

HOPE INTO ACTION READING



TRUSTEES'/DIRECTOR'S REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

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

Charity Registration No. 1175092

CONTENTS	Page
Reference and Administrative Details	3
Objectives And Activities	4
Achievements and Performance	4
Future Plans	4
Financial Review, Risk and Reserves Policy	5
Structure, Governance And Management	6
Independent Examiner's Report	7
Statement Of Financial Activities	8
Balance Sheet 31 March 2022	10
Note 1 Basis Of Preparation	12
Note 2 Accounting Policies	12
Note 3 Analysis Of Income	13
Note 4 Analysis Of Expenditure	14
Note 5 - 7 Debtors, Creditors, Fixed Assets	15
Note 8 Charity Funds	16

REFERENCE AND ADMINISTRATIVE DETAILS

Charity name: HOPE INTO ACTION READING

Charity registration number: 1175092

Company number: 09358716

		Appointment Date
Trustee / Director:	Dr Richard Croft (chair)	10.12.17
	Mrs Susan Ralph	30.09.18
	Mrs Mary Langshaw	25.06.19
	Mrs Lorna Shepherd	17.05.21
Franchise Manager	Mary Lewis	01.01.21
Franchise Holder	Hope into Action UK (formerly 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 UK (formerly 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 three houses. The tenants have been supported by paid 'Empowerment Workers' (EWs) who keep the tenants focused 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 seen a return to normal working practices as the Covid-19 pandemic and accompanying restrictions wound down. The first half of the year involved a lot of hard work and the excitement of managing the HiAR third house project. The purchase completed at the end of September 2021, followed by the refurbishment to prepare the house for HiAR tenants. In December 2021, HiAR was able to open its third house for homeless men. Since then, the house has been occupied by 1 tenant with complex physical and mental health support needs.

The women's house has operated at full capacity (3 women + 1 child) for the majority of the year, as has the other men's house (4 men). Both of the men's houses are well supported by English Martyrs, St James and St William of York Roman Catholic churches; and the women's house by St John & St Stephen's Anglican church.

The year has also been one of change for the staff of HiAR. Mary Lewis took up her post as Franchise Lead in January 2021. Marta Gibas was appointed as an EW in August 2021 and Louise Cross left her post as EW in September 2021. Mary and Marta work hard to support the residents, helping them into new accommodation as that becomes possible.

FUTURE PLANS

We hope that in the next year – or maybe in the one after that – we can open another house and employ another EW as the work expands. Negotiations have opened with another church in Reading who are redeveloping their site, including plans to build housing for the homeless on the site, which they have earmarked for HiAR residents.

FINANCIAL REVIEW

In the prior year, HiAR's income was significantly boosted by grant funding, the majority attracted thanks to the input of a professional fundraiser employed for a one-off exercise. In the current year ended 31 March 2022, a similar exercise was not carried out as funds from the previous exercise were still being utilised. This is the main contributing factor as to why, in the current year, the charity's expenditure has exceeded its income.

Rental income in the current year has increased from the prior year as a result of a 3rd house opening and the other houses being at full occupancy for the majority of the year.

In terms of expenditure, some costs for HiAR have increased in the current year due to the opening of the 3rd house, such as interest paid to investors ('Investors' return') and property costs such as council tax and water rates. However there have been fewer property repair and maintenance issues in the current year, resulting in lower costs than the prior year.

In addition, HiAR have been able to recover some debts that were written off at the prior year end. The debtor's policy has been revised to write off debtors older than 90 days unless there is a payment plan in place to collect the debts.

Another major fundraising exercise is planned to secure more grant funding in the next financial year.

RISK AND RESERVES POLICY

In relation to risk and risk management, policies and procedures are in place to manage risk. 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.

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. The Trustees continue to hold a designated fund to enable the purchase and or development of housing stock.

In addition, another designated fund has been set up in the current year. 'Donations' of £9,348 from the investors of the 3rd house have been allocated to this fund as they are made with the specific purpose of covering the set-up costs of the house. Hope into Action Reading have paid the set-up costs of the house using these designated funds on behalf of the investors. The balance at year end in this fund would normally be zero unless investors make advance donations to cover other future expected costs related to the house.

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 Mary Lewis as the Franchise Manager. The Empowerment Workers work directly with the residents under the supervision of the Franchise Manager who reports to the Trustees.

Hope into Action: Reading is a full franchisee of Hope into Action UK (formerly 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.

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:

Dr Richard Croft (chair)	(Appointed 10.12.17)
Dr Pamela Ward	(Resigned 23.02.21)
Mrs Susan Ralph	(Appointed 30.09.18)
Mrs Mary Langshaw	(Appointed 25.06.19)
Mrs Lorna Shepherd	(Appointed 17.05.21)

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

SIGNED ON BEHALF OF THE TRUSTEES

SRRalph

Susan Ralph (Trustee) [21/12/2022](#)

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 2022 as set out on pages 8 - 16

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 2022



Address: 128 Putnoe Lane, Bedford, MK41 8LS

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 st March 2022	Notes	Unrestricted	Designated	Total 2022	Total 2021
Categories by activity		£	£	£	£
Incoming resources					
Donations and Legacies	3	7,603	9,348	16,951	3,509
Grants	3	-	-	-	52,850
Incoming resources from charitable activities	3	55,237	-	55,237	48,537
Total Incoming Resources		<u>62,840</u>	<u>9,348</u>	<u>72,188</u>	<u>104,896</u>
Resources expended					
Costs of Generating Funds	4	75	-	75	2,500
Charitable activities	4	72,010	9,348	81,358	93,573
Governance costs	4	200	-	200	200
Total resources expended		<u>72,285</u>	<u>9,348</u>	<u>81,633</u>	<u>96,273</u>
Net incoming/(outgoing) resources		(9,445)	-	(9,445)	8,623
Transfers between funds		-	-	-	-
Net movement in funds		(9,445)	-	(9,445)	8,623
Total funds brought forward		20,182	28,000	48,182	39,559
Total funds carried forward		<u>10,737</u>	<u>28,000</u>	<u>38,737</u>	<u>48,182</u>

Comparative Financial Statement for the year ended 31st March 2021

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

BALANCE SHEET 31st March 2022

For the year ended 31 st March 2022	Notes	Unrestricted	Designated	Total 2022	Total 2021
Categories by activity		£	£	£	£
Fixed Assets					
Tangible assets	7	494	-	494	741
Total Fixed Assets		494	-	494	741
Cash at bank and in hand		5,534	28,000	33,534	48,706
Debtors	5	9,313	-	9,313	-
Total current assets		14,847	28,000	42,847	48,706
Creditors: amounts falling due within one year	6	(4,604)	-	(4,604)	(1,265)
Net current assets/(liabilities)		10,243	28,000	38,243	47,441
Total Net Assets /(Liabilities)		<u>10,737</u>	<u>28,000</u>	<u>38,737</u>	<u>48,182</u>
Funds of the Charity					
Unrestricted funds		10,737	-	10,737	20,182
Designated Funds		-	28,000	28,000	28,000
Total funds		<u>10,737</u>	<u>28,000</u>	<u>38,737</u>	<u>48,182</u>

Signed on behalf of the trustees:

SRRalph

Susan Ralph Dated: 21/12/2022

Comparative BALANCE SHEET at 31st March 2021

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

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.

1.3 Changes to accounting estimates

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

1.4 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.

Designated funds are discretionary funds established by the trustees for specific purposes.

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

	Unrestricted	Designated	Total Funds	Total Funds
	Funds	Funds	2022	2021
	£	£	£	£
Donations and Grants				
Donations	7,603	9,348	16,951	3,509
Grants	-	-	-	52,850
Total Donations	7,603	9,348	16,951	56,359
Charitable activities:				
Rental Income	53,921	-	53,921	47,940
Other Income relating to property	1,313	-	1,313	568
Interest	3	-	3	29
Total Charitable activities	55,237	-	55,237	48,537
TOTAL INCOME	<u>62,840</u>	<u>9,348</u>	<u>72,188</u>	<u>104,896</u>

NOTE 4 ANALYSIS OF EXPENDITURE

	Unrestricted	Designated	Total Funds	Total Funds
	Funds	Funds	2022	2021
Expenditure on raising funds:	£	£	£	£
Marketing and Advertising	75	-	75	2,500
Total expenditure on raising funds	75	-	75	2,500
Expenditure on charitable activities				
Administration				
Salaries	38,234	-	38,234	40,106
National Insurance (Employer)	-	-	-	(69)
Pensions (Employer)	755	-	755	288
Staff training and welfare	1,269	-	1,269	2,148
Office	1,066	-	1,066	1,617
Office Equipment Depreciation	494	-	494	247
Professional Services	-	-	-	1,627
Insurances	487	-	487	388
Expenses, Travel, etc.	342	-	342	932
Governance	200	-	200	200
Direct Cost of property				
Discretionary Workers' Bursaries	5,950	-	5,950	-
Investors' Return	14,438	-	14,438	12,806
HIA Franchise Fee	1,275	-	1,275	1,200
Council Tax	4,048	-	4,048	3,294
Water Rates	942	-	942	388
Repair and Maintenance	2,775	-	2,775	7,983
New House Set-Up Costs	-	9,348	9,348	709
Tenant Subsidy	3,330	-	3,330	6,168
Bad Debt Write off/(recovery)	(3,395)	-	(3,395)	13,741
Total expenditure on charitable activities	72,210	9,348	81,558	93,773
TOTAL EXPENDITURE	<u>72,285</u>	<u>9,348</u>	<u>81,633</u>	<u>96,273</u>

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 3 properties from Investors for a period of 5 years with lease payments being classified as "Investors' Return". The leased asset value and corresponding liability is not shown on the balance sheet.

NOTE 5 DEBTORS

Analysis of debtors	Amounts falling due within one year	
	2022	2021
	£	£
Trade debtors	7,016	-
Prepayments and accrued income	2,297	-
Total	<u>9,313</u>	<u>-</u>

NOTE 6 CREDITORS

Analysis of Creditors	Amounts falling due within one year	
	2022	2021
	£	£
Accruals	250	-
Payroll Creditors	1,935	531
Trade Creditors	2,419	734
Total	<u>4,604</u>	<u>1,265</u>

NOTE 7 FIXED ASSETS

	2022	2021
	£	£
Brought Forward Office Equipment at Cost	988	-
Purchases in the year	-	988
Total Office Equipment at Cost	<u>988</u>	<u>988</u>
Brought Forward Cumulative Depreciation	247	-
Depreciation in the year	247	247
Total Office Equipment Cumulative Depreciation	<u>494</u>	<u>247</u>
Total Net Fixed Assets	<u>494</u>	<u>741</u>

NOTE 8 CHARITY FUNDS

Details of All Funds with movements during the CURRENT reporting period 2022

Fund names	Fund balances brought forward	Income	Expenditure	Transfers	Fund balances carried forward
Unrestricted Funds	£	£	£	£	£
General Charity	20,182	62,840	(72,285)	-	10,737
Designated/Restricted Funds					
Building Fund	28,000	-	-	-	28,000
Development New House	-	9,348	(9,348)	-	-
Total Designated Funds	28,000	9,348	(9,348)	-	28,000
Total Funds	<u>48,182</u>	<u>72,188</u>	<u>(81,633)</u>	<u>-</u>	<u>38,737</u>

8.1 Comparative Charity Funds for the previous reporting period 2021

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