to be high demand for accommodation from the local authorities in both Sunderland and Blackpool resulting in high occupancy levels in both areas.

Partnership working - During the year we continued to work closely with our local authorities and other providers in Blackpool and Sunderland.

HOMELESS ACTION

Trustees' Annual Report (Continued) For the year ended 30 May 2025

Hostel Developments – following the purchase in 2023 of the property adjacent to Elm House in Derby Road, Blackpool, a contract was awarded in April 2024 for the redevelopment of this property, which included combining it with Elm House. This work completed in February 2025, resulting in an expanded Elm House with 45 beds. The additional rooms were very quickly filled from 17th March 2025 onwards. Renovation of the existing Elm House commenced in April 2025 and is on-going, providing one further additional bed. The newly completed facility now contains disabled facilities and additional recreational facilities for our residents. The Trustees are extremely grateful to the Garfield Weston Foundation who very generously provided grant funding of £150,000 for this work

In addition to Elm House, the ground floor of Oak House was renovated and modernised between September 2024 and February 2025.

Residents Support - During the year we have continued to develop our support provision for our residents, working closely with all our residents to enable them to obtain employment, where appropriate, and to live independently. We continued to provide classes in Maths, English, IT skills, budgeting and life skills, alongside recreational activities including gym, boxing, walking and handicrafts. This work was supported by the grant funding of £215,962 from the Know Your Neighbourhood fund (via the Community Foundation), for a 21 month period, which commenced in July 2023.

The aim of the grant is to reduce isolation. We are providing support through skills workshops including finance, IT, Life Skills, sports and leisure, volunteering and job training including construction and hair and beauty.

Financial review

The statements of financial activities are set out on page 10 of the financial statements.

Consolidated income for the year was £3,792,342 (2024: £2,990,502), and consolidated expenditure for the year was £3,144,123 (2024: £2,775,138).

The overall consolidated surplus for the year was £648,219 (2024: surplus of £215,364). The surplus on unrestricted funds was £519,481 (2024: £199,744), an increase of £319,737. The increase was due to the impact of an out of court settlement reached with the former CEO and one of the previous trustees, offset by renovation costs at Elm House. Inflationary pressures are largely recovered in increased rents and service charges.

Reserves/Reserves policy

Total reserves as at 30 May 2025 are £3,959,683 (2024: £3,311,464), of which £3,807,610 (2024: £3,288,129) are held in general unrestricted reserves and £152,073 (2024: £23,335) are held in restricted reserves. Within the unrestricted reserves are designated funds totalling £183,221 (2024: £192,286). See note 24 for further details.

Reserves are defined as unrestricted funds that are freely available to spend on charitable purposes. Reserves should be held to service an unexpected need for funds, covering unforeseen day-to-day operational costs, a shortfall in income or to fulfil our obligations. Our reserves policy is designed to reflect the underlying risks facing the charity and to ensure that we have appropriate level of reserves to safeguard our operations and services to homeless people, in particular the opening and initial operating of new buildings. Accordingly, we aim as far as reasonably practicable, to maintain reserve funds of three months operational running costs. This policy is reviewed annually. Based on the general free reserves of £0.630 million (net of funds represented by property and associated borrowing and designated funds), 2.6 months reserves are in place. The Trustees consider the level of reserves to be sufficient at the moment but continue to review and monitor this.

Going concern

Following a review of the financial position at the date of signing these accounts and projections for the following 12 months the Trustees consider that the charity is a going concern.

HOMELESS ACTION

Trustees' Annual Report (Continued) For the year ended 30 May 2025

Trading subsidiary

The charity's wholly owned subsidiary, SHOP2023 CIC ceased operating its charity shop in March 2020 as a result of the Covid-19 pandemic, and the lease which ended in August 2021 was not renewed. The company was dissolved on 29th April 2025, and as a result the Charity's investment in the subsidiary of £1 has been written of and Charity only accounts prepared for the year ended 30th May 2025.

Structure, governance, and management

Governing document

The charity was incorporated in May 1997. Homeless Action is a company limited by guarantee governed by its Memorandum and Articles of Association dated 7 May 1997, as amended by special resolutions dated 4 September 1997, 4 January 2000, 5 January 2012, and 11 June 2021.

Governance

Introduction

On 20 March 2020, the Charity Commission opened a statutory inquiry into the affairs of the charity and on 13th January 2023 published its findings. The report can be found on the Charity Commission website. As a result of this the Charity commenced legal proceedings against Lee Dribben the former CEO of the Charity, and his son Ashley Dribben, a former Trustee of the Charity and in February 2025 an out of court settlement was reached. The Trustees are pleased that this matter has now been concluded so that all efforts can now be directed to the future of the Charity.

In accordance with Articles 31 & 32 of the company's Articles of Association Mrs Elizabeth Warren, and Dr Mark O'Donnell resigned as Directors in November 2025 and were unanimously re-elected for a further term of office.

Appointment of trustees

Other than in the exceptional circumstances outlined in the Charity Commission Report, when new Trustees are required, positions will be advertised locally, and a formal selection process will take place. This will also involve the potential new trustee(s) visiting local hostels and flats and also attending a trustee meeting to gain an appreciation of the workings of the charity.

Trustee induction and training

Trustee induction involves visits to see the premises and to meet the management and staff teams, together with time spent with the Chief Executive and Senior Managers to better and more fully understand the activities of the charity.

Related parties

In addition to the trustees who served during the year, the Trustees consider the following individuals and organisations to be related parties for the purposes of disclosure of related party transactions: Mrs W Swift and SHOP2023 CIC.

Details of related party transactions required to be disclosed in accordance with the relevant legislation and guidance can be found in Note 22 on Page 25.

Fundraising standards

The charity does not carry out significant fundraising activities.

HOMELESS ACTION

Trustees' Annual Report (Continued) For the year ended 30 May 2025

Reference and administrative details

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The trustees who served the company during the period of the report were as follows:

Key management personnel: Trustees

Chair: Mrs L Edwards
Dr M O'Donnell
Mr A Oldfield
Mr S Robinson
Mrs E Warren

Key management personnel: Principal staff

Chief Executive Officer: Mrs W Swift

Trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, 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 departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HOMELESS ACTION

Trustees' Annual Report (Continued) For the year ended 30 May 2025

Insofar as the current trustees are aware,

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board on 26-11-25 and signed on its behalf by:



Mrs L Edwards - Chair
Trustee

HOMELESS ACTION

Independent Auditor's Report to the Members of Homeless Action For the year ended 30 May 2025

Opinion

We have audited the financial statements of Homeless Action for the year ended 30 May 2025 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Cash Flow Statement and the Notes to the Financial Statements, including a Summary of Significant Accounting Policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 May 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

HOMELESS ACTION

Independent Auditor's Report to the Members of Homeless Action [Continued] For the year ended 30 May 2025

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

HOMELESS ACTION

Independent Auditor's Report to the Members of Homeless Action (Continued) For the year ended 30 May 2025

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and business performance;
- the organisation's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and members of the Board of Trustees of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the organisation's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

HOMELESS ACTION

Independent Auditor's Report to the Members of Homeless Action [Continued] For the year ended 30 May 2025

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in the following area:

The estimation of the housing benefit accrual. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the organisation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the House in Multiple Occupation regulations, and the Selective Licensing schemes.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Data Protection Regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Report Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our Report

This Report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's 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.



Jamielee Johnston (Senior Statutory Auditor)
For and on behalf of Mitchell Charlesworth (Audit) Limited
Chartered Accountants and Statutory Auditors
3rd Floor
44 Peter Street
Manchester
M2 5GP

26 November **2025**

HOMELESS ACTION

Statement of Financial Activities (Including Income and Expenditure Account) For the year ended 30 May 2025

	Notes	Restricted Funds £	Unrestricted Funds £	Total Funds 2025 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2024 £
Income							
Donations and legacies	5	225,983	28	226,011	141,279	3,713	144,992
Income from charitable activities:							
Operation of accommodation and café	6	-	2,983,198	2,983,198	-	2,808,793	2,808,793
Income from other trading activities							
Investment income - bank interest	7	-	27,035	27,035	-	27,385	27,385
Other income		-	556,098	556,098	-	9,332	9,332
Total incoming resources		<u>225,983</u>	<u>3,566,359</u>	<u>3,792,342</u>	<u>141,279</u>	<u>2,849,223</u>	<u>2,990,502</u>
Expenditure							
Expenditure on charitable activities:							
Operation of accommodation and café	8	(39,683)	(2,958,193)	(2,997,876)	(125,659)	(2,649,479)	(2,775,138)
Expenditure from other activities							
Other expenditure		-	(146,247)	(146,247)	-	-	-
Total expenditure		<u>(39,683)</u>	<u>(3,104,440)</u>	<u>(3,144,123)</u>	<u>(125,659)</u>	<u>(2,649,479)</u>	<u>(2,775,138)</u>
Transfers		<u>(57,562)</u>	<u>57,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net incoming resources for the year	12	128,738	519,481	648,219	15,620	199,744	215,364
Total funds brought forward		<u>23,335</u>	<u>3,288,129</u>	<u>3,311,464</u>	<u>7,715</u>	<u>3,088,385</u>	<u>3,096,100</u>
Total funds carried forward		<u>152,073</u>	<u>3,807,610</u>	<u>3,959,683</u>	<u>23,335</u>	<u>3,288,129</u>	<u>3,311,464</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a Statement of Total Recognised Gains and Losses has not been prepared.

The notes on pages 13 to 31 form part of these financial statements

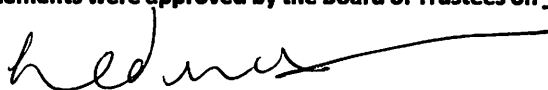
HOMELESS ACTION

Balance Sheet

As at 30 May 2025

	Notes	2025 £	2024 £
Fixed assets			
Tangible assets	16	3,408,315	2,528,720
Investments	17	-	1
Total fixed assets		3,408,315	2,528,721
Current assets			
Debtors	18	223,406	300,456
Cash at bank and in hand		813,536	971,129
Total current assets		1,036,942	1,271,585
Creditors: Amounts falling due within one year	19	(224,102)	(208,346)
Net current assets		812,840	1,063,239
Total assets less current liabilities		4,221,155	3,591,960
Creditors: Amounts falling due after more than one year	20	(261,472)	(280,496)
Net assets		3,959,683	3,311,464
The funds of the charity			
Restricted income funds	24	152,073	23,335
Unrestricted income funds	23	3,807,610	3,288,129
Total funds		3,959,683	3,311,464

The financial statements were approved by the Board of Trustees on 26-11 2025 and are signed on their behalf by:



Mrs L Edwards
Chair of Trustees

Charity Number: 1063208 Company Number: 3366712

The notes on pages 14 to 29 form part of these financial statements

HOMELESS ACTION

Statement of Cash Flows For the year ended 30 May 2025

	Notes	2025 £	2024 £
Cash generated from/(used in) operating activities	27	633,477	340,586
Cash flow from investing activities			
Interest income		27,035	27,385
Grant income		150,000	-
Purchase of tangible fixed assets		(953,222)	(136,505)
Disposal of tangible fixed assets		1,944	-
Cash flow from investing activities		(774,243)	(109,120)
Cash flow from financing activities			
Repayments of loans		(16,827)	(15,233)
Cash used in financing activities		(16,827)	(15,233)
Decrease in cash and cash equivalents in the year		(157,593)	216,233
Cash and cash equivalents at the beginning of the year		971,129	754,896
Total cash and cash equivalents at the end of the year		813,536	971,129

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

1. Company information

Homeless Action is a private company limited by guarantee, domiciled and incorporated in England and Wales. The registered office is 81 Abingdon Street, Blackpool, Lancashire, FY1 1PP.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

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

Homeless Action meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant Accounting Policy note(s).

(b) Going Concern

At the time of approving the financial statements 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 financial statements.

(c) Funds structure

- General funds are unrestricted funds, which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.
- Restricted funds are funds subject to specific restrictive conditions imposed by the donor or by the purpose of the contract / monies received. The purpose and use of restricted funds is set out in note 24 to the financial statements.
- Designated funds are funds which have been allocated or designated for specific purposes by the charity out of unrestricted funds.

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

2. Accounting policies [Continued]

(d) Income recognition

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 donations and grants that provide core funding or are of a general nature is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income from government and other grants, whether 'capital' grants 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 income will be received, and the amount can be measured reliably and is not deferred. Grants are deferred to future periods only when this is specified by the funder or other preconditions of the fund are not yet met.

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

Investment income is recognised on a receivable basis.

(e) Management agreements

The charity has management agreements in place with both Falcon Housing Association CIC and Places for People to manage the provision of accommodation for the homeless in properties in Sunderland. The agreement with Falcon is for 'move-on' flats and Falcon is the leaseholder of these properties. The agreement with Places for People is for the Poplar House Hostel and Places for People are the owners of this property. The terms of both agreements result in the charity receiving income from the respective landlords equal to the amounts that they receive as housing benefit from the council. This income is included in Income from Charitable Activities. Expenditure incurred in providing the service required under the terms of the agreements is included in Expenditure on Charitable Activities.

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

2. Accounting policies [Continued]

(f) 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. Expenditure is classified under the following activity headings:

- Costs of raising funds are the direct and indirect costs of raising funds for charitable purposes, including applying for grants.
- 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.
- Support costs include costs of the preparation and examination of the statutory financial statements, the costs of Trustee meetings and the cost of any legal advice to Trustees on governance or constitutional matters.
- Other expenditure represents those items not falling into any other heading.

(g) Fixed assets

Individual fixed assets costing £2,000 or more are initially recorded at cost.

Depreciation is provided on all tangible fixed assets at the rates listed below so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life:

Freehold land and buildings	2% per annum on cost
Plant and machinery	10% per annum on cost
Office equipment	33.3% per annum on cost
Motor vehicles	16.7% per annum on cost

(h) Investments

Fixed asset investments are included at market value at the Balance Sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds, and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

(i) Operating leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the lease term.

(j) Pensions

The charity operates an auto enrolment defined contribution scheme for all eligible employees in line with the current legislation.

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

2. Accounting policies [Continued]

(k) Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid after taking any discount due.

(l) Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments.

(m) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party at the amount due to settle the obligation and can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discount due.

(n) Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

3. Legal status of the charity

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation. The number of members at the year-end was six (2024: six).

4. Judgements and key sources of estimation uncertainty

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.

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

5.	Grants, donations, and legacies	Restricted Funds £	Unrestricted Funds £	Total Funds 2025 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2024 £
	Donations and legacies						
	Appeals and donations	-	28	28	-	2,713	2,713
	Grants	225,983	-	225,983	141,279	1,000	142,279
	Total per statement of funds	225,983	28	226,011	141,279	3,713	144,992

The income from grants, donations and legacies was £226,011 (2024: £144,992) of which £28 was unrestricted (2024: £3,713) and £225,983 restricted (2024: £141,279).

6.	Incoming resources from charitable activities	Restricted Funds £	Unrestricted Funds £	Total Funds 2025 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2024 £
	Charitable activities						
	Housing benefit - hostels and flats	-	2,721,218	2,721,218	-	2,508,003	2,508,003
	Income from hostels and flats	-	-	-	-	-	-
	Residents' contributions - hostels and flats	-	151,226	151,226	-	158,539	158,539
	Emergency Beds Scheme	-	38,423	38,423	-	35,295	35,295
	Community Café & Hub takings	-	46,770	46,770	-	87,644	87,644
	Other income	-	25,561	25,561	-	19,312	19,312
	Total income from charitable activities	-	2,983,198	2,983,198	-	2,808,793	2,808,793

7.	Investment income	Restricted Funds £	Unrestricted Funds £	Total Funds 2025 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2024 £
	Bank interest	-	27,035	27,035	-	27,385	27,385
	Total investment income	-	27,035	27,035	-	27,385	27,385

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

8.	Expenditure on charitable activities - Current year	Community Café & Hub £	Accom Provision £	Total Funds 2025 £
	Wages and salaries costs	37,135	1,188,781	1,225,916
	Staffing costs	4,112	6,231	10,343
	Premises costs	2,895	1,040,004	1,042,899
	Bank charges	-	133	133
	Bad debt	-	(96)	(96)
	Office costs	421	9,623	10,044
	Food costs	25,496	133,304	158,800
	Other costs	1,362	8,979	10,341
	Laundry and cleaning costs	1,993	14,004	15,997
	Motor and travel costs	-	16,933	16,933
	Legal Costs	-	25,601	25,601
	Profit/loss on disposal	-	(9,848)	(9,848)
	Depreciation	-	69,162	69,162
	Governance costs	-	8,460	8,460
	Support costs	-	413,191	413,191
	Total	73,414	2,925,793	2,997,876
	Expenditure on charitable activities - Prior year	Community Café & Hub £	Accom Provision £	Total Funds 2024 £
	Wages and salaries costs	64,857	1,039,335	1,104,192
	Staffing costs	6,634	13,485	20,119
	Premises costs	10,640	916,702	927,342
	Service charges - Blackburn Hostels	-	34,390	34,390
	Office costs	892	14,413	15,305
	Food costs	51,944	108,542	160,486
	Other costs	1,102	9,678	10,780
	Laundry and cleaning costs	4,087	10,645	14,732
	Motor and travel costs	-	14,294	14,294
	Legal Costs	-	17,507	17,507
	Depreciation	-	53,503	53,503
	Governance costs	-	8,053	8,053
	Support costs	-	394,435	394,435
	Total	140,156	2,634,982	2,775,138

Expenditure on charitable activities was £2,999,207 (2024: £2,775,138) of which £2,959,524 was unrestricted (2024: £2,649,479) and £39,683 restricted (2024: £125,659).

HOMELESS ACTION

Notes to the Financial Statements

For the year ended 30 May 2025

9.	Summary of analysis of expenditure and related income for charitable activities - Current year	Community Café & Hub £	Accom Provision £	Total Funds 2025 £
	Costs (note 8)	73,414	2,925,793	2,999,207
	Grant support (note 5)	-	(225,983)	(225,983)
	Net cost - other income	73,414	2,699,810	2,773,224
	Summary of analysis of expenditure and related income for charitable activities – Prior year	Community Café & Hub £	Accom Provision £	Total Funds 2024 £
	Costs (note 8)	140,156	2,634,982	2,775,138
	Grant support (note 5)	-	(142,279)	(142,279)
	Net cost - other income	140,156	2,492,703	2,632,859

10. Analysis of governance and support costs - Current year

The charity allocates its support costs as shown in the table below and then further apportions those costs to the charitable activities undertaken (see note 9). Unless stated otherwise, support costs are directly attributed to the activity.

Support cost	General Support £	Governance £	Total 2025 £
Bank charges	1,286	-	1,286
Wages and salaries costs	239,429	-	239,429
Staffing costs	12,081	-	12,081
Premises costs	22,802	-	22,802
Office costs	30,611	-	30,611
Food costs	166	-	166
Other costs	2,863	-	2,863
Motor and travel costs	854	-	854
Accountancy costs	42,031	-	42,031
Audit costs	-	8,460	8,460
Legal costs	40,534	-	40,534
Loan interest	21,927	-	21,927
Depreciation	2,431	-	2,431
Profit/loss on disposal	(3,824)	-	(3,824)
	413,191	8,460	421,651

HOMELESS ACTION

Notes to the Financial Statements

For the year ended 30 May 2025

10. Analysis of governance and support costs - Prior year

The charity allocates its support costs as shown in the table below and then further apports those costs to the charitable activities undertaken (see note 9). Unless stated otherwise, support costs are directly attributed to the activity.

Support cost	General Support £	Governance £	Total 2024 £
Bank charges	1,188	-	1,188
Wages and salaries costs	224,917	-	224,917
Staffing costs	2,590	-	2,590
Bad debt	-	-	-
Premises costs	20,071	-	20,071
Office costs	24,584	-	24,584
Food costs	245	-	245
Other costs	1,571	-	1,571
Laundry and cleaning costs	446	-	446
Motor and travel costs	1,607	-	1,607
Accountancy costs	38,509	-	38,509
Audit costs	-	8,053	8,053
Legal costs	51,826	-	51,826
Trustees' expenses	60	-	60
Loan interest	24,397	-	24,397
Depreciation	2,424	-	2,424
	<u>394,435</u>	<u>8,053</u>	<u>402,488</u>

11. Trustees' remuneration and expenses

The Trustees were not paid, and nor did they receive any other benefits from employment with the charity or its subsidiary in the year (2024: £Nil).

Expenses totalling £Nil (2024: Nil) were paid to no (2024: no) Trustees in the year to 30 May 2025 in respect of motor and travel costs.

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

12.	Net income/(expenditure)	2025	2024
		£	£
	Net income/(expenditure) is stated after charging:		
	Management agreements	506,252	489,636
	Service charges - Blackburn hostels	-	34,390
	Auditor's remuneration - statutory audit	8,460	8,053
	Bank interest payable	21,927	24,397
	Depreciation	71,683	55,927
		<hr/>	<hr/>
13.	Analysis of staff costs and remuneration of key management personnel	2025	2024
		£	£
	Wages and salaries	1,366,940	1,235,264
	National insurance contributions	83,065	80,158
	Employers' pension contributions	15,340	13,687
		<hr/>	<hr/>
	Total staff costs	1,465,345	1,329,109
		<hr/>	<hr/>

The average number of employees during the year was 27 (2024: 26) with all employees' time involved in providing either support to the governance of the charity or support services to charitable activities. The charity considers its key management personnel comprise the Trustees and the Chief Executive Officer. The total employment benefits including employer's pension contributions of the key management personnel was £115,472 (2024: £115,186). One employee (2024: one) had employee benefits (excluding pension contributions) in excess of £60,000. This employee received remuneration in the banding £100,000 - £110,000 (2024: £100,000 - £110,000).

During the year payments totalling £Nil (2024: £Nil) were made in respect of termination payments to employees/former employees.

14. Pension costs

The charity operates a defined contribution scheme, and contributions are charged in the statement of financial activities as they accrue. The employer's charge for the year for the charity was £15,340 (2024: £13,687).

15. Corporation tax

The company is a registered charity and is, therefore, exempt from taxation.

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

16. Tangible fixed assets

	Freehold Interest in Land and Buildings £	Freehold Improvements (Previously Assets under construction) £	Fixtures, Fittings and Office Equipment £	Plant and Equipment including Motor Vehicles £	Total £
Cost					
As at 30 May 2024	2,453,005	261,076	15,087	114,994	2,844,162
Additions	126,394	757,927	-	68,901	953,222
Transfers	-	-	(10,709)	10,709	-
Disposals	-	-	-	(51,158)	(51,158)
As at 30 May 2025	2,579,399	1,019,003	4,378	143,446	3,746,226
Depreciation					
As at 30 May 2024	247,601	-	10,084	57,757	315,442
Charge for the year	49,482	11,323	-	10,878	71,683
Transfers	-	-	(5,706)	5,706	-
Disposals	-	-	-	(49,214)	(49,214)
As at 30 May 2025	297,083	11,323	4,378	25,127	337,911
Net book value					
As at 30 May 2025	2,282,316	1,007,680	-	118,319	3,408,315
As at 30 May 2024	2,205,404	261,076	5,003	57,237	2,528,720

17. Investments held as fixed assets

The charity held one ordinary share of £1 in its wholly owned trading subsidiary company SHOP2023 CIC which was incorporated in England and Wales. The subsidiary company was dissolved in April 2025.

18. Debtors

	2025 £	2024 £
Housing benefit receivable	136,969	188,854
Trade debtors	52,022	49,669
Prepayments, accrued income & other debtors	34,415	61,933
	223,406	300,456

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

19.	Creditors: Amounts falling due within one year	2025	2024
		£	£
	Bank loans and overdrafts	18,762	16,565
	Amounts due to suppliers	38,191	42,013
	Taxation and national insurance	27,281	24,991
	Other creditors	15,002	135
	Accruals and deferred income	124,866	124,642
		<u>224,102</u>	<u>208,346</u>

Creditors: Amounts falling due within one year includes the following liabilities, on which security has been given by the charity.

	2025	2024
	£	£
Bank loans	18,762	16,565
	<u>18,762</u>	<u>16,565</u>

The bank loans are secured by a first legal charge over 81-83 Abingdon Street, 254 Hornby Road, 39 and 45 Bairstow Street, 1 Wolverton Avenue, 176/178 Watson Road, 10 Knowle Avenue, The Warehouse back Cocker Street, 23 Cocker Street and 264-266 Dickson Road; all of which are situated in Blackpool.

There is further security provided by a fixed and floating charge over the other assets of the charity.

20.	Creditors: Amounts falling due after more than one year	2025	2024
		£	£
	Bank loans	261,472	280,496
		<u>261,472</u>	<u>280,496</u>

Included in the creditors are the following amounts due after more than five years:

	2025	2024
	£	£
After more than five years by instalments	241,343	243,099
	<u>241,343</u>	<u>243,099</u>

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

21. Operating lease commitments and management agreements

As at 30 May 2025 the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases and management agreements as follows:

	2025 £	2024 £
Less than one year	460,598	506,252
Within two to five years	1,742,782	1,958,556
Over five years	2,853,583	4,210,997
Total	5,056,963	6,675,805

22. Related parties

Controlling entity

The charity is controlled by the Trustees who are all directors of the company.

Related party transactions in the current year:

During the year the Charity paid motor costs totalling £3,181 (2024: £21,234) to Modern Classic Cars, an entity where Trustee Mr S Robinson is a member of key management.

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

23. Analysis of charitable funds - unrestricted current year	At 30 May 2024	Incoming Resources	Resources Expended	Transfers	At 30 May 2025
	£	£	£	£	£
General funds	3,095,843	3,511,327	(3,029,843)	47,062	3,624,389
Designated Fund – Poplar House	34,893	5,670	(1,600)	-	38,963
Designated Fund – Sunderland Flats	62,001	14,894	(15,400)	-	61,495
Designated Fund – Mini bus	14,170	-	-	(5,771)	8,399
Designated Fund – Blackpool Hostels	44,150	19,989	(34,438)	5,771	35,472
Designated Fund – Blackpool Flats	37,072	14,479	(23,159)	-	28,392
Designated Fund – Elm outside spend & official opening costs	-	-	-	10,500	10,500
Total Designated Funds	192,286	55,032	(74,597)	-	183,221
Total funds	3,288,129	3,566,359	(3,104,440)	57,562	3,807,610
Analysis of charitable funds - unrestricted prior year	At 30 May 2023 (restated)	Incoming Resources	Resources Expended	Transfers	At 30 May 2024
	£	£	£	£	£
General funds	2,946,359	2,795,602	(2,648,649)	2,531	3,095,843
Designated Fund – Poplar House	25,983	8,910	-	-	34,893
Designated Fund – Sunderland Flats	48,748	13,253	-	-	62,001
Designated Fund – 1,000 Voices	2,531	-	-	(2,531)	-
Designated Fund – Mini bus	15,000	-	(830)	-	14,170
Designated Fund – Blackpool Hostels	23,348	20,802	-	-	44,150
Designated Fund – Blackpool Flats	26,416	10,656	-	-	37,072
Total Designated Funds	142,026	53,621	(830)	(2,531)	192,286
Total funds	3,088,385	2,849,223	(2,649,479)	-	3,288,129

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

24.	Analysis of charitable funds restricted – Current year	-	At 31 May 2024 £	Incoming Resources £	Resources Expended £	Transfers £	At 30 May 2025 £
	Community Foundation Grant		6,387	-	(2,647)	-	3,740
	Know Your Neighbourhood Grant		16,948	75,983	(35,369)	(57,562)	-
	Garfield Weston Grant – Derby Court		-	150,000	(1,667)	-	148,333
	Total funds		23,335	225,983	(39,683)	(57,562)	152,073

Name of fund	Description, nature, and purposes of the fund
Community Foundation Grant	Support through the provision of skill workshops including finances, IT, Life skills, sports and leisure, volunteering, and job training including hairdressing and building.
Know Your Neighbourhood Grant	To offer Maths and English courses, computer skills, sports sessions and job training to isolated and vulnerable clients to help them to return to work and successfully live independently.
Garfield Weston Grant – Derby Court	To support the redevelopment of Elm House & Derby Court

Analysis of charitable funds - restricted - prior year	At 31 May 2023 £	Incoming Resources £	Resources Expended £	Transfers £	At 30 May 2024 £
Community Foundation Grant	7,715	-	(1,328)	-	6,387
Know Your Neighbourhood Grant	-	139,779	(122,831)	-	16,948
Skills for Care – Workforce Development	-	1,500	(1,500)	-	-
Total funds	7,715	141,279	(125,659)	-	23,335

25. Transfers

Any surplus expenditure arising on any of the restricted funds is met from general (unrestricted) funds.

Where applicable and where not prohibited under any terms specified by the donor, any restricted funds where it is deemed that the associated activity or purpose has ceased are likewise transferred to general funds at the discretion of the Trustees.

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

26.	Net assets by fund - Current year	Restricted Funds £	Unrestricted Funds £	Total Funds 2025 £
	Tangible fixed assets	152,073	3,256,242	3,408,315
	Cash at bank and in hand	-	813,536	813,536
	Other net current assets / (liabilities)	-	(696)	(696)
	Creditors of more than one year	-	(261,472)	(261,472)
	Net assets	152,073	3,807,610	3,959,683
26.	Net assets by fund - Prior year	Restricted Funds £	Unrestricted Funds £	Total Funds 2024 £
	Tangible fixed assets	23,335	2,505,385	2,528,720
	Cash at bank and in hand	-	971,129	971,129
	Other net current assets/(liabilities)	-	92,111	92,111
	Creditors of more than one year	-	(280,496)	(280,496)
	Net assets	23,335	3,288,129	3,311,464
27.	Reconciliation of net movement in funds to net cash flow from operating activities		2025 £	2024 £
	Net movement in funds		648,219	215,364
	Add Depreciation		71,683	55,927
	Deduct Interest income shown in investing activities		(27,035)	(27,385)
	Deduct grant received shown in investing activities		(150,000)	-
	Decrease/(increase) in debtors		77,051	108,203
	(Decrease)/increase in creditors		13,559	(11,523)
	Net cash generated in/used by operating activities		633,477	340,586

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

28. Net debt reconciliation continued - Current year	30 May 2024 £	Cash flows £	30 May 2025 £
Cash	971,129	(157,593)	813,536
Loans falling due within one year	(16,565)	(2,197)	(18,762)
Loans falling due after one year	(280,496)	19,024	(261,472)
Net debt	674,068	(140,766)	533,302
Net debt reconciliation - Prior year	30 May 2023 £	Cash flows £	30 May 2024 £
Cash	754,896	216,233	971,129
Loans falling due within one year	(15,817)	(748)	(16,565)
Loans falling due after one year	(296,477)	15,981	(280,496)
Net debt	442,602	231,466	674,068

29. Post balance sheet events

On 23rd July 2025 the Trustees approved spending of up to £250,000 on a range of projects to modernise and refurbish Oak House and Holly House and to improve the energy efficiency and security at the Blackpool flats.