

Charity Registration No. 1078607

Company Registration No. 03141290 (England and Wales)

THE HOPE FOUNDATION LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

THE HOPE FOUNDATION LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr P J Winstone Mr J Kearney Mrs L P Sowerby Dr A Knight Mr G Rodgers	(Appointed 22 March 2022)
Chief Executive	Mrs S Kearney	
Secretary	Mr J Kearney	
Charity number	1078607	
Company number	03141290	
Registered office	Hope House 1 Grange Road Middlesbrough TS1 5BA	
Independent examiner	Davies Tracey Swan House Westpoint Road Teesdale Business Park Stockton on Tees TS17 6BP	
Bankers	Barclays Bank plc Unit 1 Centre Mall The Mall Middlesbrough TS1 2NR	

THE HOPE FOUNDATION LIMITED

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THE HOPE FOUNDATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2021

The trustees present their annual report and financial statements for the year ended 31 July 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 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

Purposes and Aims of The Hope Foundation

From the Governing Document:

The advancement of education, the provision of opportunities for training, the advancement of religion and the relief of poverty of persons on low income.

Charity Aims

The aim of the charity is relieving poverty and helping provide hope and a purpose for local people. We do this by improving their identification of available opportunities, ability to access them and support for them to achieve their goals and targets in a supportive environment.

Specific aims include:

- a) raising aspirations, motivation and participation in social, educational and economic life;
- b) enabling people to address barriers including social, psychological, personal and health issues;
- c) increasing skills and employability;
- d) encouraging the integration of all sectors of the community;
- e) reducing loneliness and isolation;
- f) supporting people to progress into work, education or volunteering;
- g) helping people develop their confidence in themselves and their abilities;
- h) providing volunteering and work experience opportunities;
- i) working with a wide range of partners to meet individual and community need.

This helps create a safer and stronger local community, helping address poverty, exclusion and disadvantage for local residents.

This year and the previous year have been particularly challenging due to Covid 19. The organisation has shown its flexibility and resilience in adapting to a very difficult environment and situation. We have continued to achieve our aims adapting our work and methods of delivery to continue to meet the challenging and changing local need due to the restrictions and impacts of Covid.

Public benefit

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit. All work and services we carry out are for public benefit and the good of our local community. They are all to meet our aims and objectives.

THE HOPE FOUNDATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

Local Situation

Employment and Skills

The census data shows that 29.9% of Middlesbrough residents have no qualifications against the rest of England (22.7%) with 18.5% having an NVQ 4 or higher against the national average 27.2%. 7.8% of local people have never worked against the national average of 4.4% with 31.1% of local residents in full time work, compared to 38.5% nationally. Non-pensioner households with no workers are 28.3% against the national average of 16.1%. 16.8% of working age people in Middlesbrough are living with a limiting long-term illness against the national average of 13%.

Health and Wellbeing

Employment, skills and poverty are important risk factors linked to health and wellbeing of local residents (Director of Health Report - mental health and emotional wellbeing in Middlesbrough 2014/15). Loneliness and isolation are issues. WHO defines mental health as the state of wellbeing in which every individual realises his or her own potential, can cope with the normal stresses of life, can work productively and fruitfully and is able to make a contribution to their community.

THE HOPE FOUNDATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

Achievements and performance

Charitable activities

The charity has continued to successfully develop its work, delivering services that make a difference in, and as part of, the Middlesbrough community. By delivering our services we directly impact identified local issues in the 6th most deprived area in the country (index of Multiple Deprivation). We impact the index categories of Education, skills and training (IMD scores 13.5%), income deprivation (IMD 22.5%), employment deprivation (22.5%), health deprivation and disability (13.5%), barriers to housing and services domain (9.3%).

Our objectives are:

- to continually identify local need and facilitate the delivery of appropriate services to meet that need. We do that through our own delivery, collaboration or signposting to a wide range of partners ensuring we support people appropriately and in a holistic way.
- to meet the needs identified by enabling local residents to recognise and have the support they require and know how to achieve their aspirations, goals and targets in a safe and supportive environment.

Over the year we had an average of 14 employees working on the charitable activities. We are able to provide these activities with financial support through traditional fundraising, grants, contracts and service level agreements, as well as working with partners and volunteers. The organisation continues to work hard to be sustainable and continue to respond to the increasing and changing community needs and funding landscape which has been very challenging over the past 2 years.

Our current services/activities were affected by Covid and the inability to deliver services face to face and the challenges people had in accessing services even when they were available due to anxiety about Covid.

These included but are not limited to :

1) (a) Quality formal and informal teaching and learning opportunities

Middlesbrough College

The Hope Foundation delivers formal qualifications from entry 1 to level 2 including Maths, English and IT, alongside personal development modules around communication, confidence and employability. Our approach is accessible and provides learning in a supportive way. The community are keen to take up the opportunity to learn in a way that suits them. The majority of this work is funded through the Adult Education Budget as a subcontractor of Middlesbrough College.

Achievements in the year

We adapted our education delivery model to be a hybrid of face to face and online to meet the changing demands of Covid and government restrictions. This was difficult for staff and learners and our most vulnerable learners found this difficult if not impossible.

Due to these factors we delivered fewer courses with 335 enrolments in the year delivered to 135 people. This led to a reduction in our funding from the Adult Education Budget through Middlesbrough College even with disadvantage uplift due to the nature of the learners we work with. We found that the motivation of the learners waned dramatically in the second lockdown leading to lower numbers engaging and completing their qualifications. Covid had a much more dramatic impact on our delivery.

The key strengths of the delivery are

Very responsive staff team with a culture of flexibility to make positive and timely changes to ensure good responses to contract and learner needs. This was shown on the move to online and blended delivery.

The quality of the teaching, learning and assessment is very good and learners do benefit from high expectations, engagement, care, support and motivation from the full staff team. This included finding devices and data so that learners were able to continue their learning during lockdown.

Management, systems and processes and quality standards are excellent with very good reports from exam boards and external audits.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1) (b) Supporting the development of digital skills and use of technology to support inclusion and opportunity

Good Things Foundation

We were able to distribute devices and engage learners that were most digitally excluded.

This helped especially during Covid to stop people becoming isolated, contact their GP and do online shopping offering a valuable life line as well as enabling them to keep in touch with family and friends. The Good Things Foundation online products (Learn my way) enabled us to:

i) provide extra support through our funded delivery enabling computer skills development for life and work (Middlesbrough College)

ii) enhance our ABM project and the work of the digital inclusion officer by enabling older people to have support to access the modules individually or in groups and workshops. This also includes the support given through the digital helpers online due to Covid.

iii) support people visiting our work club and cybercafé enabling us to support them to develop their IT skills in areas such as zoom and applying for Universal credit.

We were engaged to help deliver the Census and staff were trained to support people who could not complete the census online. This was difficult due to Covid rules but we successfully completed the requirements.

2) Information, advice and careers support

Our contract with Educational Development Trust (EDT) enables us to deliver through the government's National Careers Service. The service includes good quality workshops, 1 to 1 appointments and drop in support. This contract is important in being able to help link local people with preparing for working life and to address their barriers, as well as further support into employment, training and volunteering opportunities. The service delivers in Middlesbrough and in Grangetown to local residents. The contract has been renewed to October 2022. Covid has made this a challenging year for delivery. Multiple lock downs resulted in staff delivering from home and completing the appointments remotely as well as face to face. Staff and the contract delivery continued, staff were able to support people on furlough as well as people who were self employed and those made unemployed for the first time. Staff were able to provide services in different ways to meet the changing needs. This included helping people to volunteer to support services in the pandemic.

3) Moving residents closer to and into employment, training and volunteering

All of our activities, are to help progress the individual to where they need to be, to achieve their goal. The employability support includes a CV workshop, work club and cybercafé. Through support with basic IT skills we help with using the internet and applying for jobs and recording job search activity. We have access to quality LMI (Labour Market Intelligence) and good local employer and training delivery knowledge. This work is supported through parts of the National Careers Service and Middlesbrough College contracts as well as the cybercafé and volunteer support.

In the year, from the people we have supported these are the positive progression outcomes.

78% of learners did more than 1 course with us

25% moved into employment

5% moved into volunteering

1% moved into HE and 24% into FE

These figures are very encouraging in what was a very difficult year for people in and out of work.

THE HOPE FOUNDATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

4) Facilitating volunteer placement and work experience opportunities.

The support of volunteers is key to the Charity's day to day operations. Volunteers and work experience is available in all areas of the delivery. This includes administration, reception, tutor support, café support, work club delivery, digital skills and activities. Volunteers provide added value to everything we do and helps us to be able to deliver quality services. For some this has proved to provide a pathway into employment. We have formal volunteers a number of regular days supporting the work that goes on. We also have informal volunteering opportunities where people help on an ad hoc basis for example with handyman and gardening roles. Our monthly helper's dinners had around 50 regular 'helpers' until the lockdown in March 2020. The café remained closed and services were reduced but there were still some regular volunteers.

In the year we calculated volunteers worked 1,202.25 hours for the Charity. At a notional cost of £7.83 and £8.21 per hour this equates to a contribution of approximately £9,600.

Again the number of volunteer hours was affected as we have not been able to support volunteers in the same way due to Covid. Also due to social distancing on the reopening of the office and the reduction in the numbers allowed in the rooms meant that volunteers have not returned fully.

5) Providing activities and services that encourage participation and reduce loneliness and isolation

Ageing Better Middlesbrough (ABM)

This six year Big Lottery Funded programme was to reduce loneliness and isolation for people in the community aged 50+ and concluded in March 2021.

The project has been delivered through a wide range of delivery partners and has been project managed by Middlesbrough and Stockton Mind. Our role, was to deliver digital inclusion and community development support and activities. The grant provided by the Big Lottery was for £306,038 from April 2018 to March 2019 and £301,901.76 from April 2019 to March 2020. There were 7 staff employed on this programme. a team leader, a digital inclusion officer, 4 community development workers and an administrator. The team were very pro-active in working to reduce loneliness and isolation, recruiting over 50's to take part and get involved in co-designed and co-produced activities.

There was an underspend on the activities budget which was a godsend in the pandemic. We were able to purchase devices and data to help those people that were not able to keep in touch with family, talk to their doctor or do their online shopping due to lack of digital access and them having to shield due to a variety of health issues. The project linked with # helpboro to help link devices, food, prescriptions and other support to best help the people of Middlesbrough.

We were able to meet local need by delivering activity packs to help people stay active and involved and delivering 1:1 IT support in people's gardens during the pandemic and lockdowns especially supporting those isolating. A telephone befriending service was developed to enable the team to support people who were at risk of being lonely and isolated and keep up their spirits. As the activities stopped in March online activities were started on zoom and a timetable of activities developed. From singing to crafts and quizzes and bingo. This has been very important during lockdown. It has been difficult to open this project up although we have completed distanced walks and meetings in the park. But these have again needed to stop. The project was extended for a further year with the Lottery funding an Older People's service from March 2021 to March 2022 as the value of this work was recognised. The project has a digital lead, digital officer, administrator and 3 wellbeing Support Officers. This has enabled the digital work, with support for people with sensory loss, to continue to develop. The wellbeing and support officers supporting people over the phone and when the opportunity presents helping them to get out and reduce their anxiety.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

Cyber Café

The café is key for the community of Hope and Middlesbrough town centre. This is where learners, staff and friends meet. Activities take place in this social space with internet access and accessible space for meals and drop in. The staff are supportive and they always find time to chat and make people welcome. As it seats about 35 people there is always a presence and people who come along soon make friends and are able to access support as required. We operate a subsidised kitchen with cheap home-made nutritious healthy meals. Many of our client group are on low incomes and the Kitchen/Café offers affordable meals and drinks and a welcoming meeting place. However due to the coronavirus and the lock down in March 2020 the café had to close, and it has not re opened until October 2021. It was not possible to open the café safely, due to space and other issues.

6) Premises and Buildings

Due to Covid the space we normally provide to 2 other charities was not needed:

- Help Link to run a weekly soup kitchen on a Monday 4.30 to 5.30
- Teesside Socialist Clothing Bank to house a container and deliver clothing and toiletries to local people once a week.

Neither charity has returned to continue their services.

IT Infrastructure

The new network was installed in March 2020 but there was no real benefit to the organisation and the community in the year due to the different lock downs. We are now open for business and the network is fit for purpose. We will need to replace the server in the next 2 years.

The Hope Foundation was key in the formation of the Middlesbrough digital partnership in May 2020 and over the period we have seen major developments in the recognition of the need in terms of poverty and digital disadvantage in the areas of devices, data and skills. A wide range of partners and agencies have come together and The Hope Foundation led on the setting up of a devices website www.furbdit.org.uk. Businesses are able to donate devices and our current partner Comply IT are able to pick them up refurbish or scrap them and then make them available for distribution. The distribution network is made up of voluntary and community groups and others who work with the most vulnerable. As well as the devices work we continue to work with wider partnerships looking at the issues of data and connectivity. Our position and experience also helping us to draw attention to the need for person centred skills development driven by what the person needs.

There are very strong partnerships being formed with voluntary organisations and charities to health and the council as people recognise that 70% of the most vulnerable people needing food and medical Covid support in Middlesbrough did not have access to basic technology.

THE HOPE FOUNDATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

Financial review

Incoming resources decreased in the year by £32,521 (4.9%). The reasons for the decrease included the reduction in income from the community fund ABM contract and less delivery on the Middlesbrough College contract. This was largely offset by the insurance claim of £34,456 and Covid support of £46,392.

Middlesbrough College income stream reduced due to the difficulties of the lockdown and lack of access to IT and Covid. We have an excellent relationship with Middlesbrough College and expect to continue our delivery of our education services through the College. We believe education is an effective way to build peoples' skills, confidence and self-esteem.

Hope has a strong education staff team who have experience and professional expertise and they care about the people they are working with. We work with the most disadvantaged people in the Middlesbrough community. Everyone is welcomed and supported in the best way for the individual. The reward is to see lives changed and the difference that education can make to so many people, which is why we see education as one of the pillars of our Purposes and Aims.

Expenditure is down in the year as we have not had the high levels of repairs and renewals as in the previous year due to the roof repairs. The financial management of the Hope is strong with two trustees who are experienced qualified accountants, one of which is also a part-time employee maintaining the Charity's financial records. Monthly management accounts are prepared and considered at every Trustees meeting to ensure all financial activity is in line with our Purposes and Aims.

Unrestricted funds increased by £51,246 in the year and restricted funds decreased by £1,622.

The balance sheet remains strong with Total Funds of £719,328 (2020 £669,704) and remains well geared. The Charity's policy on reserves is to maintain unrestricted funds at a minimum level of 6 months unrestricted expenditure, which has been achieved.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees are aware of the potential risks to the charity both financial and otherwise and implements strategies to control or minimise these risks. Regular reviews of risks and controls are undertaken.

THE HOPE FOUNDATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

Plans for future periods

The end of the ABM seven year project will be reached in March 2022. This has been a major funding stream for a very successful project.

The telephone helpline is being incorporated into Middlesbrough and Stockton Mind and their social prescribing work. The three staff currently employed on this service will have the option to apply to work in this area of delivery. The Hope Foundation does not see this telephone support as a viable part of the organisation's future delivery. We aim to re-establish and then maintain social activities for people in the centre to improve health and wellbeing which is a lasting legacy from the project. The aim of these social activities is to reduce loneliness and isolation and volunteers and funding will be sought to help this delivery after 31/3/2022.

There are always funding challenges in a changing world, but we are confident that we will be able to sustain our activities and support of local people. Our confidence is based on an excellent staff team with a proven track record of delivery who have continually, over many years, responded in a timely and effective way to meet local need. Financially the Charity is strong which allows us to underpin our activity effectively

Some of the challenges in the year will be

- 1) To continue to develop our hybrid model of teaching and learning delivery supported by the Adult Education Budget as a subcontractor of Middlesbrough College. We will consolidate our delivery in this year and potentially expand our teaching and learning delivery in the 2022/2023 academic year.
- 2) To raise funds to keep the digital team employed to continue to address digital poverty and the needs of the local community.
- 3) Suitable funding for social activities to help people with regard to mental health and loneliness and isolation.
- 4) Develop the furbdit and digital library with its own dedicated staff team.

New sources of funding are being continually sought to ensure adequate funding to maximise the delivery of our Purposes and Aims to the community. Adequate financial resources are held to meet current and future liabilities of the Charity and to fulfil our Reserves policy.

Structure, governance and management

Governing document

The organisation is a Christian based charitable company limited by guarantee, incorporated on the 27 December 1995 and registered as a charity on 15 December 1999. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Trustees

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr P J Winstone

Mr J Kearney

Mrs L P Sowerby

Dr A Knight

Mr G Rodgers

(Appointed 22 March 2022)

The trustees are appointed according to the constitution of the organisation. One third of the trustees are required to retire from office at each AGM. A retiring trustee is eligible for re-election.

THE HOPE FOUNDATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

Organisational structure


The executive committee met 4 times between August 2020 and July 2021 to review activities, consider the financial position and to decide strategy and procedures.

The charity normally holds a day each year when the trustees, chief executive and staff work together reviewing the past year and explore the future strategy this did not happen due to Covid.

The chief executive, who is responsible to and reports to the Executive Committee, oversees the day to day work of the charity. In the year there were a further 13 staff positions and a pool of volunteers who assist with the provision of services and administration.

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

The trustees' report was approved by the Board of Trustees.



Mr J Kearney
Trustee

26 April 2022

THE HOPE FOUNDATION LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE HOPE FOUNDATION LIMITED

I report to the trustees on my examination of the financial statements of The Hope Foundation Limited (the charity) for the year ended 31 July 2021.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

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

Independent examiner's statement

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

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

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

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

Davies Tracey

Christopher Neasham

ICAEW

Davies Tracey

Chartered Accountants and Business Advisers

Swan House

Westpoint Road

Teesdale Business Park

Stockton on Tees

TS17 6BP

Dated: 26 April 2022

THE HOPE FOUNDATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Unrestricted funds 2021 £	Restricted funds 2020 £	Total 2020 £
<u>Income and endowments from:</u>						
<u>Charitable activities</u>						
Grants and contracts	2	196,286	344,134	540,420	260,340	610,877
Café income	2	124	-	124	20,401	20,401
Investments	3	1,614	-	1,614	2,229	2,229
Other income	4	94,704	-	94,704	35,876	35,876
Total Income		292,728	344,134	636,862	318,846	669,383
<u>Expenditure on:</u>						
Charitable activities	5	241,482	345,756	587,238	382,592	698,478
Net movement in funds		51,246	(1,622)	49,624	(63,746)	(29,095)
Fund balances at 1 August 2020		597,922	71,782	669,704	661,668	698,799
Fund balances at 31 July 2021		649,168	70,160	719,328	597,922	669,704

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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

THE HOPE FOUNDATION LIMITED

BALANCE SHEET

AS AT 31 JULY 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	10		418,343		443,831
Current assets					
Debtors	11	73,756		63,268	
Cash at bank and in hand		315,733		317,651	
		<u>389,489</u>		<u>380,919</u>	
Creditors: amounts falling due within one year	12	(88,504)		(155,046)	
Net current assets			300,985		225,873
Total assets less current liabilities			<u>719,328</u>		<u>669,704</u>
Income funds					
Restricted funds	13	70,160		71,782	
Unrestricted funds		649,168		597,922	
		<u>719,328</u>		<u>669,704</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 July 2021.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 26 April 2022


 Mr J Kearney
 Trustee

Company Registration No. 03141290

THE HOPE FOUNDATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	17		2,966		31,633
Investing activities					
Purchase of tangible fixed assets		(6,498)		(53,670)	
Proceeds on disposal of tangible fixed assets		-		1,980	
Investment income received		1,614		2,229	
Net cash used in investing activities			(4,884)		(49,461)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(1,918)		(17,828)
Cash and cash equivalents at beginning of year			317,651		335,479
Cash and cash equivalents at end of year			315,733		317,651

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

Charity Information

The Hope Foundation Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Hope House, 1 Grange Road, Middlesbrough, TS1 5BA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

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 £.

The financial statements 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 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.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Gifts of fixed assets are included within donations in the Statement of Financial Activities at their estimated market value and capitalised in the balance sheet. Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne where such cost is quantifiable and measurable. No income is recognised when there is no financial cost borne by a third party.

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

(Continued)

Coronavirus Job Retention Scheme and other Covid support grants are accounted for on an accruals basis and are included in other income.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

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

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% on cost on buildings
Fixtures and fittings	20% on reducing balance
Computers	50% on reducing balance and 20% on cost

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 the statement of financial activities.

1.7 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.

1.8 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.

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

(Continued)

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.

1.9 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.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Voluntary services

In addition to recorded incoming resources the charity received the benefit of many voluntary hours and unclaimed out of pocket expenses contributed by its supporters. It would be impossible to place a value on all these services and expenses, without which much of the work undertaken could not be achieved and for which the charity is extremely grateful.

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

2 Charitable activities

	Grants and contracts 2021 £	Café income 2021 £	Total 2021 £	Grants and contracts 2020 £	Café income 2020 £	Total 2020 £
Grants and contracts	540,420	-	540,420	610,877	-	610,877
Café income	-	124	124	-	20,401	20,401
	<u>540,420</u>	<u>124</u>	<u>540,544</u>	<u>610,877</u>	<u>20,401</u>	<u>631,278</u>
Analysis by fund						
Unrestricted funds	196,286	124	196,410	260,340	20,401	280,741
Restricted funds	344,134	-	344,134	350,537	-	350,537
	<u>540,420</u>	<u>124</u>	<u>540,544</u>	<u>610,877</u>	<u>20,401</u>	<u>631,278</u>

3 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Interest receivable	<u>1,614</u>	<u>2,229</u>

4 Other income

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Net gain on disposal of tangible fixed assets	-	1,564
Insurance claims	34,456	-
Sundry income	9,160	7,555
Covid support	46,392	20,327
Room hire	-	2,040
Car park	696	390
Other income	4,000	4,000
	<u>94,704</u>	<u>35,876</u>

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

5 Charitable activities

	Charitable Expenditure 2021 £	Charitable Expenditure 2020 £
Staff costs	372,309	411,410
Depreciation and impairment	31,986	29,107
Other charitable expenditure	153,087	231,492
	<u>557,382</u>	<u>672,009</u>
Share of governance costs (see note 6)	29,856	26,469
	<u>587,238</u>	<u>698,478</u>
Analysis by fund		
Unrestricted funds	241,482	382,592
Restricted funds	345,756	315,886
	<u>587,238</u>	<u>698,478</u>

6 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	-	18,828	18,828	-	17,895	17,895
Accountancy fees	-	3,561	3,561	-	3,528	3,528
Legal fees	-	7,467	7,467	-	5,046	5,046
	<u>-</u>	<u>29,856</u>	<u>29,856</u>	<u>-</u>	<u>26,469</u>	<u>26,469</u>
Analysed between Charitable activities	-	29,856	29,856	-	26,469	26,469

Governance costs includes payments to the Independent Examiners of £2,750 (2020- £2,700).

7 Net movement in funds

	2021 £	2020 £
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	31,986	29,107
Loss/(profit) on disposal of tangible fixed assets	-	(1,564)

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

8 Trustees

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the charity. This remuneration is only received in respect of services they provide as employees under their contracts of employment and not in respect of their services as trustees. The value of trustees' remuneration and other benefits was as follows:

Mrs L P Sowerby

- Remuneration £9,404 (2020 : £10,595)
- Employer's pension contributions £282 (2020 : £318)

There were no expenses paid to trustees for the year ended 31 July 2021 nor for the year ended 31 July 2020.

9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Charitable activities	15	18
Management and administration	3	3
Total	18	21

Employment costs

	2021 £	2020 £
Wages and salaries	349,997	385,360
Social security costs	26,171	27,392
Other pension costs	14,969	16,553
	391,137	429,305

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

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

10 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 August 2020	536,151	201,001	54,064	791,216
Additions	6,498	-	-	6,498
Disposals	-	(1,008)	-	(1,008)
At 31 July 2021	542,649	199,993	54,064	796,706
Depreciation and Impairment				
At 1 August 2020	180,677	161,073	5,635	347,385
Depreciation charged in the year	13,075	8,177	10,734	31,986
Eliminated in respect of disposals	-	(1,008)	-	(1,008)
At 31 July 2021	193,752	168,242	16,369	378,363
Carrying amount				
At 31 July 2021	348,897	31,751	37,695	418,343
At 31 July 2020	355,474	39,928	48,429	443,831

11 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	34,929	34,134
Other debtors	34,615	20,636
Prepayments and accrued income	4,212	8,498
	73,756	63,268

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	6,837	6,239
Trade creditors	4,957	58,812
Other creditors	10	24
Accruals and deferred income	76,700	89,971
	88,504	155,046

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

13 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 August 2019 £	Movement In funds		Balance at 1 August 2020 £	Movement In funds		Balance at 31 July 2021 £
		Incoming resources £	Resources expended £		Incoming resources £	Resources expended £	
Big Lottery Fund	19,232	-	(312)	18,920	-	(270)	18,650
Community Fund	-	9,980	-	9,980	-	(8,994)	986
Awards for All (2011)	768	-	(204)	564	-	(160)	404
Awards for All (2013)	3,220	-	(465)	2,755	-	(373)	2,382
Middlesbrough Council Welfare Reform	45	-	(24)	21	-	(12)	9
Veolia	11,435	-	(5,392)	6,043	-	(4,440)	1,603
Awards for All (Kitchen)	2,431	-	(1,525)	906	-	(906)	-
Ageing Better Middlesbrough	-	305,975	(305,975)	-	279,120	(279,120)	-
Compass (new computer)	-	8,102	(810)	7,292	-	(1,620)	5,672
Covid Funding	-	4,950	(330)	4,620	-	(990)	3,630
Awards for All (games cafe)	-	9,020	-	9,020	-	-	9,020
Middlesbrough Council Community Chest	-	1,500	-	1,500	-	(1,500)	-
Sunderland Google Digital Garage	-	1,760	(849)	911	-	(911)	-
BT Skills for Tomorrow	-	5,000	-	5,000	5,000	(10,000)	-
Everyone Thrives (good things)	-	3,750	-	3,750	415	(2,550)	1,615
Catherine Cookson Trust	-	500	-	500	-	(500)	-
CDCF Devices website	-	-	-	-	40,000	(30,410)	9,590
ESF Community Grant	-	-	-	-	6,599	-	6,599
Covid Recovery Grant (Middlesbrough Council)	-	-	-	-	10,000	-	10,000
Digibuddies	-	-	-	-	3,000	(3,000)	-
	37,131	350,537	(315,886)	71,782	344,134	(345,756)	70,160

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

13 Restricted funds

(Continued)

Big lottery fund - a grant to provide and refurbish a new classroom, purchase new equipment and contribution to overheads to support the integration and education project.

Awards for All 2011 - a grant towards development of the cyber cafe, reception and cafe area.

Awards for All 2013 - a capital grant for café and outdoor furniture and bike bins. This fund is depreciated in line with the depreciation policy for the asset classes.

Middlesbrough Council Welfare Reform - funding to purchase ten tablets and further develop outreach services in other communities to meet the needs of the wider Middlesbrough community.

Veolia - a capital grant towards installing a new energy efficient heating system and a new gentlemen's toilet facility..

Awards for All (Kitchen) - a grant towards refurbishing and improving the kitchen facilities.

Ageing Better Middlesbrough - to fund work with local residents who are aged 50+ in the local community to deliver digital inclusion and community development.

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

14 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 July 2021 are represented by:						
Tangible assets	339,354	78,989	418,343	356,962	86,869	443,831
Current assets/ (liabilities)	309,814	(8,829)	300,985	240,960	(15,087)	225,873
	<u>649,168</u>	<u>70,160</u>	<u>719,328</u>	<u>597,922</u>	<u>71,782</u>	<u>669,704</u>

15 Financial commitments, guarantees and contingent liabilities

Grants receivable may be repayable in part or in full if certain conditions associated with the grants are not met.

16 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	<u>50,804</u>	<u>47,601</u>

17 Cash generated from operations

	2021 £	2020 £
Surplus/(deficit) for the year	49,624	(29,095)
Adjustments for:		
Investment income recognised in statement of financial activities	(1,614)	(2,229)
Gain on disposal of tangible fixed assets	-	(1,564)
Depreciation and impairment of tangible fixed assets	31,986	29,107
Movements in working capital:		
(Increase) in debtors	(10,488)	(19,342)
(Decrease)/increase in creditors	(66,542)	54,756
Cash generated from operations	<u>2,966</u>	<u>31,633</u>

18 Analysis of changes in net funds

The charity had no debt during the year.

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

19 Share capital

The company does not have share capital, but every member of the company undertakes to contribute such an amount, not exceeding £1, as may be required to the assets of the company if it should be wound up while he is a member or within one year after he ceases as a member for payment of the debts and liabilities of the company contracted before he ceases as a member and the costs charges and expenses of winding up and for the adjustment of the rights for the contributories among themselves.

