

Charity Registration No. 1156746

Company Registration No. 08819740 (England and Wales)

RENTSTART (UK) LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

RENTSTART (UK) LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms S A Seery	
	Mr J E Rye	
	Mr L Holmes	(Appointed 22 April 2020)
	Mr N Lucas	(Appointed 22 April 2020)
	Mr M Farr	(Appointed 29 April 2021)
Secretary	Mr J E Rye	
Charity number	1156746	
Company number	08819740	
Registered office	51-55 High Street Walton on Thames Surrey KT12 1DH	
Auditor	Warner Wilde Limited 4 Marigold Drive Bisley Surrey United Kingdom GU24 9SF	
Bankers	HSBC Bank Plc 34 High Street Walton on Thames Surrey KT12 1DD	
	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4TA	

RENTSTART (UK) LTD

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RENTSTART (UK) LTD

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

The trustees present their report and financial statements 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 the relief of poverty and distress and the protection of health among persons within the borough of Elmbridge and adjoining boroughs who are homeless or at risk of becoming homeless by providing and assisting in the provision of housing, advice, support and practical assistance and by such other means as the trustees may in their absolute discretion think fit. There has been no change in these during the year.

Public Benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. All Board Members give their time freely and no remuneration was paid to Board Members. The Charity has Trustee liability insurance cover.

Achievements and performance

Rentstart (UK) Ltd is a non-profit making organisation. Our state of affairs and financial results for the year are as shown by these accounts. We operate from an office in Walton on Thames, Surrey.

Rentstart (UK) Ltd changed its name from Elmbridge Rentstart (UK) Ltd on 18 August 2020.

The unrestricted income and expenditure fund, which finances our running costs, shows a surplus of £60,360 (2020 surplus £30,880). The Fund totalled £202,320 at 31 March 2021 (2020 £141,960).

Our aim remains to house and support local homeless people. We not only house our clients, we provide rent in advance, deposits and then on-going training and support (with a focus on financial literacy and employment) that enables them to become established and move on with their lives. This annual report covers entirely time impacted by the Covid-19 pandemic. We have needed to constantly adapt our working practices to keep our clients, volunteers and staff safe whilst responding to increased need for help.

It is important to note that our accounts present a slightly skewed view of our Charity. As mentioned later in this report we directly manage a significant number of rental properties to ensure quality housing is available for our clients have taken on direct management of rental properties to be able to provide enough quality housing for our clients. This means that we are collecting in rents, and then paying them out to property owners. Of our total expenditure of £1,386,133, £753,110 is related to our property work and £604,671 reflects our client support work costs.

RENTSTART (UK) LTD

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

Over the last 12 months we have given advice to 423 people and have gone on to house 147 people.

Alongside housing and supporting new clients this year, we have needed to support clients housed in previous years as the pandemic created new problems, issues and tensions. In total we have needed to support an additional 100 people whom we had housed in past years. Covid-19 resulted in urgent housing of rough sleepers, closure of our small group work, intensive one to one work and new practical measures around food parcels and be-friending support for the most vulnerable.

Of the 147 newly housed clients:

54% had been rough sleepers

55% have mental health issues

12% have a criminal record

33% have drug and/or alcohol issues

93% are still housed

Up until the Covid-19 outbreak our work was flourishing with the use of our Daytime Hub service for both rough sleepers and activity groups that were available to all our housed clients. We were able to attract new volunteers to our charity who worked alongside our staff to deliver support to the clients using this vital service. In March 2020 we needed to close our Daytime Hub service, but never ceased to see the most vulnerable clients face to face. As restrictions continued to change over the course of the year, we adapted our working practices accordingly each time.

The most significant aspects of dealing with the pandemic involved ensuring that people could stay safely housed. This work ranged from the urgent housing of rough sleepers through to far more in-depth support to increasing numbers of clients as issues arose from isolation, shared living and changes in circumstance. We were buoyed by the response of our local community who turned their hand to cooking meals, delivering boredom buster packs to those in isolation and training to work as volunteer befrienders as we set out to ensure that our most vulnerable clients were supported. We believe that our success is demonstrated by the fact that 93% of our clients remained safely housed throughout the pandemic.

To conclude we have needed to work hard this year to adapt to a new way of working due to Covid-19 and have seen increased complexities within our client group. However, we have now achieved our goals of expanding both our client support and property provision and have moved to our new premises and we are now set for an exciting year ahead. Many of our clients have continued to make significant progress this year, with 22% now in work and 18% saving a small amount each month towards their own deposit.

The Trustees are most grateful to all of our staff, volunteers and funders, without whom our work would not be possible.

Financial review

Reserves need to be held to enable an orderly winding down of the Charity's affairs if adequate funding is no longer available. The Trustees have resolved that the Unrestricted Income and Expenditure Fund should be held at a level between 25% and 50% of total annual expenditure (excluding property management expenses and claims). At 31 March 2021, the Fund held £202,320 (2020 £141,960) in unrestricted reserves. This equates to 33% (2020 38%) of our current annual running costs (excluding property management fees).

Restricted reserves total £149,409 (2020 153,800) which are to be spent on specific projects during 2021/22.

RENTSTART (UK) LTD

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

Risk Management

The Trustees regularly review the risks to which the Charity is exposed. A risk analysis was carried out during the year. The principal areas of risk are as follows:

Loss of key management
Excessive guarantee claims
Loss of office accommodation

Loss of core funding
Risk to staff in dealing with clients

The Trustees are satisfied that appropriate action has been taken to minimise the risks to the Charity and its staff.

Structure, governance and management

The charity is a company limited by guarantee.

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

Mr P J Tiller	(Resigned 29 April 2021)
Ms S A Seery	
Mr N S Pacey	(Resigned 21 October 2020)
Mr J E Rye	
Mr L Holmes	(Appointed 22 April 2020)
Mr N Lucas	(Appointed 22 April 2020)
Mr M Farr	(Appointed 29 April 2021)

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.

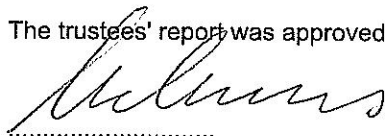
Organisation

The Charity is run by its members (as Trustees) in general meetings. Power may be delegated to one or more Trustees or groups of Trustees to manage the employees of the Charity and its day to day operations, subject to the overall supervision of the Trustees in general meeting. The Trustees meet in general meeting five times a year to review progress and take corrective action as required. This year the trustees have adopted a code of governance based on the Charity Commission's own code.

Auditor

Warner Wilde Limited were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

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



Mr N Lucas

Trustee

Dated: 1/12/2021

RENTSTART (UK) LTD

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of Rentstart (UK) Ltd 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.

RENTSTART (UK) LTD

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF RENTSTART (UK) LTD

Opinion

We have audited the financial statements of Rentstart (UK) Ltd (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 12 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

RENTSTART (UK) LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF RENTSTART (UK) LTD

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.

RENTSTART (UK) LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF RENTSTART (UK) LTD

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our knowledge and experience of the charity and sector;

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, the Charities Act 2011, Companies Act 2006, taxation legislation, data protection, employment, environmental and health and safety legislation;

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

RENTSTART (UK) LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF RENTSTART (UK) LTD

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;

considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and

testing controls with walk through procedures and substantive transaction testing;

To address the risk of fraud through management bias and override of controls, we:

performed analytical procedures to identify any unusual or unexpected relationships;

tested journal entries to identify unusual transactions;

assessed whether judgements and assumptions made in determining any accounting estimates were indicative of potential bias;

investigated the rationale behind significant or unusual transactions; and

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

agreeing financial statement disclosures to underlying supporting documentation;

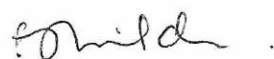
reading the minutes of meetings of those charged with governance;

enquiring of management as to actual and potential litigation and claims;

reviewing correspondence with HMRC and relevant regulators such as the Charity Commission

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.



**F J Wilde FCCA DChA (Senior Statutory Auditor)
For and on behalf of Warner Wilde Limited
Statutory Auditor**

3 December 2021
.....
4 Marigold Drive
Bisley
Surrey
United Kingdom
GU24 9SF

Warner Wilde Limited 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.

RENTSTART (UK) LTD

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

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
<u>Income from:</u>							
Donations	3	106,296	490,883	597,179	145,059	348,862	493,921
Income from Rental Properties	4	837,319	-	837,319	670,594	-	670,594
Investments	5	406	-	406	553	-	553
Total income		944,021	490,883	1,434,904	816,206	348,862	1,165,068
<u>Expenditure on:</u>							
Raising funds	6	29,512	-	29,512	24,241	-	24,241
<u>Charitable activities</u>							
Support for Clients	7	109,397	495,274	604,671	158,432	257,111	415,543
Rental Property Expenses	7	753,110	-	753,110	602,752	-	602,752
Total charitable expenditure		862,507	495,274	1,357,781	761,184	257,111	1,018,295
Other	11	(1,160)	-	(1,160)	-	-	-
Total resources expended		890,859	495,274	1,386,133	785,425	257,111	1,042,536
Net gains/(losses) on investments	12	7,198	-	7,198	99	-	99
Net movement in funds		60,360	(4,391)	55,969	30,880	91,751	122,631
Fund balances at 1 April 2020		141,960	153,800	295,760	111,080	62,049	173,129
Fund balances at 31 March 2021		202,320	149,409	351,729	141,960	153,800	295,760

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.

RENTSTART (UK) LTD

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets			-		2,180
Investments	13		57,297		-
			<u>57,297</u>		<u>2,180</u>
Current assets					
Debtors	14	79,536		116,307	
Cash at bank and in hand		287,669		234,051	
		<u>367,205</u>		<u>350,358</u>	
Creditors: amounts falling due within one year	15	(72,773)		(56,778)	
Net current assets			294,432		293,580
Total assets less current liabilities			<u>351,729</u>		<u>295,760</u>
Income funds					
Restricted funds	18	149,409		153,800	
Unrestricted funds - general		202,320		141,960	
		<u>351,729</u>		<u>295,760</u>	

RENTSTART (UK) LTD

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

Notes	2021		2020	
	£	£	£	£

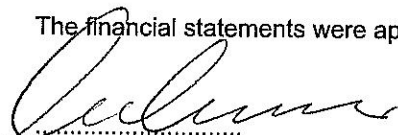
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees 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.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 22/10/2021



Mr N Lucas
Trustee

Company Registration No. 08819740

RENTSTART (UK) LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	22		100,511		76,745
Investing activities					
Proceeds on disposal of tangible fixed assets		2,800		-	
Purchase of investments		(50,099)		99	
Interest received		406		553	
Net cash (used in)/generated from investing activities			(46,893)		652
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			53,618		77,397
Cash and cash equivalents at beginning of year			234,051		156,654
Cash and cash equivalents at end of year			287,669		234,051

RENTSTART (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Rentstart (UK) Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is 51-55, High Street, Walton on Thames, Surrey, KT12 1DH.

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 financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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

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

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

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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

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

1.5 Expenditure

A cost is identified when either a legal or constructive obligation is identified. Irrecoverable VAT is charged to the same expenditure category as the corresponding cost.

RENTSTART (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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:

Motor vehicles	Over three years
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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.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 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).

1.9 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.

RENTSTART (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.11 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.

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.

RENTSTART (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

3 Donations

	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £
Donations and gifts	45,533	-	45,533	73,669	-	73,669
Statutory Funding from Local Councils	25,763	357,918	383,681	47,590	104,757	152,347
Other	35,000	132,965	167,965	23,800	244,105	267,905
	<u>106,296</u>	<u>490,883</u>	<u>597,179</u>	<u>145,059</u>	<u>348,862</u>	<u>493,921</u>

4 Income from Rental Properties

	Rental Income 2021 £	Rental Income 2020 £
Charitable rental income	<u>837,319</u>	<u>670,594</u>

5 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Interest receivable	<u>406</u>	<u>553</u>

6 Raising funds

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
<u>Fundraising and publicity</u>		
Community fundraising events	11,602	10,865
Advertising	1,903	-
Other fundraising costs	16,007	13,376
	<u>29,512</u>	<u>24,241</u>
Fundraising and publicity	<u>29,512</u>	<u>24,241</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

7 Charitable activities

	Support for Clients	Rental Property Expenses	Total	Support for Clients	Rental Property Expenses	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Staff costs	388,196	-	388,196	284,324	-	284,324
Depreciation and impairment	540	-	540	2,160	-	2,160
Travel and Training	3,286	-	3,286	9,547	-	9,547
Office Costs	83,433	-	83,433	52,751	-	52,751
Communications and IT	28,857	-	28,857	21,323	-	21,323
Insurance	5,176	-	5,176	3,686	-	3,686
Client Support	61,645	-	61,645	25,559	-	25,559
Property Management Expenses	13,649	753,110	766,759	-	602,752	602,752
Consultants	8,500	-	8,500	-	-	-
Employee benefits	1,381	-	1,381	-	-	-
Project Costs (strategic planning projects)	2,000	-	2,000	8,536	-	8,536
	596,663	753,110	1,349,773	407,886	602,752	1,010,638
Share of governance costs (see note 8)	8,008	-	8,008	7,657	-	7,657
	604,671	753,110	1,357,781	415,543	602,752	1,018,295
Analysis by fund						
Unrestricted funds - general	109,397	753,110	862,507	158,432	602,752	761,184
Restricted funds	495,274	-	495,274	257,111	-	257,111
	604,671	753,110	1,357,781	415,543	602,752	1,018,295

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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 £
Auditor's fees	-	8,008	8,008	-	7,657	7,657
	-	8,008	8,008	-	7,657	7,657
Analysed between Charitable activities	-	8,008	8,008	-	7,657	7,657

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Operational and administrative	13	11

Employment costs

	2021 £	2020 £
Wages and salaries	347,363	262,025
Social security costs	25,274	17,409
Other pension costs	15,559	4,890
	388,196	284,324

The total cost of Key Management Personnel for the year was £103,154 (2020: £76,023) including employers national insurance and pension contributions. Key Management Personnel is defined as the Chief Executive plus a proportion of the Operations Manager role.

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

	2021 Number	2020 Number
£60,000 - £70,000	1	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

11 Other

	Unrestricted funds general 2021	Total £ 2020
Net gain on disposal of tangible fixed assets	(1,160)	-
	<u>(1,160)</u>	<u>-</u>

12 Net gains/(losses) on investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Revaluation of investments	7,198	99
	<u>7,198</u>	<u>99</u>

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2020	-
Additions	50,099
Valuation changes	7,198
At 31 March 2021	<u>57,297</u>
Carrying amount	
At 31 March 2021	<u>57,297</u>
At 31 March 2020	<u>-</u>

Fixed asset investments revalued

The investment has been reclassified from bank and cash to investments during the year. Although it is a liquid fund it does comprise units which are valued at the year end.

The value brought forward from bank and cash at 1 April 2020 (assumed cost) plus additions during the year is £50,099.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

14 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	46,746	42,706
Other debtors	11,249	45,980
Prepayments and accrued income	21,541	27,621
	<u>79,536</u>	<u>116,307</u>

15 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Other taxation and social security		7,715	1,049
Deferred income	16	22,685	28,821
Other creditors		30,139	7,264
Accruals		12,234	19,644
		<u>72,773</u>	<u>56,778</u>

16 Deferred income

	2021 £	2020 £
Arising from prepaid rents	<u>22,685</u>	<u>28,821</u>

Deferred income is included in the financial statements as follows:

	£
Brought forward	28,821
Released	(28,821)
Provided	<u>22,685</u>
Carried forward	<u>22,685</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 or loss in respect of defined contribution schemes was £15,559 (2020 - £4,890).

RENTSTART (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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:

	Balance at 1 April 2019 £	Movement in funds			Balance at 1 April 2020 £	Movement in funds			Transfers 31 March 2021 £	Balance at 31 March 2021 £
		Incoming resources £	Resources expended £			Incoming resources £	Resources expended £			
Client Support	35,000	270,557	(200,730)		104,827	431,341	(434,433)		(12,000)	89,735
Access to Private Rented Sector	27,049	78,305	(56,381)		48,973	59,542	(60,841)		12,000	59,674
	62,049	348,862	(257,111)		153,800	490,883	(495,274)		-	149,409

Our client support work involves helping local homeless and vulnerably housed people to transition from their current situations through to regaining a stable lifestyle. This work encompasses everything from our initial meeting with each client through our practical and emotional support until each client is safely housed and re-engaged with society. We place emphasis on helping clients to become financially literate and help them to seek and sustain paid employment.

Our access to the private rented sector work involves engaging with landlords to secure suitable properties for Rentstart to add to our portfolio of managed bed spaces, maintenance of these properties, placing of clients in the properties and managing the related financial aspects of this work.

RENTSTART (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

19 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	-	-	-	2,180	-	2,180
Investments	57,297	-	57,297	-	-	-
Current assets/ (liabilities)	145,023	149,409	294,432	139,779	153,801	293,580
	<u>202,320</u>	<u>149,409</u>	<u>351,729</u>	<u>141,959</u>	<u>153,801</u>	<u>295,760</u>

20 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	39,100	46,600
Between two and five years	13,250	39,100
	<u>52,350</u>	<u>85,700</u>

The operating leases represent two properties, with a minimum term until 2022 and 2023 respectively.

21 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

22 Cash generated from operations

	2021 £	2020 £
Surplus for the year	55,969	122,631
Adjustments for:		
Investment income recognised in statement of financial activities	(406)	(553)
Gain on disposal of tangible fixed assets	(1,160)	-
Fair value gains and losses on investments	(7,198)	(99)
Depreciation and impairment of tangible fixed assets	540	2,160
Movements in working capital:		
Decrease/(increase) in debtors	36,771	(70,884)
Increase in creditors	22,131	16,552
(Decrease)/increase in deferred income	(6,136)	6,938
Cash generated from operations	<u>100,511</u>	<u>76,745</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 31 MARCH 2021***

23 Analysis of changes in net funds

The charity had no debt during the year.