

# HOPE INTO ACTION READING



## TRUSTEES'/DIRECTOR'S REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

**Company Registration No. 09358716  
(England and Wales)**

**Charity Registration No. 1175092**

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## REFERENCE AND ADMINISTRATIVE DETAILS

Charity name: HOPE INTO ACTION READING

Charity registration number: 1175092

Company number: 09358716

		<b>Appointment Date</b>
Trustee / Director:	Dr Richard Croft (chair)	10.12.17
	Dr Pamela Ward	17.12.14
	Mrs Susan Ralph	30.09.18
	Mrs Mary Langshaw	25.06.19

Franchise Manager Mary Lewis, appointed 01/01/2021

Franchise Holder Hope into Action, East of England.

Bankers Barclays Bank

Independent Examiner Mr Mervyn Thomas

## **OBJECTIVES AND ACTIVITIES**

The Charity's objectives are for the public benefit and are specifically to relieve sickness and financial hardship and to promote and preserve good health by the provision of funds, goods, or services of any kind, including the provision of accommodation in such parts of the United Kingdom or the world as the Trustees from time to time may think fit.

Hope into Action: Reading (HiAR) is a Christian housing charity with the objective of breaking the cycle of housing poverty in Reading. HiAR is a franchise of Hope into Action East of England (see section on Structure and Governance). We enable churches to provide homes for those who find themselves without a home. In the period covered by this report, we maintained two houses. The tenants have been supported by paid 'Empowerment Workers' (EWs) who keep the tenants focussed on maintaining their tenancy, building networks of support around them, accessing public funds, and, if applicable, maintaining employment.

Each house is also partnered with a local church providing a team of volunteers, the 'Friendship and Support (F&S) team' who befriend the tenants and help in the process of widening their social network. The EWs and F&S team meet with the tenants on a weekly basis, sometimes more often.

The tenants are provided with support in the following areas: maintaining their tenancy; recidivistic behaviors; substance misuse, addiction, recovery and self-harming; physical health in relation to doctors' appointments, general health, and well-being; mental health and wellbeing including confidence and self-esteem as well as more pronounced mental health issues; encouraging them to get involved in volunteering and social activities; education, employment and training appropriate to the individual; improving family relationships where they have broken down; finance, budgeting, and debt assistance.

HiAR provides housing by finding people who are prepared to invest sums of money in buying a house which is then leased to the charity. The investors receive a small return on their investment (2%) which they receive monthly or quarterly.

## **ACHIEVEMENTS AND PERFORMANCE**

The last year has been dominated by the Covid-19 epidemic and the restrictions it has imposed on working. Nevertheless, the two houses that HiAR operates – one for men, and another for women and their children – have remained safe places for our residents. Our two EWs continued to visit the residents virtually most of the time using Zoom, and provided for their needs during the difficult period of lockdown. Neither staff members, nor any of the residents became positive for Covid-19 and remained well throughout the whole period. Both houses were operating at nearly full capacity with 2 women and 2 children or 3 women and 3 children in the women's house (maximum capacity 3 women and 3 children); and between 3 and 4 men in the men's house (maximum capacity 4). In addition, the church F&S teams continued to interact with the residents by phone and Zoom.

The year has also been one of change for the staff of HiAR. Executive Director, Tom Ward, stepped down in July 2020; in addition, one of the EWs who had himself previously been a resident, left the charity. We are grateful to both of them for their service, particularly to Tom who actually founded HiAR and led it for several years. Louise Cross was employed as an Empowerment Worker in October. She was previously employed by HiAR and we were grateful for her experience which she was immediately able to deploy. Towards the end of 2020 we advertised for the position of Franchise

Manager (with a very similar job description to Executive Director) and received a number of good applications. At interviews it was clear that there was one outstanding candidate and we were delighted to appoint Mary Lewis to the position beginning on 1<sup>st</sup> January 2021. She was able to bring her experience working as an EW for 2 years to her new role and has already made a significant, and wholly positive, impact.

During the period between Tom Ward leaving his post, and Mary Lewis's appointment (a period of 5 months), the charity was managed directly by the Trustees, who met regularly with the EWs. In addition, one of the members of the F&S team from Reading Family church played an important role in supporting the residents of the men's house. St John & St Stephen's church has continued to actively support the women's house.

## **FUTURE PLANS**

Depending on how the Covid-19 pandemic plays out, we plan to return to more normal operations with in-person visiting and support of the residents by HiAR staff and members of the F&S teams.

Our dream for 2021 is to open the third house. Mary Lewis, Franchise Manager, has been discussing the Hope into Action project in her own church for some time, and by the end of this reporting period, plans are advancing. The Parish priests from English Martyrs, St James and St William of York Roman Catholic churches have confirmed their commitment to support the project. A group of volunteers has been identified as the foundation of the church F&S team. A group of investors has pledged sufficient investment and an offer has been accepted on a suitable property. We hope and pray that by the time the next annual report is published, the third house will be open!

## **FINANCIAL REVIEW**

The year began with operational cash standing at £23,635 and ended at £13,653

Following the previous year of stability, this year has been costly with changes in staff from the departure of our Executive Director, recruiting a new Franchise Manager, and a new EW. With all of these changes going on we still managed to implement some much-needed work to both houses, a new boiler installed at Cholmeley Road and the rear garden of Kensington Road completely opened up and cleared with a shelter built to house tenant bikes. In hindsight, this was perfect timing as it gave the men's house an outdoor space to retire to during the pandemic.

Having struggled in previous years to obtain additional funding we decided to employ a professional fundraiser this year on a one-off basis and thanks to him we attracted donations of circa £40,000. This has helped us fund some important professional development courses for our staff, 'Developing resilient mentoring', 'Strategies to tackle homelessness', 'Drug and alcohol testing' and 'Wellbeing in the voluntary sector'.

As our financial year ends we have secured an office and provided our staff with laptops and printers. We have also secured funding for a new house and ordered new beds and mattresses in preparation with funds that would otherwise have been refundable if not spent within the tax year.

## **Risk and Reserves Policy.**

In accordance with changes made to our Debtors policy at the advice of our Independent Examiner, we have written off £13,861 of uncollectible invoices which were past the due date. As a result, our Debtors at year-end is zero. Our reserves policy is not to hold more than 3 months' worth of charitable expenditure in reserve unless there are specific requirements for so doing.

We are building our reserves to enable us to purchase additional housing stock. To this end, the Trustees have designated a further £10,000 in this financial year.

## STRUCTURE, GOVERNANCE, AND MANAGEMENT

**The organisation is governed by Articles of Association and is constituted as a Charitable Company (limited by guarantee). It is overseen by a board of trustees who are self-appointed.**

Current and any new trustees are referred to guidance from the Charity Commission on their website under the heading of "Trustee Role and Board". The trustees have developed an induction pack that includes guidance from the charity commission, information about the charity itself including a section on the vision of the charity and how the organisational structure, business/growth plan, and marketing/fundraising plans all serve the vision of the organisation.

Current trustees all have experience of being on boards of either companies or charities and substantial experience in their respective fields and capacities within which they act as trustees of the charity. There is also support available to the trustees from HIA's national operation.

In terms of the charity's organisational structure, during the period covered by this report, the charity was managed by the Executive Director, Tom Ward from April until July; and by the Trustees until the end of 2020 when Mary Lewis took over as Franchise Manager. The Empowerment Workers work directly with the residents under the supervision of the Exec Director, Trustees, and Franchise Manager respectively.

Hope into Action: Reading is a full franchisee of Hope into Action: East of England. The franchisor updates the Hope into Action model on a regular basis to keep it in line with best practice, legislation and to continually improve on the methods employed to achieve the best outcomes possible. Regular training advice and assistance are offered by way of away days, quality franchise assessments, and an annual two-day retreat.

Whilst there is a requirement to maintain the core elements of the Hope into Action model as part of being a franchisee, Hope into Action: Reading is free as an independent organisation to adapt the model to local circumstances and requirements. The trustees take this responsibility seriously and are keen to ensure that the charity implements the model faithfully since it has been demonstrated that it works but also to make sure that there is also an aspect of local expression and development. In relation to risk and risk management, policies and procedures are in place to manage risk as best as can be foreseeable. Logs are maintained in order to record any incidents that may present a risk to the organisation and how risk is being managed:

Operating policies and procedures are in place for Continuity of Operations; Safeguarding; Critical Incidents and Sudden Death; First Aid incidents; Data Protection Breaches; Staff Training and HR.

In the event of major incidents, the Executive Director/Franchise Manager liaises with the Chair of Trustees who keeps the board informed of ongoing developments. Discussions take place to learn from the experience and to do things differently where required. Written reports are made of all major incidents, subsequent discussions, policy changes as a result, and amended practices. Significant alterations to this structure will be taking place from 1<sup>st</sup> April in line with the planned changes set out above. The Franchise Manager and board will remain in place with additional structures in place across the wider organisation.

SIGNED ON BEHALF OF THE TRUSTEES



Susan Ralph (Trustee) 20/12/2021

## INDEPENDENT EXAMINER'S REPORT

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2020 as set out on pages 12-18

As the charity's trustees of the Company (who are also the directors of the company for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

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

I have completed my examination. I confirm that no material matters have come to my attention which gives me cause to believe that:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 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
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

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 accounts to be reached.

Signed: Mervyn Thomas

Dated: December 21st 2021



Address: 128 Putnoe Lane, Bedford, MK41 8LS

## STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds	Designated Funds	Total to March 31 2021	Total to March 31 2020
<b>Categories by activity</b>		£	£	£	£
<b>Incoming resources</b>					
Donations and Legacies	3	56,359	-	56,359	8,675
Incoming resources from charitable activities	4	48,537	-	48,537	55,621
<b>Total Incoming Resources</b>		<b><u>104,896</u></b>	<b><u>-</u></b>	<b><u>104,896</u></b>	<b><u>64,296</u></b>
<b>Resources expended</b>					
Costs of Generating Funds	4	2,500	-	2,500	3,802
Charitable activities	4	93,573	-	93,573	48,005
Governance costs		200	-	200	160
<b>Total resources expended</b>		<b><u>96,273</u></b>	<b><u>-</u></b>	<b><u>96,273</u></b>	<b><u>51,967</u></b>
<b>Net incoming/(outgoing) resources before other recognised gains/(losses)</b>		<b>8,623</b>	<b>-</b>	<b>8,623</b>	<b>12,329</b>
Transfers between funds		(10,000)	10,000	-	
Net movement in funds		(1,377)	10,000	8,623	12,329
Total funds brought forward		21,559	18,000	39,559	27,230
<b>Total funds carried forward</b>		<b><u>20,182</u></b>	<b><u>28,000</u></b>	<b><u>48,182</u></b>	<b><u>39,559</u></b>



## BALANCE SHEET 31 March 2021

	Notes	Unrestricted Funds	Designated Funds	Total to March 31, 2021	Total to March 31, 2020
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	7	741	-	741	-
<b>Total Fixed Assets</b>		<b>741</b>	<b>-</b>	<b>741</b>	
Cash at bank and in hand		20,706	28,000	48,706	23,634
Debtors	5	-	-		16,613
<b>Total current assets</b>		<b>20,706</b>	<b>28,000</b>	<b>48,706</b>	<b>40,247</b>
Creditors: amounts falling due within one year	6	(1,265)	-	(1,265)	(688)
<b>Net current assets/(liabilities)</b>		<b>19,441</b>	<b>28,000</b>	<b>47,441</b>	<b>39,559</b>
<b>Total Net Assets /(Liabilities)</b>		<b><u>20,182</u></b>	<b><u>28,000</u></b>	<b><u>48,182</u></b>	<b><u>39,559</u></b>
<b>Funds of the Charity</b>					
Unrestricted funds		20,182		20,182	21,559
Designated Funds			28,000	28,000	18,000
<b>Total funds</b>		<b><u>20,182</u></b>	<b><u>28,000</u></b>	<b><u>48,182</u></b>	<b><u>39,559</u></b>

Signed by a trustee on behalf of all the trustees:

*SR Ralph*

Susan Ralph Dated: December 21st. 2021

## **NOTE 1 BASIS OF PREPARATION**

### **1.1 Basis of accounting**

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

The accounts have been prepared in accordance with:

- the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014
- the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)
- and with the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102 and The Charity Commission of England and Wales

### **1.2 Going concern**

The charity is a going concern as adequate reserves are maintained at all times.

The accounts present a true and fair view and the accounting policies adopted are those outlined in note 2

### **1.4 Changes to accounting estimates**

No changes to accounting estimates have occurred in the reporting period (3.46 FRS 102 SORP).

### **1.5 Material prior year errors**

No material prior year errors have been identified in the reporting period (3.47 FRS 102 SORP).

## **NOTE 2 ACCOUNTING POLICIES**

### **Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis under the historical cost convention.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements 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 to the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 April 2016.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern due to the amount of cash held in comparison to annual expenditure.

There have been no changes in the accounting policies during the year.

### **Donations, Legacies, and Similar Incoming Resources**

These are included in the Statement of Financial activities when: the charity becomes entitled to the donation, legacy, or similar income and any conditions for receipt are met; the trustees are reasonably certain they will receive it, and the trustees are reasonably certain that the value can be reliably measured.

### **Tax Reclaims on Donations and Gifts**

Incoming resources from tax claims are included in the Statement of Financial activities at the time of receipt as this is considered to be the only time at which the trustees can be certain that it will be received.

### **Liability Recognition**

Generally, liabilities are recognized as soon as there is a legal or constructive obligation committing the charity to the expenditure.

### **Pension Costs**

The trust contributes to the personal pension schemes of staff members. Contributions payable are charged as expenditure in the period to which they relate.

### **Fund accounting**

General funds are unrestricted funds that are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

### **Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

### Note 3 Analysis of income

		Year to 31/03/2021	Year to 31/03/2020
		£	£
<b>Donations and legacies:</b>	Donations	3,509	8,675
	Grants	52,850	-
	<b>Total Donations and legacies</b>	<b>56,359</b>	<b>8,675</b>
<b>Charitable activities:</b>	Rental Income	47,940	55,308
	Other Income relating to property	568	287
	Interest	29	26
	<b>Total Charitable activities</b>	<b>48,537</b>	<b>55,621</b>
<b>TOTAL INCOME</b>		<b><u>104,896</u></b>	<b><u>64,296</u></b>

### Note 4 Analysis of expenditure

		Year to 31/03/2021	Year to 31/03/2020
<b>Expenditure on raising funds:</b>	Marketing and Advertising	2,500	3,802
	<b>Total expenditure on raising funds</b>	<b>2,500</b>	<b>3,802</b>
<b>Expenditure on charitable activities</b>	<b>Administration</b>		
	Salaries	40,106	19,600
	National Insurance (Employer)	(69)	-
	Pensions (Employer)	288	144
	Contract for management		2,400
	Office	1,617	423
	Office Equipment Depreciation	247	
	Professional Services	1,627	1,213
	Insurances	388	388
	Expenses, meetings, etc.	2,148	434
	Key Worker Expenses	618	1,188
	Travel	314	1,115

<b>Direct Cost of property</b>		
Investors' return	12,806	12,728
HIA Franchise fee	1,200	
Council Tax	3,294	3,166
Water rates	388	679
Repair and Maintenance	7,983	3,329
New House Set Up Costs	709	
Tenant Subsidy	6,168	1,188
Bad Debt Write off	13,741	10
Governance	200	160
Total expenditure on charitable activities	<b>93,773</b>	<b>48,165</b>
<b>TOTAL EXPENDITURE</b>	<b><u>96,273</u></b>	<b><u>51,967</u></b>

#### 4.1 Disclosures

No employees received employee benefits (excluding employer pension costs) for the reporting period of more than £60,000. The charity employs 2 people.

Trustees did not receive expenses acting as Trustees. The charity leases 2 properties from Investors for a period of 5 years with lease payments being classified as "Investors Return" in the accounts.

#### NOTE 5 DEBTORS

##### Analysis of debtors

##### Amounts falling due within one year

	2021	2020
	£	£
Trade debtors	-	16,613
Prepayments and accrued income	-	
<b>Total</b>	<b>-</b>	<b><u>16,613</u></b>

In December 2021 all debtors prior to March 2021 were judged to be uncollectable and written off.

## NOTE 6 CREDITORS

### Analysis of Creditors

### Amounts falling due within one year

	2021	2020
	£	£
Accruals		
Payroll Creditors	531	
Trade Creditors	734	688
<b>Total</b>	<b><u>1265</u></b>	<b><u>688</u></b>

## NOTE 7 Fixed Assets

	2021
	£
Brought Forward Office Equipment at Cost	-
Purchases in the year	988
<b>Total Office Equipment at Cost</b>	<b><u>988</u></b>
Brought Forward Cumulative Depreciation	-
Depreciation in the year	247
<b>Total Office Equipment Cumulative Depreciation</b>	<b><u>247</u></b>
<b>Total Net Fixed Assets</b>	<b><u>741</u></b>

## 8. CHARITY FUNDS

### Details of All Funds with movements during the CURRENT reporting period 2021

Fund names	Fund balances brought forward	Income	Expenditure	Transfers	Fund balances carried forward
	£	£	£	£	£
<b>Unrestricted Funds</b>					
General Charity	21,559	104,896	(96,273)	(10,000)	20,182
<b>Restricted Funds</b>					
Designated Building Fund	18,000			10,000	28,000
<b>Total Funds</b>	<b><u>39,559</u></b>	<b><u>104,896</u></b>	<b><u>(96,273)</u></b>	<b>-</b>	<b><u>48,182</u></b>

The Designated fund commenced in 2020. An additional £18,000 was designated in 2021.