

Charity Registration No. 1167974

Company Registration No. 03916937 (England and Wales)

THE FAITH HOPE & ENTERPRISE COMPANY LTD
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

THE FAITH HOPE & ENTERPRISE COMPANY LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr N T Gregory Mr P Hay Mr J Khan Miss C S McKen Mrs P M Munro Mr I Johnson	(Appointed 27 May 2020)
Secretary	Mr K D Gill	
Charity number	1167974	
Company number	03916937	
Registered office	Office 47 Eurocom House Derby West Business Centre Ashbourne Road Derby United Kingdom DE22 4NB	
Independent examiner	Azets 2 Regan Way Chetwynd Business Park Chilwell Nottingham United Kingdom NG9 6RZ	

THE FAITH HOPE & ENTERPRISE COMPANY LTD

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THE FAITH HOPE & ENTERPRISE COMPANY 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

FHE exists to provide housing to people in Derby and Derbyshire who currently need support living in the community, sometimes as a result of drug and alcohol related needs, mental health needs, learning disability or a combination of these factors. Our long-term goal is to help all our residents move towards living in more independent accommodation.

Achievements and performance

To ensure continuity and the quality of support we offer we have recruited really well and we have a strong staff team with four dedicated support workers. We have also added an administrator to the team, who has been excellent in the role.

Our Chief Executive Kevin Gill remains in overall charge of the day-to-day running of the organisation, with a re-structured team of four support workers, an administrator, a maintenance officer and our maintenance apprentice.

During the year we have moved into larger office premises, increased our workforce, and changed our working practices to ensure staff and residents are protected from Covid-19 infection whilst delivering the support our residents need.

Financial review

We have continued to slowly build a portfolio of property, purchasing a four bedroom house in October and leasing a new three bedroom house in March. We have an additional four bedroom house in Derby under contract and hope to complete the purchase in April 2021. This continues to strengthen our asset base and provides security for our residents.

With additional grant funding this year, we have been able to increase the level of support we provide to all our residents. This has enabled us to support them more effectively through lockdowns and help them to access social activities online and in small groups. We have linked with new partners, such as a community gardening project, helping residents access a wider variety of opportunities for social engagement and volunteering. We have also provided safe outdoor activities such as bike riding.

It remains a privilege to be part of the wider FHE community. As we move forwards through the pandemic and the re-opening of society we look forward to ensuring our residents have even greater opportunities to rebuild their lives.

THE FAITH HOPE & ENTERPRISE COMPANY LTD

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

At the time of writing last year's report the first lockdown in response to Covid-19 had just begun. Residents have found the last year particularly difficult and isolating as the pandemic took hold. Many have spoken of the challenges Covid-19 has presented at our regular meetings with them. Our entire model of working – as a board, staff team and in supporting residents – has been impacted in a way we could not have imagined just a year ago.

Nevertheless we learnt in the worst possible way the costs the Covid-19 pandemic could bring. In the summer of 2020 one of our residents sadly died by suicide. This was a tragic loss of someone who had been badly affected by losing work and the opportunity to rebuild his career at the beginning of lockdown. It was also a tragic loss for his family and his friends. Our awareness of how badly restrictions on social interaction could affect our residents psychologically lead us to redouble our efforts to increase social support to residents. We remain deeply affected by this.

I would like to pay respect to our residents, our staff, our supporters, and our board of management for all that they coped with.

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 N T Gregory

Mr P Hay

Mr J Khan

Miss C S McKen

Mrs P M Munro

Mr I Johnson

(Appointed 27 May 2020)

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

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

Mrs P M Munro

Trustee

Dated: 17 September 2021

THE FAITH HOPE & ENTERPRISE COMPANY LTD

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE FAITH HOPE & ENTERPRISE COMPANY LTD

I report to the trustees on my examination of the financial statements of The Faith Hope & Enterprise Company Ltd (the charity) for the year ended 31 March 2021.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of , which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

Azets

2 Regan Way
Chetwynd Business Park
Chilwell
Nottingham
NG9 6RZ
United Kingdom

Dated: 17 September 2021

THE FAITH HOPE & ENTERPRISE COMPANY LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
Income from:							
Donations and legacies	3	34,889	9,026	43,915	12,167	-	12,167
Investments	4	396,332	-	396,332	350,277	-	350,277
Total income		431,221	9,026	440,247	362,444	-	362,444
Expenditure on:							
Charitable activities	5	245,085	-	245,085	182,426	-	182,426
Other	8	177,869	-	177,869	159,739	-	159,739
Total resources expended		422,954	-	422,954	342,165	-	342,165
Net income for the year/ Net movement in funds		8,267	9,026	17,293	20,279	-	20,279
Fund balances at 1 April 2020		62,794	18,134	80,928	42,515	18,134	60,649
Fund balances at 31 March 2021		71,061	27,160	98,221	62,794	18,134	80,928

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE FAITH HOPE & ENTERPRISE COMPANY LTD

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	9	337,677		201,777	
Investments	10	10		10	
		<u>337,687</u>		<u>201,787</u>	
Current assets					
Debtors	11	3,117		5,723	
Cash at bank and in hand		61,639		54,371	
		<u>64,756</u>		<u>60,094</u>	
Creditors: amounts falling due within one year	13	(2,688)		(24,490)	
Net current assets			62,068		35,604
Total assets less current liabilities			<u>399,755</u>		<u>237,391</u>
Creditors: amounts falling due after more than one year	14	(301,534)		(156,463)	
Net assets			<u>98,221</u>		<u>80,928</u>
Income funds					
Restricted funds		27,160		18,134	
Unrestricted funds		71,061		62,794	
		<u>98,221</u>		<u>80,928</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

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

The financial statements were approved by the Trustees on 17 September 2021

Mrs P M Munro
Trustee

Company Registration No. 03916937

THE FAITH HOPE & ENTERPRISE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

The Faith Hope & Enterprise Company Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is Office 47 Eurocom House, Derby West Business Centre, Ashbourne Road, Derby, DE22 4NB, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

THE FAITH HOPE & ENTERPRISE COMPANY 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:

Land and buildings	Enter depreciation rate via StatDB - cd74
Fixtures, fittings & equipment	15% on cost
Motor vehicles	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in 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.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

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.

THE FAITH HOPE & ENTERPRISE COMPANY 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.

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2021 £	2021 £	2021 £	2020 £
Donations and gifts	6,167	900	7,067	12,167
Grants	28,722	8,126	36,848	-
	<u>34,889</u>	<u>9,026</u>	<u>43,915</u>	<u>12,167</u>

THE FAITH HOPE & ENTERPRISE COMPANY LTD

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

4 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Rental income	396,292	350,032
Interest receivable	40	245
	<u>396,332</u>	<u>350,277</u>

5 Charitable activities

	Charitable Expenditure Heading 1	Charitable Expenditure Heading 1
	2021	2020
	£	£
Property	1	-
Property	245,084	182,426
	<u>245,085</u>	<u>182,426</u>
	<u>245,085</u>	<u>182,426</u>

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, One trustee was reimbursed for travelling expenses totalling £58 (2020- £15).

7 Employees

The average monthly number of employees during the year was:

2021 Number	2020 Number
11	6
<u>11</u>	<u>6</u>

THE FAITH HOPE & ENTERPRISE COMPANY LTD

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

8 Other

	Unrestricted funds	Unrestricted funds
	2021	2020
Governance Costs	177,869	159,739
	<u>177,869</u>	<u>159,739</u>

9 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2020	201,777	200	8,400	210,377
Additions	135,900	-	-	135,900
	<u>337,677</u>	<u>200</u>	<u>8,400</u>	<u>346,277</u>
At 31 March 2021	337,677	200	8,400	346,277
	<u>337,677</u>	<u>200</u>	<u>8,400</u>	<u>346,277</u>
Depreciation and impairment				
At 1 April 2020	-	200	8,400	8,600
At 31 March 2021	-	200	8,400	8,600
	<u>-</u>	<u>200</u>	<u>8,400</u>	<u>8,600</u>
Carrying amount				
At 31 March 2021	337,677	-	-	337,677
	<u>337,677</u>	<u>-</u>	<u>-</u>	<u>337,677</u>
At 31 March 2020	201,777	-	-	201,777
	<u>201,777</u>	<u>-</u>	<u>-</u>	<u>201,777</u>

Investment properties rented to another group entity have been accounted for using the cost model. The carrying value of these investment properties included within tangible fixed assets is £201777 (2020 - £97896).

10 Fixed asset investments

	Other investments
Cost or valuation	
At 1 April 2020 & 31 March 2021	10
	<u>10</u>
Carrying amount	
At 31 March 2021	10
	<u>10</u>
At 31 March 2020	10
	<u>10</u>

2021 2020

THE FAITH HOPE & ENTERPRISE COMPANY LTD

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

10 Fixed asset investments (Continued)

Other investments comprise:	Notes	£	£
Investments in subsidiaries	17	10	10
		<u> </u>	<u> </u>

11 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	2,967	5,373
Amounts owed by subsidiary undertakings	150	350
	<u>3,117</u>	<u>5,723</u>
	<u> </u>	<u> </u>

12 Loans and overdrafts

	2021 £	2020 £
Debenture loans	34,036	30,750
Bank loans	267,498	142,997
	<u>301,534</u>	<u>173,747</u>
	<u> </u>	<u> </u>
Payable within one year	-	17,284
Payable after one year	301,534	156,463
	<u> </u>	<u> </u>

The other loans are unsecured, interest free with Jubilee Church, and a separate, interest free, unsecured loan with R Prince. Bank loans are secured on the freehold property.

13 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	12	-	17,284
Trade creditors		-	4,518
Accruals and deferred income		2,688	2,688
		<u>2,688</u>	<u>24,490</u>
		<u> </u>	<u> </u>

THE FAITH HOPE & ENTERPRISE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	12	267,498	125,713
Other borrowings		34,036	30,750
		<u>301,534</u>	<u>156,463</u>

15 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	337,677	-	337,677	201,777	-	201,777
Investments	10	-	10	10	-	10
Current assets/ (liabilities)	62,068	-	62,068	35,604	-	35,604
Long term liabilities	(301,534)	-	(301,534)	(156,463)	-	(156,463)
	<u>98,221</u>	<u>-</u>	<u>98,221</u>	<u>80,928</u>	<u>-</u>	<u>80,928</u>

16 Related party transactions

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

17 Subsidiaries

These financial statements are separate charity financial statements for The Faith Hope & Enterprise Company Ltd

Details of the charity's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Taylor Made Housing td	UK	Dormant	Ordinary	100.00