

Charity Registration No. 702230

Company Registration No. 02422130 (England and Wales)

**ACTION HOMELESS (LEICESTER) LTD
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

ACTION HOMELESS (LEICESTER) LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	R Roberts S Malcherczyk S De Looze C Hurst (Treasurer) N Winks (Chair) D Ireland M Pankhurst G Parekh A Peasgood
Secretary	R Mawdsley
Charity number	702230
Company number	02422130
Principal address	Ridgeway House Little Hill Newton Lane Wigston LE18 3SE
Registered office	Ridgeway House Little Hill Newton Lane Wigston LE18 3SE
Auditor	Mayfield & Co. 2 Merus Court Meridian Business Park Leicester LE19 1RJ
Bankers	HSBC
Solicitors	Howes Percival LLP 3 The Osiers Business Centre Leicester LE19 1DX

ACTION HOMELESS (LEICESTER) LTD

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ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

Action Homeless has referred to the Charity Commission's guidance on public benefit when reviewing its aims and objectives and in planning its future activities. In particular, the Board of Trustees has considered how the charity's activities have and will continue to deliver the aims and objectives they have set. The vision, values and objectives of Action Homeless as agreed by the Board of Trustees are as follows.

Vision

Action Homeless will endeavour to break the cycle of chronic homelessness and prevent people from sleeping rough. Action Homeless believes that the cycle of street homelessness in Leicestershire can be broken in the lifetime of this strategy, given the numbers of people who are currently sleeping rough in the City and County. Action Homeless will focus its efforts on preventing people from ending up on the streets in the first instance and getting those who do find themselves on the street into accommodation as quickly as possible. We will ensure that those who have a history of chronic homelessness can find a home and are supported to keep it.

Objectives

- Develop services to break the cycle of chronic homelessness
- Leading policy and practice to break the cycle of chronic homelessness
- Creating a customer-led organisation
- Growing our resources and capabilities needed to deliver our vision and objectives

Values

- Everyone has the right to live as independently as possible and we will do everything we can to ensure people affected by homelessness achieve and maintain independent living.
- Those affected by homelessness have the potential to transform their lives through support and education to enable them to achieve their aspirations.
- People at risk of homelessness have the right to expect timely and clear information and support to ensure that they do not become homeless.
- Everyone affected by homelessness has the right to expect good standards of accommodation and we will work to ensure that our housing is of good quality.
- Everyone using our services has the right to have their say in how these services are run and we will work to ensure that they have a voice in the running and development of the charity's activities.
- Our colleagues are the key to our success and we will work to create a culture which values and supports the people that work with and for us.
- The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The Operating Environment

Action Homeless continues to strive to meet the needs of its local community providing a public benefit across Leicester and Leicestershire. The City is still experiencing an acute shortage of affordable housing and this remains the biggest challenge for Action Homeless in meeting its objectives. In addition to this challenge, the Covid-19 Pandemic has placed a significant pressure on Action Homeless' services as there was an increase in the numbers being made homeless as a result of the Pandemic. Action Homeless has had to adapt its accommodation and services to ensure they are "Covid Safe" and meet the needs of those presenting as homeless.

Our key projects and achievement's during the year were as follows;

Developing services to break the cycle of chronic homelessness

A key objective for Action Homeless is to provide a public benefit through provision of services that break the cycle of homelessness. This year we delivered projects that can do this.

The number of people accommodated through the Community Transitions Project increased. In conjunction with Leicestershire NHS Partnership Trust, the service provides patients who have been discharged from the Bradgate Mental Health Unit with a safe place to live whilst they start to reintegrate into the community. As well as high quality accommodation, the project offers support which enables people to make the transition from hospital to community living and prevents instances where people are discharged with no stable accommodation offer.

In partnership with Leicester City Council Action Homeless continues to deliver services through the Government's Rough Sleeping Initiative. This supports some of Leicester's most entrenched rough sleepers to find and sustain accommodation in which they can thrive. In February 2021 the organisation opened a new 12 bed project, under the Protect Initiative, which provides intensive support by specialist staff who work with those experiencing chronic street homelessness by encouraging them off the streets and support them to move into appropriate housing.

In November 2020 we opened a new project for people who are homeless and in need of intensive support. The project is based at The Hollies and once housed, clients receive regular and consistent contact from the Support Team to enable them to identify and move towards achieving their personal goals. The service is cognisant of the fact that everybody's needs and aspirations are different and promotes a strengths based approach.

In November 2020 we also launched our Housing First project through a £360,000 grant award from the Henry Smith Charity. The grant will enable Action Homeless to run a four-year initiative in Leicester that will support 18 long-term rough sleepers off the streets and into homes.

Bridge House, our specialist project for women and children fleeing domestic violence, provides residents with accommodation, specialist support and counselling to help them move on with their lives. This year it received extra Covid Relief funding from BBC Children in Need for Building Blocks, an Action Homeless project which caters for children affected by homelessness and domestic violence. It offered playgroups and 121 support for families with children aged 0-12 and enhanced support to help children overcome the impact of the Pandemic.

In addition, Action Homeless has continued to provide both temporary and permanent accommodation to people affected by homelessness through our Accommodation Assist and Accommodation Plus projects and has offered a range of housing types from self-contained units to shared houses during the course of the year.

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The Food Stop and Emergency Food

During the pandemic, Action Homeless worked with local and central government to ensure that those vulnerable to the impact of Covid-19 were able to access emergency food. As well as support from Leicester City Council, we received £93,150 from DEFRA, £12,799 from the Waste and Resource Action Programme (WRAP), £7,500 from The Martin Lewis Foundation, £9,026 from Leicestershire and Rutland Community Foundation (LRCF) and over £4,000 from public donations.

All of this contributed to 4.5 million meals being delivered to food banks and community groups across Leicester to feed people in need. This additional resource was secured in response to a 40% increase in food bank need at the start of the pandemic.

Ensuring that everyone leaving our housing has the confidence and skills to live independently

A key objective for Action Homeless is to provide public benefit by ensuring that the people leaving our housing are able to sustain their independence and therefore avoid future instances of homelessness. This year we have continued to provide a number of services that enable this to happen.

Moneywise Plus supports unemployed individuals with money handling, budgeting and digital confidence. The programme works to prepare these individuals for employment through training and education. The project is funded by the European Social Fund and the National Lottery Community Fund.

Action Trust is a social enterprise providing professional cleaning and gardening services. The social enterprise offers supervised training and work placements to people who have experienced homelessness and are long term unemployed.

In response to the Government's "Everyone In" directive, to get people without homes accommodated during the Covid-19 pandemic, Action Homeless focused its services to meet their needs. We received £122,952 from Crisis and Homeless Link to establish a resettlement service. The aim was to ensure everyone in temporary or vulnerable housing had support to find and maintain suitable permanent accommodation. Working with local partners, Action Homeless identified those most at risk of homelessness, or a return to the streets. We were able to employ an additional 3 members of staff, who supported 87 people into new homes where they continued to be supported by the services during this period.

Leading policy and practice to break the cycle of chronic homelessness

A key objective for Action Homeless is to provide public benefit by leading policy and practice to break the cycle of chronic homelessness. This year we have been at the forefront of a number of projects to help affect systems change locally.

Action Homeless led Leicester's European End Street Homelessness Campaign, a partnership effort and commitment to end street homelessness locally and across Europe. The campaign continued its work to support rough sleepers and has led to the establishment of Leicester's Homelessness Charter. We were pleased to be able to second one of our employees to the Charter to help develop the initiative.

Creating a customer-led organisation

Action Homeless is committed to ensuring that people affected by homelessness have a voice and are able to be involved in and influence the decisions that affect them. We have continued to develop our user lead coaching approach and are supporting the development of a Leicester Lived Experience Forum through the Homelessness Charter.

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Working with the Community

Despite the challenges posed by the Covid-19 Pandemic Action Homeless has greatly benefited from the support of the local community and working in partnership with local organisations and funders.

We received £15,000, made up of three individual grants from the Leicester, Leicestershire and Rutland Community Foundation (LLRCF) and Crisis, for support funds to provide over 400 items for 250 people.

Alongside isolation support in the form of mobiles, tablets and radios, the funds enabled the purchase of items based on the needs of individual people, such as children's toys, exercise equipment and laptops to enable access to online courses. LLRCF also provided £9,000 to complete work at Mayfield House to safely increase capacity of the hostel and install screens and other safety features to protect clients and enable more face-to-face support work.

We are grateful to the countless individuals, community groups and organisations who have generously collected and donated food through the Pandemic. These donations helped to meet peoples' immediate needs as well as supporting our on-going work. This would not have been possible without this support. During the year we received £43,633 in donations from local and national businesses to help cover the impact of the Covid-19 pandemic.

Achievements and performance

During what has been a challenging year, we are proud of what we have been able to achieve despite having to make changes to the way we work and support services across the city being unable to operate as normal.

Below are some of our key impact statistics from March 2020 to March 2021:

- Responded to 845 calls to our helpline, 395 of which were from people who were homeless at the point of contact
- Provided accommodation to 405 people, 157 of whom we helped to move to more suitable housing (111 of these were permanent homes)
- Supported and housed 20 families at our specialist refuge and provided play support and engagement activities for 26 children.
- Enabled 91% of our clients to access local health services. 64% of people that we supported felt better able to manage their mental health following our intervention. 68% felt better able to manage their physical health.
- Secured funding to launch a new resettlement service which supported 87 people as they moved into their own homes
- Supplied 250 people with 450 digital products to ensure they were able to remain connected during the pandemic and avoid loneliness and isolation
- Coordinated the distribution of 4.5 million meals to people experiencing food poverty in Leicester

Financial review

The results for the year show total income of £3,393,758 a rise of £435,828 on the 2020 income of £2,957,930.

This amount included Restricted Funds of £900,905 and £2,492,853 of Unrestricted Funds. The total resources expended in the year amounted to £2,921,733. This leaves us to report an overall surplus of £515,790 after taking into consideration investment surpluses of £43,765.

The surplus income was predominantly made up from better than budget voids and bad debt and ensuring tight fiscal controls. These funds have been reinvested into the Charity to further support the strategic objectives of creating 100 new homes.

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The reserves carried forward were £2,887,411 of which £147,988 were restricted funds. These reserves will be used over a number of years and matched against depreciated amounts. Good corporate governance dictates that the charity maintains sufficient unrestricted reserves to meet unexpected events, irregular cash flow and contingencies. Our Unrestricted Funds of £613,923 are considered sufficient to achieve this aim. We also have £2,125,500 in designated reserves which is ring fenced for future development plans and to ensure there is sufficient funds to improve and maintain our properties and there are two major capital improvements programmed for 2021/22.

Due to the expansion of our Housing First programme, which is a means to ending rather than managing homelessness, the accounts show growth in the revenue of housing management. The income from this programme has been designated to continue the development of this initiative in the coming financial year.

Reserves Policy

The Board of Trustees has given careful consideration to the requirement for Action Homeless to maintain an appropriate level of free reserves, being those funds not invested in fixed assets, designated for specific purposes or otherwise committed. The Trustees have taken into account the level of free reserves required to cover the following risks: loss of income as a result of reductions in contracts or services, failure to equip and maintain buildings to a satisfactory standard, failure to achieve agreed and necessary fundraising targets and the consequences of an event having a major negative reputational impact on the work of the charity.

Based on this assessment, the Board of Trustees consider that the level of free reserves currently held, whilst adequate enough to cover the current assessment of potential costs, would ideally be greater and the Trustees would like an increased level of free reserves in order to ascertain a greater margin of safety.

During the year the trustees transferred £389,400 to the designated funds (see below). This leaves free unrestricted reserves to carry forward of £613,923.

The remaining funds (representing the balance between the level of reserves required by Trustees and the actual level of free reserves) have been specifically identified by Trustees to support the realisation of the charity's strategic objectives.

The Charity owns 10 properties which are used as social housing and are deemed necessary in order to help in the fulfilment of the Charity's Objectives. These properties have a carrying value of over £2million and these properties are essential in the delivery of affordable social housing.

Designated Reserves

Our Designated Funds now stand at £2,125,500 following a transfer of £389,400 from Unrestricted Funds during the year to cover specific future events which is part of the charity's strategic planning.

An amount of £75,000 was transferred for future development purposes. A further amount of £10,400 to cover future costs to meet contractual dilapidation agreements between the charitable company and existing lessors. Furthermore, we added £84,000 to our property funds.

The costs to maintain, and improve these properties alongside future investment in social housing requires the need to maintain healthy designated reserves.

During the year we calculated our potential redundancy liability and made a specific provision to ring fence an amount within designated funds to cover this amount. This amounted to a transfer of £220,000.

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Principal Funding Sources

The charity's principal funding comes through rental income, contracts and grants. The Charity also continued to be funded by Leicestershire Boroughs to support Winter Beds for rough sleepers in the county. In addition, Reaching People provided a grant for the continuation of Moneywise, a project to improve financial confidence. Children in Need also provided funds to support our work with supporting children affected by homelessness through the Building Blocks project. Action Homeless is also grateful to the many individuals and companies who provided financial support and gifts in kind to the Charity during the course of the year.

Investment Policy

The charity continues to review its investment policy to reflect the fact that its level of reserves has come into line with the Reserves Policy. The Charity uses interest bearing accounts to maximise the interest on money on deposit. The Charity has also invested some of its reserves with investment manager Raymond James in order to maximise the returns from its reserves. The Charity has also used some of its free reserves to purchase the freehold for a property that provides ten residential rooms, providing both accommodation for clients and a monetary return in the form of rental income. A balance has been struck between the requirements to maximise interest and the cash flow needs of the charity.

Risk Management

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.

The Trustees recognise the importance of risk management within the framework of governance and internal control. A risk register has been compiled to assess strategic, operational and financial risk. Risk management processes are in place providing a high level of reassurance. The risk management process applies to all aspects of work undertaken by Action Homeless. Risk assessments and risk management are an integral part of the daily duties of front line staff and managers.

Future Plans

At the heart of Action Homeless' strategy is to continue to respond to the growing crisis of homelessness in Leicester and Leicestershire and in particular street homelessness. A key component of Action Homeless' strategy is to continue to increase the number of homes it can provide. It aims to do this by acquiring property from private and social property owners either through leases, or through purchase of houses. Previously this activity has been focused to the City; however, we will in future be looking to acquire property across the County.

The Trustees have allocated unrestricted funds to advance this work, which, along with grants and loan finance, will enable us to acquire up to another 30 units of accommodation in the coming year. Action Homeless believes that the best way to break the cycle of homeless is through a Housing First model, this offers a combination of secure homes with high quality landlord services and intensive personal support. Over the coming year, Action Homeless has earmarked staff and properties that will be exclusively dedicated to offering Housing First. Action Homeless' largest property Mayfield House was purchased from East Midland Housing Group in 2018 and it is our intention to refurbish this accommodation to make it fit for future use and adapt it to meet the needs of our beneficiaries.

Action Homeless is committed to solving homelessness in Leicestershire and feels that this can be best achieved by working in partnership. To this end it has supported Leicester to become one of 13 Cities who are part of the European End Street Homelessness Campaign. This is a movement of cities that are working together to permanently house Europe's most vulnerable people and end chronic street homelessness. To support this initiative Action Homeless has actively supported the creation of a Homelessness Charter for Leicester.

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Leicester's Homelessness Charter aims to improve the way organisations and individuals work together to tackle homelessness in the city, and to harness the enthusiasm of those who want to get involved but don't know how.

Action Homeless is also committed to ensuring that everyone has a safe and secure home and has adopted the principle of Housing First, an initiative that seeks to house people affected by homelessness in secure tenancies.

During February and March 2021, Action Homeless entered into an agreement with the owners of Bradgate House (Stretton Road, Leicester). The house has ten bedrooms, ten bathrooms, communal facilities, a cellar, offices and a garden. The house provides much needed accommodation for people who are homeless in Leicester. The agreement was formalised on 15th April 2021 and allowed for the renovation and lease of the house, the agreement also gave Action Homeless the option to buy the house at a future date. On 4th June 2021 Action Homeless acquired the house and by the 30th June 2021 the house had been refurbished and the first occupants took up residence. The cost of the acquisition and the refurbishment of the house was £587,000. In addition we have planned to buy and refurbish another house, costing up to £600,000 before the end of March 2022.

During the Covid-19 Pandemic we applied for a £50,000 loan under the Government's Bounceback Scheme. This loan was granted in November 2020. In accordance with the terms and conditions of the loan agreement the full amount of £50,000 was repaid in July 2021.

Structure, governance and management

The charity is a company limited by guarantee, incorporated on 12 September 1989 and registered as a charity on 17 November 1989.

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:

A Harrop	(Resigned 6 November 2020)
R Roberts	
S Malcherczyk	
S De Looze	
C Hurst (Treasurer)	
N Winks (Chair)	
D Ireland	
M Pankhurst	
G Parekh	
A Peasgood	

Recruitment and Appointment of Trustees

The directors of the company are charity trustees for the purposes of charity law and under the company's articles are known as members of the Board of Trustees. Under the requirements of the Memorandum and Articles of Association, members of the Board of Trustees are elected annually at the Annual General Meeting.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Organisational Structure

The Board of Trustees meet six times in a year and is responsible for the governance framework and the strategic direction and policy of the charity.

The Board currently has 9 members drawn from a variety of professional backgrounds relevant to the work of the charity. Three sub committees of the Board of Trustees each meet up to three times a year to review specific areas of the charity's operations and to make recommendations to the Board in relation to their areas of concern. The sub committees are as follows: Finance and General Purposes Committee, Quality and Performance Committee and the Housing and Development Committee.

The Chief Executive and Executive Management Team are responsible for the day to day running of the charity and for the realisation of the strategy agreed by the Board.

The highest paid officer is paid between £60,000 and £70,000 and this is 3.5 times more than the lowest paid officer.

Auditor

In accordance with the company's articles, a resolution proposing that Mayfield & Co. be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees report was approved by the Board of Trustees.



N Winks (Chair)

Trustee

Dated: 25 November 2021

ACTION HOMELESS (LEICESTER) LTD

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of Action Homeless (Leicester) Ltd for the purpose of company law, 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).

Company Law 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, including the income and expenditure, of the charitable company 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 UK 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 adequate 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 Companies Act 2006. 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.

ACTION HOMELESS (LEICESTER) LTD

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF ACTION HOMELESS (LEICESTER) LTD

Opinion

We have audited the financial statements of Action Homeless (Leicester) Ltd (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 FRS 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 charitable company's affairs as at 31 March 2021 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 Companies Act 2006.

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.

ACTION HOMELESS (LEICESTER) LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ACTION HOMELESS (LEICESTER) LTD

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.

Responsibilities of trustees

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 liquidate the charitable company or 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.

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.



David Mayfield FCA (Senior Statutory Auditor)

Mayfield & Co.

25 November 2021

**Chartered Accountants
Statutory Auditor**

2 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Mayfield & Co. is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

ACTION HOMELESS (LEICESTER) LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds general £	Unrestricted funds designated £	Restricted funds £	Total 2021 £	Total 2020 £
<u>Income and endowments from:</u>						
Donations and legacies	3	111,753	-	487,348	599,101	376,095
Charitable activities	4	2,279,715	-	413,557	2,693,272	2,560,223
Raising funds	5	10,541	-	-	10,541	16,830
Investments	6	3,510	-	-	3,510	4,782
Other income	8	87,334	-	-	87,334	-
Total income		2,492,853	-	900,905	3,393,758	2,957,930
<u>Expenditure on:</u>						
Fundraising	7	18,721	-	-	18,721	28,535
Charitable activities	9	1,909,533	-	993,479	2,903,012	2,617,168
Total expenditure		1,928,254	-	993,479	2,921,733	2,645,703
Net gains/(losses) on investments	14	43,765	-	-	43,765	(20,887)
Net incoming/(outgoing) resources before transfers		608,364	-	(92,574)	515,790	291,340
Gross transfers between funds		(389,400)	389,400	-	-	-
Net movement in funds		218,964	389,400	(92,574)	515,790	291,340
Fund balances at 1 April 2020		394,959	1,736,100	240,562	2,371,621	2,080,281
Fund balances at 31 March 2021		613,923	2,125,500	147,988	2,887,411	2,371,621

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ACTION HOMELESS (LEICESTER) LTD

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	16		2,036,804		2,152,221
Investments	17		232,898		189,133
			<u>2,269,702</u>		<u>2,341,354</u>
Current assets					
Debtors	18	339,555		268,936	
Cash at bank and in hand		1,638,194		918,715	
		<u>1,977,749</u>		<u>1,187,651</u>	
Creditors: amounts falling due within one year	20	(545,129)		(340,663)	
Net current assets			1,432,620		846,988
Total assets less current liabilities			3,702,322		3,188,342
Creditors: amounts falling due after more than one year	21		(814,911)		(816,721)
Net assets			<u>2,887,411</u>		<u>2,371,621</u>
Income funds					
Restricted funds	25		147,988		240,562
<u>Unrestricted funds</u>					
Designated funds	26	2,125,500		1,736,100	
General unrestricted funds		613,923		394,959	
		<u>2,739,423</u>		<u>2,131,059</u>	
			<u>2,887,411</u>		<u>2,371,621</u>

ACTION HOMELESS (LEICESTER) LTD

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Trustees on 25 November 2021



C Hurst (Treasurer)

Trustee

Company Registration No. 02422130

ACTION HOMELESS (LEICESTER) LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	29		695,098		512,952
Investing activities					
Purchase of tangible fixed assets		-		(365,638)	
Interest received		3,510		4,782	
Net cash generated from/(used in) investing activities			3,510		(360,856)
Financing activities					
Proceeds of new bank loans		50,000		-	
Repayment of bank loans		(29,129)		(26,005)	
Payment of obligations under finance leases		-		(1,539)	
Net cash generated from/(used in) financing activities			20,871		(27,544)
Net increase in cash and cash equivalents			719,479		124,552
Cash and cash equivalents at beginning of year			918,715		794,163
Cash and cash equivalents at end of year			1,638,194		918,715

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Action Homeless (Leicester) Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is Ridgeway House, Little Hill, Newton Lane, Wigston, LE18 3SE.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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 £.

Action Homeless (Leicester) Ltd meets the definition of a public benefit entity under FRS 102.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. 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 to be used for specific purpose as laid down by the donor. Grants received by the charity by way of management agreements with Local Authorities and Housing Associations are restricted to particular schemes but not to specific items of expenditure. The Charity treats expenditure from these restricted funds as being the earliest expenditure at each scheme, in the year.

Unrestricted funds are donations and other incoming resources, including charges for accommodation, receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes VAT which cannot be recovered.

Expenditure in the operation of the charity's central services system and central office is apportioned between support costs, fund-raising and publicity and governance of the charity based on actual costs incurred where these can be ascertained. Other costs, such as salaries and overhead costs are apportioned on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

Scheme support costs	78%
Fund-raising and publicity	4%
Management and administration of the charity	18%

1.6 Tangible fixed assets

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other recognised gains and losses and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in net income/(expenditure) or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in net income/(expenditure) for the year.

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:

Freehold Property	4% straight line
Scheme Fixtures & Fittings	50% straight line
Motor vehicles	25% straight line
Central Office Equipment	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 recognized in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 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).

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.9 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.

1.10 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The pension costs charged in the financial statements represents the contribution payable by the company during the year.

1.13 Renewals

This was an amount agreed by Housing Benefit to specifically purchase and update furniture at each of the projects.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Donations and legacies

	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £
Donations and gifts	111,753	-	111,753	47,844	-	47,844
Grants receivable	-	487,348	487,348	-	328,251	328,251
	<u>111,753</u>	<u>487,348</u>	<u>599,101</u>	<u>47,844</u>	<u>328,251</u>	<u>376,095</u>
Donations and gifts						
Donations and gifts	111,753	-	111,753	47,844	-	47,844
	<u>111,753</u>	<u>-</u>	<u>111,753</u>	<u>47,844</u>	<u>-</u>	<u>47,844</u>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Donations and legacies

(Continued)

Grants receivable for core activities

Leicester City Council - Right To Buy	-	-	-	-	110,000	110,000
Reaching People Moneywise Plus	-	32,394	32,394	-	21,430	21,430
Resettlement Grants - Homeless Link	-	73,318	73,318	-	-	-
Resettlement Grants - Crisis UK		49,634	49,634			
Waste and Resource Action Programme	-	12,799	12,799	-	27,395	27,395
Children In Need/Building Blocks	-	19,784	19,784	-	16,040	16,040
Severe Weather Beds City	-	43,628	43,628	-	50,319	50,319
Severe Weather Beds County	-	-	-	-	13,769	13,769
LCC Foodbank	-	81,081	81,081	-	54,823	54,823
DEFRA	-	93,150	93,150	-	-	-
University of Leicester	-	-	-	-	20,000	20,000
Martin Lewis Foundation - Covid	-	7,500	7,500	-	-	-
Ministry of Housing, Communities and Local Government	-	24,299	24,299	-	-	-
Covid Grants	-	15,000	15,000	-	-	-
Leicestershire and Rutland Community Foundation	-	18,762	18,762	-	-	-
Henry Smith Foundation - Housing First	-	14,500	14,500	-	-	-
Other	-	1,499	1,499	-	14,475	14,475
	-	487,348	487,348	-	328,251	328,251

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

	Housing schemes 2021 £	Housing schemes 2020 £
Other income	2,693,272	2,560,223
Analysis by fund		
Unrestricted funds - general	2,279,715	2,243,170
Restricted funds	413,557	317,053
	2,693,272	2,560,223

Included within Unrestricted Income for 2021 relating to Housing Schemes are the following:

Board and lodging and rent receipts	£233,364
Housing benefits receipts	£2,113,146
Bad debts recovered/(written off)	(£66,795)
Total	£2,279,715

Included within Restricted Income for 2021 relating to Housing Schemes are the following:

Accommodation Based Housing Related Support	£216,171
Rough Sleepers Initiative Income	£77,772
Communities Transition Fund	£66,082
Protect Scheme (Flora Lodge)	£53,532
Total	£413,557

All income from charitable activities are to provide Housing Related Support.

5 Raising funds

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Fundraising events	10,541	16,830
Unrestricted funds:	2021	2020
Action Trust	£10,541	£16,830
Total	£10,541	£16,830

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Interest receivable	3,510	4,782

7 Fundraising

	2021 £	2020 £
<u>Fundraising</u>		
Premises costs	813	810
Stationery and publications	873	1,238
Training and communications	367	1,566
Audit and professional fees	829	108
Other sundry costs	-	6,919
Recruitment	4	11
Staff costs	15,835	17,883
	<u>18,721</u>	<u>28,535</u>
Costs of raising funds	18,721	28,535
	<u>18,721</u>	<u>28,535</u>

8 Other income

	Unrestricted funds general 2021 £	Total 2020 £
Other income	87,334	-

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Charitable activities

	Housing Schemes 2021 £	Charitable activities 2021 £	Total 2021 £	Total 2020 £
Staff costs	605,021	597,327	1,202,348	1,030,577
Depreciation and impairment	35,603	79,813	115,416	117,216
Premises costs	355,274	52,049	407,323	417,207
Management charge	351,104	32,516	383,620	332,779
Charitable expenditure	250	53,255	53,505	83,410
Catering costs	19,761	98,785	118,546	34,148
Communications	23,592	5,692	29,284	24,963
Stationery, publications and publicity	4,812	1,247	6,059	6,751
IT costs	11,802	8,443	20,245	17,612
TV rental and licenses	3,942	158	4,100	5,099
Bank charges and fees	6,718	24,600	31,318	31,600
Renewals (Misc)	56,361	7,016	63,377	27,425
Motor and travel	8,620	3,916	12,536	15,618
Welfare	593	3,873	4,466	1,093
Vehicle costs	-	1,794	1,794	-
Training, meetings and staff development	68	3,995	4,063	529
Grants repayable	-	19,000	19,000	-
	<u>1,483,521</u>	<u>993,479</u>	<u>2,477,000</u>	<u>2,146,027</u>
Share of support costs (see note 11)	350,601	-	350,601	380,230
Share of governance costs (see note 11)	75,411	-	75,411	90,911
	<u>1,909,533</u>	<u>993,479</u>	<u>2,903,012</u>	<u>2,617,168</u>
Analysis by fund				
Unrestricted funds - general	1,909,533	-	1,909,533	1,979,653
Restricted funds	-	993,479	993,479	637,515
	<u>1,909,533</u>	<u>993,479</u>	<u>2,903,012</u>	<u>2,617,168</u>
For the year ended 31 March 2020				
Unrestricted funds - general	1,979,653	-		1,979,653
Restricted funds	-	637,515		637,515
	<u>1,979,653</u>	<u>637,515</u>		<u>2,617,168</u>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Staff costs	269,189	31,669	300,858	304,015	35,766	339,781
Premises costs	15,339	-	15,339	16,334	-	16,334
Communications and insurance	4,914	-	4,914	17,694	-	17,694
Stationery, publications and publicity	1,455	-	1,455	2,063	-	2,063
IT costs	9,916	-	9,916	6,898	-	6,898
Training	667	-	667	11,120	-	11,120
Travel and vehicle costs	1,331	-	1,331	4,461	-	4,461
Audit and professional fees	29,615	-	29,615	14,322	-	14,322
Meetings and staff	-	-	-	678	-	678
Sundry other costs	13,726	-	13,726	191	-	191
Vehicle costs	4,449	-	4,449	2,454	-	2,454
 Audit fees	-	3,470	3,470	-	4,677	4,677
Premises costs	-	11,372	11,372	-	11,759	11,759
Communications	-	644	644	-	728	728
Stationery and publications	-	3,494	3,494	-	4,951	4,951
IT costs	-	9,916	9,916	-	6,898	6,898
Other governance costs (includes Training, Travel, Meeting staff, Recruitment, Bank charges and Miscellaneous expenses)	-	14,846	14,846	-	26,132	26,132
	<u>350,601</u>	<u>75,411</u>	<u>426,012</u>	<u>380,230</u>	<u>90,911</u>	<u>471,141</u>
Analysed between Charitable activities	<u>350,601</u>	<u>75,411</u>	<u>426,012</u>	<u>380,230</u>	<u>90,911</u>	<u>471,141</u>

Governance costs includes payments to the auditors of £5,674 (2020- £4,506) for audit fees.

12 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but traditionally some have been reimbursed travelling expenses, although none were claimed in the year (2020- £108).

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

13 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Chief Executive	1	1
Housing Schemes	42	36
Resettlement	9	9
Development	4	4
Administration and Support	4	4
Total	60	54

Employment costs	2021 £	2020 £
Wages and salaries	1,350,487	1,232,579
Social security costs	116,499	106,906
Other pension costs	52,055	48,756
	1,519,041	1,388,241

The number of employees whose annual remuneration was £60,000 or more were:

	2021 Number	2020 Number
Band £60,000 to £70,000	1	1

14 Net gains/(losses) on investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Revaluation of investments	43,765	(20,887)

15 Taxation

The charitable company is exempt from corporation tax on its charitable activities.

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

16 Tangible fixed assets

	Freehold Property £	Scheme Fixtures & Fittings £	Motor vehicles £	Central Office Equipment £	Total £
Cost					
At 1 April 2020	2,619,627	254,502	47,587	25,329	2,947,045
At 31 March 2021	2,619,627	254,502	47,587	25,329	2,947,045
Depreciation and impairment					
At 1 April 2020	490,457	254,502	24,537	25,329	794,825
Depreciation charged in the year	105,967	-	9,449	-	115,416
At 31 March 2021	596,424	254,502	33,986	25,329	910,241
Carrying amount					
At 31 March 2021	2,023,203	-	13,601	-	2,036,804
At 31 March 2020	2,129,170	-	23,051	-	2,152,221

As outlined under the accounting policies at the end of 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 impairment loss.

For the year ended 31 March 2021 the Trustees have considered the valuation of the properties it held and does not believe the carrying values to be materially different to open market values and on that basis have decided against make further impairment provisions.

17 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 April 2019	189,133
Carrying amount	
At 31 March 2021	189,133
At 31 March 2020	189,133

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

18 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	152,764	127,409
Other debtors	87,334	-
Prepayments and accrued income	99,457	141,527
	<u>339,555</u>	<u>268,936</u>

19 Loans and overdrafts

	2021	2020
	£	£
Bank loans	894,767	873,896
	<u>894,767</u>	<u>873,896</u>
Payable within one year	79,856	57,175
Payable after one year	814,911	816,721
	<u>894,767</u>	<u>873,896</u>

The long-term loans are secured by fixed charges over seven of the charity's freehold properties with total carrying value of £1,206,423 (2020: £1,415,913).

The bank loan bears interest at 2.75% above Bank of England base rate, provided that if the Bank of England base rate is lower than 0.00%, the Bank of England base rate applicable to the loan shall be deemed to be 0.00%.

20 Creditors: amounts falling due within one year

	Notes	2021	2020
		£	£
Bank loans	19	79,856	57,175
Other taxation and social security		30,056	25,124
Deferred income	22	108,916	45,630
Trade creditors		93,278	79,419
Other creditors		65,734	57,873
Accruals and deferred income		167,289	75,442
		<u>545,129</u>	<u>340,663</u>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

21 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	19	814,911	816,721

22 Deferred income

	2021 £	2020 £
Arising from Grants in advance	108,916	45,630

Deferred income is included in the financial statements as follows:

	2021 £	2020 £
Current liabilities	108,916	45,630
	108,916	45,630

23 Retirement benefit schemes

Defined contribution schemes

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.

The charge to profit or loss in respect of defined contribution schemes was £52,055 (2020 - £48,756).

24 Unrestricted funds

	Balance at 1 April 2020 £	Movement in funds		Transfers £	Balance at 31 March 2021 £
		Income £	Expenditure £		
Unrestricted funds					
General Fund	394,959	2,536,618	(1,928,254)	(389,400)	613,923
	394,959	2,536,618	(1,928,254)	(389,400)	613,923

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

25 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2019	Movement in funds			Balance at 1 April 2020	Movement in funds			Balance at 31 March 2021
	£	Income	Expenditure	Transfers	£	Income	Expenditure	£	£
Resettlement grants - Homeless Link	-	-	-	-	-	73,318	(62,228)	-	11,090
Resettlement grants - Crisis UK	-	-	-	-	-	49,634	(49,634)	-	-
Sundry grants	-	1,000	(1,000)	-	-	1,499	(1,499)	-	-
Tribal Capital Grant	209,216	-	(95,431)	-	113,785	-	(84,371)	-	29,414
Bridge House	-	500	(500)	-	-	-	-	-	-
DEFRA	-	-	-	-	-	93,150	(93,150)	-	-
Communities Transition Fund (NHS)	-	56,761	(56,761)	-	-	66,082	(66,082)	-	-
University of Leicester	-	20,000	(20,000)	-	-	-	-	-	-
Pret a Manger	2,150	7,914	(3,219)	-	6,845	-	(963)	-	5,882
Children In Need (Building Blocks)	-	16,040	(16,040)	-	-	19,784	(19,784)	-	-
Moneywise Plus Reaching People	-	21,430	(21,430)	-	-	32,394	(32,394)	-	-
Leicester City Council - Right To Buy	-	110,000	(4,388)	-	105,612	-	(14,626)	-	90,986
World Habitat Grant	-	4,610	(3,086)	-	1,524	-	(1,524)	-	-
LCC Foodbank	-	54,823	(54,823)	-	-	81,081	(81,081)	-	-
Waste and Resources Action Programme (WRAP)	17,889	27,396	(32,758)	-	12,527	12,799	(18,162)	-	7,164
Severe Weather - City	-	50,319	(50,319)	-	-	43,628	(43,628)	-	-
Rough Sleepers Initiative	-	77,772	(77,772)	-	-	77,772	(77,772)	-	-
Severe Weather - County	-	13,769	(13,769)	-	-	-	-	-	-
Accommodation Based Housing Related Support	-	182,520	(186,038)	3,518	-	216,171	(216,171)	-	-
Charity Link	-	450	(181)	-	269	-	(269)	-	-
Ministry of Housing, Communities and Local Government	-	-	-	-	-	24,299	(20,629)	-	3,670
Martin Lewis Foundation - Covid	-	-	-	-	-	7,500	(7,718)	-	(218)

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

25	Restricted funds	(Continued)							
	Protect Scheme (Flora Lodge)	-	-	-	-	-	53,532	(53,532)	-
	Covid Grants	-	-	-	-	-	15,000	(15,000)	-
	Leicestershire and Rutland Community Foundation	-	-	-	-	-	18,762	(18,762)	-
	Henry Smith Foundation - Housing First	-	-	-	-	-	14,500	(14,500)	-
		<u>229,255</u>	<u>(645,304)</u>	<u>(637,515)</u>	<u>(3,518)</u>	<u>240,562</u>	<u>(900,905)</u>	<u>(993,479)</u>	<u>147,988</u>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

26 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2019	Transfers	Balance at 1 April 2020	Transfers	Balance at 31 March 2021
	£	£	£	£	£
Property Fund	745,300	210,700	956,000	84,000	1,040,000
Dilapidation Fund	575,000	75,000	130,100	10,400	140,500
Development Fund	110,100	20,000	650,000	75,000	725,000
Contingency Fund	-	-	-	220,000	220,000
	<u>1,430,400</u>	<u>305,700</u>	<u>1,736,100</u>	<u>389,400</u>	<u>2,125,500</u>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

27 Analysis of net assets between funds

	Unrestricted Funds 2021 £	Designated Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Unrestricted Funds 2020 £	Designated Funds 2020 £	Restricted Funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:								
Tangible assets	10,904	1,905,500	120,400	2,036,804	205,826	1,736,100	210,295	2,152,221
Investments	232,898	-	-	232,898	189,133	-	-	189,133
Current assets/(liabilities)	1,185,032	220,000	27,588	1,432,620	816,721	-	30,267	846,988
Long term liabilities	(814,911)	-	-	(814,911)	(816,721)	-	-	(816,721)
	<u>613,923</u>	<u>2,125,500</u>	<u>147,988</u>	<u>2,887,411</u>	<u>394,959</u>	<u>1,736,100</u>	<u>240,562</u>	<u>2,371,621</u>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

28 Related party transactions

There were no disclosable related party transactions during the year (2020- none).

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	198,373	191,960

Action Trust

There are common management for Action Trust (Leicester) Ltd and Action Homeless (Leicester) Ltd. The administration of Action Trust (Leicester) Ltd is carried out by Action Homeless (Leicester) Ltd.

During the year Action Homeless (Leicester) Ltd recharged management fees and other costs to Action Trust (Leicester) Ltd totalling £24,832 (2020: £27,901) and paid £33,702 (2020: £37,278) for services carried out.

There were no donations paid to Action Trust in 2021. in the previous year Action Homeless (Leicester) Ltd made donations of £97,575 were made to Action Trust to carry out charitable activities on behalf of the charity.

As at the year end the balance owed to Action Homeless (Leicester) Ltd by Action Trust (Leicester) Ltd was £6,264 (2020: £0).

29 Cash generated from operations	2021 £	2020 £
Surplus for the year	515,790	291,340
Adjustments for:		
Investment income recognised in statement of financial activities	(3,510)	(4,782)
Fair value gains and losses on investments	(43,765)	20,887
Depreciation and impairment of tangible fixed assets	115,416	117,216
Movements in working capital:		
(Increase)/decrease in debtors	(70,619)	32,012
Increase in creditors	118,500	67,713
Increase/(decrease) in deferred income	63,286	(11,434)
Cash generated from operations	695,098	512,952

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

30 Analysis of changes in net funds

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	918,715	719,479	1,638,194
Loans falling due within one year	(57,175)	(22,681)	(79,856)
Loans falling due after more than one year	(816,721)	1,810	(814,911)
	<u>44,819</u>	<u>698,608</u>	<u>743,427</u>