

Charity registration number 1078607

Company registration number 03141290 (England and Wales)

THE HOPE FOUNDATION LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

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 2022

The trustees present their annual report and financial statements for the year ended 31 July 2022.

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 Charities Commission 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 has been particularly challenging due not only for coming out of Covid but also the situation with fuel and food poverty. The organisation has shown its flexibility and resilience in adapting and responding to local need and the financial 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 in a very difficult economic climate.

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 2022

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. None 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 2022

Achievements and performance

Activities, Projects and Services

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 12 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 continues to be particularly challenging as well as the increased costs of staff and premises.

Our current services/activities include but are not limited to:

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

Middlesbrough College

The Hope Foundation delivers functional skills qualifications from entry 1 to level 2 including Maths, English and IT, alongside life skills around social skills, confidence and employability. Our teaching approach is accessible and provides learning in a supportive way. The community are able to take up opportunities to learn in a way that suits them and in a space that suits them. The majority of this work is funded through TVCA from the Adult Skills Budget as a subcontractor of Middlesbrough College.

Achievements in the year

We successfully adapted our delivery model to be a hybrid of face to face and online to meet the changing needs caused by Covid and the government restrictions. Although this was difficult for learners and staff at the time this model has continued and has enabled us to provide a much more responsive teaching model and service.

We delivered 301 courses in the academic year.

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.

We have changed our exam board for the next academic year.

THE HOPE FOUNDATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

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 with data support provided through the databank.

NHS Project

In March 22 we started a project working with the NHS (Holgate practice) to deliver a survey to identify the barriers for people using the online services offered through the GP. A staff member working 2.5 days a week to collect and analyse the data as well as support patients to learn to use the NHS for example to order prescriptions and have online consultations.

Furbdit

This project has gone from strength to strength in this year as specific staff have been employed to work on the project www.furbdit.org.uk

After successfully accessing support from the **Community Fund** we have 1.5 staff now to develop this computer recycling and distribution project and employ a Business Development Manager.

The project is tackling digital exclusion and digital inequality by collecting, refurbishing and then distributing computers, phones tablets, printers.

A new partnership with The University of Teesside has resulted in furbdit moving into the Launchpad which is an entrepreneurial community helping start ups and founders of new businesses.

Device Library

We have formed a device library which enables people to borrow tablets, lap tops and phones for specific purposes such as to do a course or other time limited activities. This is well used.

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 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 in the year. In this contract staff provided services in different ways due to covid and this has continued with delivery although mostly back face to face some is also delivered over the phone.

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

A lot of our work is to help progress individuals 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.

On average learners completed more than 2 courses with us

18% moved into employment

2% moved into volunteering

1% into HE and 19% into FE

We work with a wide range of organisations and the majority of our learners continue to work with other agencies for more complex life issues while still working with us. We are often part of a long journey.

THE HOPE FOUNDATION LIMITED

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

FOR THE YEAR ENDED 31 JULY 2022

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 opportunities are 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 all areas of our work 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 with 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 garden roles. In the year we calculated volunteers worked 1,180 hours for the Charity. At a notional cost of £7.83 and £8.21 per hour this equates to a contribution of approximately £9,500.

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

The Lottery supported **Ageing Better Middlesbrough (ABM)** project completed after 7 years in March 2022. The project has been working to reduce loneliness and isolation for people over 50 +. Of the seven staff employed we were able to incorporate 3 into our current work.

Over the year we have developed more social activities through the volunteer support. With Support through **Middlesbrough Council** and **Darlington Building Society** we have been able to set up groups and provide tea and coffee as well as meals to help make a difference for people struggling. We have also set up a 'Snug' through private fundraising to provide a warm space to help people who are having difficulties paying their bills. Activities occur weekly and include crafts, Bingo, a coffee morning, tea and technology drop in, board games, quiz and record club. These are mostly delivered by volunteers with staff support.

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.

6) Premises and Buildings

There have been further general improvements to the building and internally to the premises in the year to better facilitate how the building is used to meet local need. This includes the new 'snug' with soft furnishings and a library.

IT Infrastructure

We replaced the server in this current year.

THE HOPE FOUNDATION LIMITED

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

FOR THE YEAR ENDED 31 JULY 2022

Financial review

The income streams changed materially in this year. The significant ABM program finally completed in March 2022 after 7 years with the result that Restricted Incoming resources decreased by £131,471 (38.2%) on the previous year.

Unrestricted funds increased by £8,697 (3%) but the makeup was much changed. With the easing of Covid restrictions in the year, Grants and contracts increased by £51,750 (26.4%), the café re-opened in November 2021 contributing £20,167 funds but Other income was markedly down by £63,017 (66.5%). The main reasons for the significant reduction in Other Income were the Covid support grants and insurance claim monies received in the previous year which totalled £80,848 compared with £5,168 in the current year.

Overall Total income decreased by £122,774 (19.3%)

Total resources expended also changed materially in this year in response to the changing income streams. Restricted funds expenditure decreased by £110,815 (32.1%) as the ABM program costs ceased in March 2022.

Unrestricted funds expenditure increased by £54,258 (22.5%) due to the café running costs being incurred from November 2021 and an increase in wages costs as 3 staff transferred from the ABM program to Unrestricted fund activities from the 1st April 2022.

The net movement in funds for the year was a small increase in Unrestricted funds of £5,473 and a decrease in Restricted funds of £22,278 which was a satisfactory outcome in a challenging year.

The balance sheet remains well geared with fixed assets at £417,882 with no liabilities and the working capital ratio is 13:1 with net current assets of £284,641 which meets the Charity's policy on reserves of 6 months expenditure.

Total funds at the balance sheet date were £702,523 (2021 : £719,328).

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 2022

Plans for future periods

The end of the ABM seven year project in March 2022 is a large decrease in funding for the organisation and the very successful work that has been carried out.

There are always funding challenges in a changing world, but we are confident that we will be able to sustain our activities and the support of local people. Our confidence is based on a resilient 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 ensure we have excellent achievement and retention rates to put us in a strong position for further funding.
- 2) To continue to address digital poverty and the needs of the local community in terms of digital skills.
- 3) To provide social activities to help people with regard to mental health and loneliness and isolation. This work linking in with the social prescribers and other such referral agencies.
- 4) To continue to address food and fuel poverty to meet community need.

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.

Recruitment and appointment of new trustees

The directors of the charitable company are its trustees for the purposes of charity law and throughout the report are collectively referred to as the trustees.

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.

A new trustee Gavin Rodgers was appointed in the year.

Organisational structure

The executive committee met 4 times between August 2021 and July 2022 to review activities, consider the financial position and to decide strategy and procedures.

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 11 staff positions and 30 volunteers who assist with the provision of services and administration.

THE HOPE FOUNDATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 JULY 2022*

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

22 February 2023

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 2022.

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.



Christopher Neasham
ICAEW

Davies Tracey
Chartered Accountants and Business Advisers
Swan House
Westpoint Road
Teesdale Business Park
Stockton on Tees
TS17 6BP

Dated: 22 February 2023

THE HOPE FOUNDATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	Restricted funds 2021 £	Total 2021 £
Notes						
Income and endowments from:						
<u>Charitable activities</u>						
Grants and contracts	2	248,036	212,663	460,699	196,286	540,420
Café income	2	20,167	-	20,167	124	124
Investments	3	1,535	-	1,535	1,614	1,614
Other income	4	31,687	-	31,687	94,704	94,704
Total income		301,425	212,663	514,088	292,728	636,862
Expenditure on:						
Charitable activities	5	295,740	234,941	530,681	241,482	587,238
Other	10	212	-	212	-	-
Total resources expended		295,952	234,941	530,893	241,482	587,238
Net movement in funds		5,473	(22,278)	(16,805)	(1,622)	49,624
Fund balances at 1 August 2021		649,168	70,160	719,328	71,782	669,704
Fund balances at 31 July 2022		654,641	47,882	702,523	70,160	719,328

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 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		417,882		418,343
Current assets					
Debtors	12	66,871		73,756	
Cash at bank and in hand		242,425		315,733	
		<u>309,296</u>		<u>389,489</u>	
Creditors: amounts falling due within one year	13	<u>(24,655)</u>		<u>(88,504)</u>	
Net current assets			284,641		300,985
Total assets less current liabilities			<u>702,523</u>		<u>719,328</u>
Income funds					
Restricted funds	14		47,882		70,160
Unrestricted funds			654,641		649,168
			<u>702,523</u>		<u>719,328</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 2022.

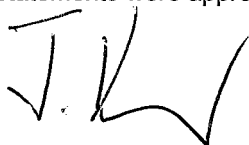
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 22 February 2023

Mr J Kearney
Trustee



Company registration number 03141290

THE HOPE FOUNDATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	18		(41,695)		2,966
Investing activities					
Purchase of tangible fixed assets		(33,344)		(6,498)	
Proceeds from disposal of tangible fixed assets		196		-	
Investment income received		1,535		1,614	
Net cash used in investing activities			(31,613)		(4,884)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(73,308)		(1,918)
Cash and cash equivalents at beginning of year			315,733		317,651
Cash and cash equivalents at end of year			242,425		315,733

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

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.

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

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

(Continued)

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 2022

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 2022

2 Charitable activities

	Grants and contracts 2022 £	Café income 2022 £	Total 2022 £	Grants and contracts 2021 £	Café income 2021 £	Total 2021 £
Grants and contracts	460,699	-	460,699	540,420	-	540,420
Café income	-	20,167	20,167	-	124	124
	<u>460,699</u>	<u>20,167</u>	<u>480,866</u>	<u>540,420</u>	<u>124</u>	<u>540,544</u>
Analysis by fund						
Unrestricted funds	248,036	20,167	268,203	196,286	124	196,410
Restricted funds	212,663	-	212,663	344,134	-	344,134
	<u>460,699</u>	<u>20,167</u>	<u>480,866</u>	<u>540,420</u>	<u>124</u>	<u>540,544</u>

3 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Interest receivable	<u>1,535</u>	<u>1,614</u>

4 Other income

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Insurance claims	4,155	34,456
Sundry income	18,016	9,160
Covid support	1,013	46,392
Room hire	2,223	-
Car park	1,280	696
Other income	5,000	4,000
	<u>31,687</u>	<u>94,704</u>

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

5 Charitable activities

	Charitable Expenditure 2022 £	Charitable Expenditure 2021 £
Staff costs	338,444	372,309
Depreciation and impairment	33,397	31,986
Other charitable expenditure	130,857	153,087
	<u>502,698</u>	<u>557,382</u>
Share of governance costs (see note 6)	27,983	29,856
	<u>530,681</u>	<u>587,238</u>
Analysis by fund		
Unrestricted funds	295,740	241,482
Restricted funds	234,941	345,756
	<u>530,681</u>	<u>587,238</u>

6 Support costs

	Support costs £	Governance costs £	2022 £	2021 £
Staff costs	-	18,755	18,755	18,828
Accountancy fees	-	3,761	3,761	3,561
Legal fees	-	5,467	5,467	7,467
	<u>-</u>	<u>27,983</u>	<u>27,983</u>	<u>29,856</u>
Analysed between Charitable activities	-	27,983	27,983	29,856

Governance costs includes payments to the Independent Examiners of £2,750 (2021- £2,700).

7 Net movement in funds

	2022 £	2021 £
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	33,397	31,986
Loss on disposal of tangible fixed assets	212	-

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

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 £10,395 (2021 : £9,404)
- Employer's pension contributions £312 (2021 : £282)

There were no expenses paid to trustees for the year ended 31 July 2022 nor for the year ended 31 July 2021.

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Charitable activities	13	15
Management and administration	3	3
Total	16	18

Employment costs

	2022 £	2021 £
Wages and salaries	319,217	349,997
Social security costs	23,927	26,171
Other pension costs	14,055	14,969
	357,199	391,137

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

10 Other

	Unrestricted funds	Total
	2022	2021
Net loss on disposal of tangible fixed assets	212	-
	212	-

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

11 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 August 2021	542,649	199,993	54,064	796,706
Additions	14,614	6,494	12,236	33,344
Disposals	-	(3,534)	-	(3,534)
At 31 July 2022	557,263	202,953	66,300	826,516
Depreciation and impairment				
At 1 August 2021	193,752	168,242	16,369	378,363
Depreciation charged in the year	12,745	7,472	13,180	33,397
Eliminated in respect of disposals	-	(3,126)	-	(3,126)
At 31 July 2022	206,497	172,588	29,549	408,634
Carrying amount				
At 31 July 2022	350,766	30,365	36,751	417,882
At 31 July 2021	348,897	31,751	37,695	418,343

12 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	49,375	34,929
Other debtors	9,434	34,615
Prepayments and accrued income	8,062	4,212
	66,871	73,756

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	4,744	6,837
Trade creditors	5,866	4,957
Other creditors	2,179	10
Accruals and deferred income	11,866	76,700
	24,655	88,504

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

14 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 2020 £	Movement in funds		Balance at 1 August 2021 £	Movement in funds		Balance at 31 July 2022 £
		Incoming resources £	Resources expended £		Incoming resources £	Resources expended £	
Big Lottery Fund - Furbdit Community Fund	-	-	-	-	20,570	(20,570)	-
CDCF/Darlington Building Society	-	-	-	-	11,000	(4,266)	6,734
Middlesbrough Council	-	10,000	(9,720)	280	-	(280)	-
Community Fund (Big Lottery Fund) Ageing Better Middlesbrough Thirteen	-	279,120	(279,120)	-	174,495	(174,495)	-
ESF Community Grant	-	10,000	(690)	9,310	-	(1,642)	7,668
CDCF Coronavirus Community Support Fund	9,980	6,599	-	6,599	6,598	(13,197)	-
Tees Valley Business Fund	7,292	-	(8,994)	986	-	(986)	-
CDCF National Emergencies Trust Covid 19 Fund	4,620	-	(1,620)	5,672	-	(1,620)	4,052
Awards for All (Fun, food and friendship)	9,020	-	(990)	3,630	-	(990)	2,640
Good Things Foundation - Everyone Thrives/Make it click	3,750	415	(2,550)	9,020	-	(3,879)	5,141
CDCF National Emergencies Trust Covid 19 Fund	-	20,000	(20,000)	1,615	-	(715)	900
Covid Recovery Grant (Middlesbrough Council)	-	10,000	-	10,000	-	(9,435)	565
Veolia	6,043	-	(4,440)	1,603	-	(1,603)	-
Middlesbrough Council Welfare Reform	21	-	(12)	9	-	(9)	-
Awards for All (2013)	2,755	-	(373)	2,382	-	(891)	1,491
Awards for All (2011)	584	-	(160)	404	-	(126)	278
Big Lottery Fund	18,920	-	(270)	18,650	-	(237)	18,413
Other	8,817	8,000	(16,817)	-	-	-	-
	71,782	344,134	(345,756)	70,160	212,663	(234,941)	47,882

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

14 Restricted funds

(Continued)

Community Fund (2022) - funding to employ two staff with a contribution to overheads to develop the work of Furbdit.

CDCf/Darlington Building Society (2022) - provision of a safe social space and activities for people to get involved and participate after Covid.

Middlesbrough Council (2021) - funding to help develop the furbdit website.

Community Fund (Big Lottery Fund) Ageing Better Middlesbrough (2015-2022) - working with local residents who are aged 50+ to reduce loneliness and isolation and increase digital inclusion and community development.

Thirteen (2021) - funding to develop the work of furbdit.

ESF Community Grant (2021) - to deliver information, advice and guidance to adults, in Tees Valley, enabling them to make better career choices.

CDCf Coronavirus Community Support Fund: Connectivity Rules (2020) - set up of a device library and connectivity support for people 1) shielding 2) self-isolating 3) no connectivity 4) lonely or isolated.

Tees Valley Business Fund (2020) - funding towards a new computer network. This fund is depreciated in line with the depreciation policy for the asset classes.

CDCf National Emergencies Trust Covid 19 Fund (2020) - purchase staff laptops to enable staff to work from home during the Covid lockdowns. This fund is depreciated in line with the depreciation policy for the asset classes.

Awards for All (Fun, food and friendship) (2020) - Utilised in October 2021 to upgrade and get the café ready to reopen after Covid. This fund is depreciated in line with the depreciation policy for the asset classes.

Good Things Foundation - Everyone Thrives/Make it click (2020) - funding to help improve people's life and work outcomes through the use of digital technology. Supply 4 computers and staff time.

CDCf National Emergencies Trust Covid 19 Fund (2020) - funded the development of www.furbdit.org.uk website to 1) records the collection of unwanted devices 2) manage the process of receiving and recycling devices 3) the distribution of the devices in the community.

Middlesbrough Council Covid Recovery Grant (2020) - supporting Middlesbrough residents coming out of Covid.

Veolia (2017) - a capital grant towards installation of energy efficient heating systems and toilets. This fund is depreciated in line with the depreciation policy for the asset classes.

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

14 Restricted funds

(Continued)

Middlesbrough Council Welfare Reform (2014) - purchase tablets and develop outreach services. This fund is depreciated in line with the depreciation policy for the asset classes.

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.

Awards for All (2011) - a grant towards development of the cybercafé, reception and café area.

Big Lottery Fund (2007) - a grant to provide and refurbish a new classroom, purchase new equipment and contribution to overheads to support the integration and education project. This fund is depreciated in line with the depreciation policy for the asset classes.

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

15 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 July 2022 are represented by:						
Tangible assets	344,408	73,474	417,882	339,354	78,989	418,343
Current assets/(liabilities)	310,233	(25,592)	284,641	309,814	(8,829)	300,985
	<u>654,641</u>	<u>47,882</u>	<u>702,523</u>	<u>649,168</u>	<u>70,160</u>	<u>719,328</u>

16 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.

17 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	<u>49,029</u>	<u>50,804</u>

18 Cash generated from operations

	2022 £	2021 £
(Deficit)/surplus for the year	(16,805)	49,624
Adjustments for:		
Investment income recognised in statement of financial activities	(1,535)	(1,614)
Loss on disposal of tangible fixed assets	212	-
Depreciation and impairment of tangible fixed assets	33,397	31,986
Movements in working capital:		
Decrease/(increase) in debtors	6,885	(10,488)
(Decrease) in creditors	(63,849)	(66,542)
Cash (absorbed by)/generated from operations	<u>(41,695)</u>	<u>2,966</u>

19 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 2022

20 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.

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