

Hope into Action UK

England & Wales - Charity number 1137686

Details

Other names HOPE INTO ACTION: EAST OF ENGLAND

Status Registered

Legal form Charitable company

Company number [07309173](#)

Registered 2010-08-31

Register [View on the Charity Commission register](#)

Contact

Address 24-26 North Street
Peterborough
PE1 2RA

Phone 01733558301

Email info@hopeintoaction.org.uk

Website www.hopeintoaction.org.uk

Activities

Objects: TO RELIEVE SICKNESS AND FINANCIAL HARDSHIP AND TO PROMOTE AND PRESERVE GOOD HEALTH BY THE PROVISION OF FUNDS, GOODS OR SERVICES OF ANY KIND, INCLUDING THROUGH THE PROVISION OF ACCOMMODATION IN SUCH PARTS OF THE UNITED KINGDOM OR THE WORLD AS THE TRUSTEES FROM TIME TO TIME MAY THINK FIT

Activities: Provision of quality support, including accommodation, to vulnerable individuals. We work mainly with ex-offenders, ex addicts, and the homeless. We work with churches to provide practical support for vulnerable individuals.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** The Prevention Or Relief Of Poverty, Accommodation/housing
- **Who:** Children/young People, Other Defined Groups

Geography

- **Area of benefit:** UNITED KINGDOM OR THE WORLD
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,148,305	£2,118,166	£2,523,033	41
2024-03-31	£1,906,949	£1,861,346	£2,492,894	41
2023-03-31	£1,628,615	£1,701,044	£2,447,291	41
2022-03-31	£1,584,001	£1,554,967	£2,519,720	40
2021-03-31	£1,760,299	£1,302,868	£2,490,686	38

Trustees

Name	Role	Appointed
Annelle Buchanan		2025-06-10
Diana Nash		2025-05-09
Howard John Kettel		2017-10-20
Ian Gordon Billage		2021-02-04
Jonathan Lee		2025-03-21
Maxine Symington		2023-11-20
Peter Magowan		2023-07-16
RICHARD WIGHTMAN		2025-03-25
Rev DIANNE TIDBALL		2020-05-15

Hope into Action UK

England & Wales - Charity number 1137686

Accounts

Charity registration number 1137686

Company registration number 07309173 (England and Wales)

HOPE INTO ACTION UK
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

HOPE INTO ACTION UK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	The Reverend Mrs D Tidball (Chair) Mr I G Billage Mr H J Kettel Mr P J Magowan Mrs D J Nash Mrs M D Symington Mrs A Buchanan Mr J P Lee Mr R E Wightman	(Appointed 10 June 2025) (Appointed 21 March 2025) (Appointed 25 March 2025)
Secretary	Mr M Oldaker	
Ambassador	Mr E Walker MBE	
Executive team	Jon Kuhrt, CEO Kate Doran-Smith, Head of Delivery & Training Mark Oldaker, Head of Finance & Operations Laura Cuthill, Head of Franchises & Safeguarding	
Charity number	1137686	
Company number	07309173	
Registered office	26 North Street Peterborough United Kingdom PE1 2RA	
Auditor	Azets Audit Services Westpoint Lynch Wood Peterborough Cambridgeshire United Kingdom PE2 6FZ	
Bankers	Lloyds Bank plc 65 High Street Stamford Lincolnshire United Kingdom PE9 2AT	CAF Bank 25 Kings Hill Avenue West Malling Kent United Kingdom ME19 4JQ
	The Co-operative Bank Business Customer Services P.O. Box 250 Skelmersdale Wigan United Kingdom WN8 6WT	

HOPE INTO ACTION UK

CONTENTS

	Page
Trustees' report	1 - 8
Statement of trustees' responsibilities	9
Independent auditor's report	10 - 12
Statement of financial activities	13 - 14
Balance sheet	15 - 16
Statement of cash flows	17
Notes to the financial statements	18 - 35

HOPE INTO ACTION UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

The Trustees present their report and accounts for the year ended 31 March 2025.

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 governing document, 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

At year end we had a total of 126 houses in our Network. We directly manage the accommodation in Peterborough, Norwich, Nottingham and Cambridge. The rest of our Network is run by churches and organisations who run Hope into Action franchises across the country.

We exist to empower local churches to make a lasting difference in the lives of people affected by homelessness. This report shares some of our core achievements and outcomes from across our Network, as well as highlighting some of the key issues.

There is no shortage of challenges when it comes to housing people in the current context: higher demand, increasingly complex needs, funding pressures and a chronic shortage of move-on options. But this report is evidence that what we are offering tenants is a model that *works*. The combination of generous investors, quality housing, professional support and the friendship of local church communities makes wonderful things happen. This is the Hope that we put into Action!

The Hope into Action model

Hope into Action's model offers both high quality accommodation and positive relationships with the local community through the local church. It is this *combination* that is transformative.

Our model is based on investors who are willing to use their savings to purchase houses. We then turn these houses into homes for people who would otherwise be homeless by partnering with churches who provide a welcome, friendship and support for tenants. Hope into Action's professional staff look after the legalities, housing management, assessment and benefit applications. This combination of support empowers tenants to achieve their goals.

At the core of our work is a commitment to combine both professional excellence and spiritual passion. We are committed to professionalism in how we support tenants, manage accommodation and how we steward investments, donations and our people. Alongside this, we want to maintain our passionate belief in the transformative role that the Christian faith plays.

Key achievements in 2024/25

- We opened 19 new homes across the HiA Network this year. We are now operating in 37 different locations across the UK and have opened homes in 4 new franchise locations this year.
- In 2024/25, we housed 489 tenants across our Network.
- We are encouraged by the positive outcomes for our tenants. Across our 9 areas, the positive outcomes remained broadly similar to last year. 6 out of our 9 indicators either improved or stayed the same.
- Of the 41 tenants who came to us having served a custodial sentence, none returned to prison. We have never had a 100% of tenants who have previously been in prison not return to prison.
- 93% of tenants responding to our survey gave HiA an overall rating of 'great' or 'good'.
- When asked to describe the HiA experience in 3 words, "safe" was the most common response, which has been the case for 4 years. The 2nd most common response was "life changing" and 3rd was "happy."
- From our church partner survey, 95% of them would recommend HiA to fellow Christians. 91% rated the communication with their Empowerment Worker as 'great' or 'good'.

HOPE INTO ACTION UK

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

FOR THE YEAR ENDED 31 MARCH 2025

- We have made a significant investment in ICT this year, implementing the first two phases of our EMPOWER system which brings all the administrative elements of our model into a single platform accessible by our Empowerment Workers on phones, tablets and laptops. We have also implemented an HR system to assist staff with various tasks such as booking leave, logging appraisals and monitoring attendance.

Challenges

- At our Trustees' residential event in October 2024, we identified financial sustainability as a key challenge. Since then, we have worked on strategic answers to this challenge: 1) managing voids more effectively, 2) developing a new investment model which would deliver a new source of income and c) new ways of fundraising.
- In 2023 we signed a contract with a development company to build 3 units of modular housing in Peterborough following a very generous donation from an individual supporter. Unfortunately, we had to terminate the contract with our suppliers and we are in the process of selling the land.
- National and local government have increased expectations for Supported Housing providers and this has made the situation more challenging for smaller church-based franchises.
- Safeguarding remains a key concern and focus. Safeguarding notifications in 2024/25 doubled in our line managed locations compared to last year. See below for more information.

Tenant Demographics: Who we housed in 2024/25

2024-25 [2023-24]	Description
We housed 489 people [↑ from 486]	Adults: 364 (223 Male, 141 Female); Children: 125 (62 Male, 63 Female) 50% classed themselves as White British. On 31st March 2024, 32% of our houses housed at least one refugee, and 38% of our tenants were refugees (66% families, 34% singles). 23% of tenants considered themselves to have a disability. Tragically, we had 2 deaths of tenants this year. 3 babies were born to tenants.

Summary of Outcomes in 2024/25 from our 9 indicators

Indicator	% outcome	More detail
1. Maintaining Tenancy	89% [↓ from 90%]	434 tenants (including children) of 486 remained in Hope into Action properties and/or moved on well.
2. Avoiding criminal Behaviour	100% [↑ from 94%]	Of the 41 tenants who came to us having served a custodial sentence, none returned to prison. This is a first for us.
3. Managing Drug and Alcohol Usage	96% [↑ from 89%]	131 tenants have (had) an unhealthy relationship with drugs and alcohol at move in. 96% of those have not become more dependent, have reduced their dependency or became sober.
4. Improved Social Relationships	97% [↑ from 90%]	353 of our tenants felt that they had improved or maintained positive relationships this year.
5. Meaningful use of time: volunteering & Education	43% [↓ from 53%]	156 adult tenants were in education, training or volunteering.
6. Meaningful use of time: Employment	34% [= 34%]	125 of our adult tenants have been in employment of any kind (zero hours, full and part time contracts). 23% worked more than 16 hours a week for longer than 3 months. 4% of adult tenants are unable to work.

HOPE INTO ACTION UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

7. Financial Management	91% [↑ from 74%]	333 tenants' financial situation was stable or improving.
8. Mental Health	91% [= 91%]	213 tenants' mental health was stable or improving of the 235 tenants who indicated that they had mental health needs at start of year or point of referral.
9. Faith and Spirituality	40% [↓ from 55%]	146 tenants engaged in a church service, Christian course or activity. 60% of tenants asked for or accepted prayer. 14 tenants were baptised or made some kind of commitment to the Christian faith. 15% of tenants engaged with a faith group other than the Christian faith.

Total Houses Open

We saw net growth of 11 homes this year. 19 opened and 8 closed.

Total Houses Open (cumulative)



Locations active in 2024-2025



Line Managed locations in Blue (4 locations managed by HiA UK)

Area Franchises in Red (24)

Church Franchises in Green (9)

Four new locations opened their first homes this year (Canterbury, County Durham, Diss & Newark) and one closed (Corby).

There are 6 new area franchises in the set-up phase (Chapel Homes Corby, Milton Keynes, Northampton, South Leicestershire, Staffordshire and Teesside) taking our total number of locations up to 37.

HOPE INTO ACTION UK

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

FOR THE YEAR ENDED 31 MARCH 2025

Safeguarding

In 2024-25 there were a total of 82 incidents reported across the Hope into Action network (2023-24: 69 incidents), see breakdown below. The increase was seen in the 4 line-managed locations.

There were 56 safeguarding concerns reported (2023-24: 37). The increase was all from line-managed locations where the number of safeguarding concerns more than doubled (concerns reported across other locations actually decreased by 3).

We believe there are 2 main explanations for the significant rise in safeguarding reports from our line managed teams:

- We have improved our understanding, accountability and reporting around safeguarding concerns.
- The needs of tenants have increased and external support decreased. Feedback from staff on the front-line notes that other support services are being cut, leaving our Empowerment Workers to fill the gap. Specialist support for mental health has been reduced and thresholds for social services support have been raised.

Key Incident Categories Breakdown in order of occurrence

Anti-Social Behaviour/Violence (ASB/VIO): 26 cases (31%)

- Includes tenant conflicts, threats, property damage, and neighbour complaints
- Several involved police intervention
- Continues to be highest category 3rd year running.

Physical Health (PH): 13 cases (16%)

- Various medical conditions requiring hospitalisation
- Includes seizures, injuries, and chronic conditions

Mental Health (MH): 11 cases (13%)

- Includes suicidal thoughts, relapses, and mental health crises
- Often linked to substance misuse as a secondary category

Substance Misuse (SUBS): 8 cases (10%)

- Primarily involves drug and alcohol relapse
- Often linked to other issues like mental health or antisocial behaviour

Child Protection (CP): 8 cases (10%)

- Includes concerns about child welfare and inappropriate relationships
- Often involves social services

Other Categories:

- Domestic Violence (DV): 6 cases (7%)
- Sexual Abuse (SEX): 3 cases (4%)
- Abandonment (ABAN): 3 cases (4%)
- Staff issues: 2 cases (2%)
- Death: 2 cases (2%)

There was 1 report made to the Charity Commission about a serious incident regarding death of a tenant via suicide at the end of August 2024. The Charity Commission stated no further action was required. Our Safeguarding Sub-Committee and Trustee Board received an annual report on Safeguarding from our Safeguarding Lead, Laura Cuthill with further analysis and recommendations which we have taken forward.

HOPE INTO ACTION UK

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

FOR THE YEAR ENDED 31 MARCH 2025

Risk Management

In February 2025, we completed a full review of our Risk Register and assessed these key factors as representing the key risk areas:

1. Failure to raise grant income
2. Failure to grow individual donors
3. Lack of response to new investment model (Isaiah Partners)
4. EMPOWER costs escalate beyond budget
5. EMPOWER does not deliver on expectations
6. Dilution of our Christian ethos
7. An abuse of power/safeguarding failure which damages our reputation
8. A significant dispute with a franchise partner
9. Serious assault on staff, volunteer or tenant
10. Peterborough team - management of performance and local reputation
11. Projects which distract from core focus e.g. development projects
12. Recruitment: low number of appointable applicants for vacant positions

Each of these risks has a number of mitigating actions which we are committed to as an organisation and accountable to the Board on.

Due to the importance of financial sustainability, we have also developed a set of Core Sustainability Indicators (CSIs) which we report on monthly to the Board and which are discussed at each Board meeting.

Strategic direction for 2025-26

We have committed to the following 3 strategic objectives and we developed an action plan based under these headings:

1. Our line-managed work will be an incubator of best practice

- Ensure Friends & Support team for every house
- Meet occupancy target of 85%
- Develop local strategies in each city

2. We will strengthen and grow our franchise Network

- Open 3 new franchises
- Focus on growing houses in current franchises
- Engage with national review of supported housing & implement
- Training refresh & online modules
- Implement Safeguarding review

3. Faithful stewardship of finances, supporters and people

- Launch EMPOWER online system
- Develop & launch Isaiah Partners investment scheme
- Implement a refreshed donor journey
- New communications strategy & branding review
- Develop new HiA book of stories
- Enhanced pastoral support for staff
- New performance management system

Commentary to the financial information

Reserves

The Trustees' policy with regard to reserves is to seek to maintain unrestricted funds, other than those designated from time to time for specific purposes, at a level sufficient to provide the charity with enough working capital to carry on its existing activities successfully for two to four months. This will enable the trustees to ensure continuity of activities and honour contractual liabilities.

HOPE INTO ACTION UK

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

FOR THE YEAR ENDED 31 MARCH 2025

The Trustees have noted that the current level of unrestricted reserves is within that range at 3.7 months. In the unfortunate event of funding levels dropping to dangerous levels then the Trustees would have to consider the sale of one of our houses or re-mortgage a property.

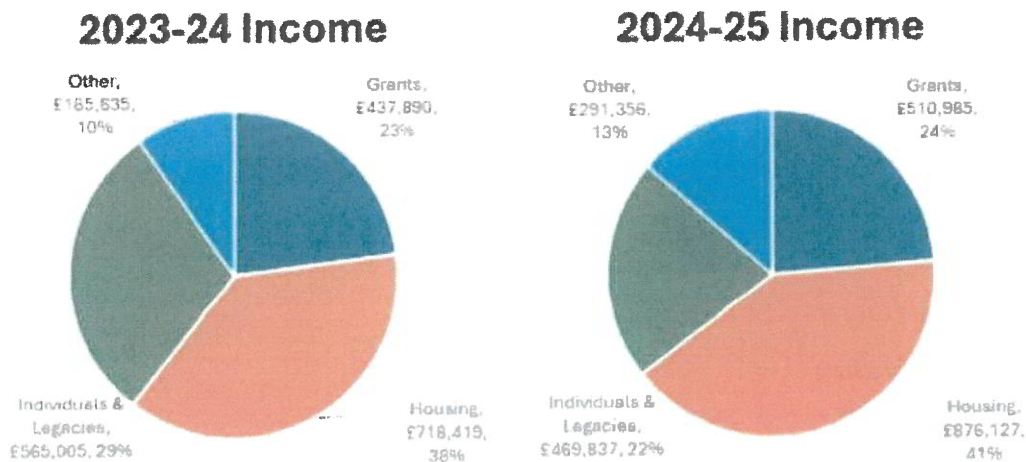
Cash balance

At year end the cash balance was £752,213 (see balance sheet). This is broken down on note 23 into unrestricted (£444,118) and restricted (£308,095). There are no capital commitments as at year end.

Income and Expenditure

The net income for 2025 is £30,139 (2024: net income of £45,603) which includes donations of various restricted funds.

Trustees monitor the balance of income from the three primary sources. The total for 2024-25 was £2,148,305 (2023-24: £1,906,949), broken down as follows:



We continue to be encouraged by the support of various grant-giving bodies. Our CEO has been invited to speak at various influential forums, often sharing about our values and the importance of Christian distinctiveness for Hope into Action. We continue to work with external agency support for grant applications.

Individual unrestricted giving was lower for 2024-25 (2023-24 included some large individual donations). Campaign income held up well including a record-breaking Big Give Christmas Campaign. A number of factors supported higher income from other areas such as bank interest and the sale of two houses (surplus on sale).

Our costs ("charitable activities") have grown by 12.8% (2024: 9.6%). This is explained by two key factors; the increase in staff costs and computer & software. The Empower first and second phase implementation were completed, with the final two phases due to complete in 2025-26.

Assets and Investments

Hope into Action UK owns its main office and 12 houses used to support tenants. Two properties were sold in 2024 and a further property purchased. This is part of a strategic plan to improve the quality of our stock in Peterborough. Further property purchases are being considered in the network as part of the Isaiah Partners strategy.

We are very grateful to our generous donor who made a significant donation several years ago for property. He has kindly agreed that we can re-provision this restricted donation for our Isaiah Partners fund. We have used some of this to repay our mortgage (saving £14k of annual interest) and the remainder will be used to purchase property in our network to enable churches to house those affected by homelessness. We will add to this fund by designating further funds and loans in future years.

HOPE INTO ACTION UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Thank you: To our supporters and investors

We are deeply grateful to the 269 individual donors who give regularly to Hope into Action.
And we thank the almost 400 investors whose capital has purchased the houses in our Network.
And we are hugely grateful to the following grant-making trusts who supported our work so generously during 2024/25:

- Andrews Charitable Trust
- B&Q Foundation
- Beatrice Laing Trust
- Beer Harris Memorial Trust
- Benefact trust
- Bishop Radford Trust
- Charles Hayward Foundation
- Church Urban Fund
- Cinnamon Network
- Hopestead
- Howard Foundation
- Jerusalem Trust
- Julia Rausing Trust
- Kennard Family Fund (via Norfolk Community Foundation)
- LandAid
- Maurice & Hilda Laing Trust
- Mazars
- Pears Foundation
- Porticus
- Souter Charitable Trust
- The Grace Trust
- Transforming Notts Together

HOPE INTO ACTION UK

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

FOR THE YEAR ENDED 31 MARCH 2025

Structure, governance and management

The charity is a company limited by guarantee and a registered charity governed by its articles and memorandum 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:

The Reverend Mrs D Tidball (Chair)

Mr I G Billage

Mrs J Hunte (Resigned 22 April 2025)

Mr H J Kettel

Mr P J Magowan

Ms R Mathew (Resigned 11 July 2024)

Mrs D J Nash

Mrs M D Symington

Mrs A Buchanan (Appointed 10 June 2025)

Mr J P Lee (Appointed 21 March 2025)

Mr R E Wightman (Appointed 25 March 2025)

The existing Trustees have the power to appoint new trustees.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

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

Dianne Tidball,

The Reverend Mrs D Tidball (Chair)

Trustee

Dated: *24th July 2025*

HOPE INTO ACTION UK

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2025

The Trustees, who are also the directors of Hope Into Action UK for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

HOPE INTO ACTION UK

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF HOPE INTO ACTION UK

Opinion

We have audited the financial statements of Hope Into Action UK (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

HOPE INTO ACTION UK

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HOPE INTO ACTION UK

Responsibilities of Trustees

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

HOPE INTO ACTION UK

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HOPE INTO ACTION UK

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

16.9.2025

Chartered Accountants
Statutory Auditor

Westpoint
Lynch Wood
Peterborough
Cambridgeshire
United Kingdom
PE2 6FZ

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

HOPE INTO ACTION UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

Current financial year		Unrestricted funds 2025 £	Designated funds 2025 £	Restricted funds 2025 £	Total 2025 £	Total 2024 £
	Notes					
<u>Income and endowments from:</u>						
Donations and legacies	3	684,833	-	355,802	1,040,635	1,071,465
Charitable activities	4	931,105	-	-	931,105	772,134
Investments	5	45,426	-	-	45,426	23,546
Other income	6	131,139	-	-	131,139	39,804
Total income		1,792,503	-	355,802	2,148,305	1,906,949
<u>Expenditure on:</u>						
Raising funds	7	56,777	-	-	56,777	34,372
Charitable activities	8	1,645,278	52,762	363,349	2,061,389	1,826,974
Total resources expended		1,702,055	52,762	363,349	2,118,166	1,861,346
Net incoming/(outgoing) resources before transfers		90,448	(52,762)	(7,547)	30,139	45,603
Gross transfers between funds		(43,648)	258,044	(214,396)	-	-
Net income/(expenditure) for the year/ Net movement in funds		46,800	205,282	(221,943)	30,139	45,603
Fund balances at 1 April 2024		477,882	1,467,283	547,729	2,492,894	2,447,291
Fund balances at 31 March 2025		524,682	1,672,565	325,786	2,523,033	2,492,894

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.

HOPE INTO ACTION UK

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

Prior financial year

	Notes	Unrestricted funds 2024 £	Designated funds 2024 £	Restricted funds 2024 £	Total 2024 £
<u>Income and endowments from:</u>					
Donations and legacies	3	763,500	-	307,965	1,071,465
Charitable activities	4	772,134	-	-	772,134
Investments	5	23,546	-	-	23,546
Other income	6	39,804	-	-	39,804
Total income		1,598,984	-	307,965	1,906,949
<u>Expenditure on:</u>					
Raising funds	7	34,372	-	-	34,372
Charitable activities	8	1,553,597	28,964	244,413	1,826,974
Total resources expended		1,587,969	28,964	244,413	1,861,346
Net incoming/(outgoing) resources before transfers		11,015	(28,964)	63,552	45,603
Gross transfers between funds		47,366	(1,264)	(46,102)	-
Net income/(expenditure) for the year/ Net movement in funds		58,381	(30,228)	17,450	45,603
Fund balances at 1 April 2023		419,501	1,497,511	530,279	2,447,291
Fund balances at 31 March 2024		477,882	1,467,283	547,729	2,492,894

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.

HOPE INTO ACTION UK

BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Intangible assets	13		-		21,000
Tangible assets	14		1,849,186		1,842,407
			<u>1,849,186</u>		<u>1,863,407</u>
Current assets					
Debtors	15	129,391		148,428	
Cash at bank and in hand		752,213		899,445	
		<u>881,604</u>		<u>1,047,873</u>	
Creditors: amounts falling due within one year	17	<u>(167,757)</u>		<u>(166,690)</u>	
Net current assets			713,847		881,183
Total assets less current liabilities			<u>2,563,033</u>		<u>2,744,590</u>
Creditors: amounts falling due after more than one year	18		<u>(40,000)</u>		<u>(251,696)</u>
Net assets			<u><u>2,523,033</u></u>		<u><u>2,492,894</u></u>
Income funds					
<u>Restricted funds</u>					
Property		72,622		73,728	
Specific projects		253,165		474,001	
		<u>325,787</u>		<u>547,729</u>	
<u>Unrestricted funds - general</u>	21		325,786		547,729
Designated funds	22		1,672,565		1,467,283
Other charitable funds			524,682		477,882
			<u>2,523,033</u>		<u>2,492,894</u>

HOPE INTO ACTION UK

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2025

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 March 2025, although an audit has been carried out under section 144 of the Charities Act 2011.

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.

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 board of directors and authorised for issue on 24/7/25 and are signed on its behalf by:



The Reverend Mrs D Tidball (Chair)
Trustee

Company Registration No. 07309173

HOPE INTO ACTION UK

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	27		(64,902)		60,048
Investing activities					
Purchase of intangible assets		-		(21,000)	
Purchase of tangible fixed assets		(237,265)		(76,622)	
Proceeds on disposal of tangible fixed assets		327,905		126,513	
Investment income received		45,426		23,546	
Net cash generated from investing activities			136,066		52,437
Financing activities					
Repayment of bank loans		(218,396)		(8,328)	
Net cash used in financing activities			(218,396)		(8,328)
Net (decrease)/increase in cash and cash equivalents			(147,232)		104,157
Cash and cash equivalents at beginning of year			899,445		795,288
Cash and cash equivalents at end of year			<u>752,213</u>		<u>899,445</u>

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Charity information

Hope Into Action UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 26 North Street, Peterborough, PE1 2RA, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, 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)". 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 accounts have been prepared on 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 unless the funds have been designated for other purposes.

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 accounts.

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.

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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.

All resources expended are accounted for gross, and in the period in which they are incurred. VAT is not recoverable by the charity and as such is included in the relevant costs in the Statement of Financial Activities.

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

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

1.6 Intangible fixed assets other than goodwill

It is the policy of the charity to write off the costs of software development against profits in the year in which it is incurred.

1.7 Tangible fixed assets

Tangible fixed assets are measured at cost, 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:

Land and buildings	1% p.a. straight line on buildings
Shared ownership properties	1% p.a. straight line
Equipment	33% p.a. straight line
Motor vehicles	33% p.a. straight line

Assets in the course of construction are not depreciated.

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

Shared ownership housing properties are included in fixed assets at the percentage of the charity's share in the ownership. Any payment for an increase in percentage of share is treated as an addition. Any payments received for a decrease in share is treated similar to the sale of property.

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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).

1.9 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.

1.10 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts 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.

1.11 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.

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies (Continued)

1.12 Retirement benefits

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

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and gifts	469,650	-	469,650	602,075	31,500	633,575
Legacies receivable	20,000	40,000	60,000	-	-	-
Grants receivable	195,183	315,802	510,985	161,425	276,465	437,890
	<u>684,833</u>	<u>355,802</u>	<u>1,040,635</u>	<u>763,500</u>	<u>307,965</u>	<u>1,071,465</u>
Donations and gifts						
Donations from individuals	409,837	-	409,837	565,005	-	565,005
Churches	52,313	-	52,313	37,070	-	37,070
Corporate donations	7,500	-	7,500	-	-	-
Other	-	-	-	-	31,500	31,500
	<u>469,650</u>	<u>-</u>	<u>469,650</u>	<u>602,075</u>	<u>31,500</u>	<u>633,575</u>
Legacies receivable						
Legacies received	20,000	40,000	60,000	-	-	-
	<u>20,000</u>	<u>40,000</u>	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

3 Donations and legacies (Continued)

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Grants receivable						
Albert Hunt Trust	-	-	-	-	7,000	7,000
Andrews Charitable Trust	58,940	-	58,940	76,425	-	76,425
B&Q Foundation	-	10,000	10,000	-	5,000	5,000
Beatrice Laing Trust	20,625	-	20,625	20,000	-	20,000
Beer Harris Memorial Trust	-	1,500	1,500	-	2,000	2,000
Benefact Trust	-	20,000	20,000	-	20,000	20,000
Bishop Radford Trust	-	2,000	2,000	-	-	-
Cambridge City Council	-	15,000	15,000	-	-	-
Charles Hayward Foundation	-	25,000	25,000	-	25,000	25,000
Church Urban Fund	-	46,666	46,666	-	-	-
Cinnamon Trust	-	1,000	1,000	-	2,000	2,000
Clothworkers Foundation	-	-	-	-	50,000	50,000
Daughters of Jesus	-	-	-	-	200	200
Didymus Charity	-	10,000	10,000	-	10,000	10,000
Garfield Weston Foundation	-	-	-	-	50,000	50,000
Hopestead	-	15,000	15,000	-	5,903	5,903
Jerusalem Trust	-	50,000	50,000	-	76,000	76,000
Julia Rausing Trust	-	75,000	75,000	-	-	-
Landaid Charitable Trust	-	7,860	7,860	-	9,073	9,073
Lighthouse Community Church	-	218	218	-	-	-
Maurice & Hilda Laing Charitable Trust	20,625	-	20,625	20,000	-	20,000
Mazars Charitable Trust	-	7,883	7,883	-	7,883	7,883
Norfolk Community Foundation	-	1,500	1,500	-	2,956	2,956
Pears Foundation	45,000	-	45,000	45,000	-	45,000
Porticus Foundation	49,993	-	49,993	-	-	-
Souter Charitable Trust	-	6,000	6,000	-	-	-
The Grace Trust	-	3,000	3,000	-	-	-
The Howard Foundation	-	4,600	4,600	-	3,450	3,450
Transforming Notts Together	-	13,575	13,575	-	-	-
	195,183	315,802	510,985	161,425	276,465	437,890

4 Charitable activities

	2025 £	2024 £
Provision of housing	876,127	718,419
Franchise income	54,005	53,458
Book sales	973	257
	931,105	772,134

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

5 Investments

	2025	2024
	£	£
Rental income	3,494	4,215
Interest receivable	41,932	19,331
	<u>45,426</u>	<u>23,546</u>

6 Other income

	2025	2024
	£	£
Net gain on disposal of tangible fixed assets	130,287	39,297
Other income	852	507
	<u>131,139</u>	<u>39,804</u>

7 Raising funds

	2025	2024
	£	£
<u>Fundraising and publicity</u>		
Costs of generating donations and legacies	56,777	34,372
	<u>56,777</u>	<u>34,372</u>

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

8 Charitable activities

	2025	2024
	£	£
Staff costs	1,164,516	1,033,293
Depreciation and impairment	53,868	30,070
House rental and running costs	290,355	278,561
House maintenance and equipment	22,860	17,932
Franchising expenses	32,153	50,270
Volunteer expenses	3,625	3,142
Client support	6,426	4,718
Property refurbishment	130,210	144,785
General rates	6,814	6,382
Bad debt expense	31,137	26,355
	<u>1,741,964</u>	<u>1,595,508</u>
Support costs (see note 9)	314,025	226,066
Governance costs (see note 9)	5,400	5,400
	<u>2,061,389</u>	<u>1,826,974</u>
Analysis by fund		
Unrestricted funds - general	1,645,278	1,553,597
Designated funds	52,762	28,964
Restricted funds	363,349	244,413
	<u>2,061,389</u>	<u>1,826,974</u>

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

9 Support costs

	Support costs	Governance costs	2025	Support costs	Governance costs	2024
	£	£	£	£	£	£
Property costs	14,255	-	14,255	15,105	-	15,105
Loan interest	4,761	-	4,761	5,167	-	5,167
Bank and processing charges	4,727	-	4,727	5,040	-	5,040
Light and heat	4,564	-	4,564	2,831	-	2,831
Travel and subsistence	28,184	-	28,184	26,554	-	26,554
Printing, postage and stationery	4,907	-	4,907	8,727	-	8,727
Telephone and fax	10,881	-	10,881	13,150	-	13,150
Computer and software	172,992	-	172,992	56,736	-	56,736
Professional and consultancy costs	13,610	-	13,610	55,094	-	55,094
Insurance	14,285	-	14,285	14,581	-	14,581
Refreshments	4,074	-	4,074	3,749	-	3,749
Sundry expenses	31,318	-	31,318	11,425	-	11,425
Legal fees	3,512	-	3,512	5,845	-	5,845
Accountancy fees	1,955	-	1,955	2,062	-	2,062
Audit fees	-	5,400	5,400	-	5,400	5,400
	<u>314,025</u>	<u>5,400</u>	<u>319,425</u>	<u>226,066</u>	<u>5,400</u>	<u>231,466</u>

Governance costs represents payments to the auditors of £5,400 (2024- £5,400) for audit fees.

10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year. Four Trustees (2024 - 4) were reimbursed a total of £865 for travelling expenses (2024- £573).

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Average number of employees	41	41

Employment costs

	2025 £	2024 £
Wages and salaries	1,006,453	897,404
Social security costs	82,858	68,733
Other pension costs	75,205	67,156
	<u>1,164,516</u>	<u>1,033,293</u>

Included in wages and salaries above are redundancy payments totalling £Nil (2024 - £2,213) and termination payments totalling £Nil (2024 - £6,035).

The average full time equivalent number of employees during the year was 30 (2024 - 30).

The number of employees whose annual remuneration was £60,000 or more were:

	2025 Number	2024 Number
£60,000 - £69,999	1	-

Contributions totalling £4,536 (2024: £Nil) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

13 Intangible fixed assets

	£
Cost	
At 1 April 2024 and 31 March 2025	21,000
	<u> </u>
Amortisation and impairment	
At 1 April 2024	-
Amortisation charged for the year	21,000
	<u> </u>
At 31 March 2025	21,000
	<u> </u>
Carrying amount	
At 31 March 2025	-
	<u> </u>
At 31 March 2024	21,000
	<u> </u>

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

14 Tangible fixed assets		Land and buildings		Shared ownership properties		Assets under construction		Equipment		Motor vehicles		Total	
		£	£	£	£	£	£	£	£	£	£	£	£
	Cost												
	At 1 April 2024	1,892,667	70,000	46,101	67,441	5,776	2,081,985						
	Additions	226,226	-	-	11,039	-	237,265						
	Disposals	(223,713)	-	-	-	-	(223,713)						
	Other changes	46,101	-	(46,101)	-	-	-						
	At 31 March 2025	1,941,281	70,000	-	78,480	5,776	2,095,537						
	Depreciation and impairment												
	At 1 April 2024	171,648	1,900	-	60,255	5,775	239,578						
	Depreciation charged in the year	24,574	700	-	7,594	-	32,868						
	Eliminated in respect of disposals	(26,095)	-	-	-	-	(26,095)						
	At 31 March 2025	170,127	2,600	-	67,849	5,775	246,351						
	Carrying amount												
	At 31 March 2025	1,771,154	67,400	-	10,631	1	1,849,186						
	At 31 March 2024	1,721,018	68,100	46,101	7,187	1	1,842,407						

Included in land and buildings above is the office, 12 (2024 - 13) houses which are used to support tenants and an interest in land. Shared ownership properties represents an interest in 2 (2024 - 2) properties.

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

15 Debtors		2025	2024
		£	£
Amounts falling due within one year:			
Tenant and franchise debt		104,433	66,483
Other debtors		11,869	76,818
Prepayments and accrued income		13,089	5,127
		<u>129,391</u>	<u>148,428</u>

16 Loans and overdrafts		2025	2024
	Notes	£	£
Bank loans		44,000	262,396
Payable within one year	17	4,000	10,700
Payable after one year	18	40,000	251,696
		<u>48,000</u>	<u>273,396</u>

The long-term loan is secured by fixed charges over one of the properties owned by the charity.

17 Creditors: amounts falling due within one year		2025	2024
	Notes	£	£
Bank loans	16	4,000	10,700
Other taxation and social security		17,699	18,301
Deferred income	19	54,931	27,452
Trade creditors		29,891	88,117
Other creditors		17,325	16,716
Accruals		43,911	5,404
		<u>167,757</u>	<u>166,690</u>

18 Creditors: amounts falling due after more than one year		2025	2024
	Notes	£	£
Bank loans	16	40,000	251,696
		<u>40,000</u>	<u>251,696</u>

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

19 Deferred income

Deferred income is included in the financial statements as follows:

	2025 £	2024 £
Deferred income is included within:		
Current liabilities	54,931	27,452
	<u>54,931</u>	<u>27,452</u>
Movements in the year:		
Deferred income at 1 April 2024	27,452	56,213
Released from previous periods	(27,452)	(56,213)
Resources deferred in the year	54,931	27,452
	<u>54,931</u>	<u>27,452</u>
Deferred income at 31 March 2025	<u>54,931</u>	<u>27,452</u>

20 Retirement benefit schemes

Defined contribution schemes

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

The charge to profit and loss in respect of defined contribution schemes was £75,205 (2024 - £67,156).

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

21 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:

	Movement in funds				
	Balance at 1 April 2024	Incoming resources	Resources expended	Transfers	Balance at 31 March 2025
	£	£	£	£	£
Special projects					
Beer Harris Memorial	-	1,500	(1,500)	-	-
Benefact Trust	-	20,000	(20,000)	-	-
Bishop Radford Trust	-	2,000	(2,000)	-	-
B&Q Foundation	-	10,000	(10,000)	-	-
Cambridge City Council	-	15,000	(15,000)	-	-
Charles Hayward Foundation	-	25,000	(25,000)	-	-
Church Urban Fund	-	46,666	(46,666)	-	-
Cinnamon Trust	-	1,000	(1,000)	-	-
Didymus Trust	7,502	10,000	(10,000)	-	7,502
Grace Trust	-	3,000	(3,000)	-	-
Hopstead	-	15,000	(15,000)	-	-
Howard Foundation	-	4,600	(4,600)	-	-
Julia Rausing Trust	-	75,000	(75,000)	-	-
Landaid Charitable Trust	-	7,860	(7,860)	-	-
Lighthouse Community Church	-	218	(218)	-	-
Mazars Charitable Trust	-	7,883	(7,883)	-	-
Norfolk Community Foundation	-	1,500	(1,500)	-	-
Souter Charitable Trust	-	6,000	(6,000)	-	-
Transforming Notts Together	-	13,575	(13,575)	-	-
Donation for property (Isaiah Fund)	466,500	-	(6,441)	(214,396)	245,663
	<u>474,002</u>	<u>265,802</u>	<u>(272,243)</u>	<u>(214,396)</u>	<u>253,165</u>
Other including core costs					
Jerusalem Trust	-	50,000	(50,000)	-	-
Legacies	-	40,000	(40,000)	-	-
	-	<u>90,000</u>	<u>(90,000)</u>	-	-
Property					
SEIF	73,728	-	(1,106)	-	72,622
	<u>73,728</u>	-	<u>(1,106)</u>	-	<u>72,622</u>
	<u>547,729</u>	<u>355,802</u>	<u>(363,349)</u>	<u>(214,396)</u>	<u>325,786</u>

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

21 Restricted funds

(Continued)

There are a number of restricted funds as outlined above, some of which are for specific projects, some that cover specific elements of core costs. The two largest funds are as follows:

Donation for property - this relates to donations received to enable the charity to invest in further property to be used to house tenants. This is now known as the Isaiah Fund. The transfer out of this fund represents the settling of a mortgage.

SEIF - the funds received were for the purchase of a property by the charity. A property was purchased in 2012 and this fund is now represented by fixed assets, but the fund remains a restricted fund as the funding is potentially repayable to SEIF if there is a future change to the use of the property or the property is sold.

The restricted legacy was used to house and support refugee families.

22 Designated funds

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

	Balance at 1 April 2023 £	Resources expended £	Transfers £	Balance at 1 April 2024 £	Resources expended £	Transfers £	Balance at 31 March 2025 £
Fixed asset fund	1,497,511	(28,964)	(1,264)	1,467,283	(52,762)	258,044	1,672,565
	<u>1,497,511</u>	<u>(28,964)</u>	<u>(1,264)</u>	<u>1,467,283</u>	<u>(52,762)</u>	<u>258,044</u>	<u>1,672,565</u>

The fixed asset fund represents the net book value of the property and other fixed assets that is not represented by restricted funds, excluding the mortgage owing and £60,000 (2024 - £60,000) investment from unrestricted funds in accordance with the charity's reserves policy.

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

23 Analysis of net assets between funds

Fund balances at 31 March 2025 are represented by:

	Unrestricted funds	Designated funds	Restricted funds	Total	Unrestricted funds	Designated funds	Restricted funds	Total
	2025	2025	2025	2025	2024	2024	2024	2024
	£	£	£	£	£	£	£	£
Intangible fixed assets	-	-	-	-	-	21,000	-	21,000
Tangible assets	59,999	1,716,565	72,622	1,849,186	59,999	1,708,679	73,729	1,842,407
Current assets/(liabilities)	464,683	(4,000)	253,164	713,847	417,883	(10,700)	474,000	881,183
Long term liabilities	-	(40,000)	-	(40,000)	-	(251,696)	-	(251,696)
	<u>524,682</u>	<u>1,672,565</u>	<u>325,786</u>	<u>2,523,033</u>	<u>477,882</u>	<u>1,467,283</u>	<u>547,729</u>	<u>2,492,894</u>

The analysis of current assets/(liabilities) is as follows:

	Unrestricted funds	Designated funds	Restricted funds	Total	Unrestricted funds	Designated funds	Restricted funds	Total
	2025	2025	2025	2025	2024	2024	2024	2024
	£	£	£	£	£	£	£	£
Current assets	129,391	-	-	129,391	148,427	-	-	148,427
Cash	444,118	-	308,095	752,213	397,994	-	501,452	899,446
Current liabilities	(108,826)	(4,000)	(54,931)	(167,757)	(128,538)	(10,700)	(27,452)	(166,690)
	<u>464,683</u>	<u>(4,000)</u>	<u>253,164</u>	<u>713,847</u>	<u>417,883</u>	<u>(10,700)</u>	<u>474,000</u>	<u>881,183</u>

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

24 Operating lease commitments

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

	2025 £	2024 £
Within one year	96,630	109,584
Between two and five years	2,074	8,156
	<u>98,704</u>	<u>117,740</u>

25 Capital commitments

	2025 £	2024 £
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At 31 March 2025 the charity had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment	-	450,000
Acquisition of intangible assets	-	14,400
	<u>-</u>	<u>464,400</u>

The contract for the acquisition of property, plant and equipment included in 2024 was terminated during the year.

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel including pension contributions is as follows.

	2025 £	2024 £
Aggregate compensation	<u>191,229</u>	<u>165,506</u>

Key management personnel represents 4 (2024 - 4) members of staff who form the executive team.

Included in expenditure are the following amounts in respect of rent paid on properties used for the charity's clients.

	2025 £	2024 £
Property rented from children of Mr G Howard (Resigned 16 November 2023)	-	11,400
Property rented from Mr G Howard (Resigned 16 November 2023)	-	1,597
Property rented from Mr and Mrs E Walker	4,492	4,492
Property rented from The Reverend Mrs D Tidball	2,115	1,919

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

26 Related party transactions (Continued)

During the year the charity received donations totalling £17,250 (2024 - £13,450) from Trustees.

27 Cash generated from operations	2025 £	2024 £
Surplus for the year	30,139	45,603
Adjustments for:		
Investment income recognised in statement of financial activities	(45,426)	(23,546)
Gain on disposal of tangible fixed assets	(130,287)	(39,297)
Depreciation and impairment of tangible fixed assets	53,868	30,070
Movements in working capital:		
Decrease in debtors	19,037	11,539
(Decrease)/increase in creditors	(19,712)	64,440
Increase/(decrease) in deferred income	27,479	(28,761)
Cash (absorbed by)/generated from operations	(64,902)	60,048

28 Analysis of changes in net funds

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	899,445	(147,232)	752,213
	899,445	(147,232)	752,213
Loans falling due within one year	(10,700)	6,700	(4,000)
Loans falling due after more than one year	(251,696)	211,696	(40,000)
	637,049	71,164	708,213

Hope into Action UK

England & Wales - Charity number 1137686

Accounts

Charity registration number 1137686

Company registration number 07309173 (England and Wales)

HOPE INTO ACTION UK
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

HOPE INTO ACTION UK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	The Reverend Mrs D Tidball (Chair) Mr I G Billage Mrs J Hunte Mr H J Kettel Mr P J Magowan Ms R Mathew Mrs D J Nash Mrs M D Smith	(Appointed 16 July 2023) (Appointed 20 November 2023)
Secretary	Mr M Oldaker	
Ambassador	Mr E Walker MBE	
Executive team	Jon Kuhrt, CEO Kate Doran-Smith, Head of Network Mark Oldaker, Head of Operations Dee Midgley, Head of Supporter Relations	
Charity number	1137686	
Company number	07309173	
Registered office	26 North Street Peterborough United Kingdom PE1 2RA	
Auditor	Azets Audit Services Westpoint Lynch Wood Peterborough Cambridgeshire United Kingdom PE2 6FZ	
Bankers	Lloyds Bank plc 65 High Street Stamford Lincolnshire United Kingdom PE9 2AT	CAF Bank 25 Kings Hill Avenue West Malling Kent United Kingdom ME19 4JQ
	The Co-operative Bank Business Customer Services P.O. Box 250 Skelmersdale Wigan United Kingdom WN8 6WT	

HOPE INTO ACTION UK

CONTENTS

	Page
Trustees' report	1 - 8
Statement of trustees' responsibilities	9
Independent auditor's report	10 - 12
Statement of financial activities	13 - 14
Balance sheet	15 - 16
Statement of cash flows	17
Notes to the financial statements	18 - 34

HOPE INTO ACTION UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

The Trustees present their report and accounts for the year ended 31 March 2024.

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 governing document, 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

Hope into Action began in Peterborough in 2010 when our founder Ed Walker MBE used his own money to purchase our first house. The charity remains based in Peterborough at our Hope Centre.

We now have a network of 114 houses. We directly manage the accommodation in Peterborough, Norwich, Nottingham and Cambridge. The rest of our Network is run by churches and organisations who run Hope into Action franchises across the country.

The Hope into Action model

Hope into Action is a unique response to the injustice and tragedy of homelessness. Our model offers both offer high quality accommodation and positive relationships with the local community through the local church. It is this *combination* that is transformative.

Our model is based on investors who are willing to use their savings to purchase houses. We then turn these houses into homes for people who would otherwise be homeless by partnering with churches who provide a welcome, friendship and support for tenants. Hope into Action's professional staff look after the legalities, housing management, assessment and benefit applications. This combination of support empowers tenants to achieve their goals.

At the core of our work is a commitment to combine both professional excellence and spiritual passion. We are committed to professionalism in how we support tenants, manage accommodation and how we steward investments, donations and our people. Alongside this, we want to maintain our passionate belief in the transformative role that the Christian faith plays.

Headline achievements from 2023/24

New houses

In the 2023-24 financial year, we opened 17 new houses which took our net total number of houses to 112 by the end of March 2024.

New franchises opened

During 2023-24 we opened houses in 5 new franchise locations.

Successful transition of leadership

The departure of a founder is a key moment in the life of any organisation. We are pleased to say that the handover from Ed Walker to Jon Kuhrt, who started as the new CEO in January 2023 has been successful. After a thorough handover, Ed stepped back from any management or governance role but continues to be in touch, offering connections and support and meets regularly on an informal basis with Jon.

Black Country Areas franchise

This franchise had been brought into HiA UK to offer support while it weathered some challenges. We are pleased to say that the operation was successfully 'franchised out' to become its own charity in April 2023. Whilst challenges remain, the local team have worked hard and are continuing their positive trajectory.

HOPE INTO ACTION UK

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

FOR THE YEAR ENDED 31 MARCH 2024

Annual Conference 2024: Empowered

In March 2024, we held our Annual Conference at Kingsgate Church, Peterborough. Over 430 people booked in and Natalie Williams, CEO of Jubilee+, was our keynote speaker. We had over 50 delegates attend our investment seminar which has led to a number of new investment opportunities. We also launched our Easter Appeal which was successful in raising £24,000 to support 4 new franchises.

Challenges

Development project, Peterborough

In 2023 we signed a contract with a development company to build 3 units of modular housing in Peterborough following a very generous donation from an individual supporter. Unfortunately, progress of this project has been subject to significant delays and we are evaluating how to move forward.

Fire damage to property

During the year we experienced a serious fire in one of our properties caused by a tenant using candles in breach of his tenancy agreement. Fortunately, no one was seriously injured but the property was substantially damaged and has had to be significantly re-built. We commissioned a full review of the circumstances which led to the fire and the relevant sub-committees discussed this report. The Board then agreed an action plan to follow up on areas of improvement and review highlighted by the report.

Performance in 2023-24

New franchises opened

During 2023-24 we opened franchises in 5 new locations in Belfast, Beverley, Bromley, South Belfast and Warrington. Alongside this, our franchises in Lincoln and Oundle closed.

This means that by 31st March 2024, HiA is working in 35 locations across the country.

New houses opening

17 homes opened in the financial year 2023-24 which is the largest number of houses that HiA have opened in any one year.

Alongside this, 6 homes closed which meant a net growth of 11 homes. These closures were mostly due to investors reaching the end of a 5 year cycle and not re-investing, or projects closing due to lack of capacity within the partner church. 2 more houses have already opened in the 2023-24 year and there are at least 20 more in the pipeline.

Houses Open by Year



HOPE INTO ACTION UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024



Summary of tenant outcomes

The point of all our work is transformation in the life of our tenants and our churches. Once again, we are very encouraged by outcomes achieved by our tenants with the support of staff, church partners and franchisees.

Outcome	2023-24 [2022-23]	Description
Demographics	486 [[^] from 412]	Adults: 339 (205 Male, 134 Female); Children: 147 (76 Male, 71 Female) 46% classed themselves as White British. At 31 st March 2024, 33% of our houses housed at least one refugee, and 38% of our tenants were refugees, mostly families. 20% of tenants considered themselves to have a disability.
Maintaining Tenancy	90% [^v from 93%]	437 tenants, including children, from 486 remained in Hope into Action properties and/or moved on well.
Criminal Behaviour	94% [[^] from 92%]	49 tenants have previously served a custodial sentence. Of those, 94% did not return to prison.
Drug and Alcohol Usage	89% [⁼ 89%]	133 tenants have (had) an unhealthy relationship with drugs and alcohol at move in. 89% of those have not become more dependent, have reduced their dependency or became sober.
Social Relationships	90% [[^] from 88%]	304 of our tenants felt that they had improved or maintained positive relationships this year.
Meaningful use of time: Volunteering, Training & Education	53% [[^] from 32%]	178 adult tenants were in education, training or volunteering.
Meaningful use of time: Employment	34% [^v from 37%]	116 of our adult tenants have been in employment of any kind (zero hours, full and part time contracts). 24% worked more than 16 hours a week for longer than 3 months. 2% of adult tenants are unable to work.
Financial Management	74% [^v from 81%]	251 tenants' financial situation was stable or improving.
Mental Health	91% [^v from 92%]	181 tenants' mental health was stable or improving of the 198 tenants who indicated that they had mental health needs at start of year or point of referral. There was 1 death (in hospital) and 4 babies born to tenants.

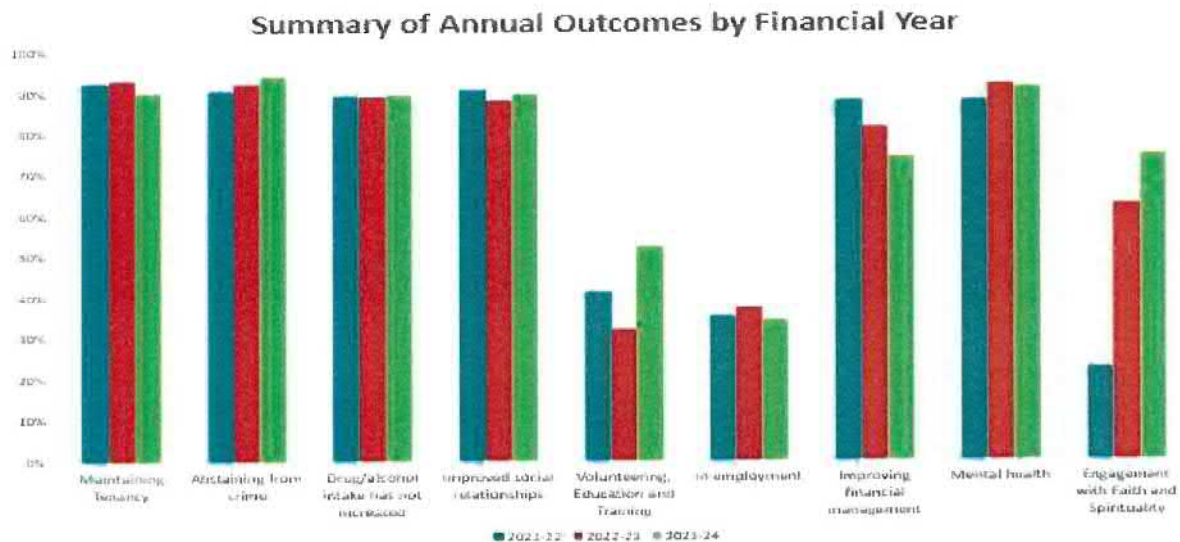
HOPE INTO ACTION UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Faith and Spirituality	55%	187 tenants engaged in a church service, Christian course or activity. 69% of tenants asked for or accepted prayer. 16 tenants were baptised or made some kind of commitment to the Christian faith. 19% of tenants engaged with a faith group other than the Christian faith.
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^ signifies increase from last year / = signifies same result / v signifies drop from last year

This is a summary of how these outcomes relate to previous years.



Areas of challenge

In 2024-25 organisationally we are prioritising quicker responses to tenants getting into arrears and quicker re-tenanting of void rooms. This is in response to the growing demand on our services and the downward trend in tenant financial management.

Risk

In 2024 we completed a full review of our Risk Register and have assessed these key factors as representing the key risk areas.

1. Unsuccessful grant funding would lead to a deficit and non-compliance with reserves policy
2. Ineffective management of voids leads to a deficit compromising reserves
3. A case of abuse/mishandling of power/ complaint/ poor safeguarding which leads to a scandal which could damage reputation
4. Ineffective management of houses leading to below standard or non-compliant properties
5. Lack of growth in regular donors
6. Closure of franchises and houses leading to lack of growth
7. Inability to recruit key staff reduces effectiveness of work
8. Loss of properties due to investor ending lease
9. Inability to source properties within investor expectations
10. Losing the Christian distinctiveness would compromise the core vision and mission of HiA to mobilise Christian faith, prayer, investments, donations and volunteering
11. Ineffective management of arrears leads to a deficit compromising reserves
12. Breakdown of church Friendship & Support groups reduces outcomes

HOPE INTO ACTION UK

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

FOR THE YEAR ENDED 31 MARCH 2024

Each of these risks has a number of mitigating actions which we are committed to as an organisation. We have grouped our Key Performance Indicators (KPI) which we report on at each Board meeting alongside each risk so that we monitor closely those actions and performances which most closely align to our risk.

Safeguarding

Safeguarding continues to be prioritised across the organisation. This year has seen us introduce a new online training system for all staff to access to ensure they can always access training to the appropriate standard. This is supported by safeguarding workshops for frontline staff to give them the opportunity for peer learning and support and ensure they are up to date with current policies and procedures.

We continue to monitor all incidents and safeguarding concerns across the Hope into action Network. In 2023-24, there were a total of 69 incidents reported and 37 safeguarding concerns reported. This is the exact same number as last year for incidents and an increase of 2 safeguarding concerns.

There was an increase in incident reports received from franchisees over the year (from 8 last year to 24 this year). Regular refresher training has worked to raise awareness with Franchises on the need to report incidents and this has been reflected in the number received. We plan to continue raising awareness with franchises and new staff throughout the year via training and regular communication.

The most common reason for submitting a safeguarding report was Domestic Violence. The most common category of incident report was ASB/violence. In response to this, the Network team will research whether there's any appropriate training or speakers who may be able to upskill EWs in these areas.

During the year, 12 referrals were made to social services, this included referrals for adults and children. Only one report was made to the Charity Commission, and this was related to the fire damage at one of our houses which is detailed above.

Strategic direction for 2024-25

We have committed to the following 3 strategic objectives and we developed an action plan based under these headings:

1. Our line-managed work will be an incubator of best practice.

Our work in our 4 line-managed locations (Peterborough, Norwich, Cambridge and Nottingham) will embody the practice we want to see across our whole network.

2. We will strengthen *and* grow our franchise Network.

We want to grow the network significantly but also *strengthen* it through clarifying expectations, addressing fragility and focussing growth on areas where there is adequate capacity.

3. Faithful stewardship of finances, supporters and people.

Ensure our finances, houses, supporters and people are supported, valued and invested in as well as possible.

HOPE INTO ACTION UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Financial review

Reserves

The Trustees' policy with regard to reserves is to seek to maintain unrestricted funds, other than those designated from time to time for specific purposes, at a level sufficient to provide the charity with enough working capital to carry on its existing activities successfully for two to four months. This will enable the trustees to ensure continuity of activities and honour contractual liabilities.

The Trustees have noted that the current level of unrestricted reserves is within that range at 3.6 months. In the unfortunate event of funding levels dropping to dangerous levels then the Trustees would have to consider the sale of one of our houses or re-mortgage a property.

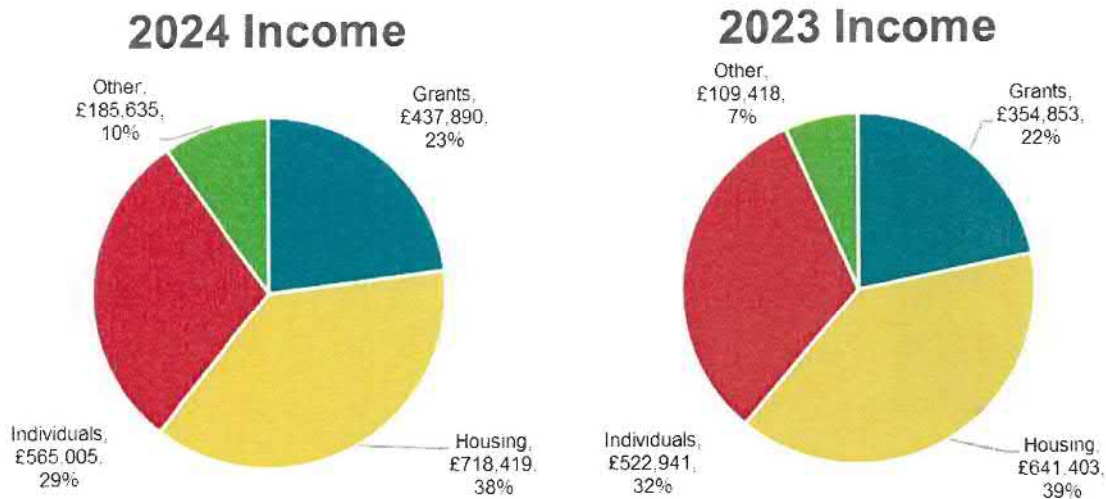
Cash balance

At year end the cash balance was £899,445 (see balance sheet). This is broken down on note 23 into unrestricted (£397,994) and restricted (£501,451). This cash balance should be understood with note 25 which states that Hope into Action have £464,000 of capital commitments as at year end.

Income and Expenditure

The net income for 2024 is £62,445 (2023: outgoing funds of £72,429) which includes donations of various restricted funds.

Trustees monitor the balance of income from the three primary sources. The total for 2023-24 was £1,906,949 (2022-23: £1,628,615), broken down as follows:



A new Head of Supporter Relations took over in October 2023 and, combined with the work of our interim postholder, a number of successful grant applications were made. The team continue to work with external agency support and a register of grant targets has been completed for 2024-25.

Individual unrestricted giving was also higher for 2023-24 due to some large individual donations. It has been a difficult year for regular donations as the cost of living has led to some reductions. Campaign income held up well. A number of factors supported higher income from other areas such as bank interest, the sale of a house (surplus on sale) and a corporate restricted donation to buy land.

HOPE INTO ACTION UK

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

FOR THE YEAR ENDED 31 MARCH 2024

Our costs ("charitable activities") have grown by 8.7% (2023: 9%). This can be almost entirely explained by the increase in staff costs and maintenance; a number of properties have required significant work after longer tenancies. The other notable increase was in the cost of bursaries provided to tenants to get into employment (137% increase to £18,557).

Assets and Investments

Hope into Action UK owns its main office and 13 houses used to support tenants. One property was sold in 2023 and two further properties are currently for sale. This is part of a strategic plan to improve the quality of our stock in Peterborough. To counterbalance this further property purchases are being considered as well the development project in Peterborough.

As an organisation we encourage individuals and churches to share their wealth with people affected by poverty by investing in homes for people who are homeless. It is important we are able to model this approach. This financial year we have contributed £10,000 to the purchase of land for the development project referenced above and have subsidised the budget for this project. We were also blessed to receive a gift of a £20,000 share in property managed by one of our Franchises (referenced in last year's financial report).

Conclusion

We are deeply grateful to all our donors and supporters for partnering with us in this work and for our trustees who provide rigorous oversight of how our resources are used.

This commitment was exemplified by Antony Barnes who sadly passed away in October 2023. Antony was erudite and clear with his input and left Hope into Action in a stronger place after his untimely passing. Antony not only served as a trustee but was a donor and an investor. Amazingly, within a month of his passing, 3 new houses were opened because of his support and they continue to house those who have been homeless through the support of his wife, Caragh.



HOPE INTO ACTION UK

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

FOR THE YEAR ENDED 31 MARCH 2024

Structure, governance and management

The charity is a company limited by guarantee and a registered charity governed by its articles and memorandum 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:

The Reverend Mrs D Tidball (Chair)	
Mr A J W Barnes	(Resigned 27 October 2023)
Mr I G Billage	
Mr G Howard	(Resigned 16 November 2023)
Mrs J Hunte	
Mr H J Kettel	
Mr P J Magowan	(Appointed 16 July 2023)
Ms R Mathew	
Mrs D J Nash	
Mrs M D Smith	(Appointed 20 November 2023)

The existing Trustees have the power to appoint new trustees.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

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



The Reverend Mrs D Tidball (Chair)
Trustee

Dated: 

HOPE INTO ACTION UK

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

The Trustees, who are also the directors of Hope Into Action UK for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

HOPE INTO ACTION UK

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HOPE INTO ACTION UK

Opinion

We have audited the financial statements of Hope Into Action UK (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

HOPE INTO ACTION UK

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HOPE INTO ACTION UK

Responsibilities of Trustees

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

HOPE INTO ACTION UK

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HOPE INTO ACTION UK

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

26.7.2024

Chartered Accountants
Statutory Auditor

Westpoint
Lynch Wood
Peterborough
Cambridgeshire
United Kingdom
PE2 6FZ

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

HOPE INTO ACTION UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

Current financial year

	Notes	Unrestricted funds 2024 £	Designated funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
<u>Income and endowments from:</u>						
Donations and legacies	3	763,500	-	307,965	1,071,465	927,558
Charitable activities	4	772,134	-	-	772,134	692,493
Investments	5	23,546	-	-	23,546	8,564
Other income	6	39,804	-	-	39,804	-
Total income		1,598,984	-	307,965	1,906,949	1,628,615
<u>Expenditure on:</u>						
Raising funds	7	34,372	-	-	34,372	33,955
Charitable activities	8	1,553,597	28,964	244,413	1,826,974	1,667,089
Total resources expended		1,587,969	28,964	244,413	1,861,346	1,701,044
Net incoming/(outgoing) resources before transfers		11,015	(28,964)	63,552	45,603	(72,429)
Gross transfers between funds		47,366	(1,264)	(46,102)	-	-
Net income/(expenditure) for the year/ Net movement in funds		58,381	(30,228)	17,450	45,603	(72,429)
Fund balances at 1 April 2023		419,501	1,497,511	530,279	2,447,291	2,519,720
Fund balances at 31 March 2024		477,882	1,467,283	547,729	2,492,894	2,447,291

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.

HOPE INTO ACTION UK

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

Prior financial year

	Notes	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total 2023 £
<u>Income and endowments from:</u>					
Donations and legacies	3	795,735	-	131,823	927,558
Charitable activities	4	692,493	-	-	692,493
Investments	5	8,564	-	-	8,564
Total income		1,496,792	-	131,823	1,628,615
<u>Expenditure on:</u>					
Raising funds	7	33,955	-	-	33,955
Charitable activities	8	1,462,797	31,116	173,176	1,667,089
Total resources expended		1,496,752	31,116	173,176	1,701,044
Net incoming/(outgoing) resources before transfers		40	(31,116)	(41,353)	(72,429)
Gross transfers between funds		(9,785)	9,785	-	-
Net income/(expenditure) for the year/ Net movement in funds		(9,745)	(21,331)	(41,353)	(72,429)
Fund balances at 1 April 2022		429,246	1,518,842	571,632	2,519,720
Fund balances at 31 March 2023		419,501	1,497,511	530,279	2,447,291

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.

HOPE INTO ACTION UK

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Intangible assets	13		21,000		-
Tangible assets	14		1,842,407		1,883,072
			<u>1,863,407</u>		<u>1,883,072</u>
Current assets					
Debtors	15	148,428		159,966	
Cash at bank and in hand		899,445		795,288	
		<u>1,047,873</u>		<u>955,254</u>	
Creditors: amounts falling due within one year	17	(166,690)		(131,011)	
Net current assets			<u>881,183</u>		<u>824,243</u>
Total assets less current liabilities			2,744,590		2,707,315
Creditors: amounts falling due after more than one year	18		(251,696)		(260,024)
Net assets			<u>2,492,894</u>		<u>2,447,291</u>
Income funds					
Restricted funds					
Property		73,728		74,834	
Specific projects		474,001		455,445	
	19		<u>547,729</u>		<u>530,279</u>
Unrestricted funds - general					
Designated funds	20		1,467,283		1,497,511
Other charitable funds			<u>477,882</u>		<u>419,501</u>
			<u>2,492,894</u>		<u>2,447,291</u>

HOPE INTO ACTION UK

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2024

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 March 2024, although an audit has been carried out under section 144 of the Charities Act 2011.

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.

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 board of directors and authorised for issue on 17.07.24 and are signed on its behalf by:



The Reverend Mrs D Tidball (Chair)
Trustee

Company Registration No. 07309173

HOPE INTO ACTION UK

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	27		60,048		(92,834)
Investing activities					
Purchase of intangible assets		(21,000)		-	
Purchase of tangible fixed assets		(76,622)		(794)	
Proceeds on disposal of tangible fixed assets		126,513		-	
Investment income received		23,546		8,564	
		<u> </u>		<u> </u>	
Net cash generated from investing activities			52,437		7,770
Financing activities					
Repayment of bank loans		(8,328)		(8,990)	
		<u> </u>		<u> </u>	
Net cash used in financing activities			(8,328)		(8,990)
			<u> </u>		<u> </u>
Net increase/(decrease) in cash and cash equivalents			104,157		(94,054)
Cash and cash equivalents at beginning of year			795,288		889,342
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			899,445		795,288
			<u> </u>		<u> </u>

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

Hope Into Action UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 26 North Street, Peterborough, PE1 2RA, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, 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)". 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 accounts have been prepared on 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 unless the funds have been designated for other purposes.

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 accounts.

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.

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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.

All resources expended are accounted for gross, and in the period in which they are incurred. VAT is not recoverable by the charity and as such is included in the relevant costs in the Statement of Financial Activities.

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

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

1.6 Intangible fixed assets other than goodwill

Software costs relating to long term development projects are capitalised to the extent that the long term value to the charity of the project can be demonstrated.

Amortisation 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:

Software	20% p.a. straight line
----------	------------------------

1.7 Tangible fixed assets

Tangible fixed assets are measured at cost, 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:

Land and buildings	1% p.a. straight line on buildings
Shared ownership properties	1% p.a. straight line
Equipment	33% p.a. straight line
Motor vehicles	33% p.a. straight line

Assets in the course of construction are not depreciated.

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

Shared ownership housing properties are included in fixed assets at the percentage of the charity's share in the ownership. Any payment for an increase in percentage of share is treated as an addition. Any payments received for a decrease in share is treated similar to the sale of property.

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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).

1.9 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.

1.10 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts 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.

1.11 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.

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies (Continued)

1.12 Retirement benefits

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

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	602,075	31,500	633,575	572,705	-	572,705
Grants receivable	161,425	276,465	437,890	223,030	131,823	354,853
	<u>763,500</u>	<u>307,965</u>	<u>1,071,465</u>	<u>795,735</u>	<u>131,823</u>	<u>927,558</u>
Donations and gifts						
Donations from individuals	565,005	-	565,005	522,941	-	522,941
Churches	37,070	-	37,070	49,764	-	49,764
Other	-	31,500	31,500	-	-	-
	<u>602,075</u>	<u>31,500</u>	<u>633,575</u>	<u>572,705</u>	<u>-</u>	<u>572,705</u>

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

3 Donations and legacies

(Continued)

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Grants receivable						
Albert Hunt Trust	-	7,000	7,000	-	7,000	7,000
Andrews Charitable Trust	76,425	-	76,425	72,050	-	72,050
B&Q Foundation	-	5,000	5,000	-	-	-
Beatrice Hankey Foundation	-	-	-	-	2,500	2,500
Beatrice Laing Trust	20,000	-	20,000	17,750	-	17,750
Beer Harris Memorial Trust	-	2,000	2,000	-	2,171	2,171
Benefact Trust	-	20,000	20,000	-	-	-
Big Lottery Funding	-	-	-	-	10,470	10,470
Cambridgeshire Community Fund	-	-	-	-	1,678	1,678
Charles Hayward Foundation	-	25,000	25,000	-	-	-
Cinnamon Trust	-	2,000	2,000	-	-	-
Clothworkers Foundation	-	50,000	50,000	-	-	-
Cornerstone	-	-	-	10,000	-	10,000
Daughters of Jesus	-	200	200	-	-	-
Didymus Charity	-	10,000	10,000	-	10,000	10,000
Garfield Weston Foundation	-	50,000	50,000	-	-	-
Hopstead	-	5,903	5,903	-	6,607	6,607
Jerusalem Trust	-	76,000	76,000	-	3,240	3,240
Landaid Charitable Trust	-	9,073	9,073	-	-	-
Lighthouse Community Church	-	-	-	-	2,000	2,000
Maclellan Foundation	-	-	-	-	47,027	47,027
Maurice & Hilda Laing Charitable Trust	20,000	-	20,000	17,750	-	17,750
Mazars Charitable Trust	-	7,883	7,883	-	-	-
Mirembe Charitable Trust	-	-	-	480	-	480
Norfolk Community Foundation	-	2,956	2,956	-	-	-
Paul Bassham Trust	-	-	-	-	2,000	2,000
Pears Foundation	45,000	-	45,000	45,000	-	45,000
Porticus Foundation	-	-	-	45,000	-	45,000
St Baranabas Church	-	-	-	-	2,100	2,100
The Howard Foundation	-	3,450	3,450	-	-	-
The Mercers' Company	-	-	-	-	32,530	32,530
The Rowney Trust	-	-	-	15,000	-	15,000
Vardy Foundation	-	-	-	-	2,500	2,500
	<u>161,425</u>	<u>276,465</u>	<u>437,890</u>	<u>223,030</u>	<u>131,823</u>	<u>354,853</u>

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

4 Charitable activities

	2024 £	2023 £
Provision of housing	718,419	641,403
Franchise income	53,458	50,763
Book sales	257	327
	<u>772,134</u>	<u>692,493</u>

5 Investments

	2024 £	2023 £
Rental income	4,215	4,252
Interest receivable	19,331	4,312
	<u>23,546</u>	<u>8,564</u>

6 Other income

	2024 £	2023 £
Net gain on disposal of tangible fixed assets	39,297	-
Other income	507	-
	<u>39,804</u>	<u>-</u>

7 Raising funds

	2024 £	2023 £
<u>Fundraising and publicity</u>		
Costs of generating donations and legacies	34,372	33,955
	<u>34,372</u>	<u>33,955</u>

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

8 Charitable activities

	2024	2023
	£	£
Staff costs	1,033,293	972,794
Depreciation and impairment	30,070	32,222
House rental and running costs	278,561	261,034
House maintenance and equipment	17,932	11,995
Franchising expenses	50,270	55,458
Volunteer expenses	3,142	4,124
Client support	4,718	7,122
Property refurbishment	144,785	93,533
General rates	6,382	9,657
Bad debt expense	26,355	30,365
Books	-	70
	<u>1,595,508</u>	<u>1,478,374</u>
Support costs (see note 9)	226,066	183,315
Governance costs (see note 9)	5,400	5,400
	<u>1,826,974</u>	<u>1,667,089</u>
Analysis by fund		
Unrestricted funds - general	1,553,597	1,462,797
Designated funds	28,964	31,116
Restricted funds	244,413	173,176
	<u>1,826,974</u>	<u>1,667,089</u>

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

9 Support costs

	Support costs	Governance costs	2024 Support costs	Governance costs	2023
	£	£	£	£	£
Property costs	15,105	-	15,105	17,792	17,792
Loan interest	5,167	-	5,167	2,663	2,663
Bank and processing charges	5,040	-	5,040	3,033	3,033
Light and heat	2,831	-	2,831	2,084	2,084
Travel and subsistence	26,554	-	26,554	20,898	20,898
Printing, postage and stationery	8,727	-	8,727	4,800	4,800
Telephone and fax	13,150	-	13,150	12,500	12,500
Computer and software	56,736	-	56,736	57,860	57,860
Professional and consultancy costs	55,094	-	55,094	23,945	23,945
Insurance	14,581	-	14,581	15,537	15,537
Refreshments	3,749	-	3,749	3,605	3,605
Sundry expenses	11,425	-	11,425	14,524	14,524
Legal fees	5,845	-	5,845	2,986	2,986
Accountancy fees	2,062	-	2,062	1,088	1,088
Audit fees	-	5,400	5,400	-	5,400
	<u>226,066</u>	<u>5,400</u>	<u>231,466</u>	<u>183,315</u>	<u>188,715</u>

Governance costs represents payments to the auditors of £5,400 (2023- £5,400) for audit fees.

10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year. Four Trustees (2023 - 2) were reimbursed a total of £573 for travelling expenses (2023- £513).

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Average number of employees	41	41

Employment costs

	2024 £	2023 £
Wages and salaries	897,404	842,649
Social security costs	68,733	66,146
Other pension costs	67,156	63,999
	<u>1,033,293</u>	<u>972,794</u>

Included in wages and salaries above are redundancy payments totalling £2,213 (2023 - £Nil) and termination payments totalling £6,035 (2023 - £Nil).

The average full time equivalent number of employees during the year was 30 (2023 - 30).

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

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

13 Intangible fixed assets

	Software £
Cost	
At 1 April 2023	-
Additions	21,000
At 31 March 2024	<u>21,000</u>
Amortisation and impairment	
At 1 April 2023 and 31 March 2024	-
Carrying amount	
At 31 March 2024	<u>21,000</u>
At 31 March 2023	<u>-</u>

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

14 Tangible fixed assets

	Land and buildings	Shared ownership properties	Assets under construction	Equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2023	1,988,533	50,000	-	56,920	5,776	2,101,229
Additions	-	20,000	46,101	10,521	-	76,622
Disposals	(95,866)	-	-	-	-	(95,866)
At 31 March 2024	1,892,667	70,000	46,101	67,441	5,776	2,081,985
Depreciation and impairment						
At 1 April 2023	161,372	1,200	-	51,736	3,851	218,159
Depreciation charged in the year	18,927	700	-	8,518	1,924	30,069
Eliminated in respect of disposals	(8,650)	-	-	-	-	(8,650)
At 31 March 2024	171,649	1,900	-	60,254	5,775	239,578
Carrying amount						
At 31 March 2024	1,721,018	68,100	46,101	7,187	1	1,842,407
At 31 March 2023	1,827,162	48,800	-	5,184	1,926	1,883,072

Included in land and buildings above is the office and 13 (2023 - 14) houses which are used to support tenants. Shared ownership properties represents and interest in 2 (2023 - 2) properties.

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

15 Debtors		2024	2023
		£	£
Amounts falling due within one year:			
Tenant and franchise debt		66,483	66,247
Other debtors		76,818	63,835
Prepayments and accrued income		5,127	29,884
		<u>148,428</u>	<u>159,966</u>

16 Loans and overdrafts		2024	2023
	Notes	£	£
Bank loans		262,396	270,724
Payable within one year	14	10,700	10,700
Payable after one year	15	251,696	260,024
		<u>262,396</u>	<u>270,724</u>
		<u>10,700</u>	<u>10,700</u>
		<u>251,696</u>	<u>260,024</u>

The long-term loans are secured by fixed charges over five of the properties owned by the charity.

17 Creditors: amounts falling due within one year		2024	2023
	Notes	£	£
Bank loans	16	10,700	10,700
Other taxation and social security		18,301	17,186
Deferred income	19	27,452	56,213
Trade creditors		88,117	9,899
Other creditors		16,716	21,374
Accruals		5,404	15,639
		<u>166,690</u>	<u>131,011</u>

18 Creditors: amounts falling due after more than one year		2024	2023
	Notes	£	£
Bank loans	16	251,696	260,024
		<u>251,696</u>	<u>260,024</u>

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

19 Deferred income

Deferred income is included in the financial statements as follows:

	2024	2023
	£	£
Deferred income is included within:		
Current liabilities	27,452	56,213
	<u>27,452</u>	<u>56,213</u>
Movements in the year:		
Deferred income at 1 April 2023	56,213	7,000
Released from previous periods	(56,213)	(7,000)
Resources deferred in the year	27,452	56,213
	<u>27,452</u>	<u>56,213</u>
Deferred income at 31 March 2024	<u>27,452</u>	<u>56,213</u>

20 Retirement benefit schemes

Defined contribution schemes

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

The charge to profit and loss in respect of defined contribution schemes was £67,156 (2023 - £63,999).

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

21 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:

	Movement in funds				Balance at 31 March 2024
	Balance at 1 April 2023	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Special Projects					
Albert Hunt Trust	-	7,000	(7,000)	-	-
Beer Harris Memorial Trust	-	2,000	(2,000)	-	-
Benefact Trust	-	20,000	(20,000)	-	-
B&Q Foundation	-	5,000	(5,000)	-	-
Charles Hayward Foundation	-	25,000	(25,000)	-	-
Cinnamon Trust	-	2,000	(2,000)	-	-
Daughters of Jesus	-	200	(200)	-	-
Didymus Trust	7,502	10,000	(10,000)	-	7,502
Garfield Weston Foundation	-	50,000	(50,000)	-	-
Hopstead	-	5,903	(5,903)	-	-
Howard Foundation	-	3,450	(3,450)	-	-
Landaid Chairtable Trust	-	9,073	(9,073)	-	-
Mazars Charitable Trust	-	7,883	(7,883)	-	-
Norfolk Community Foundation	-	2,956	(2,956)	-	-
Donation for property	447,943	81,500	(16,842)	(46,101)	466,500
	<u>455,445</u>	<u>231,965</u>	<u>(167,307)</u>	<u>(46,101)</u>	<u>474,002</u>
Other including core costs					
Jerusalem Trust	-	76,000	(76,000)	-	-
	<u>-</u>	<u>76,000</u>	<u>(76,000)</u>	<u>-</u>	<u>-</u>
Property					
SEIF	74,834	-	(1,106)	-	73,728
	<u>74,834</u>	<u>-</u>	<u>(1,106)</u>	<u>-</u>	<u>73,728</u>
Total	<u>530,279</u>	<u>307,965</u>	<u>(244,413)</u>	<u>(46,101)</u>	<u>547,729</u>

There are a number of restricted funds as outlined above, some of which are for specific projects, some that cover specific elements of core costs. The two largest funds are as follows:

Donation for property - this relates to donations received to enable the charity to invest in further property to be used to house tenants. The transfer out of restricted funds represent purchase of fixed assets which are shown in the designated fixed asset fund.

SEIF - the funds received were for the purchase of a property by the charity. A property was purchased in 2012 and this fund is now represented by fixed assets, but the fund remains a restricted fund as the funding is potentially repayable to SEIF if there is a future change to the use of the property or the property is sold.

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

22 Designated funds

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

	Balance at 1 April 2022	Resources expended	Transfers	Balance at 1 April 2023	Resources expended	Transfers	Balance at 31 March 2024
	£	£	£	£	£	£	£
Fixed asset fund	1,518,842	(31,116)	9,785	1,497,511	(28,964)	(1,264)	1,467,283
	<u>1,518,842</u>	<u>(31,116)</u>	<u>9,785</u>	<u>1,497,511</u>	<u>(28,964)</u>	<u>(1,264)</u>	<u>1,467,283</u>

The fixed asset fund represents the net book value of the property and other fixed assets that is not represented by restricted funds, excluding the £60,000 (2023 - £40,000) investment from unrestricted funds in accordance with the charity's reserves policy.

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

23 Analysis of net assets between funds

Fund balances at 31 March 2024 are represented by:

	Unrestricted funds		Designated funds		Restricted funds		Total		Total
	2024	£	2024	£	2024	£	2024	£	
Intangible fixed assets	-		21,000		-		21,000		-
Tangible assets	59,999		1,708,679		73,729		1,842,407		1,883,072
Current assets/(liabilities)	417,883		(10,700)		474,000		881,183		824,243
Long term liabilities	-		(251,696)		-		(251,696)		(260,024)
	<u>477,882</u>		<u>1,467,283</u>		<u>547,729</u>		<u>2,492,894</u>		<u>2,447,291</u>

The analysis of current assets/(liabilities) is as follows:

	Unrestricted funds		Designated funds		Restricted funds		Total		Total
	2024	£	2024	£	2024	£	2024	£	
Current assets	148,427		-		-		148,427		159,966
Cash	397,994		-		501,452		899,446		795,288
Current liabilities	(128,538)		(10,700)		(27,452)		(166,690)		(131,011)
	<u>417,883</u>		<u>(10,700)</u>		<u>474,000</u>		<u>881,183</u>		<u>824,243</u>

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

24 Operating lease commitments

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

	2024 £	2023 £
Within one year	109,584	99,444
Between two and five years	8,156	10,091
	<u>117,740</u>	<u>109,535</u>

25 Capital commitments

	2024 £	2023 £
--	-----------	-----------

At 31 March 2024 the charity had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment	450,000	-
Acquisition of intangible assets	14,400	-
	<u>464,400</u>	<u>-</u>

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel including pension contributions is as follows.

	2024 £	2023 £
Aggregate compensation	<u>165,506</u>	<u>158,113</u>

Key management personnel represents 4 (2023 - 4) members of staff who form the executive team.

Included in expenditure are the following amounts in respect of rent paid on properties used for the charity's clients.

	2024 £	2023 £
Property rented from children of Mr G Howard	11,400	11,400
Property rented from Mr G Howard	1,597	1,597
Property rented from Mr and Mrs E Walker	4,492	5,437
Property rented from The Reverend Mrs D Tidball	1,919	1,919

During the year the charity received donations totalling £13,450 (2023 - £15,900) from Trustees.

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

27 Cash generated from operations	2024 £	2023 £
Surplus/(deficit) for the year	45,603	(72,429)
Adjustments for:		
Investment income recognised in statement of financial activities	(23,546)	(8,564)
Gain on disposal of tangible fixed assets	(39,297)	-
Depreciation and impairment of tangible fixed assets	30,070	32,222
Movements in working capital:		
Decrease/(increase) in debtors	11,539	(76,779)
Increase/(decrease) in creditors	64,440	(16,497)
(Decrease)/increase in deferred income	(28,761)	49,213
Cash generated from/(absorbed by) operations	<u>60,048</u>	<u>(92,834)</u>

28 Analysis of changes in net funds

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	795,288	104,157	899,445
	<u>795,288</u>	<u>104,157</u>	<u>899,445</u>
Loans falling due within one year	(10,700)	-	(10,700)
Loans falling due after more than one year	(260,024)	8,328	(251,696)
	<u>524,564</u>	<u>112,485</u>	<u>637,049</u>

Hope into Action UK

England & Wales - Charity number 1137686

Accounts

Charity registration number 1137686

Company registration number 07309173 (England and Wales)

HOPE INTO ACTION UK
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

HOPE INTO ACTION UK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	The Reverend Mrs D Tidball (Chair) Mr A J W Barnes Mr I G Billage Mr G Howard Mrs J Hunte Mr H J Kettel Ms R Mathew Mrs D J Nash	(Appointed 28 February 2023)
Secretary	Mr M Oldaker	(Appointed 11 May 2023)
Ambassador	Mr E Walker	
Executive team	John Kuhrt, CEO Kate Doran-Smith, Head of Network Mark Oldaker, Head of Operations Phil Crawford, Interim Head of Supporter Relations	
Charity number	1137686	
Company number	07309173	
Registered office	26 North Street Peterborough United Kingdom PE1 2RA	
Auditor	Azets Audit Services Ruthlyn House 90 Lincoln Road Peterborough Cambridgeshire United Kingdom PE1 2SP	
Bankers	Lloyds Bank plc 65 High Street Stamford Lincolnshire United Kingdom PE9 2AT	CAF Bank 25 Kings Hill Avenue West Malling Kent United Kingdom ME19 4JQ
	The Co-operative Bank Business Customer Services P.O. Box 250 Skelmersdale Wigan United Kingdom WN8 6WT	

HOPE INTO ACTION UK

CONTENTS

	Page
Trustees' report	1 - 11
Statement of trustees' responsibilities	12
Independent auditor's report	13 - 15
Statement of financial activities	16 - 17
Balance sheet	18 - 19
Statement of cash flows	20
Notes to the financial statements	21 - 36

HOPE INTO ACTION UK

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

The Trustees present their report and accounts for the year ended 31 March 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 governing document, 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

The charity's objects are to relieve poverty or financial hardship in England. Hope into Action works to enable churches, using their resources and matched with others raised by Hope into Action, to provide homes and support for the vulnerable and those experiencing homelessness in their community. In deciding the activities of the Charity, the Trustees have taken account of the public benefit guidance published by the Charity Commission.

The charity aims to use investment resources to buy homes for 2-3 tenants. Each home is linked to a local church that provides a community, friendship, mentoring and support. Also included is a professional Empowerment Worker who provides expertise to the tenants in benefits, tenancies, jobs, liaising with other agencies and action plans.

Each house is run in conjunction with a local church who sign a five year partnership with us committing to build long-term, holistic relationships with the tenants who were formerly homeless.

One tenant's story

"Before I came across Hope into Action, I was in a very bad position...constant drug abuse, alcohol abuse, moving from sofa to sofa.

Since moving into the Hope into Action house, I've been able to get my life back on track, and have goals and aspirations to set myself and ultimately conquer.

What helped was being somewhere stable. Being somewhere where you know you're in a supported environment, where if you do have any issues, you've got someone to help you, or even someone to just sit with you and help you understand the situation, so then you can solve it yourself. Hope into Action helps you get your life back on track."

from one of our tenants living in Portsmouth franchise

The Hope into Action model

Hope into Action is a unique response to the injustice and tragedy of homelessness. We both offer high quality accommodation and positive relationships with the local community. As the story above from one of our tenants shows, it is this *combination* that is transformative.

Our model is based on investors who are willing to use their savings to purchase houses. We then turn these houses into homes by partnering with churches who welcome people who would otherwise be homeless to live there. Churches provide the friendship and support and Hope into Action's professional staff look after the elements of assessment, benefits and housing management.

At the core of our work is a commitment to combine both professional excellence and spiritual passion. We are committed to professional excellence in how we support tenants, manage accommodation and how we steward investments, donations and our people. Alongside this, we want to maintain our spiritual passion and our belief in the transformative role that the Christian faith plays.

HOPE INTO ACTION UK

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

Our Network of line managed houses and franchises

Hope into Action began in Peterborough in 2010 when our founder Ed Walker used his own money to purchase our first house. The charity remains based in Peterborough at our Hope Centre. We directly manage the accommodation in Peterborough, Norwich, Nottingham and Cambridge.

The rest of our Network is run by churches and organisations who run Hope into Action franchises across the country.

Headline achievements from 2022/23

New houses

In 2022/23, we opened 5 new houses which took our total number of houses to 101.

New franchises opened

During 2022-23 we opened franchises in 6 new locations. This means that by 31st March, HiA is working in 36 locations across the country.

Our Founder receives an MBE

In June 2022, we were delighted to celebrate that HiA's founder Ed Walker received an MBE in the Queen's Birthday Honours. This was awarded for services in tackling homelessness.

Transition of leadership

In February 2023, we completed the transition of leadership from Ed Walker to Jon Kuhrt, who became HiA's new CEO. Jon has worked for 30 years in different leadership roles within the homeless and Christian social action sector. He is a former CEO of the West London Mission and immediately before joining HiA had spent 4 years as a government adviser on the role of faith groups in addressing rough sleeping.

This transition is a significant moment for the organisation. A comprehensive handover was completed and Ed and Jon worked together for a month. Ed transitioned to the role of Ambassador and has undertaken up to 2 days work per week since in speaking engagements and representing the organisation.

Strategic review

As new CEO Jon Kuhrt has led a review of strategy to build on the success of Hope into Action's first 13 years and also to address areas where we need to develop. The key headlines and priorities of this review are shared at the end of this report.

Rent Review

A key element has been a Rent Review which was initiated in February and involved a consultant from Homeless Link who helped us assess our costs and work out a rent level which more accurately reflected them.

This has led to our rent levels being increased and we are pleased that almost all of these changes have been accepted by the Local Authorities that we work within. This has significantly increased our income and helped our projected financial position for the coming year. In order to continue our emphasis on helping people into work, we have a bursary scheme in place which provides a discounted level of rent to those in employment.

Housing development project, Peterborough

A number of years ago, a benefactor donated Hope into Action UK £500,000 to build 3 new homes. We have identified some land and have managed to negotiate its sale from the local authority. We have entered into negotiations and are excited to be developing state of the art modular houses on the site, all of which conform to the highest energy ratings and will be a model of innovative supported housing. We aim to open this accommodation in November 2023.

HOPE INTO ACTION UK

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

Black Country Areas franchise

Our franchise relationship with the Enterprise Homes Group ended in July 2021 at which time HiA UK took over 5 of their homes and managed them from 21st July 2021. This location was renamed Black Country Areas and in April 2023, this transitioned back to being a franchise operation. We continue to work closely with this new franchise as it develops.

Conference 2023

In March 2023, we held our Annual Conference at Kingsgate Church, Peterborough. Over 350 people booked in and Les Isaac, founder of Street Pastors, was our keynote speaker. We also gave a heart-felt thanks and farewell to our Founder Ed Walker who was stepping down as Executive Director. New CEO, Jon Kuhrt spoke about this being a new chapter for HiA but one where we are telling the same story.

Achievements and performance

New franchises opened

During 2022-23 we opened franchises in 6 new locations in Belfast, Beverley, Bromley, Diss, South Belfast and Warrington.

New houses opening

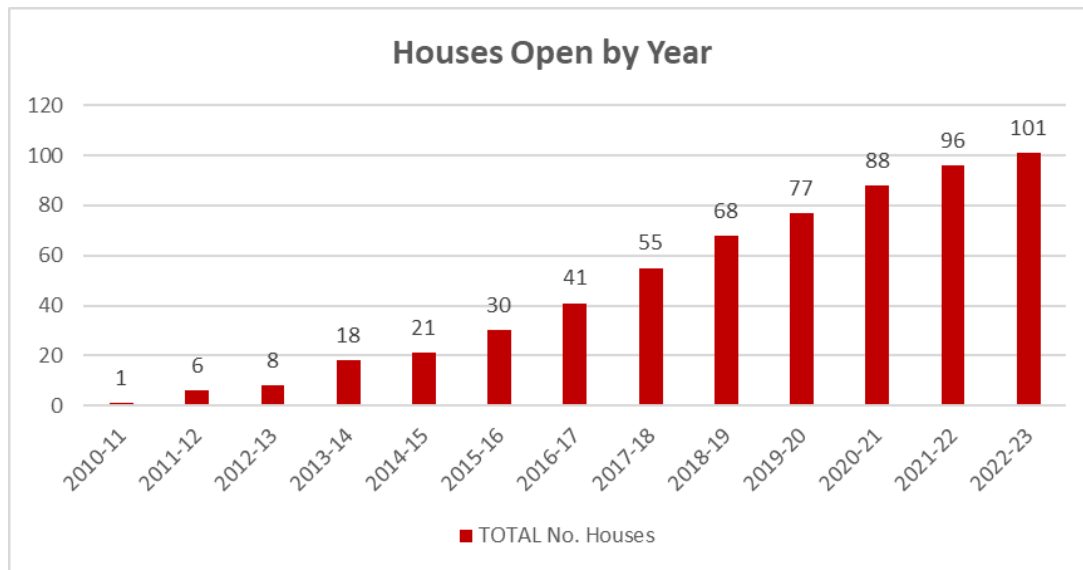
During 2022/23, we opened 10 new Hope into Action houses in

- Cambridge x 1
- Bath x 1
- Bournemouth x 2
- Bristol (inHope) x 2
- Portsmouth x 2
- Southampton x 1
- Suffolk x 1

This took our total houses by 31st March 2023 to 101.

HOPE INTO ACTION UK

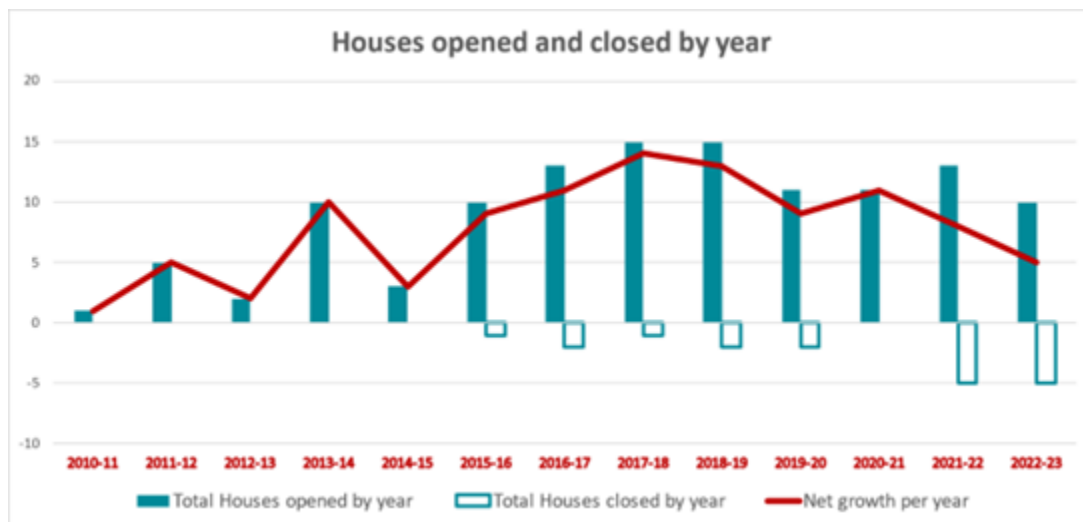
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023



Net growth

The graph above factors in homes which have closed as well as opened so gives a net result. 5 homes have closed in each of the last 2 years. These closures were due to a number of reasons, but most were due to reaching the end of a 5 year cycle of investment or projects closing due to church capacity.

At the time of writing, 3 more houses have already opened in the 2023-24 year and there are at least 27 others in the pipeline. We have also recently signed up 2 new Full Franchises in the North of England who expect to have houses open within the 23-24 year.



HOPE INTO ACTION UK

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

Summary of tenant outcomes

The point of all our work is transformation in the life of our tenants and our churches. Once again, we are delighted by the outstanding outcomes achieved by our tenants with the support of staff, church partners and franchisees. We believe these outcomes validate our theory of change: that by giving tenants a quality home with genuine connection and support to churches in the local community, we can see significant and sustained change.

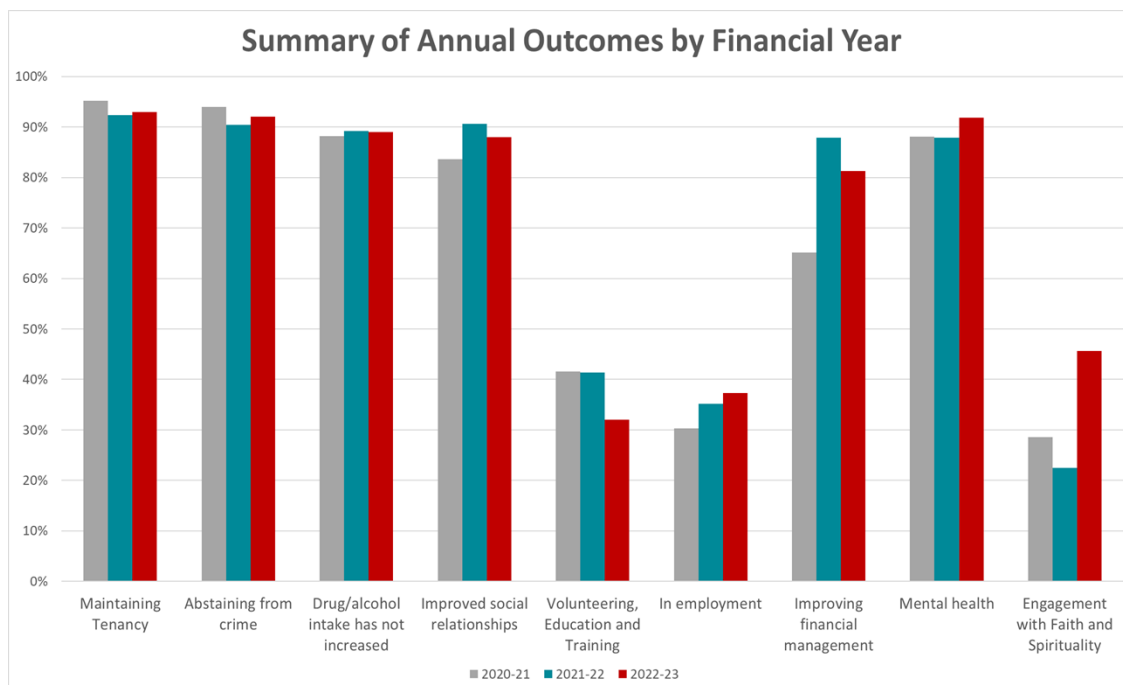
Outcome	2022-23 [2021-22]	Description
Demographics	412 [[^] from 352]	Adults: 300 (195 Male, 105 Female); Children: 112 (61 Male, 51 Female) 50% classed themselves as White British. At 31st March 2023, 21.8% of our houses housed at least one refugee, and 28% of our tenants were refugees, mostly families. 24% of tenants considered themselves to have a disability.
Maintaining Tenancy	93% [[^] from 92%]	383 tenants, including children, from 412 remained in Hope into Action properties and/or moved on well.
Abstaining from Crime	92% [[^] from 90%]	63 tenants have previously served a custodial sentence. Of those, 92% did not reoffend.
Drug and Alcohol Intake has not increased	89% [= 89%]	122 tenants have (had) a relationship with drugs and alcohol. 89% of those have not become more dependent, have reduced their dependency or became sober.
Improved Social Relationships	88% [^v from 91%]	264 of our tenants felt that they had improved or maintained positive relationships.
Meaningful use of time: Volunteering, Training & Education	32% [^v from 41%]	The number of adult tenants in education, training or volunteering was 96
Meaningful use of time: Employment	37% [[^] from 35%]	112 adult tenants in employment of all kinds (zero hours, full and part time contracts). 3% of adult tenants were unable to work.
Improving Financial Management	92% [[^] from 88%]	203, 68% of tenants did not have rent arrears; 31, 10% of tenants were actively managing debt.
Mental Health	92% [[^] from 88%]	168 tenants' mental health was stable or improving. 61% of tenants indicated that they had physical or mental health needs at start of year or point of referral. 92% of these maintained or improved this during the year. There were 2 deaths, and 5 babies born to tenants.
Engaging with Faith and Spirituality beyond that provided by F&S	46% [[^] from 22%]	50% of tenants engaged in a church service, Christian course or activity and 20% of tenants attended church more than once a month. 56% of tenants asked for or accepted prayer. 6 tenants were baptised or made some kind of commitment to the Christian faith. 13% of tenants engaged with a faith group other than the Christian faith.

[^] signifies increase from last year / = signifies same result / ^v signifies drop from last year

HOPE INTO ACTION UK

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

This is a summary of how these outcomes relate to previous years:

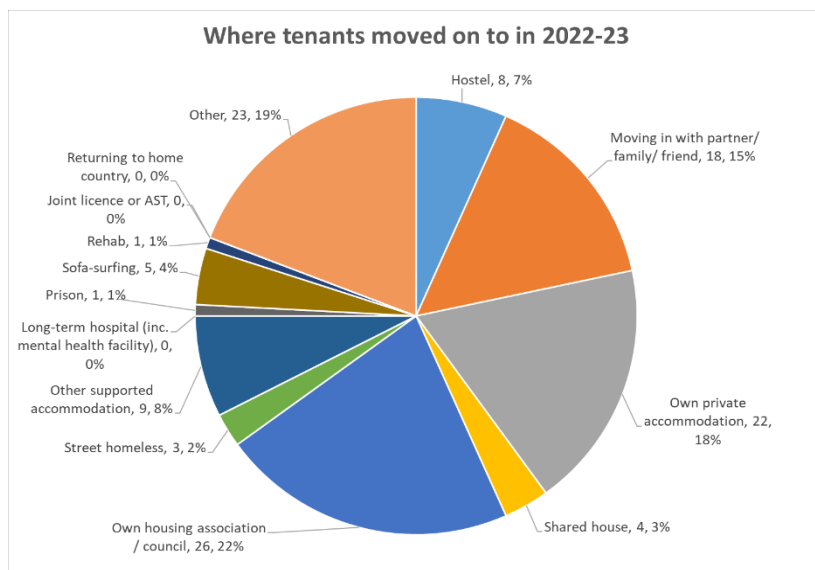


Tenant move-on from our houses

There is a crisis of affordable housing in the UK. This is obviously one of the key issues that HiA was established to influence. But this wider issue has a direct effect on our ability to move people on from our accommodation. The problem of accessing suitable and affordable move-on options is a key challenge for us.

We are therefore looking at ways to creatively address this issue. As well as working closely with the Local Authorities we will increase our search for private landlords who wish to partner with us and take on tenants who have established a good track record of tenancy management with us.

Reasons for negatively moving on include abandoning the property, moving on to substandard or poor quality housing (sofa-surfing, street homeless) or being evicted due to behaviour.



HOPE INTO ACTION UK

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

Risk

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity and are satisfied that systems are in place to mitigate exposure to the major risks. We have recently reviewed our risk register and have assessed these key factors as representing the key risk areas.

1. Unsuccessful grant funding would lead to a deficit and non-compliance with reserves policy
2. Ineffective management of voids leads to a deficit compromising reserves
3. A case of abuse/mishandling of power/ complaint/ poor safeguarding which leads to a scandal which could damage reputation
4. Ineffective management of houses leading to below standard or non-compliant properties
5. Lack of growth in regular donors
6. Closure of franchises and houses leading to lack of growth
7. Inability to recruit key staff reduces effectiveness of work
8. Loss of properties due to investor ending lease
9. Inability to source properties within investor expectations
10. Losing the Christian distinctiveness would compromise the core vision and mission of HiA to mobilise Christian faith, prayer, investments, donations and volunteering
11. Ineffective management of arrears leads to a deficit compromising reserves
12. Breakdown of church Friendship & Support groups reduces outcomes

Safeguarding

Maintaining professional excellence in how we manage Safeguarding continues to be one of our top priorities. The last year has seen us investing further in this area and we now have a Safeguarding Administrator and two Deputy Safeguarding Officers to support our Safeguarding Lead, Laura Cuthill, to ensure that advice and support around safeguarding is always available to staff and tenants. Throughout the year we ensure all staff are trained and confident in their safeguarding responsibilities.

We continue to monitor and log all incidents and safeguarding concerns across the Hope into action Network. In 2022/23, there were a total of 35 safeguarding concerns reported and 69 incidents reported. We logged all safeguarding concerns and incidents reported under the following categories: Domestic violence (including coercive control), Anti-social behaviour (including Threatening behaviour or Violence), Sexual abuse, Mental health crisis (including suicide attempt and self harm), Substance misuse or suspected drug dealing, Child protection, Modern day slavery, Financial abuse, Abandonment or disappearance.

Of the 35 Safeguarding concerns reported by staff the most common reason for completing a safeguarding concern report related to a tenant's mental health (16 reports). This included suicide ideation, self-harm or overdose of medication. Other categories in which we had safeguarding concerns raised by staff include, anti-social behaviour (6), domestic violence (5), sexual abuse (3), child protection (2), financial abuse (2), and substances abuse(1). Local Authority Social Services were involved with 6 of these cases including referrals made to them by staff because of concerns for a tenant's safety.

Of the 69 incidents logged, the most common reason for staff submitting a report was due to anti-social behaviour (24 reports) followed by mental health (16 reports). Other categories in which incidents reports were submitted include domestic violence (10), child protection (5), substance misuse (3), abandonment (3), sexual abuse (2) . This year there were 7 reports of incidents which did not fit into one of our current categories, 2 of these were around staff behaviour, 3 around physical health needs , 1 tenant death and 1 was a house fire. For next year we have added the categories of physical health, staff, and death so that we monitor the number of incidents that fall into these areas.

As part of our accountability, there were 3 reports made to the Charity Commission throughout the year in relation to the more serious safeguarding concerns. One was in relation to a Child Protection case, one following a tenant accused of a sexual offence and one relating to a tenant suicide. In each case, our actions were reported to the Charity Commission and they concluded that the trustees have dealt with the matter appropriately and responsibly and no further action was required.

HOPE INTO ACTION UK

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

Strategic direction for 2023/24

This is a key moment in Hope into Action's story as we transition from the leadership of our Founder and move into a new chapter.

We have undertaken a review of our strategy which has involved discussions with key staff, the Executive and the Trustees. We have re-confirmed our commitment to integrating professional excellence and spiritual passion. We believe this is the healthy root from which everything that Hope into Action does will grow.

We have committed to the following 3 strategic objectives and we developed an action plan based under these headings:

1. Our line-managed work will be an incubator of best practice.

Our work in our 4 line managed cities will embody the practice we want to see across our whole network.

2. We will strengthen *and* grow our franchise Network.

We want to grow the network significantly but also *strengthen* it through clarifying expectations, addressing fragility and focussing growth on areas where there is adequate capacity.

3. Faithful stewardship of finances, supporters and people.

Ensure our finances, houses, supporters and people are supported, valued and invested in as well as possible

HOPE INTO ACTION UK

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

Financial review

Reserves

The Trustees' policy with regard to reserves is to seek to maintain unrestricted funds, other than those designated from time to time for specific purposes, at a level sufficient to provide the charity with enough working capital to carry on its existing activities successfully for two to four months. This will enable the trustees to ensure continuity of activities and honour contractual liabilities.

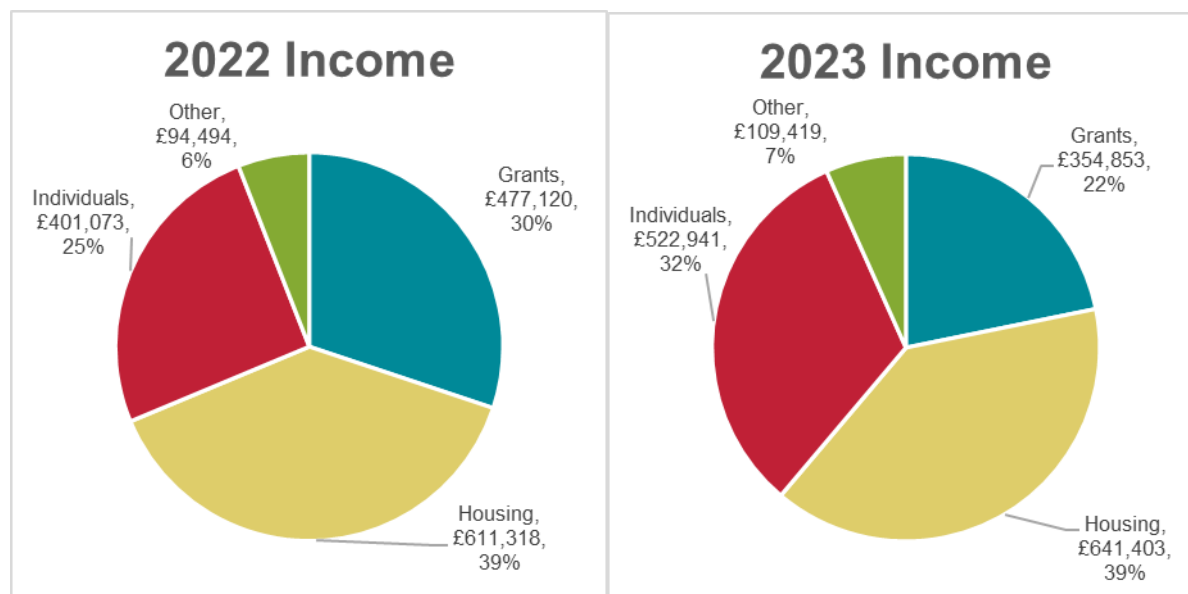
The Trustees have noted that the current level of free reserves is within that range at 3.4 months. In the unfortunate event of funding levels dropping to dangerous levels then the Trustees would have to consider the sale of one of our houses or re-mortgage a property.

Note 20 provides an analysis of funds where it can be seen that £448k of our cash balance is a restricted fund. This is the donation to for the housing development project in Peterborough, referenced in "Achievement in 2022/23" above.

Income and Expenditure

The net outgoing funds for 2023 is £72,429 (2022: income of 29,034) which includes donations of various restricted funds.

Trustees monitor the balance of income from the three primary sources.



Grant income was lower due to changes in some of the criteria for applications. Renewed focus has been given to this by employing a grant writer and consultancy support for new opportunities.

Individual donations were able to compensate for this due to the impact of the campaign to increase regular giving at the 2022 conference and the successful BIG Give campaign in December 2022. There were no restricted donations in the year (2022: £50,776). This was due to the focus on increasing our unrestricted income.

Our expenditure on charitable activities has grown by 9% (2022:19%). The 2022 number was affected by the temporary incorporation of the Black Country Areas (BCA) franchise into HIA UK to nurture its development. BCA was franchised out from 1 April 2023 and so its income and expenditure will no longer feature on our accounts. The main drivers for the increase were staff costs, maintenance and additional bad debts.

HOPE INTO ACTION UK

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

Assets and Investments

Hope into Action UK owns its main office and 14 houses used to support tenants.

As an organisation we encourage individuals and churches to share their wealth with people affected by poverty by investing in homes for people who are homeless. Where reserves allow, Trustees invest free reserves in homes within the Hope Into Action network.

This financial year, the trustees made the difficult decision not to invest free reserves in this way due to the challenging financial year. However, within a few weeks of making this decision a current investor decided to gift their part-investment to Hope into Action UK as they had been diagnosed with a terminal disease. We were able to visit this generous donor before they went to be with the Lord. The amount donated was £20,000 (this will appear in the 2023-24 accounts).

Conclusion

The financial management of Hope into Action is a key area where we seek to integrate professional excellence and spiritual passion. We are deeply grateful to our donors and investors for the valued financial support they give to us and we want to use these precious resources as well as possible. So often, their support for our work is an expression of their faith in God and his purposes.

It is to these purposes that we want to be focussed, spiritually and professionally, so that everything we do is to the glory of God.

HOPE INTO ACTION UK

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

Structure, governance and management

The charity is a company limited by guarantee and a registered charity governed by its articles and memorandum 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:

The Reverend Mrs D Tidball (Chair)

Mr A J W Barnes

(Appointed 28 February 2023)

Mr I G Billage

Mr G Howard

Mrs J Hunte

Mr H J Kettel

Ms R Mathew

Mrs D J Nash

The existing Trustees have the power to appoint new trustees.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

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



The Reverend Mrs D Tidball (Chair)

Trustee

Dated: 12 August 2023

HOPE INTO ACTION UK

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees, who are also the directors of Hope Into Action UK for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

HOPE INTO ACTION UK

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HOPE INTO ACTION UK

Opinion

We have audited the financial statements of Hope Into Action UK (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

HOPE INTO ACTION UK

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HOPE INTO ACTION UK

Responsibilities of Trustees

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

HOPE INTO ACTION UK

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HOPE INTO ACTION UK

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

21 August 2023

Chartered Accountants
Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
United Kingdom
PE1 2SP

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

HOPE INTO ACTION UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Current financial year

		Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
	Notes					
Income from:						
Donations and legacies	3	795,735	-	131,823	927,558	929,005
Charitable activities	4	692,493	-	-	692,493	649,852
Investments	5	8,564	-	-	8,564	5,144
Total income		1,496,792	-	131,823	1,628,615	1,584,001
Expenditure on:						
Raising funds	6	33,955	-	-	33,955	34,730
Charitable activities	7	1,462,797	31,116	173,176	1,667,089	1,520,237
Total resources expended		1,496,752	31,116	173,176	1,701,044	1,554,967
Net incoming/(outgoing) resources before transfers		40	(31,116)	(41,353)	(72,429)	29,034
Gross transfers between funds		(9,785)	9,785	-	-	-
Net (expenditure)/income for the year/ Net movement in funds		(9,745)	(21,331)	(41,353)	(72,429)	29,034
Fund balances at 1 April 2022		429,246	1,518,842	571,632	2,519,720	2,490,686
Fund balances at 31 March 2023		419,501	1,497,511	530,279	2,447,291	2,519,720

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.

HOPE INTO ACTION UK

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Prior financial year

	Notes	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income from:					
Donations and legacies	3	653,775	-	275,230	929,005
Charitable activities	4	649,852	-	-	649,852
Investments	5	5,144	-	-	5,144
Total income		<u>1,308,771</u>	<u>-</u>	<u>275,230</u>	<u>1,584,001</u>
Expenditure on:					
Raising funds	6	34,730	-	-	34,730
Charitable activities	7	1,243,090	32,748	244,399	1,520,237
Total resources expended		<u>1,277,820</u>	<u>32,748</u>	<u>244,399</u>	<u>1,554,967</u>
Net incoming/(outgoing) resources before transfers		30,951	(32,748)	30,831	29,034
Gross transfers between funds		(31,651)	37,427	(5,776)	-
Net (expenditure)/income for the year/ Net movement in funds		(700)	4,679	25,055	29,034
Fund balances at 1 April 2021		<u>429,946</u>	<u>1,514,163</u>	<u>546,577</u>	<u>2,490,686</u>
Fund balances at 31 March 2022		<u><u>429,246</u></u>	<u><u>1,518,842</u></u>	<u><u>571,632</u></u>	<u><u>2,519,720</u></u>

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.

HOPE INTO ACTION UK

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	11		1,883,072		1,914,497
Current assets					
Debtors	12	159,966		83,190	
Cash at bank and in hand		795,288		889,342	
		955,254		972,532	
Creditors: amounts falling due within one year	14	(131,011)		(98,295)	
Net current assets			824,243		874,237
Total assets less current liabilities			2,707,315		2,788,734
Creditors: amounts falling due after more than one year	15		(260,024)		(269,014)
Net assets			2,447,291		2,519,720
Income funds					
<u>Restricted funds</u>					
Property		74,834		75,940	
Specific projects		455,445		495,692	
	19		530,279		571,632
<u>Unrestricted funds - general</u>					
Designated funds	20		1,497,511		1,518,842
Other charitable funds			419,501		429,246
			2,447,291		2,519,720

HOPE INTO ACTION UK

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2023

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 March 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

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.

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 board of directors and authorised for issue on 12 August 2023 and are signed on its behalf by:



The Reverend Mrs D Tidball (Chair)

Trustee

Company Registration No. 07309173

HOPE INTO ACTION UK

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	23		(92,834)		69,272
Investing activities					
Purchase of tangible fixed assets		(794)		(166,681)	
Investment income received		8,564		5,144	
		<hr/>		<hr/>	
Net cash generated from/(used in) investing activities			7,770		(161,537)
Financing activities					
Repayment of bank loans		(8,990)		(110,746)	
		<hr/>		<hr/>	
Net cash used in financing activities			(8,990)		(110,746)
Net decrease in cash and cash equivalents			(94,054)		(203,011)
Cash and cash equivalents at beginning of year			889,342		1,092,353
			<hr/>		<hr/>
Cash and cash equivalents at end of year			795,288		889,342
			<hr/> <hr/>		<hr/> <hr/>

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Hope Into Action UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 26 North Street, Peterborough, PE1 2RA, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, 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)". 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 accounts have been prepared on 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 unless the funds have been designated for other purposes.

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 accounts.

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.

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 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.

All resources expended are accounted for gross, and in the period in which they are incurred. VAT is not recoverable by the charity and as such is included in the relevant costs in the Statement of Financial Activities.

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

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

1.6 Tangible fixed assets

Tangible fixed assets are measured at cost, 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:

Land and buildings	1% p.a. straight line on buildings
Shared ownership properties	1% p.a. straight line
Equipment	33% p.a. straight line
Motor vehicles	33% p.a. straight line

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

Shared ownership housing properties are included in fixed assets at the percentage of the charity's share in the ownership. Any payment for an increase in percentage of share is treated as an addition. Any payments received for a decrease in share is treated similar to the sale of property.

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.

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.9 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts 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.

HOPE INTO ACTION UK

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

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	572,705	-	572,705	400,584	50,776	451,360
Grants receivable	223,030	131,823	354,853	253,191	224,454	477,645
	<u>795,735</u>	<u>131,823</u>	<u>927,558</u>	<u>653,775</u>	<u>275,230</u>	<u>929,005</u>
Donations and gifts						
Donations from individuals	522,941	-	522,941	362,634	50,776	413,410
Churches	49,764	-	49,764	37,950	-	37,950
	<u>572,705</u>	<u>-</u>	<u>572,705</u>	<u>400,584</u>	<u>50,776</u>	<u>451,360</u>

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Donations and legacies

(Continued)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Grants receivable						
Albert Hunt Trust	-	7,000	7,000	-	-	-
Andrews Charitable Trust	72,050	-	72,050	33,825	-	33,825
Arnold Clark	-	-	-	-	2,000	2,000
Barclays	-	-	-	-	400	400
Beatrice Hankey Foundation	-	2,500	2,500	-	2,500	2,500
Beatrice Laing Trust	17,750	-	17,750	15,000	-	15,000
Beer Harris Memorial Trust	-	2,171	2,171	-	-	-
Big Lottery Funding	-	10,470	10,470	-	41,685	41,685
Blunt Trust	-	-	-	-	50	50
Cambridgeshire Community Fund	-	1,678	1,678	-	6,801	6,801
Cornerstone	10,000	-	10,000	-	-	-
Didymus Charity	-	10,000	10,000	-	10,000	10,000
Dominic Beer Trust	-	-	-	-	1,000	1,000
Garfield Weston Foundation	-	-	-	50,000	-	50,000
Homeless Link	-	-	-	-	88,000	88,000
Hopestead	-	6,607	6,607	-	-	-
Jerusalem Trust	-	3,240	3,240	31,000	-	31,000
Jones 1886 Trust	-	-	-	-	4,700	4,700
Lankelly Chase	-	-	-	1,000	-	1,000
Lighthouse Community Church	-	2,000	2,000	-	-	-
MacLellan Foundation	-	47,027	47,027	-	-	-
Maurice & Hilda Laing Charitable Trust	17,750	-	17,750	15,000	-	15,000
Mirembe Charitable Trust	480	-	480	1,440	-	1,440
Nationwide	-	-	-	-	19,188	19,188
Norfolk Community Foundation	-	-	-	-	600	600
Paul Bassham Trust	-	2,000	2,000	-	-	-
Pears Foundation	45,000	-	45,000	40,000	-	40,000
Persimmon	-	-	-	1,000	-	1,000
Porticus Foundation	45,000	-	45,000	45,000	-	45,000
St Baranabas Church	-	2,100	2,100	-	-	-
The Big Give	-	-	-	10,000	-	10,000
The Mercers' Company	-	32,530	32,530	-	32,530	32,530
The Rowney Trust	15,000	-	15,000	-	-	-
Vardy Foundation	-	2,500	2,500	-	10,000	10,000
Other	-	-	-	9,926	5,000	14,926
	<u>223,030</u>	<u>131,823</u>	<u>354,853</u>	<u>253,191</u>	<u>224,454</u>	<u>477,645</u>

HOPE INTO ACTION UK

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

4 Charitable activities

	2023 £	2022 £
Provision of housing	641,403	611,313
Franchise income	50,763	37,098
Book sales	327	1,441
	<u>692,493</u>	<u>649,852</u>

5 Investments

	2023 £	2022 £
Rental income	4,252	4,983
Interest receivable	4,312	161
	<u>8,564</u>	<u>5,144</u>

6 Raising funds

	2023 £	2022 £
<u>Fundraising and publicity</u>		
Costs of generating donations and legacies	33,955	34,730
	<u>33,955</u>	<u>34,730</u>

HOPE INTO ACTION UK

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

7 Charitable activities

	2023 £	2022 £
Staff costs	972,794	868,445
Depreciation and impairment	32,222	33,854
House rental and running costs	253,731	252,523
House maintenance and equipment	11,995	9,172
Franchising expenses	55,458	69,484
Volunteer expenses	4,124	16,812
Client support	7,122	3,664
Property refurbishment	93,533	83,768
General rates	9,657	5,824
Wolverhampton support costs	6,202	5,140
Norwich support costs	5,708	5,235
Nottingham support costs	9,444	7,955
Bad debt provision	30,365	10,374
Peterborough support costs	4,052	2,144
Cambridge support costs	10,883	7,187
Books	70	1,083
	<u>1,507,360</u>	<u>1,382,664</u>
Support costs (see note 8)	154,329	133,973
Governance costs (see note 8)	5,400	3,600
	<u>1,667,089</u>	<u>1,520,237</u>
Analysis by fund		
Unrestricted funds - general	1,462,797	1,243,090
Designated funds	31,116	32,748
Restricted funds	173,176	244,399
	<u>1,667,089</u>	<u>1,520,237</u>

HOPE INTO ACTION UK

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

8 Support costs

	Support costs	Governance costs	2023 Support costs	Governance costs	2022
	£	£	£	£	£
Property costs	1,458	-	1,458	156	156
Loan interest	2,663	-	2,663	5,492	5,492
Marketing	7,303	-	7,303	1,128	1,128
Franchising expenses	3,033	-	3,033	2,551	2,551
Light and heat	2,084	-	2,084	2,503	2,503
Travel and subsistence	12,374	-	12,374	8,580	8,580
Printing, postage and stationery	2,990	-	2,990	2,524	2,524
Telephone and fax	11,570	-	11,570	13,100	13,100
Computer and software	56,929	-	56,929	47,466	47,466
Professional and consultancy costs	23,605	-	23,605	22,687	22,687
Insurance	14,454	-	14,454	12,577	12,577
Refreshments	2,399	-	2,399	140	140
Sundry expenses	9,393	-	9,393	2,762	2,762
Legal fees	2,986	-	2,986	8,683	8,683
Accountancy fees	1,088	-	1,088	3,624	3,624
Audit fees	-	5,400	5,400	-	3,600
	<u>154,329</u>	<u>5,400</u>	<u>159,729</u>	<u>133,973</u>	<u>137,573</u>

Governance costs represents payments to the auditors of £5,400 (2022- £3,600) for audit fees.

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year. Two Trustees (2022 - 1) were reimbursed a total of £513 for travelling expenses (2022- £106).

HOPE INTO ACTION UK

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

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Average number of employees	41	40

Employment costs

	2023	2022
	£	£
Wages and salaries	842,649	760,408
Social security costs	66,146	50,392
Other pension costs	63,999	57,645
	<u>972,794</u>	<u>868,445</u>

The average full time equivalent number of employees during the year was 30 (2022 - 28).

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

11 Tangible fixed assets

	Land and buildings	Shared ownership properties	Equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2022	1,988,533	50,000	56,125	5,776	2,100,434
Additions	-	-	795	-	795
At 31 March 2023	<u>1,988,533</u>	<u>50,000</u>	<u>56,920</u>	<u>5,776</u>	<u>2,101,229</u>
Depreciation and impairment					
At 1 April 2022	141,486	700	41,825	1,925	185,936
Depreciation charged in the year	19,885	500	9,911	1,925	32,221
At 31 March 2023	<u>161,371</u>	<u>1,200</u>	<u>51,736</u>	<u>3,850</u>	<u>218,157</u>
Carrying amount					
At 31 March 2023	<u>1,827,162</u>	<u>48,800</u>	<u>5,184</u>	<u>1,926</u>	<u>1,883,072</u>
At 31 March 2022	<u>1,847,047</u>	<u>49,300</u>	<u>14,299</u>	<u>3,851</u>	<u>1,914,497</u>

Included in land and buildings above is the office and 14 (2022 – 14) houses which are used to support tenants. Shared ownership properties represents an interest in 2 (2022 – 2) properties.

HOPE INTO ACTION UK

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

12 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Tenant and franchise debt	66,247	42,675
Other debtors	63,835	30,377
Prepayments and accrued income	29,884	10,138
	<u>159,966</u>	<u>83,190</u>

13 Loans and overdrafts

	Notes	2023	2022
		£	£
Bank loans		270,724	279,714
Payable within one year	14	10,700	10,700
Payable after one year	15	260,024	269,014

The long-term loans are secured by fixed charges over five of the properties owned by the charity.

14 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Bank loans	13	10,700	10,700
Other taxation and social security		17,186	13,979
Deferred income	16	56,213	7,000
Trade creditors		9,899	42,736
Other creditors		21,374	19,812
Accruals		15,639	4,068
		<u>131,011</u>	<u>98,295</u>

15 Creditors: amounts falling due after more than one year

	Notes	2023	2022
		£	£
Bank loans	13	260,024	269,014

HOPE INTO ACTION UK

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

16 Deferred income

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	56,213	7,000
	<u> </u>	<u> </u>
Movements in the year:		
Deferred income at 1 April 2022	7,000	19,188
Released from previous periods	(7,000)	(12,188)
Resources deferred in the year	56,213	-
	<u> </u>	<u> </u>
Deferred income at 31 March 2023	56,213	7,000
	<u> </u>	<u> </u>

17 Retirement benefit schemes

Defined contribution schemes

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

The charge to profit and loss in respect of defined contribution schemes was £63,999 (2022 - £57,645).

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 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:

	Movement in funds				Balance at 31 March 2023
	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Special Projects					
Albert Hunt Trust	-	7,000	(7,000)	-	-
Beatrice Hankey Foundation	-	2,500	(2,500)	-	-
Cambridgeshire Community Fund	-	1,678	(1,678)	-	-
Didymus Trust	7,502	10,000	(10,000)	-	7,502
Dominic Beer Trust	-	2,171	(2,171)	-	-
Hopestead	-	6,607	(6,607)	-	-
Lighthouse Community Church	-	2,000	(2,000)	-	-
Maclellan	-	47,027	(47,027)	-	-
Mercer's Trust	-	32,530	(32,530)	-	-
Paul Bassham Trust	-	2,000	(2,000)	-	-
St Barnabas Trust	-	2,100	(2,100)	-	-
Vardy Foundation	-	2,500	(2,500)	-	-
Donation for property	488,190	-	(40,247)	-	447,943
	<u>495,692</u>	<u>118,113</u>	<u>(158,360)</u>	<u>-</u>	<u>455,445</u>
Other including core costs					
Big Lottery	-	10,470	(10,470)	-	-
Jerusalem Trust	-	3,240	(3,240)	-	-
	<u>-</u>	<u>13,710</u>	<u>(13,710)</u>	<u>-</u>	<u>-</u>
Property					
SEIF	75,940	-	(1,106)	-	74,834
	<u>75,940</u>	<u>-</u>	<u>(1,106)</u>	<u>-</u>	<u>74,834</u>
Total	<u>571,632</u>	<u>131,823</u>	<u>(173,176)</u>	<u>-</u>	<u>530,279</u>

There are a number of restricted funds as outlined above, some of which are for specific projects, some that cover specific elements of core costs. The two largest funds are as follows:

Donation for property - this relates to a donation received to enable the charity to invest in further property to be used to house tenants.

SEIF - the funds received were for the purchase of a property by the charity. A property was purchased in 2012 and this fund is now represented by fixed assets, but the fund remains a restricted fund as the funding is potentially repayable to SEIF if there is a future change to the use of the property or the property is sold.

HOPE INTO ACTION UK

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

19 Designated funds

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

	Balance at 1 April 2021	Resources expended	Transfers	Balance at 1 April 2022	Resources expended	Transfers	Balance at 31 March 2023
	£	£	£	£	£	£	£
Fixed asset fund	1,314,163	(32,748)	237,427	1,518,842	(31,116)	9,785	1,497,511
Mortgage repayment provision	100,000	-	(100,000)	-	-	-	-
Additional property provision	100,000	-	(100,000)	-	-	-	-
	<u>1,514,163</u>	<u>(32,748)</u>	<u>37,427</u>	<u>1,518,842</u>	<u>(31,116)</u>	<u>9,785</u>	<u>1,497,511</u>

The fixed asset fund represents the net book value of the property and other fixed assets that is not represented by restricted funds, excluding the £40,000 investment from unrestricted funds in accordance with the charity's reserves policy.

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

20 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total	Unrestricted funds	Designated funds	Restricted funds	Total
	2023	2023	2023	2023	2022	2022	2022	2022
	£	£	£	£	£	£	£	£
Fund balances at 31 March 2023 are represented by:								
Tangible assets	40,000	1,768,238	74,834	1,883,072	40,000	1,798,557	75,940	1,914,497
Current assets/(liabilities)	379,498	(10,700)	455,445	824,243	389,246	(10,701)	495,692	874,237
Long term liabilities	-	(260,024)	-	(260,024)	-	(269,014)	-	(269,014)
	<u>419,498</u>	<u>1,497,514</u>	<u>530,279</u>	<u>2,447,291</u>	<u>429,246</u>	<u>1,518,842</u>	<u>571,632</u>	<u>2,519,720</u>

The analysis of current assets/(liabilities) is as follows:

	Unrestricted funds	Designated funds	Restricted funds	Total	Unrestricted funds	Designated funds	Restricted funds	Total
	2023	2023	2023	2023	2022	2022	2022	2022
	£	£	£	£	£	£	£	£
Current assets	152,464	-	7,502	159,966	83,191	-	-	83,191
Cash	347,345	-	447,943	795,288	393,649	-	495,692	889,341
Current liabilities	(120,311)	(10,700)	-	(131,011)	(87,595)	(10,700)	-	(98,295)
	<u>379,498</u>	<u>(10,700)</u>	<u>455,445</u>	<u>824,243</u>	<u>389,245</u>	<u>(10,700)</u>	<u>495,692</u>	<u>874,237</u>

HOPE INTO ACTION UK

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

21 Operating lease commitments

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

	2023 £	2022 £
Within one year	99,444	91,530
Between two and five years	10,091	558
	<u>109,535</u>	<u>92,088</u>

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel including pension contributions is as follows.

	2023 £	2022 £
Aggregate compensation	<u>158,113</u>	<u>136,998</u>

Key management personnel represents 4 (2022 - 5) members of staff who form the executive team.

Included in expenditure are the following amounts in respect of rent paid on properties used for the charity's clients.

	2023 £	2022 £
Property rented from children of Mr G Howard	11,400	11,224
Property rented from Mr G Howard	1,597	1,597
Property rented from Mr and Mrs E Walker	5,437	6,112
Property rented from The Reverend Mrs D Tidball	1,919	1,920

HOPE INTO ACTION UK

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

23	Cash generated from operations	2023	2022	
		£	£	
	(Deficit)/surplus for the year	(72,429)	29,034	
	Adjustments for:			
	Investment income recognised in statement of financial activities	(8,564)	(5,144)	
	Depreciation and impairment of tangible fixed assets	32,222	33,854	
	Movements in working capital:			
	(Increase)/decrease in debtors	(76,779)	10,628	
	(Decrease)/increase in creditors	(16,497)	13,088	
	Increase/(decrease) in deferred income	49,213	(12,188)	
	Cash (absorbed by)/generated from operations	(92,834)	69,272	
		<u><u> </u></u>	<u><u> </u></u>	
24	Analysis of changes in net funds			
		At 1 April 2022	Cash flows	At 31 March 2023
		£	£	£
	Cash at bank and in hand	889,342	(94,054)	795,288
		<u> </u>	<u> </u>	<u> </u>
		889,342	(94,054)	795,288
	Loans falling due within one year	(10,700)	-	(10,700)
	Loans falling due after more than one year	(269,014)	8,990	(260,024)
		<u> </u>	<u> </u>	<u> </u>
		609,628	(85,064)	524,564
		<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

Hope into Action UK

England & Wales - Charity number 1137686

Accounts

Charity registration number 1137686

Company registration number 07309173 (England and Wales)

HOPE INTO ACTION UK
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

HOPE INTO ACTION UK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr I G Billage Mr G Howard Mrs J Hunte Mr H J Kettel Ms R Mathew Mrs D J Nash Revd D Tidball	(Appointed 4 February 2022) (Appointed 10 February 2022)
Secretary	Mr E R Walker	
Charity number	1137686	
Company number	07309173	
Registered office	26 North Street Peterborough United Kingdom PE1 2RA	
Auditor	Azets Audit Services Ruthlyn House 90 Lincoln Road Peterborough United Kingdom PE1 2SP	
Bankers	Lloyds Bank plc 65 High Street Stamford Lincolnshire United Kingdom PE9 2AT	
	The Co-operative Bank Business Customer Services P.O. Box 250 Skelmersdale Wigan United Kingdom WN8 6WT	
	CAF Bank 25 Kings Hill Avenue West Malling Kent United Kingdom ME19 4JQ	

HOPE INTO ACTION UK

CONTENTS

	Page
Trustees' report	1 - 7
Statement of trustees' responsibilities	8
Independent auditor's report	9 - 11
Statement of financial activities	12 - 13
Balance sheet	14 - 15
Statement of cash flows	16
Notes to the financial statements	17 - 34

HOPE INTO ACTION UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their report and accounts for the year ended 31 March 2022.

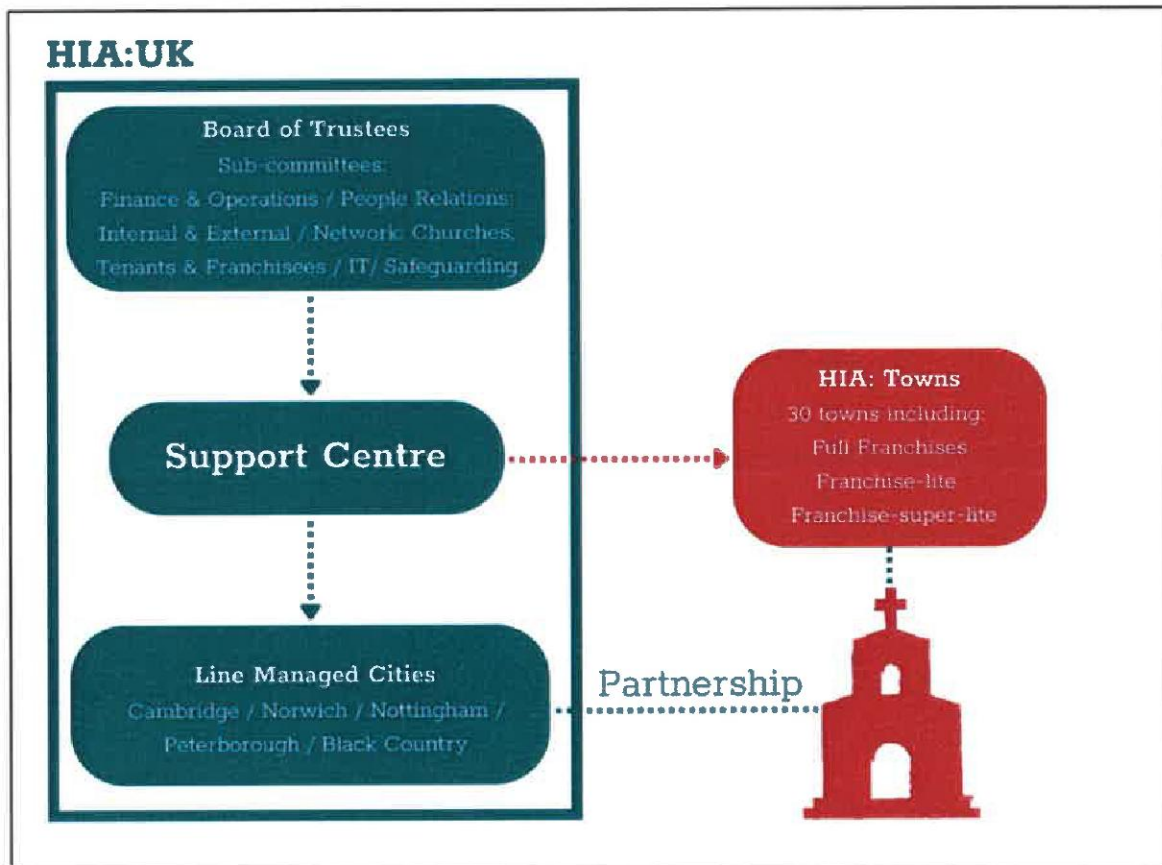
The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities 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

The charity's objects are to relieve poverty or financial hardship in England. Hope into Action works to enable churches, using their resources and matched with others raised by Hope into Action, to provide homes and support for the vulnerable and those experiencing homelessness in their community.

The charity aims to use investment resources to buy homes for 2-3 tenants. Each home is linked to a local church that provides a community, friendship, mentoring and support. Also included is a professional Empowerment Worker who provides expertise to the tenants in benefits, tenancies, jobs, liaising with other agencies and action plans.

Each house is run in conjunction with a local church who sign a five year partnership with us committing to build long-term, holistic relationships with the tenants who were formerly homeless.



HOPE INTO ACTION UK

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

We run the operations in Peterborough, Cambridge, Nottingham, Norwich, Black Country and then we have a franchise arrangement, governed by a franchise agreement, in every other town we work. This is either a Full Franchise or a Franchise-lite (which is generally a house run by a church). We give some towns accounting support ("Franchise-super-lite").

Enabling church members to outwork their passions for the marginalised in a relational manner is a core part of our mission. The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Our vision

Our vision is to see every church lovingly making a home for the homeless.

Our 5 year goal

By the end of 5 years we see 200 churches, running homes for the homeless with 500 tenants being housed and every single one of them in a befriending relationship with the local church.

Modus Operandi

We seek to achieve the above goal by developing a vibrant, inter-active, highly-connected network of churches, staff, franchisees – all contributing and learning from each other. We aim to keep our support centre as light as possible – and work on harnessing the resources across the country of those operating under the Hope into Action banner.

Directional leadership is needed to guide the network. We aim to empower the front line through 4 principle "scaffolding poles":

1. Excellent training
2. Facilitation of meetings, conferences, retreats, on-line training
3. Brilliant systems, policies and procedures
4. Conflict resolution at source

We call this getting our 'brains into our legs.'

Achievements and performance

In April 2021 we had 87 homes open in partnership with 71 churches. We opened a further 13 during the year. We ended the year on 100 homes open in partnership with 96 churches. (The rapid increase in churches was because a number of our homes are run with more than one supporting church which we began to count.)

The number of tenants increased from 231 (with capacity for 277) to 271 (with capacity for 319). In total we house 351 tenants across the year.

We have increased the number of full franchise agreements from 12 to 14, with Bath and Bristol signing.

We have increased the number of franchise-lites from 13 to 15 with Newark and Canterbury signing agreements.

Therefore the total number of towns we have relationship with has gone from 29 to 35. This includes Black Country moving from Full franchise to Line managed. More on this below and Bromley to whom we had offered an agreement but they had not signed this time last year.

However last year 25 towns had houses open, now it is 27, with homes opening in Corby and Ashford during the year.

HOPE INTO ACTION UK

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

FOR THE YEAR ENDED 31 MARCH 2022

Other successful events during the year included

A staff retreat with over 45 people attending, with guest speaker of Simon Guillebaud. Staff and franchisees from around the country gathered.

We also ran a successful conference with more people than we had ever had attend: over 400. Guest speakers included: the Bishop of Blackburn, Bekah Legg, Tania Bright, Martin Berry and Rev Rebecca Winfrey.

Black Country

Our franchise relationship with the Enterprise Homes Group ended in July 2021. We took over 5 of their 7 homes and ran those from 21st July.

Building Project

A benefactor has donated Hope into Action: UK £500,000 to build 3 new homes. We have identified some land and on 25th January 2022 the council granted us permission to build. We are now waiting on another arm of the council to transfer the land to us.

Staff

As well as being passionate about our vision and mission we are passionate about making Hope into Action: UK an amazing place to work. We aim to invest in our staff and make them feel cared for, equipped and empowered to do their work. Therefore, one of our strategic priorities is to invest in recruiting, onboarding and developing people of character. All new employees spend time with those in our support centre, as part of an induction, including time with our Executive Director, who shares the vision and values of Hope into Action from his heart.

We ended the year with 41 staff (full time equivalent of 29). We are delighted with our staff team and realise we could not do our work with their commitment, skills, hard-work and love. Investing in our staff, providing a caring environment is critical to our work.

New roles that we created this year include:

- Head of Operations: This role oversees finances, IT and our housing work.
- Franchise and Safeguarding Lead: Investing in Franchising is critical to building capacity for the future. We also need extra Safeguarding capacity.
- Human Resource Administrator: This role was previously held by a highly committed volunteer.
- Spiritual Advisor: to offer pastoral and spiritual support.

Internal Promotions/ staff changes

Over the course of the year we held external recruitment processes but were still able to promote five staff into the positions of franchise lead, Cambridge Team Leader, Nottingham Team Leader, Norwich Team Leader and, Empowerment Worker. All these staff have made the transition really well and we thank them for their service.

Significant Departures

This year, several long-serving employees have left due to retirement or a range of other reasons. All experienced the now infamous 'Teams call' where they are thanked and honoured in full plenary. All have been offered exit interviews which have been shared, unedited, with trustees. We thank every one for their service, sacrifice and impact on our mission to help the church house those who have experienced homelessness.

HOPE INTO ACTION UK

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

Outcomes

We are delighted once again by the outstanding outcomes achieved by our tenants, staff, church partners and franchisees. This statistics are genuinely strong, comparable with any charity in the country. They reveal and validate, once again, our theory of change: our tenants are innately talented, gifted members of society and, given a strong, stable, safe home combined with loving and supportive relationships then they are more likely to find motivation and make positive choices.

Outcome	2021-22 [2020-21]	Description
Demographics	352 [315]	Adults: 256; Children: 96 57% classed themselves as White British. As of 31st March 2022, 20.4% of our houses housed at least one refugee, and 30.5% of our tenants were refugees, mostly families. 13% of tenants considered themselves to have a disability.
Maintaining Tenancy	92% [95%]	325 tenants, including children, from 352 remained in Hope into Action properties and/or moved on well.
Abstaining from Crime	90% [94%]	63 tenants have previously served a custodial sentence. Of those, 90% did not reoffend. Of the 6 tenants who did reoffend, we rehoused 4. Of the remaining 2 we continued to support 1 while she was in prison.
Drug and Alcohol Intake has not increased (note slight change of definition)	89% [88%]	111 tenants have (had) an abusive relationship with drugs and/or alcohol. 89% of those have not become more dependent, have reduced their dependency or became sober. 53% (59) became sober or maintained their sobriety!! 6 people lost their accommodation because of their drug / alcohol use.
Improved or maintained their Social Relationships	91% [84%]	140 of our tenants felt that they had improved their social relationships; 92 tenants felt that they had maintained positive relationships.
Meaningful use of time: Volunteering, Training and Education	41% [42%]	The number of adult tenants in education, training or volunteering was 106
Meaningful use of time: Employment	35% [30%]	90 adult tenants in employment of all kinds (zero hours, full and part time contracts). 4% of adult tenants were unable to work.
Improving Financial Management	88%	197 (77%) of tenants did not have rent arrears; 15 (6%) of tenants were actively managing debt. 46% of tenants paid their personal charge by standing order.
Physical and Mental Health	88%* [88%]	42% of tenants indicated that they had physical or mental health needs at start of year or point of referral. 88% of these maintained or improved this during the year. There were no deaths, and 5 babies born to tenants!
Engaging with Faith and Spirituality beyond that provided by F&S	22%* [29%]	22% of our tenants engage in some form of faith practice. This may include (for example) worshipping at a mosque. 16% of tenants attended church more than once a month. 39% of tenants asked for or accepted prayer. 6 tenants were baptised or made some kind of commitment to the Christian faith (same as the last 2 years)

*Note that this data collected from Franchises included children, whereas data was for adults only in Line Managed locations.

HOPE INTO ACTION UK

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

FOR THE YEAR ENDED 31 MARCH 2022

Strategic Review

We continue to follow our strategic plan which was set-out in autumn 2020 following a summer of a strategic review lead by an external consultant. Of the 5 major steps to achieving our 5 year vision significant progress has been made on 4 of them. These are:

1. Increase our staff capacity to support growth in franchisees
2. Invest in further training and capacity building of franchisees (especially in leadership and governance)
3. Provide extra resources to develop a 'church department'
4. Expand the capacity of our supporter relations
5. Internships. This is one area we have prepared for and still plan to do.

Safeguarding and critical incidents

Hope into Action is committed to safeguarding vulnerable service users and staff and seeks to take all appropriate measures to enable this. This includes training staff/volunteers, building constructive relationships with key Safeguarding Agencies and ensuring mechanisms for reporting of concerns. Like all organisations relating to the most vulnerable, issues of Safeguarding occur more often than we would like. Each one is dealt with carefully and according to good safeguarding practice. The incidents noted reflect the issues that are faced far too often in society in general and, given the vulnerabilities faced by many of our tenants, are more highly represented in them than the general population.

During the year we hired a consultant from the independent Christian safeguarding organisation thirtyone:eight to review our practices. One of his recommendations was to institute a Safeguarding Sub-Committee. This is now chaired by an existing trustee, Diana Nash, with an advisor, Sarah Hamilton in attendance. This is shown on the chart at the start of this report.

We had 36 new safeguarding reports in the year. 3 reports were carried over from the previous year, making a total of 39. 28 reports were from line-managed cities, 11 from franchise partners. Trend wise, we categorise reports into sub groups; Mental health crises are the most common (accounting for 8). Sexual abuse is 2nd (6), child protection and ASB/violence are joint 3rd (5 each) and a mixture of others for the remaining (Domestic abuse / abandonment / financial / substance related). We have paid particular attention and been quick to respond to all matters relating to sexual abuse or allegations made.

In total we have reported 2 of the most serious safeguarding concerns to the charity commission. And one of our franchise partners has also reported one safeguarding concern to the charity commission pertaining to a safeguarding issue which occurred in a Hope into Action home in their location. In addition to the safeguarding reports, we had 53 incidents reported this year; the four most common categories in previous years have been anti-social behaviour/ violence, substance misuse, mental health struggles and child protection (in ranking order).

HOPE INTO ACTION UK

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

FOR THE YEAR ENDED 31 MARCH 2022

Financial review

Reserves

The Trustees' policy with regard to reserves is to seek to maintain unrestricted funds, other than those designated from time to time for specific purposes, at a level sufficient to provide the charity with enough working capital to carry on its existing activities successfully for two to four months. This will enable the trustees to ensure continuity of activities and honour contractual liabilities.

The Trustees have noted that the **current level of free reserves is within that range at 3.3 months**. In the unfortunate event of funding levels dropping to dangerous levels then the Trustees would have to consider the sale of one of our houses or re-mortgage a property.

Income and Expenditure

The net income for 2022 is £29,034 (2021: £457,431) which includes donations of various restricted funds. Grant income was lower at £477,645 (2021: £651,289) due to changes in some of the criteria for applications. Individual unrestricted giving was higher at £400,584 (2021: £380,381) and this is without the impact of the campaign to increase regular giving at the 2022 conference. The movement on the restricted donations to £50,776 (2021: £178,219) was driven by the final donation for the building of a property.

Trustees monitor the balance of income from the three primary sources. The increase in income from housing is driven by the additional house and better void management.

- 26% Individuals, Gift aid & churches (2021: 32%)
- 40% Housing (2021: 29%)
- 31% Grants (37%)

Our costs ("charitable activities") have grown by 19% (2021: 7%) which was driven by a few significant factors: managing the Black Country franchise for most of the year, investment in some new staff positions (as outlined in the Strategic report) and the annual conference. Without these factors, the increase in charitable activities would have been around 6%.

Hope into Action believe the pay ratio between the highest and lowest paid members of staff is important. This is in keeping with our value of mutuality. In 2022 this ratio was 2 for the FTE salary.

Risk

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

Assets and Investments

Hope into Action:UK owns its main office and 14 houses used to support tenants.

As an organisation we encourage individuals and churches to share their wealth with the poor by investing in homes for the homeless. It is important we are able to model this approach ourselves. This financial year, for the second year running, **we invested £20,000 from our free reserves** (and a £10,000 donation restricted for that purpose), into homes for the homeless. This year in HIA Bournemouth and the year before it was HIA Southampton. This is in line with our reserves policy. We intend to continue investing £20,000 per annum until £100,000 is invested.

Additionally this year we were able to use our designated reserves to purchase a further property as part of our move to take over the operations in the Black Country. We also reduced our mortgage on our North Street Office by £100,000. This reduces our loan repayments per annum.

HOPE INTO ACTION UK

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

Structure, governance and management

The charity is a company limited by guarantee and a registered charity governed by its articles and memorandum 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 I G Billage	
Mrs Y A Emery	(Resigned 8 July 2021)
Mr G Howard	
Mrs J Hunte	(Appointed 4 February 2022)
Mr H J Kettel	
Ms R Mathew	(Appointed 10 February 2022)
Mrs D J Nash	
Mr M Oldaker	(Resigned 8 July 2021)
Revd D Tidball	

The existing Trustees have the power to appoint new trustees.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

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



Mr G Howard
Trustee
Dated: 21 July 2022

HOPE INTO ACTION UK

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees, who are also the directors of Hope Into Action UK for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

HOPE INTO ACTION UK

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HOPE INTO ACTION UK

Opinion

We have audited the financial statements of Hope Into Action UK (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

HOPE INTO ACTION UK

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HOPE INTO ACTION UK

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

HOPE INTO ACTION UK

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HOPE INTO ACTION UK

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

12/09/2022

Chartered Accountants
Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
United Kingdom
PE1 2SP

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

HOPE INTO ACTION UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022	Designated funds 2022	Restricted funds 2022	Total 2022	Unrestricted funds 2021	Designated funds 2021	Restricted funds 2021	Total 2021
		£	£	£	£	£	£	£	£
Income from:									
Donations and legacies	3	653,775	-	275,230	929,005	762,225	-	447,664	1,209,889
Charitable activities	4	649,852	-	-	649,852	541,144	-	-	541,144
Investments	5	5,144	-	-	5,144	9,266	-	-	9,266
Total income		1,308,771	-	275,230	1,584,001	1,312,635	-	447,664	1,760,299
Expenditure on:									
Raising funds	6	34,730	-	-	34,730	26,244	-	-	26,244
Charitable activities	7	1,243,090	32,748	244,399	1,520,237	922,318	27,510	326,796	1,276,624
Total resources expended		1,277,820	32,748	244,399	1,554,967	948,562	27,510	326,796	1,302,868
Net incoming resources before transfers		30,951	(32,748)	30,831	29,034	364,073	(27,510)	120,868	457,431

HOPE INTO ACTION UK

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £
Net incoming resources before transfers		30,951	(32,748)	30,831	29,034	364,073	(27,510)	120,868	457,431
Gross transfers between funds		(31,651)	37,427	(5,776)	-	(244,606)	369,706	(125,100)	-
Net (expenditure)/income for the year/ Net movement in funds		(700)	4,679	25,055	29,034	119,467	342,196	(4,232)	457,431
Fund balances at 1 April 2021		429,946	1,514,163	546,577	2,490,686	310,479	1,171,967	550,809	2,033,255
Fund balances at 31 March 2022		429,246	1,518,842	571,632	2,519,720	429,946	1,514,163	546,577	2,490,686

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.

HOPE INTO ACTION UK

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	11		1,914,497		1,781,670
Current assets					
Debtors	12	83,190		93,818	
Cash at bank and in hand		889,342		1,092,353	
		<u>972,532</u>		<u>1,186,171</u>	
Creditors: amounts falling due within one year	14	<u>(98,295)</u>		<u>(97,395)</u>	
Net current assets			874,237		1,088,776
Total assets less current liabilities			<u>2,788,734</u>		<u>2,870,446</u>
Creditors: amounts falling due after more than one year	15		(269,014)		(379,760)
Net assets			<u><u>2,519,720</u></u>		<u><u>2,490,686</u></u>
Income funds					
<u>Restricted funds</u>					
Property		75,940		77,046	
Specific projects		495,692		460,362	
Other including core costs		-		9,169	
	19		<u>571,632</u>		<u>546,577</u>
<u>Unrestricted funds - general</u>					
Designated funds	20		1,518,842		1,514,163
Other charitable funds			429,246		429,946
			<u><u>2,519,720</u></u>		<u><u>2,490,686</u></u>

HOPE INTO ACTION UK

BALANCE SHEET (CONTINUED)

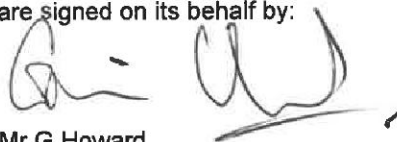
AS AT 31 MARCH 2022

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 March 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

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.

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 board of directors and authorised for issue on 21 July 2022 and are signed on its behalf by:



Mr G Howard
Trustee

Company Registration No. 07309173

HOPE INTO ACTION UK

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	23		69,272		472,928
Investing activities					
Purchase of tangible fixed assets		(166,681)		(133,998)	
Investment income received		5,144		9,266	
Net cash used in investing activities			(161,537)		(124,732)
Financing activities					
Repayment of bank loans		(110,746)		(12,209)	
Net cash used in financing activities			(110,746)		(12,209)
Net (decrease)/increase in cash and cash equivalents			(203,011)		335,987
Cash and cash equivalents at beginning of year			1,092,353		756,366
Cash and cash equivalents at end of year			889,342		1,092,353

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Hope Into Action UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 26 North Street, Peterborough, PE1 2RA, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, 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)". 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 accounts have been prepared on 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 unless the funds have been designated for other purposes.

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 accounts.

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.

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 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.

All resources expended are accounted for gross, and in the period in which they are incurred. VAT is not recoverable by the charity and as such is included in the relevant costs in the Statement of Financial Activities.

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

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

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:

Land and buildings	1% p.a. straight line on buildings
Shared ownership properties	1% p.a. straight line
Equipment	33% p.a. straight line
Motor vehicles	33% p.a. straight line

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

Shared ownership housing properties are included in fixed assets at the percentage of the charity's share in the ownership. Any payment for an increase in percentage of share is treated as an addition. Any payments received for a decrease in shares is treated similar to the sale of property.

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).

HOPE INTO ACTION UK

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

1 Accounting policies

(Continued)

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.

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 receipts 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.

HOPE INTO ACTION UK

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

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Donations and gifts	400,584	50,776	451,360	380,381	178,219	558,600
Grants receivable for core activities	253,191	224,454	477,645	381,844	269,445	651,289
	<u>653,775</u>	<u>275,230</u>	<u>929,005</u>	<u>762,225</u>	<u>447,664</u>	<u>1,209,889</u>
Donations and gifts						
Donations individuals	314,851	45,000	359,851	310,505	178,219	488,724
Donations other	2,228	5,776	8,004	1,726	-	1,726
Churches	37,950	-	37,950	30,123	-	30,123
Gift aid reclaimed	38,995	-	38,995	34,395	-	34,395
Individuals - in memory	6,560	-	6,560	3,632	-	3,632
	<u>400,584</u>	<u>50,776</u>	<u>451,360</u>	<u>380,381</u>	<u>178,219</u>	<u>558,600</u>

HOPE INTO ACTION UK

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

3 Donations and legacies

(Continued)

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Grants receivable for core activities						
All Churches Trust	-	-	-	-	9,258	9,258
Andrews Charitable Trust	33,825	-	33,825	5,375	-	5,375
Arnold Clark	-	2,000	2,000	-	-	-
Barclays	-	400	400	-	-	-
Beatrice Hankey Foundation	-	2,500	2,500	-	-	-
Beatrice Laing Trust	15,000	-	15,000	-	-	-
Big Lottery Funding	-	41,685	41,685	-	40,908	40,908
Blunt Trust	-	50	50	-	-	-
Cambridge Community Fund	-	6,801	6,801	-	3,850	3,850
Charles Hayward Foundation	-	-	-	-	25,000	25,000
Churches Together	-	-	-	1,000	-	1,000
Daughters of Jesus	-	-	-	-	5,000	5,000
Didymus Charity	-	10,000	10,000	-	9,200	9,200
Dominic Beer Trust	-	1,000	1,000	-	1,100	1,100
F G Charitable Trust	-	-	-	4,000	-	4,000
Garfield Weston Foundation	50,000	-	50,000	50,000	-	50,000
Glasspool Charity Trust	-	-	-	-	300	300
Haberdashers	-	-	-	3,750	-	3,750
Homeless Link	-	88,000	88,000	-	80,000	80,000
Hope Aid Charitable Trust	-	-	-	10,000	-	10,000
Hummingbird	-	-	-	10,000	-	10,000
Jerusalem Trust	31,000	-	31,000	40,000	-	40,000
Jones 1886 Trust	-	4,700	4,700	-	-	-
LandAid	-	-	-	-	6,750	6,750
Langho Charitable Trust	-	-	-	1,000	-	1,000
Lankelly Chase	1,000	-	1,000	71,545	-	71,545
Legal & General Group	-	-	-	-	3,000	3,000
Lloyds Foundation	-	-	-	-	6,470	6,470
Maclellan Foundation	-	-	-	-	45,809	45,809
Maurice & Hilda Laing Charitable Trust	15,000	-	15,000	25,000	-	25,000
Mirembe Charitable Trust	1,440	-	1,440	3,120	-	3,120
Nationwide	-	19,188	19,188	-	-	-
Norfolk Community Foundation	-	600	600	-	-	-
Nottingham Community Fund	-	-	-	-	1,900	1,900
Nottingham Community Foundation	-	-	-	-	1,500	1,500
Paul Bassham Trust	-	-	-	-	2,000	2,000
PCC COVID-19	-	-	-	500	-	500
Pears Foundation	40,000	-	40,000	40,000	-	40,000
Persimmon	1,000	-	1,000	-	-	-
	<u>188,265</u>	<u>176,924</u>	<u>365,189</u>	<u>265,290</u>	<u>242,045</u>	<u>507,335</u>

HOPE INTO ACTION UK

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

3 Donations and legacies

(Continued)

	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £
Grants receivable for core activities continued						
Police & Crime Commissioner for Norfolk	-	-	-	4,324	-	4,324
Porticus Foundation	45,000	-	45,000	45,000	-	45,000
The Big Give	10,000	-	10,000	12,500	-	12,500
The Ebyon Trust	-	-	-	-	1,500	1,500
The Mercers' Company	-	32,530	32,530	37,230	-	37,230
The Morrisons Foundation	-	-	-	-	900	900
The Orr Mackintosh Foundation	-	-	-	1,000	-	1,000
The Screwfix Foundation	-	-	-	5,000	-	5,000
Tudor Trust	-	-	-	1,500	22,000	23,500
Vardy Foundation	-	10,000	10,000	10,000	3,000	13,000
Other	9,926	5,000	14,926	10,000	11,000	21,000
	<u>253,191</u>	<u>224,454</u>	<u>477,645</u>	<u>381,844</u>	<u>269,445</u>	<u>651,289</u>

4 Charitable activities

	2022 £	2021 £
Book sales	1,441	3,212
Provision of housing	611,313	510,650
Franchise income	37,098	27,282
	<u>649,852</u>	<u>541,144</u>

5 Investments

	2022 £	2021 £
Rental income	4,983	8,954
Interest receivable	161	312
	<u>5,144</u>	<u>9,266</u>

HOPE INTO ACTION UK

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

6 Raising funds

	2022	2021
	£	£
<u>Fundraising and publicity</u>		
Costs of generating donations and legacies	34,730	26,244
	<u>34,730</u>	<u>26,244</u>

HOPE INTO ACTION UK

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

7 Charitable activities

	2022	2021
	£	£
Staff costs	868,445	737,165
Depreciation and impairment	33,854	28,616
House rental and running costs	252,523	208,404
House maintenance and equipment	9,172	13,575
Franchising expenses	69,484	48,025
Volunteer expenses	16,812	5,657
Client support	3,664	5,413
Property refurbishment	83,768	90,971
General rates	5,824	5,312
Wolverhampton support costs	5,140	-
Norwich support costs	5,235	3,932
Nottingham support costs	7,955	6,156
Bad debt provision	10,374	13,956
Peterborough support costs	2,144	1,942
Cambridge support costs	7,187	5,747
Books	1,083	2,435
	<u>1,382,664</u>	<u>1,177,306</u>
Share of support costs (see note 8)	133,973	96,294
Share of governance costs (see note 8)	3,600	3,024
	<u>1,520,237</u>	<u>1,276,624</u>
Analysis by fund		
Unrestricted funds - general	1,243,090	922,318
Designated funds	32,748	27,510
Restricted funds	244,399	326,796
	<u>1,520,237</u>	<u>1,276,624</u>

HOPE INTO ACTION UK

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

8 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Property costs	156	-	156	1,674	-	1,674
Loan interest	5,492	-	5,492	7,804	-	7,804
Marketing	1,128	-	1,128	897	-	897
Franchising expenses	2,551	-	2,551	3,227	-	3,227
Light and heat	2,503	-	2,503	1,072	-	1,072
Travel and subsistence	8,580	-	8,580	3,817	-	3,817
Printing, postage and stationery	2,524	-	2,524	3,279	-	3,279
Telephone and fax	13,100	-	13,100	10,713	-	10,713
Computer and software	47,466	-	47,466	37,782	-	37,782
Professional and consultancy costs	22,687	-	22,687	11,837	-	11,837
Insurance	12,577	-	12,577	7,057	-	7,057
Refreshments	140	-	140	45	-	45
Sundry expenses	2,762	-	2,762	4,073	-	4,073
Legal fees	8,683	-	8,683	1,645	-	1,645
Accountancy fees	3,624	-	3,624	1,372	-	1,372
Audit fees	-	3,600	3,600	-	3,024	3,024
	<u>133,973</u>	<u>3,600</u>	<u>137,573</u>	<u>96,294</u>	<u>3,024</u>	<u>99,318</u>
Analysed between						
Charitable activities	<u>133,973</u>	<u>3,600</u>	<u>137,573</u>	<u>96,294</u>	<u>3,024</u>	<u>99,318</u>

Governance costs includes payments to the auditors of £3,600 (2021- £3,024) for audit fees.

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, but 1 (2021 - 1) of them was reimbursed a total of £106 for travelling expenses (2021- £78).

HOPE INTO ACTION UK

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

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Average number of employees	40	38

Employment costs

	2022 £	2021 £
Wages and salaries	760,408	646,428
Social security costs	50,392	41,616
Other pension costs	57,645	49,121
	<u>868,445</u>	<u>737,165</u>

The average full time equivalent number of employees during the year was 28 (2021 - 26).

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

11 Tangible fixed assets

	Land and buildings £	Shared ownership properties £	Equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2021	1,871,866	20,000	61,112	3,750	1,956,728
Additions	116,667	30,000	14,238	5,776	166,681
Disposals	-	-	(19,226)	(3,750)	(22,976)
At 31 March 2022	<u>1,988,533</u>	<u>50,000</u>	<u>56,124</u>	<u>5,776</u>	<u>2,100,433</u>
Depreciation and impairment					
At 1 April 2021	121,601	200	49,508	3,750	175,059
Depreciation charged in the year	19,885	500	11,543	1,925	33,853
Eliminated in respect of disposals	-	-	(19,226)	(3,750)	(22,976)
At 31 March 2022	<u>141,486</u>	<u>700</u>	<u>41,825</u>	<u>1,925</u>	<u>185,936</u>
Carrying amount					
At 31 March 2022	<u>1,847,047</u>	<u>49,300</u>	<u>14,299</u>	<u>3,851</u>	<u>1,914,497</u>
At 31 March 2021	<u>1,750,265</u>	<u>19,800</u>	<u>11,605</u>	<u>-</u>	<u>1,781,670</u>

HOPE INTO ACTION UK

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

11 Tangible fixed assets

(Continued)

The long-term loans are secured by fixed charges over five of the properties owned by the charity.

Included in land and buildings above is the office and 14 (2021 – 13) houses which are used to support tenants. Shared ownership properties represents an interest in 2 (2021 – 1) properties.

12 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Tenant and franchise debt	42,675	22,650
Other debtors	30,377	66,833
Prepayments and accrued income	10,138	4,335
	<u>83,190</u>	<u>93,818</u>

13 Loans and overdrafts

	2022	2021
	£	£
Bank loans	279,714	390,460
Payable within one year	10,700	10,700
Payable after one year	269,014	379,760

The long-term loans are secured by fixed charges over five of the properties owned by the charity.

14 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Bank loans	13	10,700	10,700
Other taxation and social security		13,979	12,353
Deferred income	16	7,000	19,188
Trade creditors		42,736	26,251
Other creditors		19,812	9,375
Accruals		4,068	19,528
		<u>98,295</u>	<u>97,395</u>

15 Creditors: amounts falling due after more than one year

	Notes	2022	2021
		£	£
Bank loans	13	269,014	379,760

HOPE INTO ACTION UK

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

16 Deferred income

	2022 £	2021 £
Other deferred income	7,000	19,188

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	7,000	19,188
Movements in the year:		
Deferred income at 1 April 2021	19,188	-
Released from previous periods	(12,188)	-
Resources deferred in the year	-	19,188
Deferred income at 31 March 2022	7,000	19,188

17 Retirement benefit schemes

Defined contribution schemes

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

The charge to profit and loss in respect of defined contribution schemes was £57,645 (2021 - £49,121).

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

18 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:

	Movement in funds				Balance at 31 March 2022 £
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	
Special Projects					
Arnold Clark	-	2,000	(2,000)	-	-
Barclays	-	400	(400)	-	-
Beatrice Hankey Foundation	-	2,500	(2,500)	-	-
Didymus Trust	-	10,000	(2,498)	-	7,502
Dominic Beer Trust	-	1,000	(1,000)	-	-
Jones 1886 Trust	-	4,700	(4,700)	-	-
Mickleham Trust	-	5,000	(5,000)	-	-
Nationwide	-	19,188	(19,188)	-	-
Norfolk Community Foundation	-	600	(600)	-	-
The Blunt Trust	-	50	(50)	-	-
Tudor Trust	8,000	-	(8,000)	-	-
Vardy Foundation	-	10,000	(10,000)	-	-
Donation for vehicle	-	5,776	-	(5,776)	-
Donation for property	452,362	45,000	(9,172)	-	488,190
	<u>460,362</u>	<u>106,214</u>	<u>(65,108)</u>	<u>(5,776)</u>	<u>495,692</u>
Other including core costs					
Big Lottery	1,169	41,685	(42,854)	-	-
Cambridge Community Fund	-	6,801	(6,801)	-	-
Charles Hayward Foundation	5,000	-	(5,000)	-	-
Homeless Link	-	88,000	(88,000)	-	-
Mercers Trust	-	32,530	(32,530)	-	-
Vardy Foundation	3,000	-	(3,000)	-	-
	<u>9,169</u>	<u>169,016</u>	<u>(178,185)</u>	<u>-</u>	<u>-</u>
Property					
SEIF	77,046	-	(1,106)	-	75,940
	<u>77,046</u>	<u>-</u>	<u>(1,106)</u>	<u>-</u>	<u>75,940</u>
Total	<u>546,577</u>	<u>275,230</u>	<u>(244,399)</u>	<u>(5,776)</u>	<u>571,632</u>

HOPE INTO ACTION UK

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

18 Restricted funds

(Continued)

There are a number of restricted funds as outlined above, some of which are for specific projects, some that cover specific elements of core costs. The two largest funds are as follows:

Donation for property - this relates to a donation received to enable the charity to invest in further property to be used to house tenants.

SEIF - the funds received were for the purchase of a property by the charity. A property was purchased in 2012 and this fund is now represented by fixed assets, but the fund remains a restricted fund as the funding is potentially repayable to SEIF if there is a future change to the use of the property or the property is sold.

HOPE INTO ACTION UK

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

19 Designated funds

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

	Balance at 1 April 2020	Resources expended	Transfers	Balance at 1 April 2021	Resources expended	Transfers	Balance at 31 March 2022
	£	£	£	£	£	£	£
Fixed asset fund	1,071,967	(27,510)	269,706	1,314,163	(32,748)	237,427	1,518,842
North Street provision	100,000	-	(100,000)	-	-	-	-
Mortgage repayment provision	-	-	100,000	100,000	-	(100,000)	-
Additional property provision	-	-	100,000	100,000	-	(100,000)	-
	<u>1,171,967</u>	<u>(27,510)</u>	<u>369,706</u>	<u>1,514,163</u>	<u>(32,748)</u>	<u>37,427</u>	<u>1,518,842</u>

The fixed asset fund represents the net book value of the property and other fixed assets that is not represented by restricted funds, excluding the £40,000 investment from unrestricted funds in accordance with the charity's reserves policy.

The North Street provision was a fund to purchase the remainder of the North Street property.

The mortgage repayment provision was a fund to allow part of the mortgage to be repaid.

The additional property provision was to fund future investments in property, this has been fully spent in the year.

HOPE INTO ACTION UK

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

21 Operating lease commitments

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

	2022 £	2021 £
Within one year	91,530	92,584
Between two and five years	558	6,517
	<u>92,088</u>	<u>99,101</u>

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel including pension contributions is as follows.

	2022 £	2021 £
Aggregate compensation	<u>136,998</u>	<u>141,058</u>

Key management personnel represents 5 (2021 - 5) members of staff.

Hope into Action UK

England & Wales - Charity number 1137686

Accounts

Charity Registration No. 1137686

Company Registration No. 07309173 (England and Wales)

HOPE INTO ACTION UK
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

HOPE INTO ACTION UK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr I G Billage Mrs Y A Emery Mr G Howard Mr H J Kettel Mrs D J Nash Mr M Oldaker Revd D Tidball	(Appointed 4 February 2021) (Appointed 15 May 2020)
Secretary	Mr E R Walker	
Charity number	1137686	
Company number	07309173	
Registered office	26 North Street Peterborough United Kingdom PE1 2RA	
Auditor	Azets Audit Services Ruthlyn House 90 Lincoln Road Peterborough United Kingdom PE1 2SP	
Bankers	Lloyds Bank plc 65 High Street Stamford Lincolnshire United Kingdom PE9 2AT	
	The Co-operative Bank Business Customer Services P.O. Box 250 Skelmersdale Wigan United Kingdom WN8 6WT	
	CAF Bank 25 Kings Hill Avenue West Malling Kent United Kingdom ME19 4JQ	

HOPE INTO ACTION UK

CONTENTS

	Page
Trustees' report	1 - 5
Statement of trustees' responsibilities	6
Independent auditor's report	7 - 9
Statement of financial activities	10 - 11
Balance sheet	12 - 13
Statement of cash flows	14
Notes to the financial statements	15 - 31

HOPE INTO ACTION UK

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

The Trustees present their report and accounts for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, 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

The charity's objects are to relieve poverty or financial hardship in England. Hope into Action works to enable churches, using their resources and matched with others raised by Hope into Action, to provide homes and support for the vulnerable and homeless in their community.

The charity aims to use investment resources to buy houses for 2-3 tenants. Each home is linked to a local church that provides a positive community, friendship, befriending/mentoring and support. Also included is a professional Empowerment Worker who provides expertise to the tenants in benefits, tenancies, jobs, liaising with other agencies and action plans.

Each house is run in conjunction with a local church who sign a five year partnership with us committing to build long-term, holistic relationships with the tenants who were formerly homeless.

Enabling church members to outwork their passions for the marginalised in a relational manner is a core part of our mission. The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

We entered the new financial year in the early stages of the first Corona Virus lock down. We were worried about our tenants being at risk to the disease. We had to shut out offices, cancel our conference, radically change our operations and procedures, worried about whether our finances would hold up, all housing purchasing went into the sand. Mostly, however, we were really worried about our tenants recognizing, as we did, that the poor and vulnerable tend to be over-represented in any 'disaster' or public health crisis.

How did we respond?

Offices: We shut our offices and, like the rest of the country, worked from home.

Tenant outreach: We adapted all our procedures, putting the safety of our tenants and staff first. We stayed in touch via whatsapp, walks, phone calls.

We increased our prayer for the tenants, praying every day for them and began new, regional prayer meetings which are continuing to this day. I am convinced this has been a significant gain for us. Not just spiritually but in bringing the network together for psycho-social and professional support.

House Inspections: We asked our tenants to do inspections on whatsapp. Now they were showing us round their home and many felt more empowered through the process.

Church relationship and Meetings: We had to cancel our conference but we instigated monthly on-line meetings with church 'friendship and support groups'. This covers a range of topics from shame to mental health, suicide prevention etc

Appeal: We launched an appeal in early April. This led to a very strong response and coupled with our Christmas match-funded appeal meant we have ended the financial year with a surplus when we worried we might lose income.

HOPE INTO ACTION UK

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

Call to Alms: At the start of the pandemic we felt we should be speaking into it. We took time to discuss and pray what our messages should be. In the end we felt it should be the same as before but just more loudly and more confident. We launched a 'call to alms' campaign which we believe was successful. We were advocating on behalf of the homeless, arguing that with night shelters no longer safe, now was the time for churches to step-up and give the homeless a home. We were joined by people like: Jon Kurt who works for the rough sleepers unit in central Government and the Bishop of Kensington who was vice chair of the Archbishops Housing Commission. Over 200 people attended our call to alms zoom meetings.

Most excitingly this has led to new franchisees: Corby and Dover have signed franchisee agreements; Rochester, Bristol, Newark have been offered and will also sign soon. Behind them: Leicester, Beverly, Canterbury, Blackburn and Ilfracombe are considering it. Additionally it has led to interest from many churches in towns where we currently work. The fruits from that call to alms will be seen for years to come.

Investors: The number of pledges we have had from investors has suddenly grown. We now have a spreadsheet of our investors with over £2,000,000 pledged. It has completely changed our dynamic and offering to churches because we can say to them: 'If you want to partner with us we can probably find investors to buy the first house.' Whereas before we were saying 'If you want to partner with us we will work with you to raise the investment.' We are more agile as an organization as a result.

House Purchasing: Initially all house purchasing stalled and went into the sand. Viewings were not permitted. However since the initial few months we have moved much faster. We've opened 14 homes! Our capacity for tenants is now 277! Every one of them in partnership with a church.

Staffing: I am delighted with how the staff have responded. They have been professional, adaptive, caring. We recruited an IT and systems manager. While a few caught covid, our actual sickness levels were down on the year before.

Mini-Grants: We won some extraordinary funding from Homeless Link and, as such, were able to provide 'mini-grants' to our franchisees to support their growth.

Finances: Our expenditure increased by 6% while our growth in houses was 15%. This we hope is an example of the economies of scale which comes with our approach.

HOPE INTO ACTION UK

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

FOR THE YEAR ENDED 31 MARCH 2021

Growth update

	1st April 2020 (Project start)	1st April 2021	Comment
# of churches	68	71	A number of our homes are run in partnership with more than 1 church. We have agreed to include those in a review, so this number will increase over the next few months as we 're-count'
# of homes	76	87	We had 20 houses in the pipeline.
# of tenants being housed/total capacity	211/226	231/277	This shows the growth in beds, we have capacity for. Occupancy, as an overall % has dropped but has picked up into the new financial year.
# of full franchisees towns	11	12	Dover has signed an agreement, with Rochester and Bristol soon to follow.
# of full franchisees with homes open	8	10	Southampton and Bournemouth have both opened their 1st home. Southampton has gone on to open a 2nd.
# of franchise lite towns	10	13	Oakham, Ashford and Corby have signed.
# of franchise lite with homes open	10	11	House opened in Oakham. Ashford and Corby will soon open.
Total towns (including 4 line managed)	25	27	Dover and Corby have signed. Rochester, Bristol, Newark have passed assessment.
Total towns with homes open	22	25	Oakham, Bournemouth, Southampton.

Outcomes

I am delighted to show you that, despite all the challenges, we are able to hold up strong outcomes this year.

Strategic Review

Mark Kitson was also employed to help us think through our strategic review. We have a 2025 vision statement of getting to 200 churches by 2025, with 500 tenants and each of them loved by the church. Mark spent time with the teams, with individuals and trustees and we have now put together some key steps which will help us build the capacity to support such growth.

Other issues

It is important to report we have had 4 difficult safeguarding issues:

- One was an accusation against a franchise lead from an ex tenant. This was investigated by an independent consultant and a report filed to the Charity Commission.
- A tenant died in one of our homes. He died of liver failure in the dignity of his own home. We completed an internal review, were confident we did all we could and reported it to the Charity Commission.
- Another tenant died of COVID, which he caught whilst in hospital for another illness. As this was in the care of our Eastbourne Franchise: Kingdom Way Trust they have dealt with the following up including organizing a funeral.
- An ex-tenant was convicted for rape. This was the first time we have ever faced such a situation. We asked Thirtyone:eight to conduct external review in response.

In all of these we have informed the Charity Commission.

HOPE INTO ACTION UK

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

FOR THE YEAR ENDED 31 MARCH 2021

Financial review

The Trustees' policy with regard to reserves is to seek to maintain unrestricted funds, other than those designated from time to time for specific purposes, at a level sufficient to provide the charity with enough working capital to carry on its existing activities successfully for two to four months. This will enable the trustees to ensure continuity of activities and honour contractual liabilities.

The Trustees have noted that the current level of free reserves is within that range and if you include the restricted funds which also cover core costs the total is closer to the three month level. We have created two new designated funds of £100,000 each which are to enable us to make a part repayment on the mortgage with Kingdom Bank in July 2021 and to invest in additional property in the future. In the unfortunate event of funding levels dropping to dangerous levels then the Trustees would have to consider the sale of one of our houses or re-mortgage a property.

The net income for 2021 is £457,431 (2020: £233,844) which includes donations of various restricted funds. The main movement on restricted funds was an additional donation of £178,219 (2020: £90,000) for the building of a property. This should be excluded for a better year on year comparative as this income does not relate to core operations; the adjusted surplus for 2021 would then be £279,212 (2020: £143,844). This income has been significantly boosted by an increase in individual giving which has enabled the charity to achieve a greater balance of income from different sources, a key objective of the trustees; income from individuals was 28% (2020: 23%), housing/franchise 30% (2020: 39%) and grants 37% (2020: 38%).

Our costs ("charitable activities") have only grown by 7% which is a lower percentage than the growth in number of homes (14%).

We believe that the current COVID-19 pandemic will make the fundraising environment more challenging and also restrict the opportunity to attend Christian festivals, which was a significant factor in our 2020 income. We also expect the turbulence in the financial markets to present challenges in the grant fundraising environment.

However, Hope Into Action UK has a strong support base and this has been recently demonstrated by two very successful campaigns during the pandemic. We own several properties and continue to innovate and develop.

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is a company limited by guarantee and a registered charity governed by its articles and memorandum 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 I G Billage	(Appointed 4 February 2021)
Mrs Y A Emery	
Mr G Howard	
Mr H J Kettel	
Revd D J Kinder	(Resigned 15 May 2020)
Mrs D J Nash	
Mr M Oldaker	
Revd D Tidball	(Appointed 15 May 2020)

The existing Trustees have the power to appoint new trustees.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

HOPE INTO ACTION UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2021*

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

Mr G Howard

Trustee

Dated: 8 July 2021

HOPE INTO ACTION UK

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees, who are also the directors of Hope Into Action UK for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

HOPE INTO ACTION UK

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HOPE INTO ACTION UK

Opinion

We have audited the financial statements of Hope Into Action UK (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

HOPE INTO ACTION UK

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HOPE INTO ACTION UK

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

HOPE INTO ACTION UK

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HOPE INTO ACTION UK

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

27 July 2021

Chartered Accountants
Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
United Kingdom
PE1 2SP

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

HOPE INTO ACTION UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £
<u>Income from:</u>									
Donations and legacies	3	762,225	-	447,664	1,209,889	574,713	-	342,046	916,759
Charitable activities	4	541,144	-	-	541,144	528,832	-	-	528,832
Investments	5	9,266	-	-	9,266	9,303	-	-	9,303
Total income		1,312,635	-	447,664	1,760,299	1,112,848	-	342,046	1,454,894
<u>Expenditure on:</u>									
Raising funds	6	26,244	-	-	26,244	29,407	-	-	29,407
Charitable activities	7	922,318	27,510	326,796	1,276,624	838,323	22,695	330,625	1,191,643
Total resources expended		948,562	27,510	326,796	1,302,868	867,730	22,695	330,625	1,221,050
Net incoming resources before transfers		364,073	(27,510)	120,868	457,431	245,118	(22,695)	11,421	233,844

HOPE INTO ACTION UK

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £
Notes								
Net incoming resources before transfers	364,073	(27,510)	120,868	457,431	245,118	(22,695)	11,421	233,844
Gross transfers between funds	(244,606)	369,706	(125,100)	-	(41,464)	41,464	-	-
Net income/(expenditure) for the year/ Net movement in funds	119,467	342,196	(4,232)	457,431	203,654	18,769	11,421	233,844
Fund balances at 1 April 2020	310,479	1,171,967	550,809	2,033,255	106,825	1,153,198	539,388	1,799,411
Fund balances at 31 March 2021	429,946	1,514,163	546,577	2,490,686	310,479	1,171,967	550,809	2,033,255

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.

HOPE INTO ACTION UK

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	11		1,781,670		1,676,288
Current assets					
Stocks	12	-		12,908	
Debtors	13	93,818		35,660	
Cash at bank and in hand		1,092,353		756,366	
		1,186,171		804,934	
Creditors: amounts falling due within one year	15	(97,395)		(55,998)	
Net current assets			1,088,776		748,936
Total assets less current liabilities			2,870,446		2,425,224
Creditors: amounts falling due after more than one year	16		(379,760)		(391,969)
Net assets			2,490,686		2,033,255
Income funds					
<u>Restricted funds</u>					
Property		77,046		203,152	
Specific projects		460,362		339,748	
Other including core costs		9,169		7,909	
	19		546,577		550,809
<u>Unrestricted funds - general</u>					
Designated funds	20		1,514,163		1,171,967
Other charitable funds			429,946		310,479
			2,490,686		2,033,255

HOPE INTO ACTION UK

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

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 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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 board of directors and authorised for issue on 8 July 2021 and are signed on its behalf by:

Mr G Howard
Trustee

Company Registration No. 07309173

HOPE INTO ACTION UK

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	25		472,928		196,904
Investing activities					
Purchase of tangible fixed assets		(133,998)		(10,063)	
Investment income received		9,266		9,303	
Net cash used in investing activities			(124,732)		(760)
Financing activities					
Repayment of bank loans		(12,209)		(11,401)	
Net cash used in financing activities			(12,209)		(11,401)
Net increase in cash and cash equivalents			335,987		184,743
Cash and cash equivalents at beginning of year			756,366		571,623
Cash and cash equivalents at end of year			<u>1,092,353</u>		<u>756,366</u>

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Hope Into Action UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 26 North Street, Peterborough, PE1 2RA, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, 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)". 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 accounts have been prepared on 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. In arriving at this conclusion, the Trustees have considered the impact of the Coronavirus pandemic on the charity. The Trustees are confident that there will be limited impact on income due to the pandemic and they have taken appropriate action to mitigate costs.

1.3 Charitable funds

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

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 accounts.

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.

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Expenditure

All resources expended are accounted for gross, and in the period in which they are incurred. VAT is not recoverable by the charity and as such is included in the relevant costs in the Statement of Financial Activities.

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

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

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:

Land and buildings	1% p.a. straight line on buildings
Shared ownership properties	1% p.a. straight line
Equipment	33% p.a. straight line
Motor vehicles	33% p.a. straight line

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

Shared ownership housing properties are included in fixed assets at the percentage of the charity's share in the ownership. Any payment for an increase in percentage of share is treated as an addition. Any payments received for a decrease in shares is treated similar to the sale of property.

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 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.9 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.

1.10 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts 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.

1.11 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.

1.12 Retirement benefits

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

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Donations and gifts	380,381	178,219	558,600	318,490	90,000	408,490
Grants receivable for core activities	381,844	269,445	651,289	256,223	252,046	508,269
	<u>762,225</u>	<u>447,664</u>	<u>1,209,889</u>	<u>574,713</u>	<u>342,046</u>	<u>916,759</u>
Donations and gifts						
Donations individuals	310,505	178,219	488,724	263,544	90,000	353,544
Donations other	1,726	-	1,726	5,540	-	5,540
Churches	30,123	-	30,123	26,258	-	26,258
Gift aid reclaimed	34,395	-	34,395	23,148	-	23,148
Individuals - in memory	3,632	-	3,632	-	-	-
	<u>380,381</u>	<u>178,219</u>	<u>558,600</u>	<u>318,490</u>	<u>90,000</u>	<u>408,490</u>

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Donations and legacies

(Continued)

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Grants receivable for core activities						
All Churches Trust	-	9,258	9,258	-	21,298	21,298
Andrews Charitable Trust	5,375	-	5,375	-	-	-
Big Lottery Funding	-	40,908	40,908	-	40,144	40,144
Cambridge City Council	-	-	-	-	19,766	19,766
Cambridge Community Fund	-	3,850	3,850	-	-	-
Charities Trust	-	-	-	-	18,890	18,890
Charles Hayward Foundation	-	25,000	25,000	-	18,000	18,000
Churches Together	1,000	-	1,000	-	-	-
Daughters of Jesus	-	5,000	5,000	-	-	-
Didymus Charity	-	9,200	9,200	-	9,200	9,200
Dominic Beer Trust	-	1,100	1,100	-	1,140	1,140
F G Charitable Trust	4,000	-	4,000	-	-	-
Garfield Weston Foundation	50,000	-	50,000	50,000	-	50,000
Glasspool Charity Trust	-	300	300	-	300	300
Haberdashers	3,750	-	3,750	-	-	-
Henry Smith Foundation	-	-	-	-	26,300	26,300
Homeless Link	-	80,000	80,000	-	-	-
Hope Aid Charitable Trust	10,000	-	10,000	-	-	-
Hummingbird	10,000	-	10,000	-	-	-
Jerusalem Trust	40,000	-	40,000	30,000	-	30,000
Jessie Spencer Trust	-	-	-	-	500	500
LandAid	-	6,750	6,750	-	32,500	32,500
Langho Charitable Trust	1,000	-	1,000	-	-	-
Lankelly Chase	71,545	-	71,545	51,500	-	51,500
Legal & General Group	-	3,000	3,000	-	-	-
Lloyds Foundation	-	6,470	6,470	-	2,452	2,452
Maclellan Foundation	-	45,809	45,809	49,571	-	49,571
Maurice & Hilda Laing Charitable Trust	25,000	-	25,000	-	-	-
Mirembe Charitable Trust	3,120	-	3,120	-	-	-
Norfolk Community Foundation	-	-	-	-	1,500	1,500
Nottingham Community Fund	-	1,900	1,900	-	-	-
Nottingham Community Foundation	-	1,500	1,500	-	-	-
Paul Bassham Trust	-	2,000	2,000	-	2,000	2,000
PCC COVID-19	500	-	500	-	-	-
Pears Foundation	40,000	-	40,000	30,000	-	30,000
Police & Crime Commissioner for Norfolk	4,324	-	4,324	-	-	-
Porticus Foundation	45,000	-	45,000	45,000	-	45,000
The Big Give	12,500	-	12,500	-	1,000	1,000
	<u>327,114</u>	<u>242,045</u>	<u>569,159</u>	<u>256,071</u>	<u>194,990</u>	<u>451,061</u>

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Donations and legacies

(Continued)

	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £
Grants receivable for core activities continued						
The Ebyon Trust	-	1,500	1,500	-	2,166	2,166
The Mercers' Company	37,230	-	37,230	-	-	-
The Morrisons Foundation	-	900	900	-	-	-
The Orr Mackintosh Foundation	1,000	-	1,000	-	-	-
The Screwfix Foundation	5,000	-	5,000	-	-	-
Tudor Trust	1,500	22,000	23,500	-	20,000	20,000
Vardy Foundation	10,000	3,000	13,000	-	-	-
Other	-	-	-	152	11,000	11,152
	<u>381,844</u>	<u>269,445</u>	<u>651,289</u>	<u>256,223</u>	<u>252,046</u>	<u>508,269</u>

4 Charitable activities

	2021 £	2020 £
Book sales	3,212	80
Provision of housing	510,650	497,915
Franchise income	27,282	30,837
	<u>541,144</u>	<u>528,832</u>

5 Investments

	2021 £	2020 £
Rental income	8,954	8,615
Interest receivable	312	688
	<u>9,266</u>	<u>9,303</u>

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

6 Raising funds

	2021	2020
	£	£
<u>Fundraising and publicity</u>		
Costs of generating donations and legacies	26,244	29,407
	<u>26,244</u>	<u>29,407</u>

7 Charitable activities

	2021	2020
	£	£
Staff costs	737,165	638,545
Depreciation and impairment	28,616	23,801
House rental and running costs	208,404	197,179
House maintenance and equipment	13,575	15,638
Franchising expenses	48,025	44,065
Volunteer expenses	5,657	10,971
Client support	5,413	4,377
Property refurbishment	90,971	94,513
General rates	5,312	6,541
Norwich support costs	3,932	6,713
Nottingham support costs	6,156	6,694
Bad debt provision	13,956	48,632
Peterborough support costs	1,942	2,828
Cambridge support costs	5,747	9,147
Books	2,435	1,079
	<u>1,177,306</u>	<u>1,110,723</u>
Share of support costs (see note 8)	96,294	78,400
Share of governance costs (see note 8)	3,024	2,520
	<u>1,276,624</u>	<u>1,191,643</u>
Analysis by fund		
Unrestricted funds - general	922,318	838,323
Designated funds	27,510	22,695
Restricted funds	326,796	330,625
	<u>1,276,624</u>	<u>1,191,643</u>

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Property costs	1,674	-	1,674	314	-	314
Loan interest	7,804	-	7,804	6,005	-	6,005
Marketing	897	-	897	1,308	-	1,308
Franchising expenses	3,227	-	3,227	714	-	714
Light and heat	1,072	-	1,072	2,544	-	2,544
Travel and subsistence	3,817	-	3,817	7,892	-	7,892
Printing, postage and stationery	3,279	-	3,279	2,899	-	2,899
Telephone and fax	10,713	-	10,713	10,258	-	10,258
Computer and software	37,782	-	37,782	31,436	-	31,436
Insurance	7,057	-	7,057	3,698	-	3,698
Refreshments	45	-	45	638	-	638
Sundry expenses	4,073	-	4,073	930	-	930
Legal fees	13,482	-	13,482	7,894	-	7,894
Accountancy fees	1,372	-	1,372	1,870	-	1,870
Audit fees	-	3,024	3,024	-	2,520	2,520
	<u>96,294</u>	<u>3,024</u>	<u>99,318</u>	<u>78,400</u>	<u>2,520</u>	<u>80,920</u>
Analysed between						
Charitable activities	<u>96,294</u>	<u>3,024</u>	<u>99,318</u>	<u>78,400</u>	<u>2,520</u>	<u>80,920</u>

Governance costs includes payments to the auditors of £3,024 (2020- £2,520) for audit fees.

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, but 1 (2020 - 1) of them was reimbursed a total of £78 for travelling expenses (2020- £132).

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Average number of employees	38	33

Employment costs

	2021 £	2020 £
Wages and salaries	651,986	568,950
Social security costs	36,058	28,838
Other pension costs	49,121	40,757
	<u>737,165</u>	<u>638,545</u>

The average full time equivalent number of employees during the year was 26 (2020 - 23).

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

11 Tangible fixed assets

	Land and buildings £	Shared ownership properties £	Equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2020	1,771,866	-	47,115	3,750	1,822,731
Additions	100,000	20,000	13,998	-	133,998
At 31 March 2021	<u>1,871,866</u>	<u>20,000</u>	<u>61,113</u>	<u>3,750</u>	<u>1,956,729</u>
Depreciation and impairment					
At 1 April 2020	102,875	-	39,818	3,750	146,443
Depreciation charged in the year	18,726	200	9,690	-	28,616
At 31 March 2021	<u>121,601</u>	<u>200</u>	<u>49,508</u>	<u>3,750</u>	<u>175,059</u>
Carrying amount					
At 31 March 2021	<u>1,750,265</u>	<u>19,800</u>	<u>11,605</u>	<u>-</u>	<u>1,781,670</u>
At 31 March 2020	<u>1,668,991</u>	<u>-</u>	<u>7,297</u>	<u>-</u>	<u>1,676,288</u>

The long-term loans are secured by fixed charges over five of the properties owned by the charity.

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

12 Stocks

	2021 £	2020 £
Finished goods and goods for resale	-	12,908

13 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Tenant and franchise debt	22,650	16,836
Other debtors	66,833	14,087
Prepayments and accrued income	4,335	4,737
	<u>93,818</u>	<u>35,660</u>

14 Loans and overdrafts

	2021 £	2020 £
Bank loans	390,460	402,669
Payable within one year	10,700	10,700
Payable after one year	379,760	391,969

The long-term loans are secured by fixed charges over five of the properties owned by the charity.

15 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	14	10,700	10,700
Other taxation and social security		12,353	8,830
Deferred income	17	19,188	-
Trade creditors		26,251	30,061
Other creditors		9,375	3,889
Accruals		19,528	2,518
		<u>97,395</u>	<u>55,998</u>

16 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	14	379,760	391,969

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

17 Deferred income

	2021 £	2020 £
Other deferred income	19,188	-

18 Retirement benefit schemes

Defined contribution schemes

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

The charge to profit and loss in respect of defined contribution schemes was £49,121 (2020 - £40,757).

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

19 Restricted funds

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

	Movement in funds				Balance at 31 March 2021 £
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	
Special Projects					
All Churches Trust	26,232	9,258	(35,490)	-	-
Didymus Trust	3,419	9,200	(12,619)	-	-
Dominic Beer Trust	-	1,100	(1,100)	-	-
Glasspool Charity Trust	-	300	(300)	-	-
Henry Smith	10,184	-	(10,184)	-	-
LandAid	-	6,750	(6,750)	-	-
Lloyds Bank Foundation	14,413	6,470	(20,883)	-	-
The Ebyon Trust	-	1,500	(1,500)	-	-
Tudor Trust	8,000	22,000	(22,000)	-	8,000
Donation for property	277,500	178,219	(3,357)	-	452,362
	339,748	234,797	(114,183)	-	460,362
Other including core costs					
Big Lottery	7,909	40,908	(47,648)	-	1,169
Cambridge Community Fund	-	3,850	(3,750)	(100)	-
Charles Hayward Foundation	-	25,000	(20,000)	-	5,000
Daughters of Jesus	-	5,000	(5,000)	-	-
Homeless Link	-	80,000	(80,000)	-	-
Legal & General Group	-	3,000	(3,000)	-	-
Maclellan Foundation	-	45,809	(45,809)	-	-
Nottingham Community fund	-	1,900	(1,900)	-	-
Nottinghamshire Community Foundation	-	1,500	(1,500)	-	-
Paul Basham	-	2,000	(2,000)	-	-
The Morrisons Foundation	-	900	(900)	-	-
Vardy Foundation	-	3,000	-	-	3,000
	7,909	212,867	(211,507)	(100)	9,169
Property					
Borrowdale Close	125,000	-	-	(125,000)	-
SEIF	78,152	-	(1,106)	-	77,046
	203,152	-	(1,106)	(125,000)	77,046
Total	550,809	447,664	(326,796)	(125,100)	546,577

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

19 Restricted funds

(Continued)

There are a number of restricted funds as outlined above, some of which are for specific projects, some that cover specific elements of core costs. The three largest funds are as follows:

Donation for property - this relates to a donation received to enable the charity to invest in further property to be used to house tenants.

SEIF - the funds received were for the purchase of a property by the charity. A property was purchased in 2012 and this fund is now represented by fixed assets, but the fund remains a restricted fund as the funding is potentially repayable to SEIF if there is a future change to the use of the property or the property is sold.

Borrowdale Close - a donation to fund the acquisition of a property (further details are in note 22).

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

20 Designated funds

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

	Balance at 1 April 2019	Resources expended	Transfers	Balance at 1 April 2020	Resources expended	Transfers	Balance at 31 March 2021
	£	£	£	£	£	£	£
Fixed asset fund	1,073,198	(22,695)	21,464	1,071,967	(27,510)	269,706	1,314,163
North Street provision	80,000	-	20,000	100,000	-	(100,000)	-
Mortgage repayment provision	-	-	-	-	-	100,000	100,000
Additional property provision	-	-	-	-	-	100,000	100,000
	<u>1,153,198</u>	<u>(22,695)</u>	<u>41,464</u>	<u>1,171,967</u>	<u>(27,510)</u>	<u>369,706</u>	<u>1,514,163</u>

The fixed asset fund represents the net book value of the property and other fixed assets that is not represented by restricted funds.

The North Street provision was a fund to purchase the remainder of the North Street property.

The mortgage repayment provision is to fund part of the mortgage being repaid.

The additional property provision is to fund future investments in property.

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

21 Analysis of net assets between funds

	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:								
Tangible assets	-	1,704,624	77,046	1,781,670	-	1,473,136	203,152	1,676,288
Current assets/(liabilities)	432,946	186,299	469,531	1,088,776	310,479	90,800	347,657	748,936
Long term liabilities	(3,000)	(376,760)	-	(379,760)	-	(391,969)	-	(391,969)
	<u>429,946</u>	<u>1,514,163</u>	<u>546,577</u>	<u>2,490,686</u>	<u>310,479</u>	<u>1,171,967</u>	<u>550,809</u>	<u>2,033,255</u>

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

22 Financial commitments, guarantees and contingent liabilities

In 2018 the charity purchased a property. The purchase was financed by a donation and a loan of £125,000, secured on the property. The charity has covenanted with the lender to repay the loan, on the expiry of 6 months from service by the lender of notice to redeem the charge, although such notice will not be given by the lender whilst the property is being used for the charity's charitable purpose of providing housing for vulnerable people including refugees and the homeless. Furthermore the loan will expire, and not be required to be repaid, on the earlier of the 25 yearly anniversary of the charge and the date of death of the lender.

On the basis that the charity intended to use the property for its charitable purposes for the foreseeable future and the accounts were prepared on the going concern purpose, the full amount of the finance for the property purchase was treated as a restricted donation. The balance of the donation that was subject to the charge remained as a balance carried forward on the restricted fund, rather than a liability.

In January 2021, the charge on the property was removed by the lender and therefore the restriction has been released and the potential liability is removed. This has been recorded as a transfer from restricted to designated funds within the year.

23 Operating lease commitments

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

	2021 £	2020 £
Within one year	25,594	31,966
Between two and five years	6,517	1,000
	<u>32,111</u>	<u>32,966</u>

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel including pension contributions is as follows.

	2021 £	2020 £
Aggregate compensation	<u>141,058</u>	<u>138,837</u>

Key management personnel represents 5 (2020 - 5) members of staff.

HOPE INTO ACTION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

24 Related party transactions

(Continued)

Mr G Howard previously owned 27.8% of the North Street property and charged the charity interest at 2% on the original investment. The charity had built up a reserve in order to buy-out this investment and has bought out Mr G Howard for £100,000 during the year. This value was based on an external professional valuation.

Included in expenditure are the following amounts in respect of rent paid on properties used for the charity's clients.

	2021 £	2020 £
Property rented from children of Mr G Howard	8,091	5,016
Property rented from Mr G Howard	2,263	3,464
Property rented from Mr and Mrs E Walker	6,112	6,112
Property rented from Mrs D Tidball	1,920	-

25 Cash generated from operations

2021
£

2020
£

Surplus for the year	457,431	233,844
Adjustments for:		
Investment income recognised in statement of financial activities	(9,266)	(9,303)
Depreciation and impairment of tangible fixed assets	28,616	23,801
Movements in working capital:		
Decrease/(increase) in stocks	12,908	(12,908)
(Increase)/decrease in debtors	(58,158)	14,617
Increase/(decrease) in creditors	22,209	(3,147)
Increase/(decrease) in deferred income	19,188	(50,000)
Cash generated from operations	472,928	196,904

26 Analysis of changes in net funds

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	756,366	335,987	1,092,353
Loans falling due within one year	(10,700)	-	(10,700)
Loans falling due after more than one year	(391,969)	12,209	(379,760)
	<u>353,697</u>	<u>348,196</u>	<u>701,893</u>