

Charity registration number 702230

Company registration number 02422130 (England and Wales)

ACTION HOMELESS (LEICESTER) LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

ACTION HOMELESS (LEICESTER) LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	S De Looze C Hurst (Treasurer) D Ireland (Interim Chair) M Pankhurst A Peasgood J Elsey A Patel P Parmar
Secretary	R Mawdsley
Charlty 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:	Thomas Mayfield BA ACA 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

CONTENTS

	Page
Trustees report	1 - 6
Statement of trustees responsibilities	7
Independent auditor's report	8 - 10
Statement of financial activities	11 - 12
Balance sheet	13 - 14
Statement of cash flows	15
Notes to the financial statements	16 - 35

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

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

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' Vision is to ensure that no one has to sleep on the streets of Leicestershire. 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

We will develop services to break the cycle of chronic homelessness by working together with our statutory and voluntary partners.

We will lead policy and practice to break the cycle of chronic homelessness in order to achieve our ambition that no one has to sleep rough. We recognise that we will need to develop strategic partnerships, particularly in the areas of health, education, social care and criminal justice to ensure that the needs of homeless people are recognised and met.

The people and communities that Action Homeless supports determine the organisation's mission, values and objectives. Understanding the needs of our beneficiaries and the communities they come from is essential if we are to deliver and develop services for them. To enable Action Homeless to do this we will ensure that our customers are fully involved in the running and development of all our work and activities.

We will grow our resources and capabilities needed to deliver our vision and objectives. In order to achieve our ambition we need to ensure that we have the resources to meet the needs of homeless people, but also have the capacity to lead the sector to respond to our objectives. This will require a financially strong and sustainable organisation with the right people and resources to support this work.

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. 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 that values and supports the people that work with and for us.

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

The Operating Environment

The Impacts of homelessness can be devastating for individuals and families. It can affect both physical and mental health, educational and employment opportunities (for both adults and children) and has long term consequences for those affected.

There are ongoing challenges, particularly with the cost-of-living crisis hitting household budgets and we are seeing more people approach homelessness support and advice services. The local authority has declared a Housing Emergency as the cost of housing continues to outstrip people's ability to afford to rent or buy a home in the City. Leicester has some of the highest rents in proportion to income with only 3% of vacant properties being affordable for people reliant on benefits (Zoopla/Crisis 2023). There is limited affordable housing options available to households, which unless addressed will increase pressures on homelessness services, not just because additional households require support, but because those in temporary accommodation do not have anywhere affordable to move-on to. This also impacts on the prevention of homelessness, for example, finding an alternative affordable home to prevent homelessness from occurring. Leicester's annual rough sleeping snapshot numbers returned to pre-pandemic levels after reducing in 2020 and 2021. Generally, the number of households approaching Action Homeless for assistance has increased year on year. In the last year, we have received between 3 and 6 referrals for every vacant bed space we've had. We are working with key partners such as Leicester City Council and other partners across Leicester to do all they can to end the plight of homelessness and will lobby government to respond to the housing crisis.

The lack of affordable housing is compounded by the needs of people who find themselves homeless with around half of singles presenting to homelessness services having support needs. Of these, a quarter have mental health support needs and over 20% have complex support needs (2 or more support issues). Since July 2022 we have seen an alarming rise in family homelessness, primarily from the private rented sector. This increase has also been reflected nationally.

It is expected that future levels of homelessness in Leicester will continue to rise and meeting the need of the most vulnerable people who find themselves without a safe place to live will continue to be Action Homeless' core mission going forward.

There are continued pressures on Action Homeless' finances due to the recent increase in inflation and interest rates, which have impacted on Action Homeless over the past 12 months, in particular managing and maintaining our properties. The Trustees have also been conscious of the need to support its staff and clients to be able to meet the cost of living pressure they face. The Trustees continue to pledge to being a Living Wage Foundation employer. The Charity has also sought funds and support to help its tenants manage and cope with the pressures in their household budgets, which are outlined in our Achievements.

However, despite these pressures, Action Homeless has managed to continue to deliver a strong financial performance and generate cash surplus that can be reinvested in developing services and ensuring that the organisation continues to be financially strong and sustainable with the right people and resources to support this work.

Achievements and performance

Action Homeless now manages 238 units of accommodation of which it owns 70 units across 12 properties.

Over the past year Action Homeless housed 387 individuals and we were able to move 162 people into more stable and permanent homes. Our clients continue to be highly satisfied with the accommodation we provide with 90% of our residents rating us as a "Good" landlord, or better. Also, 88% of the people we support said they felt better able to make decisions about their own goals further reinforcing Action Homeless' objective of empowering people to take control of their own lives.

During the year we refurbished our owned Oakfield properties creating 7 additional high-quality homes for people.

We continue to support families fleeing domestic violence and this year we supported 15 children in temporary accommodation through BBC's Children In Need funding. This March saw the ending of the Moneywise Plus project after 7 years of funding from the National Lottery and European Social Fund. During the life of the project, it supported 161 people to move towards education, training and employment.

Through funding from the Severn Trent Community Fund, we refurbished and re-opened Engage, a wellbeing space and community living room, that supports our clients make their journey towards independence.

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Action Homeless continues to focus its resources to improve services for homeless women, including creation of a monthly Women's Open Space in partnership with The Bridge Leicester funded by The National Lottery Community Fund. We have also created more opportunities than ever before for people with lived experience of homelessness to connect with us and our stakeholders to share their expertise and experience, including our inaugural 'Connections Day' with over 80 Clients, Staff, Trustees and Partners attending the event to share their experiences and insights.

We also continued to develop Action Trust, our social business that employs those who have experience of homelessness and we added a new van to the fleet thanks to funding from The Baker Hughes Foundation enabling us to take on more volunteers.

To break the cycle of homelessness the Charity has continued to develop its services to support those with the most complex needs. Through our Housing First Initiative, funded by The Henry Smith Charity, we have supported 6 clients to ensure that they did not return to living on the streets.

Action Homeless received funding under the Government's Rough Sleeping Initiative to support those with chronic homeless histories to make the transition from living on the streets to more stable accommodation, achieving improved levels of engagement with drug and alcohol services to support harm reduction and recovery. Our Flora Lodge project provided accommodation to 26 people who had been sleeping rough and our Stretton Road project housed 14 people who had been homeless for 2 years, or more.

In partnership with the Leicestershire NHS Partnership Trust, through our Community Transitions Project, we supported 13 people to leave inpatient mental health services back into the community and we helped 7 of them move onto their own home.

Our main services continued to be commissioned by Leicester City Council to provide accommodation for those who find themselves homeless. Through this pathway we have housed 187 people across our services, therefore breaking the cycle of homeless for these individuals.

Since the beginning of the current 5-year strategy Action Homeless has added 115 units to the number of units of accommodation it provides, which exceeds the target the Charity set itself at the start of the Strategy of Increasing its units by 100. Over the past five years the Charity has increased its turnover by 58% and its reserves by 68%, showing that Action Homeless continues to increase its impact and ensure that is financially suitable organisation.

Financial review

The results for the year show total income of £4,025,511 a fall of £135,624 on the 2022 income of £4,161,135.

This amount included Restricted Funds of £758,346 and £3,267,165 of Unrestricted Funds. The total resources expended in the year amounted to £3,375,581. This leaves us to report an overall surplus of £649,930. We incorporated a reversal of previous impairment losses on our properties of £463,617. Without this extraordinary item our net movement in funds would have been £186,313

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.

The reserves carried forward were £3,808,820 of which £264,377 were restricted funds and £392,691 property revaluations. 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 £1,133,190 are considered sufficient to achieve this aim. We also have £2,411,253 in designated reserves which is ring fenced for future development plans and to ensure there is sufficient funds to improve and maintain our properties.

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.

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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 £90,392 to the designated funds (see below). This leaves free unrestricted reserves to carry forward of £1,133,190.

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 12 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 £2.7million and these properties are essential in the delivery of affordable social housing.

Designated Reserves

Our Designated Funds now stand at £2,411,253 following a transfer of £90,392 from Unrestricted Funds during the year to cover specific future events which is part of the charity's strategic planning.

Our freehold housing properties are in the City of Leicester and were, in the main built during late 1800s early 1900s. The properties have and continue to be maintained and refurbished in accordance with legislation and modern-day standards. Our Property Fund is reviewed periodically to ensure that our reserves are sufficient to meet anticipated costs. Following a review during the year it was decided to not make further adjustments this year and, following the anticipated legislation to address climate change to reassess this Fund after that legislation has been passed.

Action Homeless hold leases of freehold properties from private individuals. The term of these leases varies up to a period of twenty-five years. The terms of the leases allow for Action Homeless to hand back the properties, at the end of the term to the owner in a "decent homes" standard. Our dilapidation Fund makes provision for the work that is needed to be undertaken at the end of the term. The fund is reviewed annually and in this financial year we have increased the Fund by £10,400.

Year on year, the demand for homelessness services is growing. Our Charity's mission is to bring an end to homelessness in Leicestershire. Being able to meet as much need as possible is vital if we are to fulfil our charitable objectives. To break the cycle of homelessness we must develop the services we provide, increase the properties we use and enter into strategic partnerships with the local authority and other agencies. Our development Fund makes provision for these increasing needs. During the past year we have encountered inflation that has not been seen for many years and to allow for this event we have added £75,000 to our Development Fund.

Principal Funding Sources

Action Homeless main sources of income continue to be rent and service charges for the accommodation it provides to individuals (see page 21). Leicester City Council Homeless Support Contract is the second largest source of funding for the Charity.

Other support grants amount to £214,411. The Charity continues to benefit from the support of companies and individuals with over £35,000 being received in donations.

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Investment Policy

The Trustees, having regard to the liquidity requirements of operating the Charity and its reserves policy, have operated a policy of keeping a large proportion of available funds in interest bearing deposit accounts where they seek to achieve a rate of interest which maximises the return and spreads the risk. Where monies are available that are not needed to fund immediate charitable activities, the Trustees will appoint investment managers on a discretionary basis. A regular review of its investments is maintained by the Trustees with its Advisors and Finance Committee, ensuring good corporate governance relating to market conditions. The Trustees acknowledge and exercise their duty of care in accordance with the law, Charity Commission guidelines and in the best interests of the Charity.

Risk Management

The Trustees continue to assess 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.

Plans for future periods

Future Plans

2023 marks the 50th Anniversary of the inception of Action Homeless and never in its history has the crisis in homelessness been so acute and the need for Action Homeless' services been so great. The Charity is also coming to the end of its 5 year strategic plan in 2023 and the Trustees are conscious that the Charity needs to adapt and evolve if it is to continue to meet the needs of those who look to it for help. However, the Trustees are aware that given the number of people who experience homelessness locally in a year, Action Homeless could only realistically support a very small proportion of them. Therefore, the Trustees believe the next Strategy must achieve the most impact it can, given the resources available to the Charity.

Action Homeless' Vision remains to end rough sleeping in Leicestershire by breaking the cycle of homelessness, ensuring those who have chronic history of homelessness can find and keep a home.

In the coming year, the Charity will continue to invest in developing new housing and will ensure that its existing accommodation offers flexible, accessible and inclusive accommodation that provides dignity, privacy and safety to those who live in it.

It will continue to work in partnership with the City Council, Government and other stakeholders to provide high quality support personalised support that can remove the barriers preventing people to end their rough sleeping.

The Charity also recognises that breaking the cycle of homelessness requires more than providing someone with a safe place to live, and that people also need positive relationships in the community. Action Homeless will continue to seek ways to empower and support people to build the connections that they need.

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.

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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:

S De Looze

C Hurst (Treasurer)

N Winks (Chair)

(Resigned 1 June 2022)

D Ireland (Interim Chair)

M Pankhurst

G Parekh

(Resigned 30 May 2022)

A Peasgood

K Gallagher

(Resigned 6 February 2023)

J Elsey

A Patel

P Parmar

Recruitment and Appointment of Trustees

The Charity recognises the importance of having Trustees with a diverse set of skills and backgrounds that can support the work of the charity and reflects the profile of our beneficiaries. All Trustees are recruited through an open process that ensures equal access and opportunity to those wishing to become a Trustee. In line with the organisations Articles of Association Trustees serve 3-year terms up to a maximum of 9 years. The past year saw the resignation of two trustees and the ending of the Chairs period of tenure. The Charity will be seeking to replace these Trustees in the coming year.

The Trustees are also committed to adopting the Charity Code of Governance.

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.

Organisational Structure

The day to day management of the organisation is led by the Chief Executive Mark Grant and the two others, Executive Director of Services Karen Purewal and Director of Finance Reg Mawdsley.

In addition, there are dedicated roles for HR, Funding and Property Management. In total Action Homeless employs 55 full time employees as well as occasional workers.

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.



C Hurst (Treasurer)
Trustee

30 November 2023

ACTION HOMELESS (LEICESTER) LTD

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

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 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 charitable company's affairs as at 31 March 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

ACTION HOMELESS (LEICESTER) LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ACTION HOMELESS (LEICESTER) LTD

In identifying and assessing risks of material misstatement in respect of Irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Charity and the sector in which it operates. We determined that the following laws and regulations were most significant: the Companies Act 2006, the UK Corporate Governance Code and UK corporate taxation laws and all applicable charity laws and regulations.
- We obtained an understanding of how the Charity is complying with those legal and regulatory frameworks by making inquiries to the management. We corroborated our inquiries through our review of board minutes and papers provided to the Directors.
- We assessed the susceptibility of the Charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - challenging assumptions and judgments made by management in its significant accounting estimates;
 - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
 - assessing the extent of compliance with the relevant laws and regulations.

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.

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Thomas Mayfield BA ACA

30 November 2023

**Chartered Accountants
Statutory Auditor**

**Mayfield & Co
2 Merus Court
Meridian Business Park
Leicester
LE19 1RJ**

Thomas Mayfield BA ACA 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.

ACTION HOMELESS (LEICESTER) LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes								
Income from:									
Donations and legacies	3	35,101	-	198,109	233,210	42,833	-	817,208	860,041
Charitable activities	4	3,203,834	-	560,237	3,764,071	2,588,920	-	691,966	3,280,886
Raising funds	5	16,302	-	-	16,302	16,640	-	-	16,640
Investments	6	11,928	-	-	11,928	3,568	-	-	3,568
Total income		3,267,165	-	758,346	4,025,511	2,651,961	-	1,509,174	4,161,135
Expenditure on:									
Fundraising	7	26,228	-	-	26,228	25,205	-	-	25,205
Charitable activities	8	2,544,853	-	804,500	3,349,353	2,534,109	-	1,346,849	3,880,958
Total expenditure		2,571,081	-	804,500	3,375,581	2,559,314	-	1,346,849	3,906,163
Net gains/(losses) on investments	12	-	-	-	-	16,507	-	-	16,507

ACTION HOMELESS (LEICESTER) LTD

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £
Notes								
Net incoming/(outgoing) resources before transfers	696,084	-	(46,154)	649,930	109,154	-	162,325	271,479
Gross transfers between funds	(90,610)	90,392	218	-	(195,361)	195,361	-	-
Net movement in funds	605,474	90,392	(45,936)	649,930	(86,207)	195,361	162,325	271,479
Fund balances at 1 April 2022	527,716	2,320,861	310,313	3,158,890	613,923	2,125,500	147,988	2,887,411
Fund balances at 31 March 2023	1,133,190	2,411,253	264,377	3,808,820	527,716	2,320,861	310,313	3,158,890

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 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	15		2,707,157		2,020,477
Current assets					
Debtors	16	371,090		285,869	
Cash at bank and in hand		2,056,831		2,079,236	
		<u>2,427,921</u>		<u>2,365,105</u>	
Creditors: amounts falling due within one year	18	<u>(558,023)</u>		<u>(441,386)</u>	
Net current assets			<u>1,869,898</u>		<u>1,923,719</u>
Total assets less current liabilities			<u>4,577,055</u>		<u>3,944,196</u>
Creditors: amounts falling due after more than one year	19		<u>(768,235)</u>		<u>(785,306)</u>
Net assets			<u><u>3,808,820</u></u>		<u><u>3,158,890</u></u>
Income funds					
Restricted funds	23		264,377		310,313
<u>Unrestricted funds</u>					
Designated funds	24	2,411,253		2,320,861	
General unrestricted funds		<u>1,133,190</u>		<u>527,716</u>	
			<u>3,544,443</u>		<u>2,848,577</u>
			<u><u>3,808,820</u></u>		<u><u>3,158,890</u></u>

ACTION HOMELESS (LEICESTER) LTD

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2023

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 2023, 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.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 30 November 2023



C Hurst (Treasurer)

Trustee

Company registration number 02422130

ACTION HOMELESS (LEICESTER) LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	27		344,339		849,889
Investing activities					
Purchase of tangible fixed assets		(353,131)		(586,560)	
Proceeds on disposal of tangible fixed assets		-		4,469	
Proceeds on disposal of Investments		-		249,406	
Investment Income received		11,928		3,568	
Net cash used in Investing activities			(341,203)		(329,117)
Financing activities					
Repayment of bank loans		(25,541)		(79,730)	
Net cash used in financing activities			(25,541)		(79,730)
Net (decrease)/increase in cash and cash equivalents			(22,405)		441,042
Cash and cash equivalents at beginning of year			2,079,236		1,638,194
Cash and cash equivalents at end of year			2,056,831		2,079,236

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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.

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.

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 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.

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 recognised in net income/(expenditure) for the year.

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).

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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 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.

1.10 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.

1.11 Retirement benefits

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

1.12 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 2023

3 Donations and legacies

	Unrestricted funds general 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	35,101	-	35,101	42,833	-	42,833
Grants receivable	-	198,109	198,109	-	817,208	817,208
	<u>35,101</u>	<u>198,109</u>	<u>233,210</u>	<u>42,833</u>	<u>817,208</u>	<u>860,041</u>
Donations and gifts	-	-	-	42,833	-	42,833
Donations and gifts	35,101	-	35,101	-	-	-
Other	<u>35,101</u>	<u>-</u>	<u>35,101</u>	<u>42,833</u>	<u>-</u>	<u>42,833</u>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Donations and legacies

(Continued)

Grants receivable for core activities

Leicester City Council - Right To Buy	-	234,624	234,624
Reaching People Moneywise Plus	52,299	50,762	50,762
Children In Need/Building Blocks	20,927	17,776	17,776
Leicester City Council Additional Pressure Funding	17,444	18,262	18,262
HS Fund Food	-	150,000	150,000
LCC Foodbank	-	78,543	78,543
Food Partnership	-	150,000	150,000
Other	107,439	117,241	117,241
	<u>198,109</u>	<u>817,208</u>	<u>817,208</u>
	<u>-</u>	<u>-</u>	<u>-</u>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

	Housing schemes 2023 £	Housing schemes 2022 £
Other Income	3,764,071	3,280,886
Analysis by fund		
Unrestricted funds - general	3,203,834	2,588,920
Restricted funds	560,237	691,966
	3,764,071	3,280,886

Included within Unrestricted Income for 2023 relating to Housing Schemes are the following:

Board and lodging and rent receipts	£295,824
Housing benefits receipts	£3,014,629
Bad debts recovered/(written off)	<u>(£106,619)</u>
Total	<u>£3,203,834</u>

Included within Restricted Income for 2023 relating to Housing Schemes are the following:

Accommodation Based Housing Related Support	£319,476
Communities Transition Fund	£59,655
Protect Scheme (Flora Lodge)	<u>£181,106</u>
Total	<u>£560,237</u>

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

5 Raising funds

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Fundraising events	16,302	16,640
Unrestricted funds:	2023	2022
Action Trust	<u>£16,302</u>	<u>£16,640</u>
Total	<u>£16,302</u>	<u>£16,640</u>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Investments

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Interest receivable	11,928	3,568

7 Fundraising

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Costs of raising funds		
Premises costs	694	750
Stationery and publications	1,950	1,020
Training and communications	1,459	1,191
Audit and professional fees	953	559
Other fundraising costs	93	242
Staff costs	21,079	21,443
Costs of raising funds	26,228	25,205
	26,228	25,205

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Charitable activities

	Housing Schemes 2023 £	Charitable activities 2023 £	Total 2023 £	Housing Schemes 2022 £	Charitable activities 2022 £	Total 2022 £
Staff costs	1,043,838	576,499	1,620,337	569,020	852,616	1,421,636
Depreciation and Impairment	(376,379)	42,830	(333,549)	532,875	65,545	598,420
Premises costs	521,214	113,003	634,217	354,780	64,268	419,048
Management charge	562,613	12,081	574,694	367,129	50,830	417,959
Charitable expenditure	700	6,379	7,079	320	148,300	148,620
Catering costs	36,750	422	37,172	28,277	141,609	169,886
Communications	12,419	14,814	27,233	21,927	4,335	26,262
Stationery, publications and publicity	2,511	1,977	4,488	8,366	1,115	9,481
IT costs	7,145	2,250	9,395	6,071	189	6,260
TV rental and licenses	3,975	1,113	5,088	4,767	318	5,085
Bank charges and fees	62,582	-	62,582	26,061	-	26,061
Renewals (Misc)	49,015	9,710	58,725	24,077	5,438	29,515
Motor and travel	5,574	12,042	17,616	9,863	6,514	16,377
Welfare	1,020	6,886	7,906	3,667	5,542	9,209
Training, meetings and staff development	140	4,494	4,634	3,096	230	3,326
Grants repayable	1	-	1	-	-	-
	<u>1,933,118</u>	<u>804,500</u>	<u>2,737,618</u>	<u>1,960,296</u>	<u>1,346,849</u>	<u>3,307,145</u>
Share of support costs (see note 9)	481,053	-	481,053	462,270	-	462,270
Share of governance costs (see note 9)	130,682	-	130,682	111,543	-	111,543
	<u>2,544,853</u>	<u>804,500</u>	<u>3,349,353</u>	<u>2,534,109</u>	<u>1,346,849</u>	<u>3,880,958</u>
Analysis by fund						
Unrestricted funds - general	2,544,853	-	2,544,853	2,534,109	-	2,534,109
Restricted funds	-	804,500	804,500	-	1,346,849	1,346,849
	<u>2,544,853</u>	<u>804,500</u>	<u>3,349,353</u>	<u>2,534,109</u>	<u>1,346,849</u>	<u>3,880,958</u>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	358,346	42,158	400,504	364,529	42,886	407,415
Premises costs	15,384	-	15,384	16,308	-	16,308
Communications and Insurance	10,974	-	10,974	10,406	-	10,406
Stationery, publications and publicity	3,250	-	3,250	1,699	-	1,699
IT costs	17,304	-	17,304	12,983	-	12,983
Training	7,253	-	7,253	5,148	-	5,148
Travel and vehicle costs	678	-	678	2,003	-	2,003
Audit and professional fees	14,732	-	14,732	12,557	-	12,557
Meetings and staff	1,581	-	1,581	4,117	-	4,117
Sundry other costs	47,428	-	47,428	28,777	-	28,777
Vehicle costs	4,123	-	4,123	3,743	-	3,743
Audit fees	-	6,816	6,816	-	5,305	5,305
Premises costs	-	9,763	9,763	-	8,977	8,977
Communications	-	1,437	1,437	-	1,363	1,363
Stationery and publications	-	7,799	7,799	-	4,078	4,078
IT costs	-	17,304	17,304	-	12,983	12,983
Other governance costs (includes Training, Travel, Meeting staff, Recruitment, Bank charges and Miscellaneous expenses)	-	45,405	45,405	-	35,951	35,951
	<u>481,053</u>	<u>130,682</u>	<u>611,735</u>	<u>462,270</u>	<u>111,543</u>	<u>573,813</u>
Analysed between Charitable activities	<u>481,053</u>	<u>130,682</u>	<u>611,735</u>	<u>462,270</u>	<u>111,543</u>	<u>573,813</u>

Governance costs includes payments to the auditors of £5,674 (2022- £4,506) for audit fees.

10 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, with £18 claimed in the year (2022- £0).

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Chief Executive	1	1
Housing Schemes	27	32
Administration and support	10	11
Cleaning/Maintenance	8	6
Cook/Foodbank	-	5
Total	46	55

Employment costs	2023 £	2022 £
Wages and salaries	1,857,569	1,660,462
Social security costs	130,879	133,089
Other pension costs	53,472	56,943
	2,041,920	1,850,494

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
Band £60,000 to £70,000	-	1
Band £70,000 to £80,000	1	-

12 Net gains/(losses) on investments

	Total 2023 £	Unrestricted funds general 2022 £
Revaluation of investments	-	16,507

13 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 2023

14 Impairments

Impairment tests have been carried out where appropriate and the following Impairment losses have been recognised in profit or loss:

	2023 £	2022 £
In respect of:		
Property, plant and equipment	-	461,814

Reversals of previous impairment losses have been recognised in profit or loss as follows:

	2023 £	2022 £
In respect of:		
Property, plant and equipment	463,617	-

15 Tangible fixed assets

	Freehold Property £	Scheme Fixtures & Fittings £	Motor vehicles £	Central Office Equipment £	Total £
Cost					
At 1 April 2022	3,206,187	254,502	26,137	25,329	3,512,155
Additions	331,841	-	21,290	-	353,131
At 31 March 2023	3,538,028	254,502	47,427	25,329	3,865,286
Depreciation and impairment					
At 1 April 2022	1,185,710	254,502	26,137	25,329	1,491,678
Depreciation charged in the year	125,189	-	4,879	-	130,068
Reversal of past impairment	(463,617)	-	-	-	(463,617)
At 31 March 2023	847,282	254,502	31,016	25,329	1,158,129
Carrying amount					
At 31 March 2023	2,690,746	-	16,411	-	2,707,157
At 31 March 2022	2,020,477	-	-	-	2,020,477

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Tangible fixed assets

(Continued)

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 2023 the Trustees have considered the valuation of the properties it held and has reversed previous impairment losses in line with open market values.

16 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	248,691	230,663
Other debtors	73,245	4,918
Prepayments and accrued income	49,154	50,288
	<u>371,090</u>	<u>285,869</u>

17 Loans and overdrafts

	2023	2022
	£	£
Bank loans	<u>789,496</u>	<u>815,037</u>
Payable within one year	21,261	29,731
Payable after one year	<u>768,235</u>	<u>785,306</u>

The long-term loans are secured by fixed charges over seven of the charity's freehold properties with total carrying value of £1,222,947 (2022: £1,267,045).

The bank loan bears interest is 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%.

Some of the loan has been transferred to a new fixed rate of 4.1%.

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	17	21,261	29,731
Other taxation and social security		30,835	31,755
Deferred income	20	97,101	27,504
Trade creditors		159,503	109,003
Other creditors		83,712	78,316
Accruals and deferred income		165,611	165,077
		<u>558,023</u>	<u>441,386</u>

19 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	17	<u>768,235</u>	<u>785,306</u>

20 Deferred income

	2023 £	2022 £
Arising from Grants in advance	<u>97,101</u>	<u>27,504</u>

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	<u>97,101</u>	<u>27,504</u>
Movements in the year:		
Deferred income at 1 April 2022	27,504	108,916
Resources deferred in the year	<u>69,597</u>	<u>(81,412)</u>
Deferred income at 31 March 2023	<u>97,101</u>	<u>27,504</u>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

21 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 £53,472 (2022 - £56,943).

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

22 Unrestricted funds

	Balance at	Income	Movement in funds			Balance at	Income	Movement in funds			Balance at
	1 April 2021		Expenditure	Transfers	Gains and Losses	1 April 2022		Expenditure	Transfers	Gains and Losses	31 March 2023
	£	£	£	£	£	£	£	£	£	£	£
General Fund	562,462	2,651,961	(2,559,314)	(195,361)	-	459,748	3,267,165	(2,571,081)	(90,610)	-	1,065,222
Revaluation Fund	51,461	-	-	-	16,507	67,968	-	-	-	-	67,968
	<u>613,923</u>	<u>2,651,961</u>	<u>(2,559,314)</u>	<u>(195,361)</u>	<u>16,507</u>	<u>527,716</u>	<u>3,267,165</u>	<u>(2,571,081)</u>	<u>(90,610)</u>	<u>-</u>	<u>1,133,190</u>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

23 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:

	Movement in funds			Movement in funds				
	Balance at 1 April 2021	Income	Expenditure	Balance at 1 April 2022	Income	Expenditure	Transfers	Balance at 31 March 2023
	£	£	£	£	£	£	£	£
Resettlement grants	11,090	-	(11,090)	-	-	-	-	-
Sundry grants	3,452	671,668	(657,610)	17,510	286,684	(291,563)	218	12,849
Tribal Capital Grant	29,414	-	(29,414)	-	-	-	-	-
Communities Transition Fund (NHS)	-	118,063	(118,063)	-	59,655	(59,655)	-	-
Pret a Mange	5,882	-	(2,558)	3,324	-	(3,324)	-	-
Children In Need (Building Blocks)	-	17,776	(17,776)	-	20,927	(20,927)	-	-
Moneywise Plus Reaching People	-	50,762	(50,762)	-	52,299	(52,299)	-	-
Leicester City Council - Right To Buy	90,986	234,624	(36,131)	289,479	-	(37,951)	-	251,528
World Habitat Grant	-	-	-	-	1,861	(1,861)	-	-
LCC Foodbank	-	78,543	(78,543)	-	-	-	-	-
Waste and Resources Action Programme (WRAP)	7,164	-	(7,164)	-	-	-	-	-
Leicester City Council Additional Pressure Funding	-	18,262	(18,262)	-	17,444	(17,444)	-	-
Accommodation Based Housing Related Support	-	319,476	(319,476)	-	319,476	(319,476)	-	-
	<u>147,988</u>	<u>1,509,174</u>	<u>(1,346,849)</u>	<u>310,313</u>	<u>758,346</u>	<u>(804,500)</u>	<u>218</u>	<u>264,377</u>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

24 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 2021 £	Transfers £	Balance at 1 April 2022 £	Transfers £	Balance at 31 March 2023 £
Property Fund	1,040,000	130,000	1,170,000	-	1,170,000
Dilapidation Fund	140,500	12,480	152,980	10,400	163,380
Development Fund	725,000	78,750	803,750	75,000	878,750
Contingency Fund	220,000	(25,869)	194,131	4,992	199,123
	<u>2,125,500</u>	<u>195,361</u>	<u>2,320,861</u>	<u>90,392</u>	<u>2,411,253</u>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

25 Analysis of net assets between funds

	Unrestricted Funds 2023 £	Designated Funds 2023 £	Restricted Funds 2023 £	Total 2023 £	Unrestricted Funds 2022 £	Designated Funds 2022 £	Restricted Funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:								
Tangible assets	1,285,629	1,170,000	251,528	2,707,157	560,998	1,170,000	289,479	2,020,477
Current assets/(liabilities)	615,796	1,241,253	12,849	1,869,898	752,024	1,150,861	20,834	1,923,719
Long term liabilities	(768,235)	-	-	(768,235)	(785,306)	-	-	(785,306)
	<u>1,133,190</u>	<u>2,411,253</u>	<u>264,377</u>	<u>3,808,820</u>	<u>527,716</u>	<u>2,320,861</u>	<u>310,313</u>	<u>3,158,890</u>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

26 Related party transactions

There were no disclosable related party transactions during the year (2022- none).

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	213,131	204,342

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 £66,853 (2022: £9,363) and were invoiced £31,094 (2022: £25,078) for services carried out.

As at the year end the balance owed to Action Homeless (Leicester) Ltd by Action Trust (Leicester) Ltd was £41,048 (2022: £34,195).

27	Cash generated from operations	2023 £	2022 £
	Surplus for the year	649,930	271,476
	Adjustments for:		
	Investment income recognised in statement of financial activities	(11,928)	(3,568)
	Fair value gains and losses on investments	-	(16,507)
	Depreciation and impairment of tangible fixed assets	(333,549)	598,420
	Movements in working capital:		
	(Increase)/decrease in debtors	(85,221)	53,686
	Increase in creditors	55,510	27,794
	Increase/(decrease) in deferred income	69,597	(81,412)
	Cash generated from operations	344,339	849,889

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

28 Analysis of changes in net funds

	At 1 April 2022	Cash flows	At 31 March 2023
	£	£	£
Cash at bank and in hand	2,079,236	(22,405)	2,056,831
Loans falling due within one year	(29,731)	8,470	(21,261)
Loans falling due after more than one year	(785,306)	17,071	(768,235)
	<u>1,264,199</u>	<u>3,136</u>	<u>1,267,335</u>