

HOPE INTO ACTION READING



TRUSTEES'/DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

**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

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 (resigned 05.06.23)
	Mrs Chris Gothard	06.10.23
Franchise Manager	Mary Lewis	01.01.21
Franchise Holder	Hope into Action UK	
Bankers	Barclays Bank (until September 2023)	
	The Co-operative Bank (from September 2023)	
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 the 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, two for men and one for women (or single mothers with a child). 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 behaviours; 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

HiAR and our partner churches have supported 12 tenants over the year, and as of 31 March 2023, we had 8 tenants being supported across our 3 houses. Our outcome reporting for 2022/23 included the following tenant achievements:

- 100% of those who have had previous custodial sentences have not returned to prison
- 91% of tenants saw improvements in positive social relationships with friends / family
- 91% were empowered to work at and achieve their main goals during the year
- 64% found employment, attended training or volunteer regularly
- 100% of move-ons were positive to more permanent, appropriate, and independent housing

At the annual HiA national conference in March 2023, one of our HiAR tenants won the prestigious 'Andy Lanning award' for demonstrating the qualities Andy stood for – love, strength, forgiveness and hope.

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. Our church Friendship and Support (F&S) teams are growing and we have had 6 new volunteers attend HOPE training courses this year.

The staff team, Mary Lewis (HiAR Franchise Manager) and Marta Gibas (HiAR Empowerment Worker) work alongside the churches who support our 3 HiAR houses, in particular with the Friendship and Support team volunteers who support the tenants. Mary and Marta work hard to provide professional support to the tenants, including signposting to other specialist services where appropriate, and helping them move on to new accommodation as that becomes possible.

FUTURE PLANS

We hope to open the fourth HiAR house in 2024. Discussions with another church in Reading who would like to support a house for the homeless have been ongoing for several years. A number of options have been discussed, including plans to build a house for the homeless on the church site as part of a re-development. However, the favoured option at the current time is more in line with the conventional Hope into Action model. This is for investors to purchase a residential property which is close geographically to the church. The house is then leased to HiAR, who partner with the church in order to support the residents who come to live there. Once investors and a suitable property have been found, HiAR intend to employ another Empowerment Worker as the work of the charity expands.

FINANCIAL REVIEW

This year, HiAR's income has been significantly boosted by fundraising efforts which included applications for grant funding with input from a professional fundraiser employed for a one-off exercise.

Rental income in the current year also increased from the prior year, as a result of the third house being open for the entire accounting period (the third house opened December 2021).

In terms of expenditure, some costs for HiAR have increased in the current year. Staff salaries increased from the prior year due to an increase in staff working hours which happened around the time of opening the third house. Our Empowerment Worker increased her hours from 2 to 4 days per week in October 2021 and our Franchise Manager increased her hours from 4 days to 5 days per week in January 2022. The additional hours were necessary to accommodate the growth of the charity after opening the third house, with another church partner and a greater number of tenants to support.

In addition, the opening of the third house also increased costs such as interest paid to investors ('Investors' return') and property costs such as council tax and water rates. These costs are offset by the additional rental income received from the third house.

At the 2021 year-end, the HiAR debtor's policy was revised to write off debtors older than 90 days unless there was a payment plan in place to collect the debts. However, in the current year (and prior year), HiAR has been able to recover some of the debts previously written off. This has also contributed to the positive net income reported in this year's accounts.

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 was set up in the prior year, an Investor Reserve Account for the investors of the third HiAR house which opened in December 2021. In the 2021/2022 year, 'donations' of £9,348 from the investors of the 3rd house were 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 paid the set-up costs of the house using these designated funds on behalf of the investors. In the 2022/2023 year, the investors made further 'donations' of £2,618.96 to cover other future expected costs related to the house, including the annual property insurance. HiAR paid out £404.22 from these funds during the 2022/2023 year to cover this year's insurance. The balance held in the Investor Reserve Account at 31 March 2023 was £2,214.74.

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, and 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.

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)

Mrs Susan Ralph (Appointed 30.09.18)

Mrs Mary Langshaw	(Appointed 25.06.19)
Mrs Lorna Shepherd	(Appointed 17.05.21, Resigned 05.06.23)
Mrs Chris Gothard	(Appointed 06.10.23)

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

SIGNED ON BEHALF OF THE TRUSTEES

Susan Ralph (Trustee) 20/12/2023



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 2023 as set out on pages 9 - 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:

Dated:



20/12/2023

Address: 128 Putnoe Lane, Bedford, MK41 8LS

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31st March 2023	Notes	Unrestricted	Designated +Restricted	Total 2023	Total 2022
		£	£	£	£
Incoming resources					
Donations and Legacies	3	26,371	2,619	28,990	16,951
Grants		14,750	-	14,750	-
Incoming resources from charitable activities	3	60,561	-	60,561	55,237
Total Incoming Resources		<u>101,682</u>	<u>2,619</u>	<u>104,301</u>	<u>72,188</u>
Resources expended					
Costs of Generating Funds	4	1,280	-	1,280	75
Charitable activities	4	89,705	404	90,109	81,358
Governance costs	4	340	-	340	200
Total resources expended		<u>91,325</u>	<u>404</u>	<u>91,729</u>	<u>81,633</u>
Net incoming/(outgoing) resources		<u>10,357</u>	<u>2,215</u>	<u>12,572</u>	<u>(9,445)</u>
Transfers between funds		-	-	-	-
Net movement in funds		10,357	2,215	12,572	(9,445)
Total funds brought forward		10,737	28,000	38,737	48,182
Total funds carried forward		<u>21,094</u>	<u>30,215</u>	<u>51,309</u>	<u>38,737</u>

Comparative Financial Statement for the year ended 31st March 2022

For the year ended 31st March 2022	Notes	Unrestricted	Designated	Total 2022	Total 2021
Incoming resources		£	£	£	£
Donations and Legacies	3	7,603	9,348	16,951	3,509
Grants		-	-	-	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		<u>(9,445)</u>	<u>-</u>	<u>(9,445)</u>	<u>8,623</u>
Transfers between funds		-	-	-	-
Net movement in funds		<u>(9,445)</u>	<u>-</u>	<u>(9,445)</u>	<u>8,623</u>
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>

BALANCE SHEET for the year ended 31st March 2023

	Notes	Unrestricted	Designated + Restricted	Total 2023	Total 2022
Fixed Assets		£	£	£	£
Tangible assets	7	247	-	247	494
Total Fixed Assets		247	-	247	494
Cash at bank and in hand		14,933	30,215	45,148	33,534
Debtors	5	7,959	-	7,959	9,313
Total current assets		22,892	30,215	53,107	42,847
Creditors: amounts falling due within one year	6	(2,045)	-	(2,045)	(4,604)
Net current assets/(liabilities)		20,847	30,215	51,062	38,243
Total Net Assets /(Liabilities)		<u>21,094</u>	<u>30,215</u>	<u>51,309</u>	<u>38,737</u>
 Funds of the Charity	 8				
Unrestricted funds		21,094	-	21,094	10,737
Designated Funds		-	30,215	30,215	28,000
Total funds		<u>21,094</u>	<u>30,215</u>	<u>51,309</u>	<u>38,737</u>

Signed on behalf of the trustees:

SR Ralph

Susan Ralph Dated: 20/12/2023

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. (This statement will be changed to conform to the SORP in 2024)

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 Funds	Designated Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£
Donations and Grants				
Donations	26,371	2,619	28,990	16,951
Grants	14,750	-	14,750	-
Total Donations and Grants	41,121	2,619	43,740	16,951
Charitable activities:				
Rental Income	59,471	-	59,471	53,921
Other Income relating to property	1,054	-	1,054	1,313
Interest	36	-	36	3
Total Charitable activities	60,561	-	60,561	55,237
TOTAL INCOME	<u>101,682</u>	<u>2,619</u>	<u>104,301</u>	<u>72,188</u>

Note 4 Analysis of expenditure

	Unrestricted Funds	Designated Funds	Total Funds 2023	Total Funds 2022
Expenditure on raising funds:	£	£	£	£
Marketing and Advertising	80	-	80	75
Professional Services	1,200	-	1,200	-
Total expenditure on raising funds	1,280	-	1,280	75
Expenditure on charitable activities				
Administration				
Salaries	51,537	-	51,537	38,234
National Insurance (Employer)	222	-	222	-
Pensions (Employer)	1,151	-	1,151	755
Staff training and welfare	707	-	707	1,269
Office	1,120	-	1,120	1,066
Office Equipment Depreciation	247	-	247	494
Insurances	456	-	456	487
Expenses, Travel, etc.	816	-	816	342
Governance	340	-	340	200
Direct Cost of property				
Discretionary Workers' Bursaries	6,710	-	6,710	5,950
Investors' Return	19,241	-	19,241	14,438
HIA Franchise Fee	1,500	-	1,500	1,275
Council Tax	4,858	-	4,858	4,048
Water rates	1,042	-	1,042	942
Repair and Maintenance	1,026	-	1,026	2,775
Third House Costs	-	404	404	9,348
Tenant Subsidy	1,880	-	1,880	3,330
Bad Debt Write off/(recovery)	(2,808)	-	(2,808)	(3,395)
Total expenditure on charitable activities	90,045	404	90,449	81,558
TOTAL EXPENDITURE	<u>91,325</u>	<u>404</u>	<u>91,729</u>	<u>81,633</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	
	2023	2022
	£	£
Trade debtors	3,115	7,016
Prepayments and accrued income	-	2,297
HMRC Employment Allowance	4,844	-
Total	<u>7,959</u>	<u>9,313</u>

NOTE 6 CREDITORS

Analysis of Creditors	Amounts falling due within one year	
	2023	2022
	£	£
Accruals	-	250
Payroll Creditors	1,248	1,935
Trade Creditors	797	2,419
Total	<u>2,045</u>	<u>4,604</u>

NOTE 7 Fixed Assets

	2023	2022
	£	£
Brought Forward Office Equipment at Cost	988	988
Purchases in the year		
Total Office Equipment at Cost	<u>988</u>	<u>988</u>
Brought Forward Cumulative Depreciation	494	247
Depreciation in the year	247	247
Total Office Equipment Cumulative Depreciation	<u>741</u>	<u>494</u>
Total Net Fixed Assets	<u>247</u>	<u>494</u>

8 CHARITY FUNDS

8.1 Details of All Funds with movements during the CURRENT reporting period 2023

Fund names	Fund balances brought forward	Income	Expenditure	Transfers	Fund balances carried forward
	£	£	£	£	£
Unrestricted Funds					
General Charity	10,737	101,682	(91,325)	-	21,094
Designated/Restricted Funds					
Building Fund	28,000	-	-	-	28,000
Development Third House	-	2,619	(404)	-	2,215
Total Designated/Restricted Funds	28,000	2,619	(404)	-	30,215
Total Funds	<u>38,737</u>	<u>104,301</u>	<u>(91,729)</u>	<u>-</u>	<u>51,309</u>

8.2 Comparative Charity Funds for the previous reporting period 2022

Fund names	Fund balances brought forward	Income	Expenditure	Transfers	Fund balances carried forward
	£	£	£	£	£
Unrestricted Funds					
General Charity	20,182	62,840	(72,825)	-	10,737
Designated/Restricted Funds					
Building Fund	28,000	-	-	-	28,000
Development New House	-	9,348	(9,348)	-	-
Total Designated/Restricted 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>