

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	(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	
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

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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

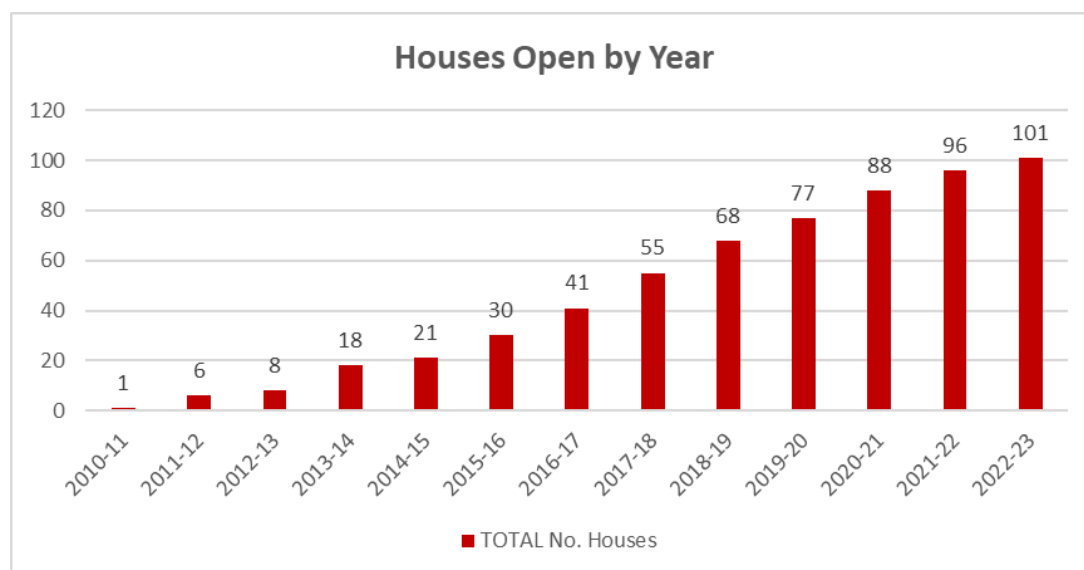
During 2022/23, we opened 10 new Hope into Action houses in

- 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

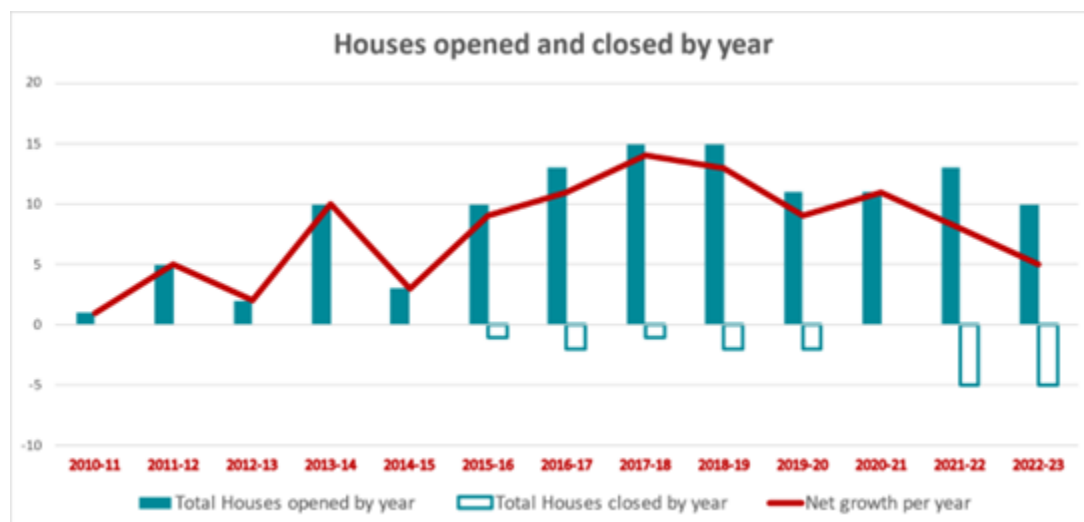
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023



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.

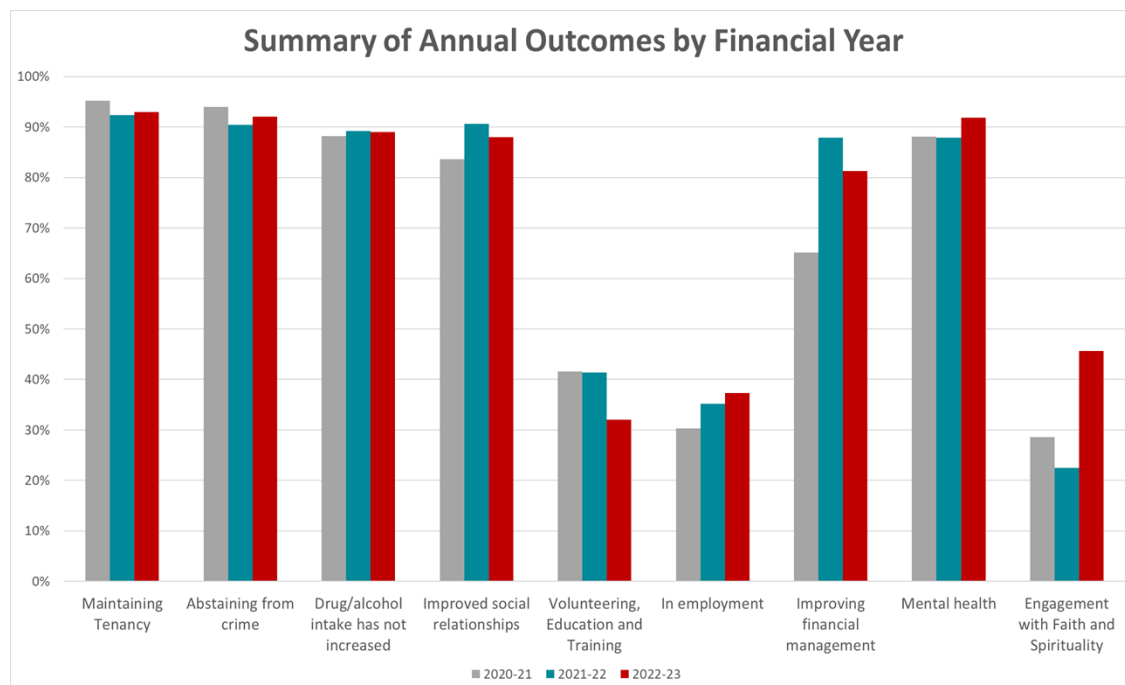
Outcome	2022-23 [2021-22]	Description
Demographics	412 [[^] from 352]	Adults: 300 (195 Male, 105 Female); Children: 112 (61 Male, 51 Female) 50% classed themselves as White British. At 31st March 2023, 21.8% of our houses housed at least one refugee, and 28% of our tenants were refugees, mostly families. 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:

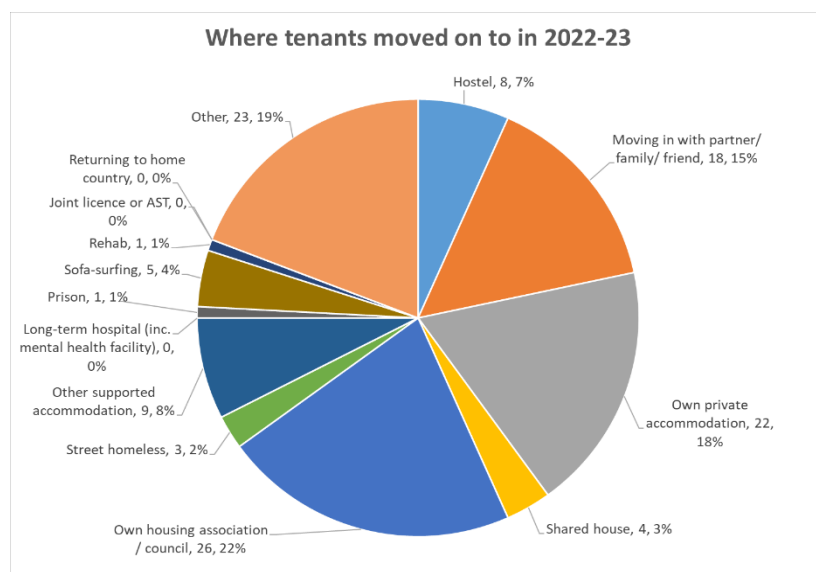


Tenant move-on from our houses

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.

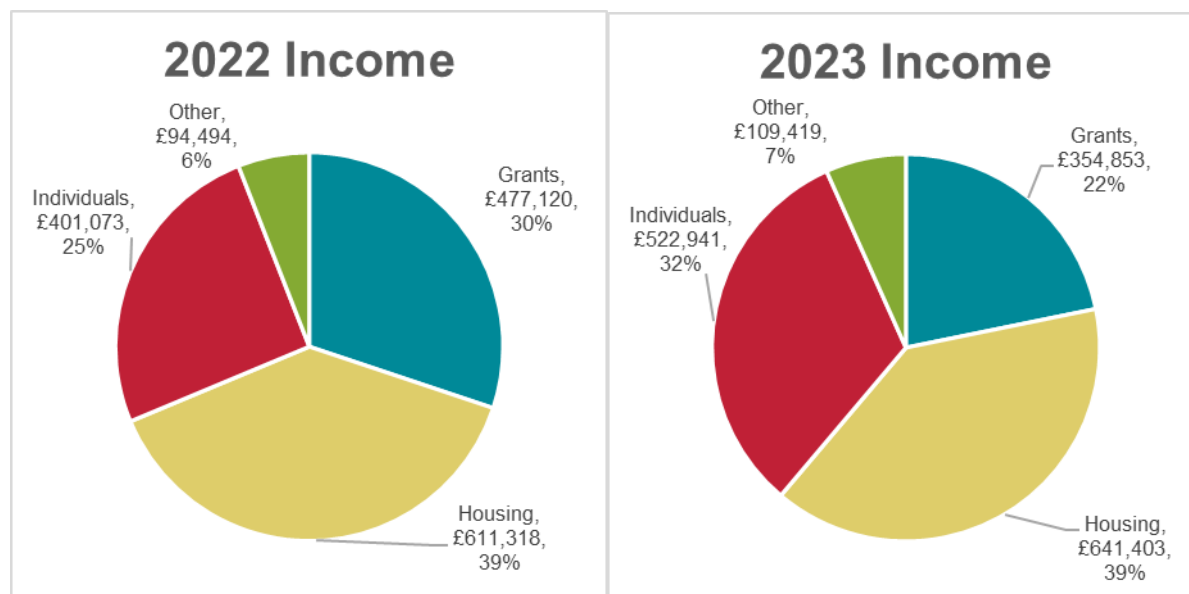
The Trustees have noted that the current level of free reserves is within that range at 3.4 months. In the unfortunate event of funding levels dropping to dangerous levels then the Trustees would have to consider the sale of one of our houses or re-mortgage a property.

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

		Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes				
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		1,308,771	-	275,230	1,584,001
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		1,277,820	32,748	244,399	1,554,967
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		429,946	1,514,163	546,577	2,490,686
Fund balances at 31 March 2022		429,246	1,518,842	571,632	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

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	
Net cash generated from/(used in) investing activities			7,770		(161,537)
Financing activities					
Repayment of bank loans		(8,990)		(110,746)	
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
Cash and cash equivalents at end of year			795,288		889,342

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 Number	2022 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
	972,794	868,445

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	1,988,533	50,000	56,920	5,776	2,101,229
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	161,371	1,200	51,736	3,850	218,157
Carrying amount					
At 31 March 2023	1,827,162	48,800	5,184	1,926	1,883,072
At 31 March 2022	1,847,047	49,300	14,299	3,851	1,914,497

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		<u>270,724</u>	<u>279,714</u>
Payable within one year	14	10,700	10,700
Payable after one year	15	<u>260,024</u>	<u>269,014</u>

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	<u>260,024</u>	<u>269,014</u>

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
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	-
Deferred income at 31 March 2023	56,213	7,000

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 1 April 2022	Incoming resources	Resources expended	Transfers	Balance at 31 March 2023
	£	£	£	£	£
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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

20 Analysis of net assets between funds

	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 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 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 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

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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

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
		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)
		609,628	(85,064)	524,564