

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 2023

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

Secretary

Mr J Kearney

Charity number

1078607

Company number

03141290

Registered office

Hope House
1 Grange Road
Middlesbrough
TS1 5BA

Independent examiner

AbacusBean Limited
Level Q
Surtees Business Park
Stockton on Tees
TS18 3HR

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 2023

The Trustees who are also directors of the charity for the purposes of the Companies Act 2006 present their annual report and financial statements for the year ended 31 July 2023.

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 challenging due to the cost of living crisis and local issues around fuel food and digital poverty and giving to charity. The organisation has continued to be agile in responding to local need and the current 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 2023**

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 societal 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. There is a massive rise in mental health and drug and alcohol issues.

THE HOPE FOUNDATION LIMITED

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

FOR THE YEAR ENDED 31 JULY 2023

Achievements and performance

Significant activities and achievements against objectives

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 and Tees Valley 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 11 employees working on the charitable activities. We are able to provide services and activities with financial support through 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. This year there has been real development in work with businesses and 'in kind support'.

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 an online one to meet the changing needs caused by Covid and the government restrictions. Although this was difficult for learners and staff at the time this has resulted in a blended face to face and online blended model which has enabled us to provide a much more responsive teaching model and service.

We delivered 492 courses in the academic year.

The Key strengths of the delivery are

A very responsive management and staff team with a culture of flexibility, ability to make positive and timely changes, ensures timely responses to contract and learner needs is evident.

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. Device and connectivity support is provided through our device library and furbdit project. Management, systems and processes and quality standards are excellent with very good reports from exam boards and other external audits.

We conducted a pilot programme delivering ESOL for work with a cohort of learners funded through the RISE programme. The work was to bring together refugee needs around language and what they need to function well in employment.

The course was very successful.

THE HOPE FOUNDATION LIMITED

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

FOR THE YEAR ENDED 31 JULY 2023

1) b. supporting the development of digital skills and use of technology to support inclusion and opportunity

NHS Project

March 22 to 23 a partnership with local GP's, at the Holgate practice, led to a quality report being produced for the NHS, which identified the barriers for people using the online services offered through the GP. A staff member worked 2.5 days a week collecting and analysing data as well as supporting patients to learn to use the NHS for example to order prescriptions and have online consultations. This project is now finished.

Furbdit

This project www.furbdit.org.uk has continued to develop as it now has funded support with dedicated staff to work on the project.

National Lottery Community Fund - Reaching Communities is supporting this computer recycling and distribution project by employing a Business Development Manager and support worker until March 2025.

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

Partnership with The University of Teesside has resulted in furbdit moving into the Launchpad space in October 2022. This is on a 6 month renewable lease, in an entrepreneurial community helping start-ups and founders of new businesses.

Furbdit has built up links with businesses and statutory services as donors of redundant equipment. Many local agencies, working with the most vulnerable in society, have been recruited as distributors of the devices to the people they are working with. Local agencies have been recruited as drop off points including Middlesbrough libraries. Connectivity has been supported through the National data bank.

UK Social Prosperity Fund

In June 2023 a local partnership, led by the University of Teesside, was successful in accessing support through the UKSPF from Tees Valley Combined Authority. The main partners are The University of Teesside, The Hope Foundation and Good Things Foundation.

This is a feasibility project which will run until March 2024. Through the fund we are developing an e-commerce platform, rebranding furbdit, including a new name furbd, employing a technical manager, a part time volunteer manager and a digital officer. The work is to increase the impact of the project and to make it sustainable in the longer term. The University is conducting research around digital inclusion and Good Things Foundation are helping with skills and connectivity with the local authorities exploring skills delivery models and local needs.

Device Library

We have formed a device library which enables people to borrow tablets, laptops 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 current contract is renewable in March 2024.

ESF Community Grant

This work was to concentrate the support for job seekers and was awarded and completed in 2021. The programme was successful with the targets met. The final payment was made in this financial year.

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.

THE HOPE FOUNDATION LIMITED

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

FOR THE YEAR ENDED 31 JULY 2023

On average learners completed 3 qualifications with us.

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.

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.

Access Foundation

The support from the Access Foundation is helping us to formalise our volunteering programme working with the new Volunteer Academy which has been set up locally. Through the support we are able to meet volunteer costs, provide training and support and develop routes into work and learning especially around digital skills.

Digital Volunteers

All our volunteering uses aspects of IT. From logging hours to supporting people to access IT.

Partnership with the College and University has resulted in work experience and Internships being offered. Current placements are for T level students, masters and degree students and level 3 technical students.

In the year we calculated volunteers worked 1,477 hours for the Charity. At a notional cost of £9.50 per hour this equates to a contribution of approximately £14,031.50.

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

Our current social activities programme has continued to grow and develop with programmes across every day of the week. We are a member of fareshare and recycle unwanted food, which enables us to keep our costs down, while providing an excellent healthy menu. 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 delivered by volunteers with staff support.

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.

Middlesbrough Mental Health Collective

A new formal partnership of VCS organisations has been set up to support the national Health transformation programme. The café and staff support many people with complex issues who need a space to go and 'belong' and be 'seen'. The work has started and will continue with a years funding currently. By linking up services, signposting and informal and formal support people are better served to have their needs met in terms of mental health support.

Cyber café

The cyber café enables people to get access and support for digital skills. Hope 2 Work and CV workshops with the focus on finding work take place weekly. Other work includes tea and tech sessions, support to apply for jobs, how to use your device and support accessing online courses and learning.

6) Premises and Buildings

There have been ongoing 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 has included building works and redecoration of many areas.

THE HOPE FOUNDATION LIMITED

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

FOR THE YEAR ENDED 31 JULY 2023

Financial review

Unrestricted funds income increased by £83,080 (28%) as a result of new sources of income successfully accessed by our CEO. Restricted funds income reduced by £79,354 (37%) due to the completion of the ABM contract in March 2022. Two new Restricted Funds were secured in the year (note 14) including UKSPF, which came on stream shortly before 31st July 2023, and will contribute significantly to 2023-2024.

Café income increased £10,261 (51%) as the café was open the full year compared to 10 months in the previous year and the café enjoyed increased patronage. Other income increased £17,929 (56%) principally due to Access to Work funding received.

Overall total income increased by £3,726 (1%) but Unrestricted income was 74% of total income v 59% in the previous year, so there was a significant change in the make up of the funding streams accessed, to provide the services to meet the current needs of the local community.

Total resources expended were in line with the changing income streams and totalled £397,810 for Unrestricted funds expenditure and £119,331 for Restricted funds expenditure.

The net movement in funds for the year was a decrease in Unrestricted funds of £13,305 and an increase in Restricted funds of £13,978 which was a satisfactory outcome in a challenging year.

The balance sheet remains well geared with fixed assets at £388,833 with no liabilities and the working capital ratio is 14:1 with net current assets of £314,363 which meets the Charity's policy on reserves of 6 months expenditure.

Total funds at the balance sheet date were £703,196 (2021 £702,523).

Reserves policy

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

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 2023

Plans for future periods

There are always funding challenges in a changing world, but we are hopeful 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 address digital poverty and the needs of the local community in terms of digital skills.
- 2) Increase the management team of the charity to better meet the staff, charity and community needs
- 3) To continue 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 while building on the work of the Mental Health Collective.
- 4) To continue to address food and fuel poverty to meet community need.
- 5) To maintain the staff team to meet community need in the light of the end of the UKSPF programme finishing in March 2024 and the National Lottery Community Fund in March 2025.
- 6) To continue to fund a volunteer coordinator after the current funds finish.
- 7) To find fit for purpose premises for furbdit and help to develop its sustainability through the e-commerce platform.
- 8) To develop the partnership with business in the community to review the current premises and potential cost savings through building improvements.
- 9) 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 establishes the objects and powers of the charitable company and is governed under its Articles of Association.

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

Recruitment and appointment of 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.

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

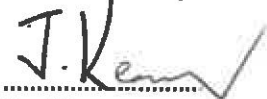
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

Organisational structure

The executive committee met 5 times between August 2022 and July 2023 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 full time staff positions and 15 volunteers who assist with the provision of services and administration.

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



Mr J Kearney
Trustee

Date: 16/2/24

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 2023.

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 the Institute of Chartered Accountants in England and Wales, 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.



Beverley Goodall BA BFP FCA
AbacusBean Limited
Level Q
Surtees Business Park
Stockton on Tees
TS18 3HR

Dated: 16/2/24

THE HOPE FOUNDATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income and endowments from:							
Charitable activities							
Grants and contracts	2	300,879	133,309	434,188	248,036	212,663	460,699
Café income	2	30,428	-	30,428	20,167	-	20,167
Investments	3	3,402	-	3,402	1,535	-	1,535
Other income	4	49,796	-	49,796	31,687	-	31,687
Total income		384,505	133,309	517,814	301,425	212,663	514,088
Expenditure							
Charitable activities	5	397,686	119,331	517,017	295,740	234,941	530,681
Other expenditure	10	124	-	124	212	-	212
Total expenditure		397,810	119,331	517,141	295,952	234,941	530,893
Net income/(expenditure) and movement in funds		(13,305)	13,978	673	5,473	(22,278)	(16,805)
Reconciliation of funds:							
Fund balances at 1 August 2022		654,641	47,882	702,523	649,168	70,160	719,328
Fund balances at 31 July 2023		641,336	61,860	703,196	654,641	47,882	702,523

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 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	11		388,833		417,882
Current assets					
Debtors	12	109,152		66,871	
Cash at bank and in hand		228,917		242,425	
		<u>338,069</u>		<u>309,296</u>	
Creditors: amounts falling due within one year	13	23,706		24,655	
		<u></u>		<u></u>	
Net current assets			314,363		284,641
Total assets less current liabilities			<u>703,196</u>		<u>702,523</u>
The funds of the charity					
Restricted income funds	14	61,860		47,882	
Unrestricted funds		641,336		654,641	
		<u>703,196</u>		<u>702,523</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 2023.

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 16/2/24.....

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Mr J Kearney
Trustee

Company registration number 03141290 (England and Wales)

THE HOPE FOUNDATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	19		(15,086)		(41,695)
Investing activities					
Purchase of tangible fixed assets		(1,944)		(33,344)	
Proceeds from disposal of tangible fixed assets		120		196	
Investment income received		3,402		1,535	
Net cash generated from/(used in) Investing activities			1,578		(31,613)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(13,508)		(73,308)
Cash and cash equivalents at beginning of year			242,425		315,733
Cash and cash equivalents at end of year			228,917		242,425

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

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 or grantors 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 2023

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 Impairment of fixed assets

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

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

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

(Continued)

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Employee benefits

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

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

1.11 Retirement benefits

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

1.12 Voluntary services

In addition to recorded incoming resources, the charity received the benefit of many voluntary hours and unclaimed out of pocket expenses contributed to 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 2023

2 Income from charitable activities

	Grants and Café Income contracts		Total	Grants and Café Income contracts		Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Grants and contracts	434,188	-	434,188	480,699	-	480,699
Café income	-	30,428	30,428	-	20,167	20,167
	<u>434,188</u>	<u>30,428</u>	<u>464,616</u>	<u>480,699</u>	<u>20,167</u>	<u>480,866</u>
Analysis by fund						
Unrestricted funds	300,879	30,428	331,307	248,036	20,167	268,203
Restricted funds	133,309	-	133,309	212,663	-	212,663
	<u>434,188</u>	<u>30,428</u>	<u>464,616</u>	<u>480,699</u>	<u>20,167</u>	<u>480,866</u>

3 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	<u>3,402</u>	<u>1,535</u>

4 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Insurance claims	-	4,155
Sundry income	38,996	18,016
Covid support	-	1,013
Room hire	4,260	2,223
Car park	1,540	1,280
Employment allowance	5,000	5,000
	<u>49,796</u>	<u>31,687</u>

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

5 Expenditure on charitable activities

	Charitable Expenditure 2023 £	Charitable Expenditure 2022 £
Direct costs		
Staff costs	327,544	338,444
Depreciation and impairment	30,748	33,397
Other charitable expenditure	121,454	130,857
	<u>479,746</u>	<u>502,698</u>
Share of support and governance costs (see note 6)		
Governance	37,271	27,983
	<u>517,017</u>	<u>530,681</u>
Analysis by fund		
Unrestricted funds	397,686	295,740
Restricted funds	119,331	234,941
	<u>517,017</u>	<u>530,681</u>

6 Support costs allocated to activities

	2023 £	2022 £
Governance costs	37,271	27,983
Analysed between:		
Charitable Expenditure	<u>37,271</u>	<u>27,983</u>
Governance costs comprise:	2023 £	2022 £
Staff costs	18,131	18,755
Legal and professional	14,274	3,781
Accountancy	4,866	5,467
	<u>37,271</u>	<u>27,983</u>

7 Net movement in funds

	2023 £	2022 £
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	30,748	33,397
Loss on disposal of tangible fixed assets	124	212

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

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 £6,353 (2022: £10,395)
- Employer's pension contributions £191 (2022: £312)

There were no expenses paid to trustees for the year ended 31 July 2023 nor for the year ended 31 July 2022.

9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Charitable Activities	11	13
Management and administration	3	3
Total	14	16

Employment costs	2023 £	2022 £
Wages and salaries	310,868	319,216
Social security costs	21,789	23,927
Other pension costs	13,018	14,056
	345,675	357,199

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

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	49,029	49,029

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

10 Other expenditure

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Net loss on disposal of tangible fixed assets	124	212
	<u>124</u>	<u>212</u>

11 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 August 2022	557,262	202,954	66,299	826,515
Additions	-	-	1,944	1,944
Disposals	-	(2,120)	-	(2,120)
At 31 July 2023	<u>557,262</u>	<u>200,834</u>	<u>68,243</u>	<u>826,339</u>
Depreciation and impairment				
At 1 August 2022	206,497	172,588	29,549	408,634
Depreciation charged in the year	11,180	6,256	13,312	30,748
Eliminated in respect of disposals	-	(1,876)	-	(1,876)
At 31 July 2023	<u>217,677</u>	<u>176,968</u>	<u>42,861</u>	<u>437,506</u>
Carrying amount				
At 31 July 2023	<u>339,585</u>	<u>23,866</u>	<u>25,382</u>	<u>388,833</u>
At 31 July 2022	<u>350,766</u>	<u>30,365</u>	<u>36,751</u>	<u>417,882</u>

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	36,440	49,375
Other debtors	5,829	9,434
Prepayments and accrued income	66,883	8,062
	<u>109,152</u>	<u>66,871</u>

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

13 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	5,268	4,744
Trade creditors	5,661	5,866
Other creditors	-	2,179
Accruals and deferred income	12,777	11,866
	<u>23,706</u>	<u>24,655</u>

14 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 August 2022 £	Incoming resources £	Resources expended £	At 31 July 2023 £
National Lottery Community Fund - Reaching Communities	-	61,252	(61,252)	-
CDCF/ Darlington Building Society	6,734	-	(6,734)	-
Thirteen	7,668	-	(7,668)	-
ESF Community Grant	-	4,721	(4,721)	-
Tees Valley Business Fund	4,052	-	(1,620)	2,432
CDCF National Emergencies Trust Covid 19 Fund	2,640	-	(990)	1,650
Awards for All (Fun, food and friendship)	5,141	-	(1,028)	4,113
Good Things Foundation- Everyone Thrives/ Make it click	900	-	(300)	600
Access Foundation	-	40,736	(7,455)	33,281
Covid Recovery Grant (Middlesbrough Council)	565	-	(565)	-
Awards for All (2013)	1,491	-	(87)	1,404
Awards for All (2011)	278	-	(101)	177
Big Lottery Fund	18,413	-	(210)	18,203
UKSPF	-	26,600	(26,600)	-
	<u>47,882</u>	<u>133,309</u>	<u>(119,331)</u>	<u>61,860</u>

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

14 Restricted funds

(Continued)

Previous year:	At 1 August 2021 £	Incoming resources £	Resources expended £	At 31 July 2022 £
National Lottery Community Fund - Reaching Communities	-	20,570	(20,570)	-
CDCF/ Darlington Building Society	-	11,000	(4,266)	6,734
Middlesbrough Council	280	-	(280)	-
Community Fund (Big Lottery Fund) Ageing Better Middlesbrough	-	174,495	(174,495)	-
Thirteen	9,310	-	(1,642)	7,668
ESF Community Grant	6,599	6,598	(13,197)	-
CDCF Coronavirus Community Support Fund	986	-	(986)	-
Tees Valley Business Fund	5,672	-	(1,620)	4,052
CDCF National Emergencies Trust Covid 19 Fund	3,630	-	(990)	2,640
Awards for All (Fun, food and friendship)	9,020	-	(3,879)	5,141
Good Things Foundation- Everyone Thrives/ Make it click	1,615	-	(715)	900
Covid Recovery Grant (Middlesbrough Council)	10,000	-	(9,435)	565
Veolia	1,603	-	(1,603)	-
Middlesbrough Council Welfare Reform	9	-	(9)	-
Awards for All (2013)	2,382	-	(891)	1,491
Awards for All (2011)	404	-	(126)	278
Big Lottery Fund	18,650	-	(237)	18,413
	<u>70,160</u>	<u>212,663</u>	<u>(234,941)</u>	<u>47,882</u>

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

14 Restricted funds

(Continued)

Restricted Funds

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 (2022) - 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.

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 with the depreciation policy for the asset classes.

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

15 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 August 2022 £	Incoming resources £	Resources expended £	At 31 July 2023 £
General funds	654,641	384,505	(397,810)	641,336
Previous year:	At 1 August 2021 £	Incoming resources £	Resources expended £	At 31 July 2022 £
General funds	649,168	301,425	(295,952)	654,641

16 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 July 2023 are represented by:			
Tangible assets	362,675	26,158	388,833
Current assets/(liabilities)	278,661	35,702	314,363
	641,336	61,860	703,196
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 July 2022 are represented by:			
Tangible assets	344,408	73,474	417,882
Current assets/(liabilities)	310,233	(25,592)	284,641
	654,641	47,882	702,523

17 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.

18 Related party transactions

During the year, Sue Kearney, wife of John Kearney, a trustee, was paid remuneration in respect of services she provided as CEO under a contract of employment with the charity. Details are covered in note 9 under remuneration of key management personnel.

THE HOPE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

19	Cash generated from operations	2023 £	2022 £
	Surplus/(deficit) for the year	673	(16,805)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(3,402)	(1,535)
	Loss on disposal of tangible fixed assets	124	212
	Depreciation and impairment of tangible fixed assets	30,748	33,397
	Movements in working capital:		
	(Increase)/decrease in debtors	(42,280)	6,885
	(Decrease) in creditors	(949)	(63,849)
	Cash absorbed by operations	<u>(15,086)</u>	<u>(41,695)</u>

20 Analysis of changes in net funds

The charity had no material debt during the year.

21 Limited by guarantee

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 they are a member, or within one year after they cease as a member, for payment of the debts and liabilities of the company contracted before they cease as a member and the costs, charges and expenses of winding up, and for the adjustment of the rights for the contributories among themselves.