

HOSPITALITY AND HOPE CIO

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 October 2020

Charity Number 1159213

HOSPITALITY AND HOPE CIO

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 October 2020

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HOSPITALITY AND HOPE CIO
TRUSTEES ANNUAL REPORT
For the year ended 31 October 2020

The trustees are pleased to present their annual trustees' report together with the financial statements of the charity for the year ended 31 October 2020.

The financial statements comply with the Charities Act 2011, the Memorandum and Articles of Association, 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)

1. Objectives and Activities

The objectives of the charitable incorporated organisation (CIO) are to bring hope to the local community through:

- the relief of poverty, sickness and distress amongst vulnerable people in South Tyneside, including those who are homeless or at risk of homelessness. Delivered by the provision of funds, goods, or services of any kind as the trustees from time to time may think fit, including (but not by way of limitation) by the operation of a soup kitchen, food bank and wider supported services.
- the relief of those in need by reason of age, ill-health, disability, financial hardship or any other social or economic disadvantage in such ways as the trustees from time to time may think fit including (but not by way of limitation) by the promotion and provision of or assistance with the provision of accommodation and/or supported accommodation appropriate to their needs; and
- to further such other purposes being exclusively charitable according to the laws of England and Wales as the trustees from time to time may think fit.

During the period 1 November 2019 to 31 October 2020 the regular activities of Hospitality and Hope were

- Delivery of the South Tyneside Food Bank by a team of volunteers.
- Management of the Hampden Street Centre, the operational base for the charity.
- Management of the Supported Living Accommodation (HMO).
- Provision of health and wellbeing activities

The following activities were operational until March 20 when they were suspended in line with Government guidelines related to Covid 19.

- Delivery of a soup kitchen by teams of volunteers.
- Delivery of a clothes bank by a team of volunteers.
- Management of the Community Café.

2. Achievements and performance

We have been working at grassroots level for more than 18 years and are embedded within the local community. Addressing the immediate impact of poverty for individuals and families is our main focus. We are also working hard to extend services and support to provide a more holistic approach, which will contribute towards the longer term changes needed to improve beneficiaries' quality of life and future prospects.

Hospitality and Hope has worked tirelessly during 2019/20 to maintain the provision of essential support to our local community. In addition to historically high levels of deprivation, the community has been ravaged by the impact of the COVID-19 pandemic. Like many charities, we continued to support our community by responding with pace and flexibility to the changing needs brought about by high levels of financial poverty resulting from Furlough and the loss of employment.

Notwithstanding the challenges faced by delivering frontline services during a period of substantial national emergency, the Trustees of Hospitality and Hope consider their charitable objectives have been met.

A summary of our key achievements for the year 2019 to 2020

Increased demand for our Food Bank:

- Between November 2020 and October 2021, our Food Bank received 1,822 requests for support. This was to support 4,782 people (3232 adults and 1,550 children) and represents a 36% increase on the previous year.
- The peak in demand was at the start of Covid-19 restrictions (April to June 2020) when we supported a 50% increase in the number of requests for support.

Meeting Community Need:

- Established a self-referral system for easy access to support from our Food Bank.
- Increased our Food Bank operation to five days per week to meet increased demand.
- Introduced a fresh fruit and vegetables project to improve the nutritional value of our Food Bank offer.
- Launched a debt advisory service in partnership with Age Concern Tyneside South (ACTS) to improve the financial wellbeing of those accessing our Food Bank.
- Offered a wellbeing programme for all clients (November 2019 to March 2020) and then a reduced offer for the remainder of the year while in Covid-19 restrictions;
- Supported five Supported Living Accommodation residents to successfully move into fully independent living accommodation.

Improving Operational Effectiveness:

- Strengthened our digital capability to improve reach into the community.
- Conducted a comprehensive charity-wide risk assessment analysis and action plan
- Became an affiliated member of the Trussell Trust.
- Implemented a new Food Bank data collection system to improve our efficiency and effectiveness.
- Commenced a feasibility study for move on property for our Supported Living residents.
- Developed and deepened our partnerships with local authorities and partnership agencies.
- Established a new Finance Steering Group.
- Appointed a new Trustee.

OUR ACHIEVEMENTS IN DETAIL**Context: A Year Like No Other**

For most of this financial year, we have been delivering services during the Covid-19 pandemic. There were only five months when our full portfolio of services were offered. The first National Lockdown in March 2020 saw us suspending our Soup Kitchen and Community Cafe services in compliance with Covid-19 restrictions and regulations.

Between April and October 2020, we focused on the delivery of the:

- Food Bank
- Supported Living Accommodation (SLA)

With a streamlined:

- Health and Wellbeing offer

Strong Governance

The Board of Trustees continue to provide strong leadership and robust governance for the charity. At the start of Lockdown in March 2020, they increased the frequency of Trustee meetings, to weekly, to ensure that our work responded quickly and flexibly to the changing demands during a worldwide pandemic. These meetings were held virtually and continue to in this way until Government advice allows for in person meetings. The Treasurer updated cashflow projections regularly to inform the strategic planning process as well as the performance and financial management of the charity.

The Funding Steering Group continued to meet monthly under the direction of the board, to manage funding applications and the monitoring of funded programmes. A new Finance Steering Group was established in May 2020 to further strengthen our financial robustness.

Our Service Delivery

We offer a portfolio of services developed over time in response to beneficiaries changing needs: Food Bank, Supported Living Accommodation (SLA), Wellbeing Activities, Soup Kitchen and Community Café.

Supporting Food Poverty: South Tyneside Food Bank

Our Food Bank is a key component to our crisis relief service. In response to Covid-19 and with the support of national and local emergency funding from Charities Aid Foundation (CAF), Money Saving Expert, The National Lottery Community Fund, Community Foundation Tyne and Wear and South Tyneside Council this service was scaled up:

- Launch of a Food Bank 'Self-Referral' process for those in need but without the formal mechanisms of a Key Worker to access support. This was the highest ranking referral route to Food Bank services this year
- Activation of the Trussell Trust membership and transfer from paper-based to their national electronic data collection system
- Extension of the space for the Food Bank and the installation of new storage facilities: shelving, storage and refrigerators
- Extension in Food Bank opening hours from two to five days per week
- Appointment of a Food Bank Coordinator in February 2020, initially for 20 hours but increased to 37 hours per week
- Leasing of a van to support Food Bank collections and home deliveries to isolated beneficiaries
- Stock levels were quadrupled from 5 tonnes of food in May to 20 tonnes by October through increases in food donations from a number of large supermarkets and the general public during the pandemic
- Trussell Trust membership also provided a volunteer partnership with British Gas who delivered food and volunteered in the Food Bank during the first lockdown when our volunteers were shielding
- The introduction of a new 'Fresh Fruit and Vegetables Project' to improve the nutritional value of our standard food parcel in October 2020. This will be offered until March 2021.

Between November 2020 and October 2021, our Food Bank received 1,822 requests for support from both self-referrals and a wide range of referral partners including Social Care, HMO's, schools and health organisations. This was to support 4,782 people (3232 adults and 1,550 children). The main reasons for referrals were benefit changes; debt and low income. This is an increase of 36% on the previous year when 1,337 request for support 3,601 people (2,041 adults and 1,559 children). Our peak was at the beginning of Covid-19 (March to May 2020) when we saw a 50% increase on the same period in the previous year. To meet this increased demand, 37 tonnes of food was given out, an increase of 12 tonnes on the previous year (a 48% increase).

The new Food Bank data collection systems provided access to on-going, consistent, high-quality data and intelligence on client referrals and stock movements at a more granular level. It has highlighted that the profile of those needing support with food is changing due to the impact of Covid-19. We have plans to increase partnership working and adapt our marketing to engage with them more effectively to offer support in the coming year.

We have worked hard to further develop a partnership approach to providing emergency food to families and individuals. We have been working closely with local community groups, charities and schools to distribute support directly to their beneficiaries. As well as offering a direct route to some groups that would otherwise not access our Food Bank, this route also removes the stigma of collecting from a Food Bank.

Reducing Homelessness

Our Supported Living Accommodation (Chai House) provides a supportive and active environment for five vulnerable homeless men. During their time as a resident, each person has a personalised support plan with individual goals and milestones to address their need and progress them towards independent living. Each resident makes a commitment to contribute positively to the community through volunteering. Prior to Covid-19, the residents were volunteering regularly in our community café and our Food Bank.

This year, we have supported a total of 14 residents providing a home and on-going support to ensure that they could address their individual issues and prepare them for mainstream services. As individuals, they addressed issues of alcohol or substance misuse contributing to homelessness (9 residents); Mental health interventions (5 residents); made significant progress towards improving their employability including volunteering (10 residents); found employment as a direct result of the support given (3 residents); made significant progress to moving towards an independent home (6 residents) with four more making the transition. All residents addressed multiple issues.

“The charity has helped me in all sorts of ways, having a good night’s sleep and someone to talk to has made all the difference, it’s changed my life.”

“The support at Chai House and the café has massively helped my mental health, giving me purpose and hope, having someone to talk to on bad days without judging me, having a laugh with staff who accept me for who I am and being able to look forward to another day. This is a world away from where I was, depressed, lonely and feeling like I had no future”.

During this year we commenced research and a feasibility study on acquiring an additional property to house residents as part of their structured move on. The data collated from previous residents’ shows that there is a high percentage of regression when independent living is secured. The leap from supported housing into independent is just too big. A ‘semi-supported’ option to bridge the gap would be highly beneficial to residents and be a valuable component of their journey into independent living. This work will be taken forward into our plans for 2020/21.

Improving Health and Wellbeing

Improving the emotional, financial and physical wellbeing of our community remains a core priority for us. Prior to Covid-19, our Support Worker: Wellbeing offered a programme of health and wellbeing activities for our clients. During the spring, we began a series of four-week ‘Cooking on a Budget’ sessions using the kitchen at Hampden Street, which previously had been at the heart of our Soup Kitchen operation.

From April, we continued wellbeing support for the residents of our Supported Living Accommodation (SLA) and a small number of vulnerable Soup Kitchen clients. We provided weekly online support to assist with their mental health and emotional resilience. As restrictions were eased during the summer, a wellbeing resilience programme was developed for the residents including a community garden project.

To support financial wellbeing and to move clients away from the need for emergency food provision, we introduced an onsite Debt Worker in partnership with Age Concern Tyneside South (ACTS). This will be operational until August 2021.

Services offered in the period before the Covid-19 pandemic included:

Soup Kitchen

Our volunteer-run soup kitchen was able to operate for the first half of the financial year but sadly had to cease due to lockdown restrictions. During this time, support was provided to vulnerable and homeless people within the area with the provision of a safe place to eat a hot meal, onsite support through our volunteers and signposting to any deeper support required through other local agencies. From November 2019 to March 2020, we engaged with a total of 79 clients, providing over 200 meals.

During the first few weeks of lockdown the soup kitchen operated a take-out meal option, online/telephone support and attempted to contact many with offers of support via the Food Bank.

Clothing Bank

The extension of our Food Bank was achieved by scaling back our Clothing Bank to an essentials only service in Spring 2020. The removal of this service freed up significant floor space to extend stock holding capability of the Food Bank. A clothing drop off facility in partnership with the Salvation Army was placed in our car park, to allow our supporters to continue to donate clothing to those in need.

Chai Café

Our Community Cafe has provided a quality hub for the local community while also being a resource for training and volunteering for two and a half years. The residents from our Supported Living Accommodation, and lately students from partner organisations have gained invaluable volunteering and on the job training using this community resource.

“Jake progressed from Chai Café into a placement in Newcastle, four days a week. In the past few weeks he has shown enough ability to potentially be offered paid employment if his performance continues as a Kitchen Porter. Although only a short time was spent at Chai Café, the experience of working within a professional environment, and the support he received has enabled Jake to quickly progress to where he has secured a paid position. He was challenged within the placement, enough to build on his core skills in catering, gaining knowledge around a breakfast service and barista training that he can now take to further his career”. NHS Placement Feedback: Nathan Baxter, Project Choice Co-ordinator.

Sadly, our community café was unable to continue trading in a financially viable way as a result of Covid-19 restrictions and decreased footfall in the area. Staff were initially furloughed and then made redundant in July 2020 when the Trustees took the difficult decision to permanently close the facility

Increasing our efficiency

Our digital agenda continued to gather momentum during the year with further strengthening of our website presence, supported by digital communications across social media including Facebook, LinkedIn, Twitter and a new Instagram account.

Throughout the year, we have continued to build upon our success in further developing our digital systems in relation to accounting software, information systems and systems to support remote working. In addition, we secured infrastructure support via an outsourced arrangement that ensures our systems are secure, safe, reliable and legislatively compliant.

Charity income

Income for the charity rose to £371k during the year, a rise of 26% on the previous year. £209k of this was secured as restricted income from various trusts and funders, which contributed towards core costs and specific projects. A General Appeal for staffing costs was successful. Increased supporter engagement, particularly online grew by £21k. We have recently engaged the expertise of a Consultant to lead a Winter Campaign to extend community engagement while raising the profile of the charity and generating 15 tonnes of stock for the Food Bank and a target to raise £15k in donations.

Staffing

At the start of the year, Hospitality and Hope employed nine staff members (5.3FTE). The CEO (f/t) has overall responsibility for the operational delivery of the charity. Our central office hosted four staff: Volunteer Coordinator (0.5 FTE); Administrative Assistant (0.5 FTE); Support Worker: Wellbeing (0.25FTE) and Funding Officer (0.4 FTE)). In addition, our Community Cafe had three staff members (Coffee House Manager (f/t); two Cafe Assistants (0.5 FTE); and our Supported Living Accommodation one full time worker.

A large part of our success can be attributed to the dedication and time given by our family of volunteers. Again, this service was severely impacted by the COVID-19 restrictions as our volunteers followed national COVID-19 restrictions and shielding advice. As restriction eased over the summer and autumn months, we introduced a bubble shift system that enabled some volunteers to return to support the Food Bank.

Throughout the year, sometimes in response to the Covid-19 pandemic, there have been some staff changes:

- The appointment of a Food Bank Coordinator, as a paid staff post, in February 2020.
- Most staff worked from home at the beginning of the pandemic, maintaining only skeleton staff at our Hampden Street headquarters.
- In response to the pandemic, our Volunteer Coordinator transferred support for our family of volunteers to telephone and online with online zoom quizzes, cards and telephone calls.
- Volunteer engagement was significantly reduced during the year, as many were a high risk of infection due to age and health reasons.
- Cafe staff were furloughed in March and then made redundant in July 2020 when the Community Cafe was closed.
- A new Trustee was recruited, David Wheatley, who provided expertise in strategy and digital transformation to the board.
- Paul Oliver, our CEO since June 2018, will be leaving us at the end of November. We have initiated the appointment of a replacement to commence in January 2021.

3. Financial review

Review of the year

The results for the year and the charity's financial position at the end of the year are shown in the attached financial statements.

During the year the Charity had income of £371,080 of which £208,949 was restricted (2019: £294,709 of which £270,072 was restricted) and expenditure of £324,029 of which £224,064 was restricted (2019: £248,355 of which £236,974 was restricted). The income and expenditure include £62,530, which is the value of the donated stock distributed through the food bank in the year. There was an operating surplus of £47,051 of which a deficit of £20,754 was restricted (2019: surplus £ 46,354 of which a surplus of £11,772 was restricted).

At 31 October 2020, the Charity had net assets of £692,100 of which £529,381 was restricted (2019 £645,049 of which £563,439 was restricted). The funds of the Charity includes £507,359, which is the book value of the freehold land and building at Laygate, which houses our supported living accommodation and community café.

Reserves policy

The Trustees consider the level of reserves £162,719 (2019:£94,914) to be prudent, this includes a designated contingency fund of £71,000 to cover emergency repairs to our properties which are vital to the delivery of our services, and potential liabilities in the event that the charity ceases. Our Reserves Policy is reviewed annually.

4. Plan for future - Our ambition for the next 12 months

Hospitality and Hope provides services within a community that continues to be challenged by high levels of deprivation. Many of the people in South Tyneside are living in an area that is within the 10% most deprived in the country and **significantly below the 10% most deprived** for low income, unemployment, health and education, & skills.

As we plan for the next year, holding onto our charitable roots is of paramount importance as this enables us to learn from the lived experience of our community and shape services that are truly informed by need. Allied to this is our renewed commitment to take an evidence-based approach to developing services that are proven to bring about positive change and have impact.

To ensure that Hospitality and Hope remains at the forefront of delivering local services, especially to those in or community who need a helping hand, the Board of Trustees have approved an ambitious three year strategic plan.

OUR VISION

The community of South Tyneside will be able to live without the stigma of disadvantage and inequality, with an increased sense of hope for a positive and self reliant future.

OUR VALUES

COMPASSION

We work with care, understanding and a compelling desire to support vulnerable people.

INTEGRITY

We work with transparency and ensure that our decisions are ethical and morally sound.

INCLUSIVITY

We are inclusive by design, ensuring that our service is accessible to all in our community.

EMPOWERMENT

We believe that people can change and our work will instil self belief and confidence for a better future.

OUR PRIORITIES



Improving Community Wellbeing

We will provide innovative and forward thinking wellbeing services that impact positively on the emotional, financial and physical wellbeing of those most in need, enabling them to live a comfortable, healthy and happy life.



Tackling Food Poverty

We will provide a caring service to those who need a helping hand, supporting them to access essential services so that they can live well without the need for food support.



Reducing Homelessness

We will provide individually tailored housing and support services to vulnerable homeless people, Bringing stability into their life, so that they can develop essential life skills and successfully move into an independent lifestyle.



Increasing Employability

We will provide support to those seeking employment by delivering services that enhance their knowledge, skills and qualifications, enabling them to secure work and regain control of their life.

OUR ENABLERS

- We understand the needs of our community and use their lived experience to shape service delivery and ensure our services are accessible to all.
- We work with academic institutions, beneficiaries and partners to develop evidence based approaches and evaluate impact.
- We work in partnership with Statutory, Third Sector and Community Groups, remaining flexible and responsive in our approach.
- We advocate on behalf of those in need, remaining open and honest in our communication in order to positively influence others.
- We have an open and transparent relationship with funders, building trust and mutual respect.

Whilst upholding the values that are important to us, we will be more innovative and forward thinking, designing and delivering services that meet our community's highest levels of need which are Health and Wellbeing, Food Poverty, Homelessness and Employment.

During the 2020/21 year we will implement 'phase one' of our plan and we will endeavour to increase our positive contribution in the following;

Priority One: Tackling Food Poverty.

Year	We will take a preventative approach to food poverty by;
2021/22	<p>Increasing our foodbank reach by partnering with schools to identify families at risk of food crisis.</p> <p>Supporting people to acquire the skills and equipment to feed their family on a budget, developing their understanding of the benefits of fresh healthy food.</p> <p>Exploring the benefits of opening an affordable food shop/Pantry, preventing families entering food crisis.</p>

Priority Two; Reducing Homelessness.

Year	We will prevent homelessness by;
2021/22	Exploring the potential to expand our supported living accommodation. Considering expansion of our housing support service by developing a street triage for homeless people.

Priority Three: Improving Community Wellbeing.

Year	We will take a preventative approach to community wellbeing by;
2021/22	Employing a full-time wellbeing Manager. Taking an evidence-based approach to the development of our wellbeing strategy. In partnership with others, developing our Chai coffee house into a wellbeing anchor, creating a 'one stop' support network for those in need of support for their emotional, financial or physical wellbeing. Deliver a wellbeing programme for our supported living residents.

Priority four: Increasing Employability.

Year	We will increase community employability by;
2021/22	Delivering an employability programme for our Chai House residents so that they enter mainstream housing equipped to secure and maintain employment.

Business development opportunities.

We will support the delivery of our strategic priorities by;

Connecting with and learning from organisations supporting seldom hear communities.

Increasing our community reach via enhanced community engagement and social media.

Seeking to increase the membership of our Board of Trustees.

Measuring Our Success.

As we move through the next year, we will demonstrate impact and measure our success across 4 core areas.



Understanding the needs of our community and having increased reach.



Measuring the success and impact of individual projects.



Evaluating and tracking the positive impact on people that our services brings.



Tracking how effectively we meet our strategic priorities.

5. Reference and administrative details of the charity, its trustees and advisors

Registered charity name Hospitality and Hope

Charity number 1159213

Registered office Hampden Street Centre
Hampden Street
South Shields
Tyne and Wear.
NE33 4JR

Trustees and Members of the Board

Pauline Tinnelly (Chair)
Sue Chilton (Treasurer)
Sir David Chapman BT
Peter Maloney
Avril Robinson (resigned 22.11.19)
Ann Rodgers
Sarah Green
David Wheatley (appointed 22.11.19)

Chief Executive and Senior staff members Paul Oliver

Independent Examiner Doug Maltman FMAAT
Connected Voice
Business Services Ltd
Higham House
Higham Place
Newcastle upon Tyne
NE1 8AF

Bankers HSBC
110 Grey Street
Newcastle Upon Tyne
Tyne & Wear
NE1 6JG

6. Structure, governance and management

Governing Document

The organisation is a Charitable Company Limited by Guarantee. The Company was established under a Memorandum of Association, which established the objects and powers of the Charitable Company and is governed under its Articles of Association. In the event of a winding up any member (who is a director) undertakes to contribute to the payment of liabilities, such amount as may be required not exceeding the total of £1.

Recruitment and Appointment of the Board

The Directors of the Company are also Trustees for the purposes of charity law and under the company's Articles are also its members. Under the requirements of the Memorandum and Articles of Association, at the Annual General Meeting one-third of the Directors, who are subject to retirement by rotation, shall retire. Retiring Directors can be re-appointed at the Annual General Meeting.

Trustees are selected on the basis of specialist skills and commitment to the objectives and aims of the organisation.

Board Induction and Training

New Board Members are introduced to the work of the organisation and informed of their legal roles and responsibilities at an induction meeting. The induction and training programme for new Board Members includes:

- A briefing by the Chair or Chief Executive
- An explanation of roles and responsibilities as a Board Member
- Copies of the main company documents including the Memorandum and Articles of Association and the Financial Statements
- Copy of the business plan and most recent evaluation report
- Copies of recent board papers including budgets and management accounts
- A copy of the Charity Commission publication "How to be an Effective Trustee"
- A copy of the governance structure.

7. Statement of Trustee Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity SORP 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 incoming resources and application of resources, including the receipts and payments of the charity for that year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 accounting records that disclose with reasonable accuracy at any time the financial position of the charity. 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.

Approved by the Trustees on 26.05.2021 and signed on their behalf by:

Pauline Tinnelly
Chair

HOSPITALITY AND HOPE CIO

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 31 October 2020

I report on the financial statements of Hospitality and Hope CIO for the year ended 31 October 2020, which are set out on pages 16 to 30.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed.

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a Fellow Member of the Association of Accountancy Technicians.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a "true and fair" view which is not a matter considered as part of an independent examination.

I have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Doug Maltman FMAAT
Connected Voice Business Services Ltd
Higham House
Higham Place
Newcastle upon Tyne
NE1 8AF
Date: 26.05.2021

HOSPITALITY AND HOPE CIO

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 October 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
<u>Income from:</u>					
Donations and legacies	6	107,043	500	107,543	22,537
Charitable activities					
Grants and contracts	7	53,343	125,024	178,367	150,008
Other trading activities	8	1,745	83,425	85,170	122,164
Total income		162,131	208,949	371,080	294,709
<u>Expenditure on:</u>					
Raising funds	9	-	-	-	230
Charitable activities					
Operation of the charity	10	99,965	224,064	324,029	248,125
Total expenditure		99,965	224,064	324,029	248,355
Net income/(expenditure) before transfers		62,166	(15,115)	47,051	46,354
Transfers between funds		5,639	(5,639)	-	-
Net movement of funds		67,805	(20,754)	47,051	46,354
<u>Reconciliation of funds</u>					
Total funds brought forward		94,914	550,135	645,049	598,695
Total funds carried forward		162,719	529,381	692,100	645,049

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities

The notes on pages 18 to 30 form an integral part of these accounts.

BALANCE SHEET

As at 31 October 2020

	Notes	£	Total 2020 £	£	Total 2019 £
<u>Fixed assets</u>					
Tangible assets	17		507,663		516,603
<i>Total fixed assets</i>			507,663		516,603
<u>Current assets</u>					
Stock	19	20		1,476	
Debtors	19	14,715		10,405	
Cash at bank and in hand	20	250,600		153,316	
<i>Total current assets</i>		265,335		165,197	
Creditors: amounts falling due within one year	21	(70,898)		(16,751)	
<i>Net current assets</i>			194,437		148,446
<i>Total assets less current liabilities</i>			702,100		665,049
Creditors: amounts falling due after more than one year	22	(10,000)		(20,000)	
<i>Total net assets or liabilities</i>			692,100		645,049
<u>Funds of the charity</u>					
Unrestricted income funds			162,719		94,914
Restricted income funds			529,381		550,135
<i>Total funds</i>			692,100		645,049

These financial statements were approved by the Board on:

26.05.2021

and are signed on its behalf by:

P Tinnelly
Chair

HOSPITALITY AND HOPE CIO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2020

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2 Basis of accounting

2.1 Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with 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) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Hospitality and Hope CIO meets the definition of a public benefit entity under FRS 102.

2.2 Preparation of the accounts on a going concern basis

The charity reported total unrestricted funds at the year end of £162,719 and has already secured a significant amount of funding for the current year. The trustees are of the view that the immediate future of the charity for the next 12 months is secure and that on this basis the charity is a going concern.

The COVID-19 pandemic, has put pressure on all businesses in 2020. It should be noted that the trade debtors have been received and the creditors are being paid when the payments are falling due. With the deferred income being held for the activities during 2020-21. No other significant events affecting the Charity since the year end.

3 Income

3.1 Recognition of income

Income is recognised when the charity has entitlement to the resources, any performance conditions attached to the item(s) of income have been met, it is more likely than not that the resources will be received and the monetary value can be measured with sufficient reliability

3.2 Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by FRS102 SORP or FRS102.

3.3 Grants and donations

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria of income recognition are met.

3.4 Volunteer help

The value of volunteer help received is not included in the accounts but is described in the trustees' annual report.

HOSPITALITY AND HOPE CIO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2020

3.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

3.6 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

4 Expenditure and liabilities

4.1 Liability recognition

Liabilities are recognised when it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

4.2 Charitable activities

Expenditure on charitable activities includes the costs of work and other activities undertaken to further the purposes of the charity and their associated support costs.

4.3 Governance and support costs

Support costs have been allocated between governance cost and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

4.4 Irrecoverable VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

4.5 Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

4.6 Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

HOSPITALITY AND HOPE CIO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2020

5 Assets

5.1 Tangible fixed assets for use by the charity

Individual fixed assets costing £250 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis.

Office and computer equipment	25% straight line
Laygate property furniture	25% straight line
Freehold land and buildings	straight line over 50 years

HOSPITALITY AND HOPE CIO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2020

Analysis of income

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
6 Donations and legacies				
Donations and gifts	41,512	500	42,012	20,320
Donated goods for distribution to recipients	62,530	-	62,530	-
Gift Aid	745	-	745	2,136
Other	2,256	-	2,256	81
	107,043	500	107,543	22,537

7 Charitable activities

Income from grants

Greggs Foundation - Hampden Street	-	15,000	15,000	15,000
Gisela Graham Foundation - Staffing	-	10,000	10,000	17,500
Hilden Charitable Trust - Staffing	-	-	-	5,000
Awards for all - Staffing	-	-	-	9,838
Barbour Trust - Staffing	-	-	-	30,000
Sir David Chapman - Staffing	-	-	-	10,000
Chapman Charity - Staffing	-	-	-	2,000
Community Foundation - Cookery course	-	2,871	2,871	6,000
Various funders - Staffing	-	-	-	19,950
Tenants grant	-	-	-	220
South Tyneside Council - Foodbank	2,000	39,000	41,000	-
MSE - Foodbank	-	9,790	9,790	-
CAF - Foodbank	-	5,366	5,366	-
Cultural Spring	843	-	843	-
Muckle - Café	-	1,525	1,525	-
J Priestman	-	5,000	5,000	-
Hendley Denton	1,000	-	1,000	-
Ballinger Charitable Trust - Staffing	-	5,500	5,500	7,500
Sir James Knott Trust - Staffing	-	7,000	7,000	27,000
Willian Trust - Café	-	10,000	10,000	-
Miranog Trust	-	1,000	1,000	-
Joicey Trust	-	4,500	4,500	-
Grocers Charity	12,500	-	12,500	-
South Tyneside Council - Business Continuity	20,000	-	20,000	-
Serco Foundation	2,000	-	2,000	-
William Webster CF	-	2,000	2,000	-
Community Foundation - Covid	10,000	-	10,000	-
J Kinnair	-	1,000	1,000	-
WO Street CT	5,000	-	5,000	-
HMRC Job Retention Grant	-	5,472	5,472	-
	53,343	125,024	178,367	150,008

HOSPITALITY AND HOPE CIO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2020

8 Other trading activities

Fundraising events	1,545	-	1,545	1,500
Room Hire	200	-	200	600
Supported Living Accommodation residents	-	61,740	61,740	65,091
Laygate café	-	21,685	21,685	54,973
	<u>1,745</u>	<u>83,425</u>	<u>85,170</u>	<u>122,164</u>

Income was £371,080 (2019: £294,709) of which £162,131 was unrestricted or designated (2019: £24,637) and £208,949 was restricted (2019: £270,072)

HOSPITALITY AND HOPE CIO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2020

Analysis of expenditure on charitable activities

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
9 Raising funds				
Fundraising costs	-	-	-	230
	-	-	-	230
10 Charitable activities				
<u>Direct costs</u>				
Staff salaries	13,031	46,525	59,556	60,603
Staff NI	4,448	10	4,458	6,461
Pension costs	2,396	-	2,396	2,009
DBS costs	-	-	-	65
Soup kitchen	80	-	80	573
Donated goods distributed to recipients	62,530	-	62,530	-
Food bank core costs:				
- Staff salaries	-	34,749	34,749	-
- Staff NI	-	899	899	-
- Pension costs	-	155	155	-
- Office costs	-	332	332	160
- Activity	-	11,048	11,048	43
- vehicle costs	-	6,834	6,834	-
- Other expenses	-	137	137	561
Activities/events	46	1,095	1,141	-
<u>Support costs</u>				
Volunteer Co-ordinator costs:				
- Salary costs	-	13,000	13,000	12,567
- NI costs	-	589	589	430
- Pension costs	-	390	390	-
Training	-	-	-	1,014
Travel	222	-	222	-
Hospitality	183	-	183	43
Literature	41	-	41	124
Telephone	196	136	332	382
Loss on disposal of asset	-	-	-	155
Laygate - Supported living Accommodation core costs:				
- Salary costs	-	33,780	33,780	30,422
- NI costs	-	3,170	3,170	2,072
- Pension costs	-	933	933	616
-Office costs	-	1,015	1,015	5,030
- Premises	-	3,474	3,474	2,624
- Food	-	321	321	129
- House expenses	-	1,768	1,768	650
- Activities	-	436	436	122
- Other expenses	-	1,204	1,204	780

HOSPITALITY AND HOPE CIO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2020

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Support costs (continued)				
Laygate - Café core costs:				
- Salary costs	-	14,738	14,738	37,477
- NI costs	-	2,165	2,165	1,684
- Pension costs	-	812	812	616
- Redundancy payments	-	2,002	2,002	-
- Janitor	-	2,395	2,395	2,347
- Office costs	-	766	766	980
- Premises costs	-	4,028	4,028	7,898
- Leases	-	2,004	2,004	2,439
- Food and drink	411	7,211	7,622	17,687
- Activities	-	671	671	2,302
- Inspection	-	1,622	1,622	1,246
- Other expenses	-	268	268	538
Membership fees	1,500	-	1,500	-
Sundry	1,603	122	1,725	1,310
Equipment	1,283	691	1,974	3,296
Depreciation	757	8,229	8,986	9,018
Tenants	-	-	-	130
Stationery	3	-	3	349
ICT software	2,131	-	2,131	389
Marketing and communications	4,240	-	4,240	10,241
Building repairs	3,856	2,000	5,856	180
Greggs Foundation core costs				
- Staff expenses	-	-	-	1,914
- Activities	-	290	290	31
- Refreshments	-	457	457	512
- Inspections	-	559	559	590
- Office costs	-	2,262	2,262	1,204
- Premises costs	-	4,847	4,847	9,664
- Insurance	-	2,874	2,874	411
- Payroll fees	-	1,016	1,016	884
- Licences	-	35	35	-
- Other expenses	-	-	-	1,526
Cultural Spring	-	-	-	849
Police Commissioners Fund	-	-	-	1,819

Governance costs

Independent examiner's fees for reporting on the accounts

1,008	-	1,008	960
99,965	224,064	324,029	248,125

Expenditure on charitable activities was £324,029 (2019: £248,355) of which £99,965 was unrestricted or designated (2019: £11,381) and £224,064 was restricted (2019: £236,974)

HOSPITALITY AND HOPE CIO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2020

11 Fees for examination of the accounts

	2020 £	2019 £
Independent examiner's fees for reporting on the accounts	1,008	960
Other accountancy services paid to the examiner	1,016	884
	2,024	1,844

12 Analysis of staff costs and the cost of key management personnel

	2020 £	2019 £
Salaries and wages	150,351	141,069
Redundancy payments	2,002	-
Social security costs	11,281	10,647
Pension costs (defined contribution pension plan)	4,686	3,241
	168,320	154,957

Due to Café closure during the Covid 19 restrictions three staff were made redundant.

No employee received remuneration above £60,000 (2019: £nil)

The key management personnel of the charity, comprise the Chief Executive Officer. The total employee benefits of the key management personnel of the charity were £39,679.

13 Staff numbers

The average monthly head count was 9 staff (2019: 8 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	2020 Number	2019 Number
The parts of the charity in which the employee's work		
Charitable activities	6.5	6.5
	6.5	6.5

14 Transactions with trustees

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

Trustees' expenses

No trustee expenses have been incurred in the year.

Transaction(s) with related parties

There have been no related party transactions in the reporting period.

Sir David Chapman is also a board member for Chapman Charitable Trust and The Giesla Graham Foundation.

HOSPITALITY AND HOPE CIO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2020

15 Defined contribution pension scheme

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

The employer's pension costs represent contributions payable by the charity to the fund and amount to £4,686 (2019: £3,241). There was £644 outstanding as at 31 October 2020 (2019: £0)

16 Corporation Taxation

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

17 Tangible fixed assets

	Office and computer equipment £	Laygate property furniture £	Freehold land and Buildings £	Total £
Cost				
Balance brought forward	3,147	10,165	524,423	537,735
Additions	-	-	-	-
Disposals	-	-	-	-
Balance carried forward	3,147	10,165	524,423	537,735
Depreciation				
Basis	SL	SL	SL	
Rate	25%	25%	50 years	
Balance brought forward	2,205	7,551	11,376	21,132
Depreciation charge for year	711	2,541	5,688	8,940
Disposals	-	-	-	-
Balance carried forward	2,916	10,092	17,064	30,072
Net book value				
Brought forward	942	2,614	513,047	516,603
Carried forward	231	73	507,359	507,663

18 Stock

	2019 £
Opening stock	1,476
Added in period	20
Expensed in period	-
Impaired	(1,476)
Closing stock	20

HOSPITALITY AND HOPE CIO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2020

19 Debtors and prepayments (receivable within 1 year)

	2020 £	2019 £
Debtors	2,200	565
Credit card	2,393	-
Prepayments	176	638
Gift Aid	9,946	9,202
	14,715	10,405

20 Cash at bank and in hand

	2020 £	2019 £
Cash at bank	250,450	153,166
Cash in hand	150	150
	250,600	153,316

21 Creditors and accruals (payable within 1 year)

	2020 £	2019 £
Accruals		
Independent examination of accounts	1,008	960
Loan repayment	10,000	10,000
Credit card	2,013	-
Deferred income		
National Lottery Community Fund	27,968	-
Trussell Trust	16,380	-
Other creditors	13,529	5,791
	70,898	16,751

22 Creditors and accruals (payable after more than 1 year)

	2020 £	2019 £
Long Term Loan	10,000	20,000
	10,000	20,000

23 Deferred income

Deferred income comprises of advance payments from grants that relate to future periods

	2020 £
Balance brought forward	-
Amount released to income earned from charitable activities	-
Amount deferred in year	44,348
Balance carried forward	44,348

HOSPITALITY AND HOPE CIO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2020

24 Events after the end of the reporting period

The COVID-19 pandemic, has put pressure on all businesses in 2020. It should be noted that the trade debtors have been received and the creditors are being paid when the payments are falling due. With the deferred income being held for the activities during 2020-21.No other significant events affecting the Charity since the year end.

25 Analysis of charitable funds

Analysis of movements in unrestricted funds

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Unrestricted funds					
General unrestricted fund	94,914	162,131	(99,965)	(65,361)	91,719
Designated funds:					
Contingency Fund	-	-	-	71,000	71,000
Totals	94,914	162,131	(99,965)	5,639	162,719

Purpose of unrestricted funds

General unrestricted fund	The 'free reserves' of the charity
Designated Funds:	
Contingency Fund	To cover unexpected costs incurred.

Analysis of movement in restricted funds

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Restricted funds					
Laygate café	-	27,157	(27,157)	-	-
Willian Trust - café	-	10,000	(10,000)	-	-
Muckle - café	-	1,525	(1,525)	-	-
Laygate Supported Living Accommodation	-	61,740	(46,101)	(15,639)	-
Foodbank	-	54,156	(54,156)	-	-
Greggs Foundation	3,077	15,500	(12,340)	-	6,237
William Webster CF	-	2,000	(2,000)	-	-
Barbour Foundation	15,508	-	-	-	15,508
Ballinger Charitable Trust	2,416	5,500	(7,916)	-	-
Sir James Knott Trust	17,932	7,000	-	-	24,932
Building Fund	(34,818)	-	-	10,000	(24,818)
Freehold land and Building	513,047	-	(5,688)	-	507,359
Asset - Laygate furniture	2,614	-	(2,541)	-	73
Community Foundation - Cookery course	4,095	2,871	(6,966)	-	-
Chapman Charity	1,224	-	(1,224)	-	-
Hilden Charitable Trust	5,000	-	(5,000)	-	-

HOSPITALITY AND HOPE CIO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2020

Restricted funds (continued)	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Various funders - Staffing	3,950	-	(3,950)	-	-
M Stephenson	2,500	-	(2,500)	-	-
Hadrian Trust	1,000	-	(1,000)	-	-
CDCF	2,000	-	(2,000)	-	-
Roy and Pixie Baker	2,500	-	(2,500)	-	-
WA Handley	5,000	-	(5,000)	-	-
RW Mann Trust	1,000	-	(1,000)	-	-
Archer Trust	2,000	-	(2,000)	-	-
Gisela Graham Foundation	-	10,000	(10,000)	-	-
J Priestman	-	5,000	(5,000)	-	-
Miranog Trust	-	1,000	(1,000)	-	-
Joicey Trust	-	4,500	(4,500)	-	-
J Kinnair	-	1,000	(1,000)	-	-
Tenants Grant	90	-	-	-	90
Totals	550,135	208,949	(224,064)	(5,639)	529,381

Purpose of restricted funds

Restricted funds represent income resources used for a specific purpose within the charity as identified by the donor.

Laygate café	Funds to cover costs of Laygate cafe.
Willian Trust - café	Funds to cover costs of Laygate cafe.
Muckle - cafe	Funds to cover costs of Laygate cafe.
Laygate Supported Living Accommodation	Funds to cover costs of Laygate HMO.
Foodbank	Running costs of foodbank service.
Greggs Foundation	Costs of operating Hampden Street.
William Webster CF	Resurfacing of Hampden Street car park
Barbour Trust	Staffing to develop the charity.
Ballinger Charitable Trust	Staffing costs.
Sir James Knott	Staffing costs.
Building Fund	Funds to cover costs of Laygate property.
Freehold land and buildings	Value of land and building less depreciation.
Asset - Laygate furniture	Value of Laygate furniture less depreciation.
Community Foundation - Cookery course	Cooking on a budget.
Chapman Charity	Staffing costs.
Hilden Charitable Trust	Staffing costs.
M Stephenson	Staffing costs.
Hadrian Trust	Staffing costs.
CDCF	Staffing costs.
Roy and Pixie Baker	Staffing costs.
WA Handley	Staffing costs.
RW Mann Trust	Staffing costs.
Archer Trust	Staffing costs.
Gisela Graham Foundation	Staffing costs.
J Priestman	Staffing costs.

HOSPITALITY AND HOPE CIO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2020

Purpose of restricted funds (continued)

Miranog Trust	Staffing costs.
Joicey Trust	Staffing
J Kinnair	Staffing
Tenants Grant	tenants.

Transfers between funds	Reason for transfer	Amount £
Between restricted and unrestricted funds.	Laygate Supported living Accommodation surplus funds transferred to Unrestricted funds.	15,639
Between restricted and unrestricted funds.	Transfer to Building Fund loan.	10,000

26 Capital commitments

As at 31 October 2020, the charity had no capital commitments (2019 -£nil)

27 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Tangible fixed assets	231	507,432	507,663	516,603
Cash at bank and in hand	228,651	21,949	250,600	153,316
Other net current assets/(liabilities)	(56,163)	-	(56,163)	(4,870)
Long term assets/(liabilities)	(10,000)	-	(10,000)	(20,000)
	162,719	529,381	692,100	645,049

28 Guarantee

There have been no guarantees given by the charity at 31 October 2020.

29 Debt

There is no debt outstanding which is owed by the charity and which is secured by an excess charge on any of the assets of the charity at 31 October 2020.

30 Governing document

The organisation is a Charitable Incorporated Organisation - Foundation registered on 14 November 2014 as a body corporate under part 11 of the Charities Act 2011.