

Charity registration number 1183771

HOPESPRING
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

HOPESPRING

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Ms Lois Gott
Dr Chikezie Okike
Dr Myra Hannah Herbert
Dr Joanne Dunnett
Dr Rachel Bisset

(Appointed 28 December
2023)

Charity number

1183771

Registered office

10 Sea View Road West
Sunderland
Tyne and Wear
SR2 9HA

Auditor

Robson Laidler Accountants Limited
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
NE2 1TJ

Bankers

Lloyds Bank
54 Fawcett Street
Sunderland
Tyne and Wear
SR1 1SF

HOPESPRING

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HOPESPRING

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their annual report and financial statements for the year ended 31 August 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

Mission Statement

Hopespring works throughout Tyne and Wear seeking to serve the various Educational, Physical and Mental Health needs of the young people & families in our region. With a highly committed team of trained staff and volunteers, we provide support and care for some of the most vulnerable people in society through our people-based interventions.

Principal Objects

The principal objects of the charity are as follows:

- 1 For the public benefit, the provision of education in particular, but not exclusively, by providing schools for children aged 11 to 16 who in particular, but not exclusively for those are deemed to be vulnerable and emotionally/behaviourally complex, who are at risk of, or have already been, excluded from school or from alternative provisions in the North East of England and such other parts of the United Kingdom as the trustees may from time to time think fit.
- 2 For the public benefit, the prevention and/or relief of poverty among people who are in conditions of need, hardship or distress in the United Kingdom by providing in particular but not exclusively, supported accommodation and transitional support for individuals leaving the care of the local authority.

In fulfilment of the principle objects the following activities are undertaken:

- 1 Therapeutic schools for the most vulnerable and emotionally/behaviourally complex young people who are at risk of, or have already been, excluded from school or from their alternative provision.
- 2 Residential family assessment centre for families needing parental capacity assessments.
- 3 Support for care experienced young people transitioning to independent living.
- 4 Christmas gifts for the cared for children in Sunderland and Christmas food hampers for care experience young people.
- 5 Educational and mental health programmes for young people & families.

Achievements and performance

Hopespring Therapeutic Schools

Across our education sites, Hopespring Education is working with 10 local authorities as well as many schools, agencies & organisations in the North East and within the UK.

We continue to see exceptional outcomes for our young people at Hopespring Education, who have been out of education for significant periods of time and have faced significant adversity & challenges in their lives. For the young people we support, our schools become their safe place and a foundation for them to thrive, transform and excel in their lives & education.

In September 2022, we opened our Hopespring Sunderland Bell Street campus, increasing our capacity to support more young people in Sunderland with significant social, emotional & mental health needs.

HOPESPRING

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The Hub

Following increased need for formalised follow-on support, 'The Hub' was open for its first year of operation through generous funding from The John Lewis Foundation. The Hub provides follow-on support and mental health programmes for our young people & their families, in particular but not exclusive to young people who have attended our schools.

Residential Family Assessment Centre

Throughout the year, much hard work and preparation went into the establishment of Rachel House, our residential family assessment centre, which opened to our first families at the end of the financial year.

Support for care experienced young people

We have continued to provide in excess of 80kg of food on a weekly basis to Sunderland's Next Steps team to support care experienced young people transitioning into independent living. The donations included fresh vegetables and fruit, healthy ready meals, canned and packaged foods as well as toiletries, household cleaning products and other items essential for getting settled into independent living.

Christmas presents - cared for children in Sunderland

Thanks to the generous support of our partners & donors, during our annual Christmas appeal we supported the cared-for children of Sunderland with over 800 high-quality Christmas gifts, as well as over 200 luxurious Christmas hampers.

Financial review

The year ending 31st of August 2023 marked the fourth full year of activities undertaken with the organisational structure of Hopespring. The combined activities of the Charity has resulted in an income of £1,491,520 and expenditure of £1,495,518 leading to a deficit of £3,998.

Income into Hopespring has continued to increase, particularly as Hopespring Sunderland Bell Street Campus has become fully established. This has resulted in a corresponding increase in expenditure in line with the increased activity. There has also been increased expenditure in relation to the establishment of Rachel House, our residential family assessment centre.

The total income from Grants and Donations amounted to £106,160 during the year. The provision of grants and donations during the year has again supported the Charity's strong financial position to carry out its operations and invest in future activities against significant uncertainties caused by the pandemic.

At the year end the unrestricted funds were £248,445 and the restricted funds were £22,258.

Going concern

The Trustee's are satisfied that the Charity is a going concern and do not know of any uncertainties regarding the organisations ability to continue operating as a going concern.

Major risks

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

HOPESPRING

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Plans for future periods

Following continued requests to expand our education provision, we are working towards establishing new Hopespring Education sites in the areas of greatest need within Tyne & Wear.

We are also building upon our first year of The Hub with the view to expanding and increasing the provision of support, particularly during the school holidays which can be a difficult time for our young people

Reserves Policy

The Trustees and Management Team have developed the reserves policy to assist in strategic planning and considering how new projects or activities will be funded. This is also used when reviewing the financial year and to inform the budget process in consideration of balanced budgets or if reserves need to be drawn down or built up.

The Charity's reserve policy also informs the budget and risk management process by identifying any uncertainty in future income streams and forecasting ahead for the forthcoming five years. The amount held in reserves is also monitored by the Trustees and Leadership Team during the course of the year as part of the charity's budgetary processes. The Trustees have adopted a reserves policy which they consider appropriate to maintain the activities of the charity in case of unforeseen circumstances or a drop in funding.

- 1 To hold an unrestricted funds balance that has a value of no less than 3 months and no more than 6 months running costs.
- 2 To designate the appropriate fund value required for the Charity to meet all of its contractual obligations in the event it was required to shut down.
- 3 To invest excess unrestricted funds into new or existing charitable activities to further enhance the service provision delivered. Use of unrestricted funds is to be carried out on a priority and needs assessment.
- 4 Restricted funds are to be spent in the time frame and in the manner outlined by the funder or the donor.

Following the financial year it is the Board's intention to increase the level of reserves in line with the growth and increase in income & expenditure experienced in the previous year in order to have a suitable contingency for any unforeseen circumstances.

Structure, governance and management

Hopespring is a Charitable Incorporated Organisation. The governance of the Charity is overseen by the trustee's of which there must be a minimum of three members on the board at one time per the constitution. The day to day running of the organisation is delegated to the executive management team.

Trustee's meetings are held regularly throughout the year to give oversight and direction to the Charity.

Under the requirements of the constitution, in addition to the statutory powers of appointment, a new Trustee may be appointed by a resolution of the Trustees passed by a majority of the Trustees for the time being.

Public Benefit Statement

The Trustee's have referred to the Charity Commission's general guidance on public benefit when reviewing the Organisations aims and activities. The Trustee's are satisfied that the activities and aims of the Charity meet the guidance of Public Benefit outlined by the Commission.

The trustees who served during the year and up to the date of signature of the financial statements were:

Ms Lois Gott
Dr Chikezie Okike
Dr Myra Hannah Herbert
Dr Joanne Dunnett
Dr Rachel Bisset

(Appointed 28 December 2023)

HOPESPRING

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

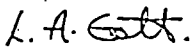
The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



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Ms Lois Gott
Trustee

Date: 21st June 2024
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HOPESPRING

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HOPESPRING

Opinion

We have audited the financial statements of Hopespring (the 'charity') for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

HOPESPRING

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HOPESPRING

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

The risk of material misstatement due to error or fraud has been assessed in conjunction with how internal controls may mitigate any such risk. These controls are reviewed as part of the audit by performing systems walkthroughs to ensure they are operating effectively. Other substantive testing is also performed on all material balances and therefore any instances of non-compliance should be identified or considered as insignificant.

The laws and regulations which are considered to be significant to the entity relate to health and safety and safeguarding. Discussions are held with management to determine whether any breaches have occurred as well as legal expenditure being scrutinised for any evidence on non-compliance.

The audit was considered capable of identifying irregularities only to the extent of the substantive testing performed and from discussions with management.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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 in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

HOPESPRING

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HOPESPRING

Robson Laidler Accountants Ltd
Robson Laidler Accountants Limited

24 June 2024
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Statutory Auditor

Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
NE2 1TJ

Robson Laidler Accountants Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

HOPESPRING

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Notes							
Income and endowments from:							
Donations and legacies	2	20,687	85,473	106,160	40,971	49,453	90,424
Charitable activities	3	1,381,691	-	1,381,691	1,050,198	-	1,050,198
Investments	4	1,009	-	1,009	25	-	25
Other income	5	2,660	-	2,660	18,922	-	18,922
Total income		1,406,047	85,473	1,491,520	1,110,116	49,453	1,159,569
Expenditure on:							
Charitable activities	6	1,432,303	63,215	1,495,518	981,507	49,453	1,030,960
Total expenditure		1,432,303	63,215	1,495,518	981,507	49,453	1,030,960
Net income/(expenditure) and movement in funds		(26,256)	22,258	(3,998)	128,609	-	128,609
Reconciliation of funds:							
Fund balances at 1 September 2022		274,701	-	274,701	146,092	-	146,092
Fund balances at 31 August 2023		248,445	22,258	270,703	274,701	-	274,701

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

HOPESPRING

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	13		81,907		21,352
Current assets					
Debtors	14	54,246		41,762	
Cash at bank and in hand		293,447		364,861	
		347,693		406,623	
Creditors: amounts falling due within one year	16	(141,417)		(125,794)	
Net current assets			206,276		280,829
Total assets less current liabilities			288,183		302,181
Creditors: amounts falling due after more than one year	17		(17,480)		(27,480)
Net assets excluding pension liability			270,703		274,701
Net assets			270,703		274,701
The funds of the charity					
Restricted income funds	20	22,258		-	
Unrestricted funds		248,445		274,701	
		270,703		274,701	

The financial statements were approved by the trustees on 21st June 2024.

L. A. Gott

Ms Lois Gott
Trustee

HOPESPRING

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	25		20,506		119,577
Investing activities					
Purchase of tangible fixed assets		(82,929)		-	
Investment income received		1,009		25	
Net cash (used in)/generated from investing activities			(81,920)		25
Financing activities					
Repayment of bank loans		(10,000)		(12,696)	
Net cash used in financing activities			(10,000)		(12,696)
Net (decrease)/increase in cash and cash equivalents			(71,414)		106,906
Cash and cash equivalents at beginning of year			364,861		257,955
Cash and cash equivalents at end of year			293,447		364,861

HOPESPRING

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

Charity information

Hopespring is a Charitable Incorporated Organisation. The Registered Office is 10 Sea View Road West, Sunderland, SR2 9HA

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

All voluntary income from supporters are recognised as donations and are included in full, with associated gift aid receivable in the Statement of Financial Activities.

Grants where entitlement is not conditional on the delivery of specific performance by the charity are recognised when the charity becomes unconditionally entitled to the grant.

Income resources from charitable trading activities such as letting of the building are accounted for when invoices are drawn up (as the point of entitlement).

Donated services and facilities are included at the value to the charity where this can be quantified and the donation is material to the accounts.

Gifts in Kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised.

Volunteer time, the value of voluntary support for the work of the charity is not included in the accounts but is described in the accounts.

Investment income is included in the accounts when receivable.

HOPESPRING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10-25% straight line
Fixtures and fittings	25% straight line
Computers	25% straight line
Motor vehicles	25% straight line

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

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Taxation

The charity is exempt from tax on the basis of its charitable activities.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rental charges payable under operating leases are charged on a straight line basis.

HOPESPRING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

2 Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	20,687	-	20,687	40,971	6,120	47,091
Grants receivable	-	85,473	85,473	-	43,333	43,333
	<u>20,687</u>	<u>85,473</u>	<u>106,160</u>	<u>40,971</u>	<u>49,453</u>	<u>90,424</u>
Grants receivable for core activities						
Ballinger Trust Grant	-	-	-	-	15,000	15,000
Trusthouse Grant	-	23,333	23,333	-	23,333	23,333
Winter Offer Funding	-	4,800	4,800	-	2,000	2,000
Crisis Support Funding	-	4,000	4,000	-	3,000	3,000
Education Hub Grant	-	53,340	53,340	-	-	-
	<u>-</u>	<u>85,473</u>	<u>85,473</u>	<u>-</u>	<u>43,333</u>	<u>43,333</u>

Donated goods and services

During the year Hopespring received 80KG of food per week from Fareshare to pass on to care experienced young people. Due to the quantity and nature of the goods no reliable estimate has been placed on the donation.

No assets have been donated to the charity this year.

3 Income from charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Charitable activities		
Placement and referral income	<u>1,381,691</u>	<u>1,050,198</u>

4 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	<u>1,009</u>	<u>25</u>

HOPESPRING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

5 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Other income	1,880	4,032
Volunteer rental income	780	14,890
	<u>2,660</u>	<u>18,922</u>

6 Expenditure on charitable activities

	Charitable expenditure 2023 £	Charitable expenditure 2022 £
Direct costs		
Staff costs	1,034,913	667,881
Depreciation and impairment	22,374	14,099
Other staff costs	47,502	39,236
Building and premises	198,976	189,150
Direct activity costs	79,768	57,404
IT and computer costs	19,171	9,322
	<u>1,402,704</u>	<u>977,092</u>
Share of support and governance costs (see note 7)		
Support	6,962	7,756
Governance	85,852	46,112
	<u>1,495,518</u>	<u>1,030,960</u>
Analysis by fund		
Unrestricted funds	1,432,303	981,507
Restricted funds	63,215	49,453
	<u>1,495,518</u>	<u>1,030,960</u>

HOPESPRING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

7 Support costs allocated to activities

	2023 £	2022 £
Administration costs	6,962	7,756
Governance costs	85,852	46,112
	<u>92,814</u>	<u>53,868</u>
Analysed between:		
Charitable expenditure	<u>92,814</u>	<u>53,868</u>

	2023 £	2022 £
Governance costs comprise:		
Audit fees	5,616	5,184
Legal and professional	79,412	40,928
Bank loan interest	824	-
	<u>85,852</u>	<u>46,112</u>

8 Net movement in funds

	2023 £	2022 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	5,616	5,184
Depreciation of owned tangible fixed assets	<u>22,374</u>	<u>14,098</u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

None of the trustees incurred any expenses in the current or preceding year.

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Employees	<u>39</u>	<u>27</u>

HOPESPRING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

10 Employees

(Continued)

Employment costs	2023 £	2022 £
Wages and salaries	922,406	599,354
Social security costs	73,806	45,085
Other pension costs	38,701	23,442
	<u>1,034,913</u>	<u>667,881</u>

Key management personnel

The charity considers its key management personnel to be the Social Care Manager, Executive Headteacher and Operations and Finance Lead. The total employee benefits received by key management were £111,217 (2022 £102,703).

There were no employees whose annual remuneration was more than £60,000.

11 Volunteers

The charity benefits greatly from voluntary contributions of time and money. It is estimated that the charity benefited from over 5,000 voluntary hours. The main bulk of this time is contributed from 4 volunteers. These volunteers give time towards areas such as but not exclusively fundraising, the running of Hopespring activities and administration.

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

13 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 September 2022	22,973	6,554	21,868	5,000	56,395
Additions	82,476	325	128	-	82,929
At 31 August 2023	<u>105,449</u>	<u>6,879</u>	<u>21,996</u>	<u>5,000</u>	<u>139,324</u>
Depreciation and impairment					
At 1 September 2022	13,895	4,309	14,339	2,500	35,043
Depreciation charged in the year	13,991	1,666	5,467	1,250	22,374
At 31 August 2023	<u>27,886</u>	<u>5,975</u>	<u>19,806</u>	<u>3,750</u>	<u>57,417</u>
Carrying amount					
At 31 August 2023	<u>77,563</u>	<u>904</u>	<u>2,190</u>	<u>1,250</u>	<u>81,907</u>
At 31 August 2022	<u>9,078</u>	<u>2,245</u>	<u>7,529</u>	<u>2,500</u>	<u>21,352</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

14 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	51,906	10,917
Prepayments and accrued income	2,340	30,845
	<u>54,246</u>	<u>41,762</u>

15 Loans and overdrafts

	2023 £	2022 £
Bank loans	27,500	37,500
Payable within one year	10,020	10,020
Payable after one year	17,480	27,480

16 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	15	10,020	10,020
Other taxation and social security		23,218	21,162
Deferred income	18	87,334	83,980
Trade creditors		7,503	-
Other creditors		6,396	3,505
Accruals and deferred income		6,946	7,127
		<u>141,417</u>	<u>125,794</u>

17 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	15	17,480	27,480

18 Deferred income

	2023 £	2022 £
Other deferred income	87,334	83,980

Deferred income is included in the financial statements as follows:

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Deferred income

(Continued)

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	87,334	83,980
Movements in the year:		
Deferred income at 1 September 2022	83,980	98,980
Released from previous periods	(83,980)	(98,980)
Resources deferred in the year	87,334	83,980
Deferred income at 31 August 2023	87,334	83,980

Included in creditors is £87,334 (2022 : £83,980) of deferred income. At the year end invoices had been raised for school places relating to the 2023/24 year. This income, amounting to £87,334 (2022 : £83,980), has been deferred as the entitlement to the income had not yet passed as the service of educational provision has not been carried out at the point of the year end.

19 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	38,701	23,442

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

20 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 September 2022 £	Incoming resources £	Resources expended £	At 31 August 2023 £
Education Hub	-	53,340	(31,082)	22,258
Mother and Baby Home	-	23,333	(23,333)	-
Christmas Appeal	-	8,800	(8,800)	-
	-	85,473	(63,215)	22,258

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Restricted funds

(Continued)

Previous year:	At 1 September 2021	Incoming resources	Resources expended	At 31 August 2022
	£	£	£	£
Mother and Baby Home	-	-	-	-
Sunderland School	-	23,333	(23,333)	-
Christmas Appeal	-	15,000	(15,000)	-
	-	11,120	(11,120)	-
	-	49,453	(49,453)	-

Mother and Baby Home

This fund relates to:

- closing fund balances transferred from Bethshan (North East) as part of the transfer for charitable activities when the Mother and Baby Home transferred to Hopesring. At the point of transfer the funds were restricted to Mother and Baby Home activities.

- Grant income for day to day running of the home.

- Housing benefit support payments paid directly to the charity relating to the benefit entitlement of the service users.

Sunderland School

Funds and donations received and restricted for the set up and running of the Therapeutic School based in Sunderland.

Christmas Appeal

Funds and donations received and restricted from the 2022 and 2023 Christmas Appeal to raise money for Christmas gifts for the cared for children and Christmas hampers for care experienced young people in Sunderland.

Education Hub

Funds and donations received and restricted for the set up and running of the new education hub based in the what was KR Children's Home.

21 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 September 2022	Incoming resources	Resources expended	At 31 August 2023
	£	£	£	£
General funds	274,701	1,406,047	(1,432,303)	248,445

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

21 Unrestricted funds

(Continued)

Previous year:	At 1 September 2021	Incoming resources	Resources expended	At 31 August 2022
	£	£	£	£
General funds	146,092	1,110,116	(981,507)	274,701

22 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 August 2023:			
Tangible assets	81,907	-	81,907
Current assets/(liabilities)	184,018	22,258	206,276
Long term liabilities	(17,480)	-	(17,480)
	<u>248,445</u>	<u>22,258</u>	<u>270,703</u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
At 31 August 2022:			
Tangible assets	21,352	-	21,352
Current assets/(liabilities)	280,829	-	280,829
Long term liabilities	(27,480)	-	(27,480)
	<u>274,701</u>	<u>-</u>	<u>274,701</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

23 Operating lease commitments

Lessee

The operating leases represent leases of £644,856 to third parties. The leases are negotiated over terms of 1-5 years. All leases include a provision for five-yearly upward rent reviews according to prevailing market conditions. There are no options in place for either party to extend the lease terms.

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	108,492	86,338
Between two and five years	536,364	295,625
	<u>644,856</u>	<u>381,963</u>

Lessor

24 Related party transactions

During the year the charity received income of £600 (2022: £4,891) and paid rent of £12,675 (2022: £10,864) to Bethan (NorthEast). Tim Dunnett, chair of Bethshan (North East) is the spouse of Joanne Dunnett, a Trustee of Hopespring.

Trustee Lois Gott was also paid a salary of £31,714 (2022: £30,194) for her services as CEO. None of this salary was for services as trustee.

Joanne Dunnett was paid £3,000 (2022: £2,040) for providing adhoc training to all staff. This service was outside her role as trustee.

25 Cash generated from operations

	2023 £	2022 £
(Deficit)/surplus for the year	(3,998)	128,609
Adjustments for:		
Investment income recognised in statement of financial activities	(1,009)	(25)
Depreciation and impairment of tangible fixed assets	22,374	14,099
Movements in working capital:		
(Increase)/decrease in debtors	(12,484)	3,320
Increase/(decrease) in creditors	12,269	(11,426)
Increase/(decrease) in deferred income	3,354	(15,000)
Cash generated from operations	<u>20,506</u>	<u>119,577</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

26 Analysis of changes in net funds

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	364,861	(71,414)	293,447
Loans falling due within one year	(10,020)	-	(10,020)
Loans falling due after more than one year	(27,480)	10,000	(17,480)
	<u>327,361</u>	<u>(61,414)</u>	<u>265,947</u>

