

HOPE INTO ACTION READING



TRUSTEES'/DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

**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 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 11 tenants over the year, and as of 31 March 2024, we had 8 tenants being supported across our 3 houses. Our outcome reporting for 2023/24 included the following tenant achievements:

- 100% of those who have had previous custodial sentences have not returned to prison
- 80% of tenants saw improvements in positive social relationships with friends / family
- 90% were empowered to work at and achieve their main goals during the year
- 70% found employment, attended training or volunteer regularly
- 100% of move-ons were positive to more permanent, appropriate, and independent housing

Three of our tenants received recognition at the Hope into Action national tenant awards in March 2024. One of our tenants received an award for Managing Finances and another two tenants received awards in the category for Education, Employment and Training.

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 have continued to grow 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. During the year, we also employed a part time administrator for 3 months to assist with some of the paperwork and filing in the office.

FUTURE PLANS

Within the next financial year, we hope to open a fourth Hope into Action Reading home. A property has already been purchased by an investor and is currently being refurbished. The supporting church will be confirmed in the near future.

A fifth Hope into Action Reading home is also likely to open later in 2025. Sufficient investment has been pledged by individuals who will form a multi-investor group to purchase the property. This is likely to be a 3-bedroom property close to Shinfield Community Church, who will partner with us to support the tenants in this house. The church are considering whether they would like to first support a family, or 3 single adults. There are a group of volunteers at the church ready to form the Friendship & Support team, and we are actively now searching for a suitable property.

HiAR employed a new Empowerment Worker in May 2024 as the work of the charity is expanding. In 2025 we expect to move from supporting three to five HiAR homes with a resulting increased number of tenants and church team volunteers.

FINANCIAL REVIEW

This financial year, HiAR's income has been significantly boosted by an increase in rental income. Hope into Action have always had a commitment to charge as low rent as possible to give the best opportunity to empower our tenants into paid employment. HiAR's rent levels had not increased for several prior years, but in 2023 a full review of rents was carried out with the use of a rent setting model developed by HiA UK. The model was used by HiA UK and HiA franchises to set rent levels in 2023. The model incorporated the actual cost of providing the housing and what is eligible to be paid by Housing Benefit. This resulted in an increase applied to rents from 1 May 2023 and rents will continue to be reviewed annually. Hope into Action's commitment remains to keep rents as low as possible and we continue to prioritise the support for tenants in their transition into work as well as we can.

The number of regular donors to HiAR increased in this financial year and we carried out an exercise to claim Gift Aid on all eligible donations from this and prior financial years. There was less focus on applications for grant funding this year, and hence less income from grants than in the prior year. However, overall our total income remained broadly similar to the prior year at just over £100,000.

In this financial year there was increased expenditure on the welfare of our tenants ('tenant subsidy') and repair and maintenance of the properties. This was as a result of more funding being available for these activities from grants received in the prior year. We were able to fund social activities, employment support and gym memberships for some tenants to improve physical and mental health. We were also able to transform the garden at one of the houses, re-furnish a living room and redecorate some of the bedrooms.

In terms of expenditure, some costs for HiAR also increased in the current year. Staff salaries increased from the prior year mainly due to the employment of a part-time administrator for 3 months during the year. Staff welfare was also prioritised this year and some additional expenditure went towards places for staff at the HiA annual national retreat. In addition HiAR covered the cost for tenant facing staff to have a counselling session with an independent qualified counsellor once a month, due to the demands of the work which can be mentally and emotionally challenging. Monthly counselling sessions will continue in future years as they have been very beneficial for staff.

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 prior year, HiAR was able to recover some of the debts previously written off. There have been no further recoveries this financial year and we do not expect any further recoveries of written off debt in future.

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, the Trustees hold another designated fund. This is an Investor Reserve Account for the investors of the third HiAR house which opened in December 2021. In the 2022/2023 year, the investors made 'donations' of £2,619 to cover other future expected costs related to the house, including the annual property insurance. HiAR paid out £404 from these funds during the 2022/2023 year and £499 during the 2023/2024 year to cover the annual property insurance. A small amount of interest of £8 was earned on the funds held in the Investor Reserve Account in 2023/2024. The balance held in the Investor Reserve Account at 31 March 2024 was £1,724.

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) 20/12/2024

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 2024 as set out on pages 9 - 15.

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:



18/12/2024

Address: 128 Putnoe Lane, Bedford, MK41 8LS

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31st March 2024	Notes	Unrestricted	Designated +Restricted	Total 2024	Total 2023
		£	£	£	£
Incoming resources					
Donations and Legacies	3	14,229	-	14,229	28,990
Grants		3,000	-	3,000	14,750
Incoming resources from charitable activities	3	84,645	8	84,653	60,561
Total Incoming Resources		<u>101,874</u>	<u>8</u>	<u>101,882</u>	<u>104,301</u>
Resources expended					
Costs of Generating Funds	4	66	-	66	1,280
Charitable activities	4	104,034	499	104,533	90,109
Governance costs	4	250		250	340
Total resources expended		<u>104,350</u>	<u>499</u>	<u>104,849</u>	<u>91,729</u>
Net incoming/(outgoing) resources		(2,476)	(491)	(2,967)	12,572
Transfers between funds		-	-	-	-
Net movement in funds		(2,476)	(491)	(2,967)	12,572
Total funds brought forward		21,094	30,215	51,309	38,737
Total funds carried forward		<u>18,618</u>	<u>29,724</u>	<u>48,342</u>	<u>51,309</u>

BALANCE SHEET for the year ended 31st March 2024

	Notes	Unrestricted	Designated + Restricted	Total 2024	Total 2023
		£	£	£	£
Fixed Assets					
Tangible assets	7	-	-	-	247
Total Fixed Assets		-	-	-	247
Cash at bank and in hand		9,869	29,724	39,593	45,148
Debtors	5	9,252	-	9,252	7,959
Total current assets		19,121	29,724	48,845	53,107
Creditors: amounts falling due within one year	6	(503)	-	(503)	(2,045)
Net current assets/(liabilities)		18,618	29,724	48,342	51,062
Total Net Assets /(Liabilities)		<u>18,618</u>	<u>29,724</u>	<u>48,342</u>	<u>51,309</u>
Funds of the Charity	8				
Unrestricted funds		18,618	-	18,618	21,094
Designated Funds		-	29,724	29,724	30,215
Total funds		<u>18,618</u>	<u>29,724</u>	<u>48,342</u>	<u>51,309</u>

Signed on behalf of the trustees:

SR Ralph

Susan Ralph Dated: 20/12/2024

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	Designated	Total Funds	Total Funds
	Funds	Funds	2024	2023
	£	£	£	£
Donations and Grants				
Donations	12,743		12,743	28,990
Gift Aid	1,486		1,486	
Grants	3,000		3,000	14,750
Total Donations and Grants	17,229	-	17,229	43,740
Charitable activities:				
Rental Income	83,142		83,142	59,471
Other Income relating to property	1,336		1,336	1,054
Interest	167	8	175	36
Total Charitable activities	84,645	8	84,653	60,561
TOTAL INCOME	<u>101,874</u>	<u>8</u>	<u>101,882</u>	<u>104,301</u>

Note 4 Analysis of expenditure

	Unrestricted	Designated	Total Funds	Total Funds
	Funds	Funds	2024	2023
Expenditure on raising funds:	£	£	£	£
Marketing and Advertising	66		66	80
Professional Services			-	1,200
Total expenditure on raising funds	66	-	66	1,280
Expenditure on charitable activities				
Administration				
Salaries	56,094		56,094	51,537
National Insurance (Employer)	-		-	222
Pensions (Employer)	1,237		1,237	1,151
Staff training and welfare	2,259		2,259	707
Office	1,246		1,246	1,120
Office Equipment Depreciation	247		247	247
Insurances	456		456	456
Expenses, Travel, etc.	791		791	816
Governance	250		250	340
Direct Cost of property				
Discretionary Workers' Bursaries	5,636		5,636	6,710
Investors' Return	19,266		19,266	19,241
HIA Franchise Fee	1,500		1,500	1,500
Council Tax	5,265		5,265	4,858
Water rates	1,265		1,265	1,042
Repair and Maintenance	4,375		4,375	1,026
Third House Costs		499	499	404
Tenant Subsidy	4,094		4,094	1,880
Bad Debt Write off/(Recovery)	303		303	(2,808)
Total expenditure on charitable activities	104,284	499	104,783	90,449
TOTAL EXPENDITURE	<u>104,350</u>	<u>499</u>	<u>104,849</u>	<u>91,729</u>

NOTE 5 DEBTORS

Analysis of debtors	Amounts falling due within one year	
	2024	2023
	£	£
Trade debtors	9,044	3,115
Client Loans	208	-
HMRC Employment Allowance	-	4,844
Total	<u>9,252</u>	<u>7,959</u>

NOTE 6 CREDITORS

Analysis of Creditors	Amounts falling due within one year	
	2024	2023
	£	£
Accruals	-	-
Payroll Creditors		1,248
Trade Creditors	503	797
Total	<u>503</u>	<u>2,045</u>

NOTE 7 Fixed Assets

The company holds £988 of fully depreciated equipment.

(Continued)

8 CHARITY FUNDS

8.1 Details of All Funds with movements during the CURRENT reporting period 2024

Fund names	Fund balances brought forward	Income	Expenditure	Transfers	Fund balances carried forward
	£	£	£	£	£
Unrestricted Funds					
General Charity	21,094	101,874	(104,350)	-	18,618
Designated/Restricted Funds					
Building Fund	28,000	-	-	-	28,000
Development Third House	2,215	8	(499)	-	1,724
Total Designated/Restricted Funds	30,215	8	(499)	-	29,724
Total Funds	<u>51,309</u>	<u>101,882</u>	<u>(104,849)</u>	<u>-</u>	<u>48,342</u>

8.2 Details of All Funds with movements during the PRIOR 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>