

**COMPANY REGISTRATION NUMBER: 04566985**  
**CHARITY REGISTRATION NUMBER: 1098126**  
**SOCIAL HOUSING REGULATOR No. 4742**

**Homeless Action Resource Project**  
**Charitable Company Limited by Guarantee**  
**Financial Statements**  
**31<sup>st</sup> March 2020**

**Homeless Action Resource Project**  
**Charitable Company Limited by Guarantee**  
**Contents page**  
**Year ended 31<sup>st</sup> March 2020**

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	<b>Page</b>
Trustees' annual report (incorporating the Directors' report)	<b>2-11</b>
Independent auditor's report to the members	<b>12-15</b>
Statement of Comprehensive Income (including income and expenditure account)	<b>16</b>
Statement of financial activities (including income and expenditure account)	<b>17</b>
Statement of financial position	<b>18</b>
Statement of cash flows	<b>19</b>
Notes to the financial statements	<b>20-35</b>

# Homeless Action Resource Project

## Charitable Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31<sup>st</sup> March 2020

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The Trustees, who are also the Directors for the purposes of company law, present their report and the financial statements of the Charity for the year ended 31<sup>st</sup> March 2020.

#### Reference and administrative details

<b>Registered Charity name</b>	Homeless Action Resource Project
<b>Trading name</b>	HARP (Southend's Homelessness Charity)
<b>Charity registration number</b>	1098126
<b>Company registration number</b>	04566985
<b>Social Housing Regulator number</b>	4742
<b>Principal office and registered office</b>	146 New London Road Chelmsford Essex CM2 0AW
<b>The Trustees</b>	Alistair Barr (appointed 17 <sup>th</sup> March 2020) Iain Campbell Lilias Felton Richard Hair (Chair) Alex Kaye Joanne Prestidge (appointed 9 <sup>th</sup> December 2019) Mark Rothman Haroon Siddique Debbie Stanton Peter Thorn (Honorary Treasurer) Yvonne Vickers
<b>Key management</b>	Jackie Bliss (Chief Executive) Nicolette Houston (Property Development Manager) Stephen Mansfield (Fundraising and Communications Manager) Jacqueline Saxby (Financial Controller and Head of Resources) Gary Turner (Service Operations Manager)
<b>Auditor</b>	Edmund Carr LLP Chartered Accountants & Statutory Auditor 146 New London Road Chelmsford Essex CM2 0AW

# Homeless Action Resource Project

## Charitable Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31st March 2020

#### Objectives and activities

HARP offers a unique service in South East Essex. With our mission of doing everything we can to try to end homelessness within Southend, we identify homeless need as our starting point. We then work to enable people to move towards independent living, offering a comprehensive service with a range of emergency and longer term supported housing together with training, support and meaningful activities. Our services are all designed to enable our service users - including those who are vulnerable and most 'hard to reach' - an opportunity to re-establish themselves within their local community and prevent a return to homelessness. The Charity achieves its objectives partly by preventing homelessness in the first place by working closely with those at risk of becoming so, partly by seeking to address the root causes behind individuals' experience of homelessness, and partly through our services described above and below.

#### STRATEGIC REPORT

##### Achievements and performance

##### The need

HARP assisted 1,221 people who were either homeless or at risk of becoming homeless, compared with 1,121 in the previous year. Of these:

##### a. Age and gender

2019/20					
<u>Age</u>	<i>Male</i>	<i>Female</i>	<i>Non binary</i>	<b>Total</b>	<b>%</b>
16-17	0	0	0	0	0.0%
18	14	18	0	32	2.6%
19-25	172	76	3	251	20.5%
26-29	88	29	0	117	9.6%
30-59	550	195	2	747	61.2%
60+	64	10	0	74	6.1%
	888	328	5	1,221	100.0%

##### b. Rough sleepers

Long Term Rough Sleepers (LTRS) are defined as those who have spent the equivalent of three months or more sleeping on the streets in their lifetime, and Short Term Rough Sleepers (STRS) are those who have spent time on the streets, but not yet the equivalent of three months' of nights in total. Of the 596 rough sleepers we helped during 2019/20 (2018/19: 583), 440 were LTRS and 156 STRS. Rough sleepers made up 48.8% of total service users, with LTRS representing 36% and STRS being 12.8% of the total.

Of these rough sleepers, 340 (271 LTRS and 69 STRS) (2018/19: 247) had complex needs, i.e. were



# Homeless Action Resource Project

## Charitable Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31st March 2020

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rough sleepers with a history of drug, alcohol and/or mental health issues.

#### **c. Mental illness**

715 people (58.6% of total service users) reported having a history of or were currently experiencing mental health issues, compared with 701 (62.5%) last year. There was a similar growth pattern in mental illness for young people aged 18 to 25 and for women. This has continued a steady increase year-on-year since 2010/11, when only 221 service users presented to HARP with mental health conditions.

#### **d. Substance misuse**

728 people (59.6%) reported having drug and/or alcohol misuse issues in 2019/20, which is broadly in line with the 696 (62.1%) seen in the previous year. Once again, there has been a steady increase since 2010/11 (466 = 30.0%).

#### **e. Young people**

HARP does not work with young people under the age of 18. A total of 283 (23.2%) of HARP's clients in 2019/20 were young people aged between 18 and 25, compared to 214 (19.1%) in the previous year.

#### **f. Women**

328 women (26.9% of total service users) sought assistance from HARP in 2019/20. This compared with 290 (25.9%) in the previous year. Of service users who were **resident** with HARP this year, 29.0% were female (averaged over 2019/20 as a whole), compared with 30.0% in 2018/19.

### **Resources**

#### **1. Emergency day services**

The Bradbury Day Centre represents a "one-stop-shop" for those who find themselves homeless or at risk of becoming homeless. During the year it provided a café, showers, training room and medical centre. It also offered advice and support, hot meals (a free rough sleeper breakfast), clean clothes, laundry service, medical staff on site, and various meaningful activities aimed at helping to motivate people to get back on their feet. With funding from Southend Borough Council as part of the MHCLG's national Rough Sleeping Initiative, HARP provided two services based in the Bradbury Centre: an emergency overnight "sit up" shelter service, providing a safe place to sleep for up to 12 service users with cooked breakfast the next morning, plus street outreach aimed at rough sleepers.

#### **2. Accommodation**

By 31<sup>st</sup> March 2020, HARP had a total of 214 available beds, excluding the up-to-12 emergency "sit up" spaces described above (2018/19: 186 units excluding up to twelve "sit up" beds).

All accommodation offered by HARP is part of a multi-stage process in a homeless person's journey from street to independent living.

#### **3. Training, employment and volunteering**

HARP's service model is based on the three key elements of Support, Accommodation and Meaningful Activity ('SAM'). Meaningful Activity is an essential part of our programme, as research has shown that people taking part in such activities have purpose and motivation to address their underlying issues, and are consequently more likely to succeed in rebuilding their lives and moving on to independent living. We offer a wide range of services and some of these are in a training room and other facilities at HARP's Bradbury Centre which are also used by other training organisations, e.g.: the Southend Adult Community College runs Tenancy Sustainment courses there.

# Homeless Action Resource Project

## Charitable Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31st March 2020

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#### 3.3 Housing outcomes

Of the 1,221 people who sought our assistance during 2019/20 (2018/19: 1,121), we helped 638 (2018/19: 329) people to either find or keep their accommodation. Of those, 310 cases were closed (2018/19: 475), 59 with a known positive outcome, as those service users had ceased contact with the Charity for three months or more. Many of those will have left the area, making it difficult for HARP to know whether their final outcomes were positive or negative. As at 31<sup>st</sup> March 2020, 273 people still lacked accommodation (2018/19: 317). This was mainly due to lack of suitable property, so to help to address that, HARP recruited a Landlord Liaison and Eviction Prevention Officer during the year, funded by Nationwide via the Essex Community Foundation, to build relationships with the private rented sector.

#### Public benefit

The Trustees pay due regard to the Charity Commission's guidance on Public Benefit when deciding what activities the Charity should undertake, and this is demonstrated in a variety of ways. HARP's success in enabling homeless people to move towards independent living comes as a result of putting into place three key types of service: Support, Accommodation and Meaningful Activity (SAM Programmes). The Charity's experience has evidenced that when all three elements are in place, people are more able to sustain their tenancies, find employment and live more positive lifestyles. Within the constraints of our available resources, we also provide emergency support for local rough sleepers and specialist supported housing for the young, the vulnerable and those with complex needs to help them to sustain their tenancies. During the year, HARP moved closer towards embedding a trauma-informed approach throughout its service delivery.

HARP's comprehensive services include:

- emergency support (food, warmth and shelter)
- short term and medium term accommodation based on the complexity of need
- advice and support, eg: on how to sustain tenancies and avoid eviction
- education, training and assistance in finding and sustaining employment.

We have considerable presence locally in an area of high deprivation. Southend was the ninth worst area in the UK in terms of numbers of people sleeping rough in November 2017, and consequently was awarded grants from the MHCLG's (Ministry of Housing, Communities and Local Government) first tranche of its Rough Sleeping Initiative funding in 2018/19. This was continued and enhanced in 2019/20. Whilst the Charity's Impact Report for 2013-2018 demonstrated considerable achievements over that period in tackling rough sleeping and homelessness generally, the need for our services sadly continues to grow, and perhaps has never been greater since HARP was founded. Consequently, continued expansion remained a high priority in the Trustees' five year strategic plan commencing 2018-2022. As part of this, properties at 45 Southchurch Avenue (purchased during 2018/19) and at 47 Southchurch Avenue (purchased during 2018/19), started to be redeveloped during the year, with number 47 being opened to new residents and planning consent being obtained for a new-build on land at the rear to accommodate a further 35 people by 2022. An existing property owned by the Charity in Ceylon Road was also redeveloped during 2019/20, expanding this from 8 bedrooms to 17, and HARP took on a further 11 bed-spaces during the year to help meet the growing demand.

#### Volunteers

A huge contribution is made by our volunteers, who at 31<sup>st</sup> March 2020 numbered 126, excluding the Trustees (2018/19: 104). We are grateful for the many hours volunteers spend in fundraising and in our hostels, shops and offices. Without this valuable contribution of time, energy and expertise, with the number of volunteers in total exceeding the number of paid staff, the Charity would struggle to operate.

# Homeless Action Resource Project

## Charitable Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31st March 2020

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#### Financial review

Our net surplus for the year ended 31<sup>st</sup> March 2020 was £ 400,109. Total funds at the end of the year were £ 5,932,629. Of this, £5,154,065 represented the value of accommodation which HARP provides for the homeless. Our principle funding source is from housing income (see note 6) and this is used to run, and continue to maintain, HARP's high standard of housing stock for homeless people. This income allows us to provide the support our residents need to enable them to move towards independent living and a healthier lifestyle. We also receive grant funding (see note 6) which allows us to provide additional specialist support for particularly vulnerable and at-risk homeless individuals.

The freehold properties have been reviewed by the Trustees in the year to ensure the valuations being carried in the accounts reflect a fair market value. A professional valuation was carried out by Jones Lang LaSalle on 28<sup>th</sup> March 2018 using the 'existing use' valuation method for all properties in the portfolio. Additions or redevelopments in the year have been included at their cost price and the property at Ceylon Road has been revalued by an independent valuer after completion in the year of the major building works there.

As part of the Charity's overall management of risk, the Trustees' financial strategy is to ensure there is diversification in HARP's sources of income. The plan is to achieve this via a combination of public sector funded income from housing benefit and capital/revenue grants, funds from voluntary sources such as fundraised income from events and donations, an expansion of our charity shops, all topped up with income generated from HARP's charitable activities. During the year, the Charity was impacted by the national lockdown imposed by the UK Government in response to the global Covid19 pandemic, which required us to close our charity shops from 23<sup>rd</sup> March. Subsequent to the year end, however, HARP benefitted from the newly introduced staff furloughing scheme (the Job Retention Scheme) and from successfully applying for State Aid, which helped compensate from the loss of income from charity shops and other sources as a result of Covid (see note 27 and also Events After the Reporting Period on page 8).

To reduce the Charity's reliance on third party landlords and to reduce the cost of rent, the Trustees approved the taking on of mortgage finance during 2018/19 to enable HARP to purchase the freeholds of properties which had previously been leased, and also to buy new premises as part of the strategic plan to expand our available accommodation for local homeless people

At the end of the financial year, £ 546,000 was received from Homes England for the Bluebird Project. £ 200,000 of this is taken to reimburse the Charity for costs already spent with the remaining £ 346,000 being transferred to restricted reserves at the year end.

#### Reserves statement

It is the aim of the Trustees to ensure that HARP has sufficient funds to:

- enable it to continue its operations in any short term absence of funding
- allow it to continue to develop the services it is able to offer the homeless
- provide seed-corn funding when required for property redevelopment programmes.

Charity Commission guidance defines free reserves as 'income which becomes available to the Charity and is to be expended at the Trustees' discretion in furtherance of the Charity's objects, but is not yet spent, committed or designated'. At the balance sheet date, the Charity's net free current asset reserves amounted to £432,564 (2018/19: £552,551) after deducting fixed assets, long term liabilities, designated reserves and restricted balances from total funds.

# Homeless Action Resource Project

## Charitable Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Directors' Report)

#### Year ended 31st March 2020

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This represents approximately six weeks' of expenditure (2018/19: 10 weeks). The Trustees' aim is to build up the level of free reserves over time, but this remains a challenge due to the continued rise in homelessness and the Charity's need to continue to invest most of its funds each year into combatting that.

#### Plans for future periods

There are many reasons why people become homeless. Some causes are external and relate to changes in the wider economy, such as when net incomes within a geographical area become too low to cover the costs of affordable housing - an issue which has become acute in Southend-on-Sea. Similarly, changes to the welfare state such as the replacement of housing benefits with universal credit can result in those on low incomes and with no recourse to savings becoming homeless. Other causes are more personal, such as marital breakdown resulting in one or more of the spouses losing their housing, or domestic violence causing an individual to flee their home. There is much evidence that social and economic deprivation in a person's childhood and adolescence increases the likelihood that they will experience homelessness as adults, with multiple complex problems becoming an issue either before, or very often after, they lose their homes such as alcohol or substance abuse, mental health problems, criminal records or periods spent in prison.

Homelessness exhibits itself at the extreme end as rough sleeping, but this is really the 'tip of the iceberg' with an estimated 90% or more of the people affected actually 'sofa surfing', or continuing to live in accommodation which is inappropriate for themselves or their dependants. Many women, in particular, are reluctant to leave violent relationships for fear of making themselves homeless and having their children taken into care.

In response to the rising need for our services across Southend, the vision which HARP's Trustees have set for the Charity is to be in a position, by 31<sup>st</sup> March 2023, not to have to turn away any homeless person - or anyone at risk of becoming homeless - who wishes to work with the Charity, with a view to ending their homelessness for good. In order to achieve this, the Trustees' rolling five year strategy for the period ahead has the following five key aims:

1. To increase HARP's available property across all aspects of our multi-stage process of accommodation, from emergency beds to move-on bed spaces, in order to support service users' journeys from the street to full independence.
2. To expand HARP's ability to work with more complex and entrenched rough sleepers partly by changing the service model to enable a swifter move-on of clients through our services.
3. To continue to grow the Charity's unrestricted (and restricted) income through a combination of more and bigger fundraising events, targeted applications for grant funding, increased income generated from corporate and individual donors, additional charity shops and by launching a weekly lottery product subscribed to by public supporters (the "Make a Smile" lottery run by St. Helena's Hospice).
4. To maintain HARP's financial security through constantly reviewing the Charity's funding strategy, internal controls, risk management, the balance of freehold versus leasehold premises occupied, and an ongoing property maintenance/replacement programme.
5. To monitor, evaluate and measure the impact of HARP's work to ensure that local need is properly identified, planned for and - within the Charity's available resources - appropriately met, and that value for money is obtained from the funds we have obtained from the public sector or from our donors.

#### Pay policy for senior staff

The Directors of the Company are also the Charity's Trustees. All Trustees give up their time freely,

# **Homeless Action Resource Project**

## **Charitable Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Directors' Report)**

**Year ended 31st March 2020**

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and no Trustees received remuneration in the year.

The Executive Strategy Team (EST) comprises the key management personnel of the Charity in respect of managing and operating HARP on a day-to-day basis. The pay of the EST is reviewed annually, and normally increased in accordance with NJC pay scales, as for other HARP staff, subject to the approval of the Trustees and following performance appraisal. In view of the nature of the Charity, the Trustees' policy is to seek to match HARP staff pay levels with those of competing employers within its sector.

#### **Events after the end of the reporting period**

Since the year end, the Charity, in line with other UK charities and businesses, has been affected by the Covid-19 pandemic. All six charity shops closed in late March 2020, and a gradual reopening is planned. One shop has reopened as a donation station, and the phased reopening of shops for retail sales began on 27<sup>th</sup> July 2020. 24 HARP staff were furloughed, with a gradual return to work for these staff expected to be completed by the end of August 2020. The majority of HARP staff have worked throughout, but changes were made to work patterns for frontline staff to ensure their safety as far as possible. No staff have been made redundant as a result of the pandemic. All of the charity's fundraising events were cancelled from April 2020 onwards. There has been an impact on Housing Benefit received in the period due to not being able to fill voids because of a Public Health embargo, which has been offset by increased Housing Benefits rates agreed from 1<sup>st</sup> April onwards. Additional costs have been incurred, to make it as safe as possible for service users and staff alike, on items such as personal protective equipment (PPE), cleaning and security. We also made the decision to stand down the Charity's volunteers at the start of the pandemic, and their contribution has been much missed. We have, however, received help from the Government in the form of payments under the Employee Retention (Furlough) Scheme and Retail Grants Scheme, as well as from other generous institutions and individuals helping charities in this difficult time. We learned in March 2020 that we had been successful in obtaining grant funding from the Henry Smith Charity to set up a Housing First service in Southend, which was due to start in April but which has had to be rescheduled until this autumn due to the lockdown.

#### **Structure, governance and management**

##### **Governing document**

The Charity is controlled by its governing document, the Memorandum and Articles of Association, and constitutes a Company Limited by Guarantee, as defined by the Companies Act 2006. As part of the outcome of Trustees' self-assessment using the Charity Commission's Code of Governance tool, HARP's governing document was revised via a Special Resolution passed at an Extraordinary General Meeting of the Members held on 17<sup>th</sup> February, and now closely follows the Charity Commission's standard template for an organisation constituted in this way.

##### **Organisational structure**

The Charity is governed by its Trustees, who are selected to provide a broad base of expertise in social welfare, legal matters, homelessness and Charity administration. Trustee Board meetings are generally held monthly, with representatives of various bodies including support (fundraising) agencies and the Local Authority being invited to attend the meetings once each quarter, these being designated 'Management Committee meetings' rather than being 'Trustees meetings'.

The Trustees have chosen to exercise much of the Charity's governance and oversight via the following sub-committees; Premises Committee; Personnel and Services Committee, Finance Committee, Fundraising and Communications Committee. A Health and Wellbeing Working Group was also established during the year. The day-to-day operating decisions of the Charity are delegated to the Chief Executive Officer, Jackie Bliss, who reports directly to the Trustees via the Chair, Richard Hair.



# Homeless Action Resource Project

## Charitable Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31st March 2020

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New Trustees are recruited through personal recommendation or via external advertising, and are selected according to their relevant skills, expertise and the sympathy they demonstrate towards the plight of the homeless. Prospective Trustees attend one or more Trustees meetings prior to being interviewed by a panel of Trustees. HARP's Equal Opportunities policies and procedures are followed for each new appointment. Two new Trustees were appointed during the year, Joanne Prestidge and Alistair Barr. Trustees attend an induction programme following their appointment, and all Trustees are offered suitable training opportunities according to their needs.

#### **Risk management**

In accordance with Accounting and Reporting by Charities (Charities SORP FRS 102), the Charity carries out regular risk reviews.

As part of these, the Charity has (and will continue to):

- reviewed its financial control system to protect its assets and help to prevent fraud and other irregularities
- reviewed all relevant regulations with regards to the conduct of its principal activities
- ensured that regulations governing employment law and taxation are complied with
- continuously monitored Health and Safety risks for its staff and clients
- reviewed its information management systems to ensure compliance with the data protection regulations known as GDPR which took effect in May 2018
- implemented other risk management measures as appropriate, including insurances where available, to help mitigate those risks which cannot be eliminated entirely
- appointed expert health and safety consultants, human resources consultants, and other professional firms or individuals, to advise the Charity and the Trustees as and when required.

The Trustees believe the greatest potential risks facing the Charity to be:

- the Charity's ability to continue to provide its services against the background of the Covid19 global pandemic, with the need to balance the safety of staff and volunteers with achievement of HARP's core charitable object of meeting the needs of Southend-on-Sea's homeless people
- the impact on the national and local economy from Covid19 as well as from 'Brexit' - particularly if the UK leaves the EU at the end of 2020 without a deal - both in terms of increased rates of homelessness due to rising poverty, and reduced funding available to the government
- the long-term sustainability of housing benefit paid directly to HARP, in light of the potential for central government policy to seek to replace this over time with a 'cheaper' funding mechanism
- the continued rolling out of Universal Credit, to replace existing social welfare benefits, having the potential to result in increased levels of homelessness in the Southend area
- the continued shortage of suitable affordable accommodation within the local vicinity, which is both chronic and acute, being likely to increase the need for HARP's services whilst at the same time increasing the cost to the Charity of housing both existing and new service users
- the non-renewal of major multi-year revenue grants such as our Day Centre and Heath Centre grants from Southend Borough Council, which fall due for renewal at the end of March 2021, or inability to find replacement funding for such grants when they expire
- the risk that the Ministry of Housing, Communities and Local Government (MHCLG) decides

# Homeless Action Resource Project

## Charitable Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31st March 2020

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- not to continue to fund its Rough Sleeping Initiative project, and the impact that could have on HARP's ability to continue to operate its emergency services including outreach work
- the relatively small size of the Charity's staffing, constraining opportunities for segregation of duties and resulting in over-reliance on individuals for key tasks such as preparing payroll.

#### Trustees' responsibilities statement

The Trustees (who are also Directors of HARP for the purposes of company law) are responsible for preparing the Trustees Annual Report (including the Strategic 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 2015 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### Auditor

Each of the persons who is a Trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

#### Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to

# **Homeless Action Resource Project**

## **Charitable Company Limited by Guarantee**

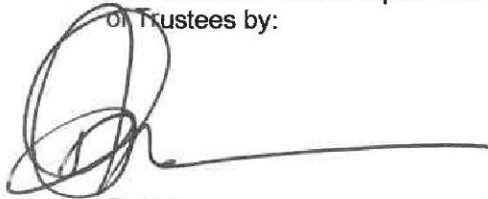
### **Trustees' Annual Report (Incorporating the Directors' Report)**

**Year ended 31st March 2020**

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the small companies exemption.

The Trustees' annual report was approved on 14 September 2020 and signed on behalf of the board of Trustees by:

A handwritten signature in dark ink, consisting of a large, stylized 'R' followed by a horizontal line.

R. Hair  
Trustee

A handwritten signature in dark ink, consisting of a stylized 'P' followed by a horizontal line.

P. Thorn  
Trustee



# Homeless Action Resource Project

## Charitable Company Limited by Guarantee

### Independent Auditor's Report to the Members of Homeless Action Resource Project

Year ended 31st March 2020

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#### Opinion

We have audited the financial statements of Homeless Action Resource Project (the 'charitable company') for the year ended 31st March 2020 which comprise the statement of comprehensive income, the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and notes to the financial statements, including a summary of 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 31st March 2020, and of its incoming resources and application of resources, including its income and expenditure, 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, the Housing and Regeneration Act 2008 and the Accounting Direction for Private registered providers of social housing in England 2019.

#### 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 charitable company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees Annual Report, other than the financial statements and our

# **Homeless Action Resource Project**

## **Charitable Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of Homeless Action Resource Project**

**Year ended 31st March 2020**

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auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees Report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

# **Homeless Action Resource Project**

## **Charitable Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of Homeless Action Resource Project**

**Year ended 31st March 2020**

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#### **Responsibilities of Trustees**

As explained more fully in the Trustees Responsibilities Statement, the Trustees (who are also the Directors of the charitable company for the purposes 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 charitable company'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**

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

# Homeless Action Resource Project

## Charitable Company Limited by Guarantee

### Independent Auditor's Report to the Members of Homeless Action Resource Project

Year ended 31st March 2020

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



07.10.2020

*S Morrell (Senior Statutory Auditor)*

*For and on behalf of Edmund Carr LLP  
Chartered Accountants and Statutory Auditor*

146 New London Road  
Chelmsford  
Essex  
CM2 0AW

# Homeless Action Resource Project


## Charitable Company Limited by Guarantee

### Statement of Comprehensive Income (Including Income and Expenditure Account)

Year ended 31st March 2020

	2020	2019
	Total funds	Total funds
	£	£
Turnover	4,321,682	4,075,639
Operating expenditure	(3,629,448)	(2,859,210)
Operating surplus / (deficit)	692,234	1,216,429
Interest receivable	185	72
Interest and financing costs	(52,273)	(17,594)
Downward revaluation of housing properties	(240,037)	-
Total comprehensive income for the year	400,109	1,198,907

The statement of comprehensive income was approved by the board of trustees on 14 September 2020 and was signed on its behalf by:



R. R. Hair  
Trustee



P. N. Thorn  
Trustee

# Homeless Action Resource Project

## Charitable Company Limited by Guarantee

### Statement of Financial Activities (including income and expenditure account)

Year ended 31st March 2020

		Unrestricted funds £	2020 Restricted funds £	Total funds £	2019 Total funds £
	Note				
<b>Income and endowments</b>					
Donations and legacies	5	379,586	71,068	450,654	339,628
Charitable activities	6	2,703,583	497,255	3,200,838	2,695,347
Other trading activities	7	-	642,000	642,000	1,038,574
Investment income	8	185	-	185	72
Other income	9	28,190	-	28,190	2,090
<b>Total income</b>		<u>3,111,544</u>	<u>1,210,323</u>	<u>4,321,867</u>	<u>4,075,711</u>
<b>Expenditure</b>					
Expenditure on raising funds:					
Fundraising costs	10	169,045	-	169,045	165,311
Expenditure on charitable activities	11,12	2,921,036	591,640	3,512,676	2,711,493
<b>Total expenditure</b>		<u>3,090,081</u>	<u>591,640</u>	<u>3,681,721</u>	<u>2,876,804</u>
<b>Net income</b>		<u>21,463</u>	<u>618,683</u>	<u>640,146</u>	<u>1,198,907</u>
<b>Other recognised gains and losses</b>					
Revaluation of freehold property		-	(240,037)	(240,037)	-
<b>Net movement in funds</b>		<u>21,463</u>	<u>378,646</u>	<u>400,109</u>	<u>1,198,907</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		2,286,791	3,245,729	5,532,520	4,333,613
<b>Total funds carried forward</b>		<u>2,308,254</u>	<u>3,624,375</u>	<u>5,932,629</u>	<u>5,532,520</u>

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

All income and expenditure derive from continuing activities.

# Homeless Action Resource Project

Company Limited by Guarantee

## Statement of Financial Position

Company registration number 04566985

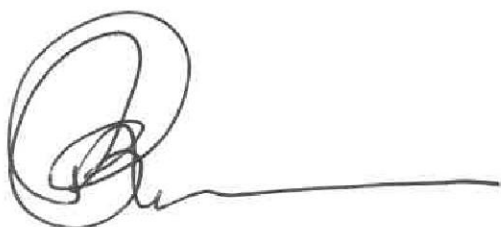
31st March 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible fixed assets	18	6,524,817	6,392,916
<b>Current assets</b>			
Debtors	19	847,800	218,836
Cash at bank and in hand		278,903	443,284
		<u>1,126,703</u>	<u>662,120</u>
<b>Creditors: amounts falling due within one year</b>	20	<u>348,139</u>	<u>98,516</u>
<b>Net current assets</b>		<u>778,564</u>	<u>563,604</u>
<b>Total assets less current liabilities</b>		<u>7,303,381</u>	<u>6,956,520</u>
<b>Creditors: amounts falling due after more than one year</b>	21	1,370,752	1,424,000
<b>Net assets</b>		<u>5,932,629</u>	<u>5,532,520</u>
<b>Funds of the Charity</b>			
Restricted funds		3,624,375	3,245,729
Unrestricted funds		<u>2,308,254</u>	<u>2,286,791</u>
<b>Total Charity funds</b>	22	<u>5,932,629</u>	<u>5,532,520</u>

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

These financial statements were approved by the Board of Trustees and authorised for issue on 14<sup>th</sup> September 2020.

and are signed on behalf of the Board by:



R.R. Hair  
Trustee



P.N. Thorn  
Trustee

# Homeless Action Resource Project

## Company Limited by Guarantee

### Statement of Cash Flows

Year ended 31st March 2020

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Net income	640,146	1,198,907
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	50,094	52,216
Other interest receivable and similar income	(185)	(72)
Interest payable and similar charges	57,474	24,150
Loss/(gains) on disposal of tangible fixed assets	-	-
<i>Changes in:</i>		
Trade and other debtors	(628,964)	80,800
Trade and other creditors due in one year	249,623	(11,900)
Cash generated from operations	368,188	1,344,101
Interest paid	(57,474)	(24,150)
Interest received	185	72
Net cash from operating activities	<u>310,899</u>	<u>1,320,023</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(422,033)	(2,873,510)
Proceeds from sale of tangible assets	-	-
Long terms loan for purchase of assets	(53,248)	1,424,000
Net cash used in investing activities	<u>(475,281)</u>	<u>(1,449,510)</u>
<b>Net decrease in cash and cash equivalents</b>	(164,381)	(129,487)
<b>Cash and cash equivalents at beginning of year</b>	<u>443,284</u>	<u>572,771</u>
<b>Cash and cash equivalents at end of year</b>	<u>278,903</u>	<u>443,284</u>



# Homeless Action Resource Project

## Company Limited by Guarantee

### Notes to the Financial Statements

Year ended 31st March 2020

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#### 1. General information

The Charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered Charity in England and Wales. The address of the registered office is 146 New London Road, Chelmsford, Essex, CM2 0AW. The charitable company is registered under the Companies Act 2006 and is a registered provider of social housing.

#### 2. Statement of compliance

The financial statements are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019.

#### 3. Accounting policies

##### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### Going concern

The Trustees have considered the impact of the Covid-19 pandemic in their assessment of the Charity's ability to prepare accounts as a going concern. Because of the uncertainties surrounding the effects of the economic slowdown, it is difficult to predict the impact on the Charity and its beneficiaries, but having taken all the factors into account, the Trustees are of the opinion that the Charity has sufficient resources to continue operating for the next 12 months from the date of signing these accounts.

##### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome.

##### Income tax

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

# Homeless Action Resource Project

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31st March 2020

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#### 3. Accounting policies *(continued)*

##### Fund accounting

Funds held by the Charity are either:

Unrestricted general funds - these are funds which can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds - these are funds that can only be used for particular restricted purposes within the objectives of the Charity. These are detailed in the financial statements.

Designated funds - these are funds set aside by the Trustees out of unrestricted funds for specific future purposes or projects. These are detailed in the financial statements.

##### Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the Charity; it is probable that the economic benefits associated with the transaction will flow to the Charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably
- legacy income is recognised when receipt is probable and entitlement is established
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

##### Grants received

Items of income are recognised and included in the accounts when all the following criteria are met:

- the charity has entitlement to the funds;
- any performance conditions attached to the income have been fully met or are fully within the control of the charity;
- there is sufficient certainty that the receipt of the income is considered probable; and
- the amount can be reliably measured.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions and is recognised as earned (as the related goods or services are provided). Grant income included in this category is recognised on a receivable basis except where it is given specifically to fund expenditure in a future period when it is treated as deferred income.

# Homeless Action Resource Project

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31st March 2020

---

#### 3. Accounting policies *(continued)*

##### Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods
- expenditure on charitable activities includes all costs incurred by a Charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the Charity apportioned to charitable activities
- other expenditure includes all expenditure that is neither related to raising funds for the Charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

##### Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

##### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

##### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Motor vehicles	-	15% reducing balance
Equipment	-	15% reducing balance to 33.3% straight line

# Homeless Action Resource Project

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31st March 2020

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#### 3. Accounting policies *(continued)*

##### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

##### Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

#### 4. Limited by guarantee

In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity whilst he or she is a member or within one year thereafter.

#### 5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
<b>Donations</b>			
Donations	379,586	71,068	450,654
	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
<b>Donations</b>			
Donations	285,545	54,083	339,628

# Homeless Action Resource Project

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31st March 2020

The Charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in the Trustees' Report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

#### 6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Shop sales	389,113	-	389,113
Grants from charitable bodies	-	27,143	27,143
Statutory contracts	-	470,112	470,112
Housing benefit and service charges	2,314,470	-	2,314,470
	<u>2,703,583</u>	<u>497,255</u>	<u>3,200,838</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Shop sales	291,337	-	291,337
Grants from charitable bodies	-	100,732	100,732
Statutory contracts	-	402,411	402,411
Housing benefit and service charges	1,900,867	-	1,900,867
	<u>2,192,204</u>	<u>503,143</u>	<u>2,695,347</u>

#### 7. Other trading activities

	Restricted Funds £	Total Funds 2020 £	Restricted Funds £	Total Funds 2019 £
Donations from Charitable trusts	28,500	28,500	5,000	5,000
Statutory contracts for Capital Projects	613,500	613,500	1,033,574	1,033,574
	<u>642,000</u>	<u>642,000</u>	<u>1,038,574</u>	<u>1,038,574</u>

# Homeless Action Resource Project

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31st March 2020

#### 8. Investment income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Bank interest receivable	185	185	72	72

#### 9. Other income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Gains/(losses) on disposal of tangible fixed assets	-	-	-	-
Other income	28,190	28,190	2,090	2,090
	<u>28,190</u>	<u>28,190</u>	<u>2,090</u>	<u>2,090</u>

#### 10. Fundraising costs

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Wages and salaries	149,020	149,020	118,199	118,199
Activities	125	125	2,581	2,581
Rates & water	-	-	10,274	10,274
Equipment and IT costs	4,747	4,747	1,733	1,733
Motor and travelling expenses	1,982	1,982	4,141	4,141
Telephone	1,874	1,874	4,432	4,432
Printing, postage and stationery	2,599	2,599	4,121	4,121
Subscriptions	178	178	-	-
Marketing	8,520	8,520	19,830	19,830
	<u>169,045</u>	<u>169,045</u>	<u>165,311</u>	<u>165,311</u>

# Homeless Action Resource Project

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31st March 2020

#### 11. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Services to the homeless	2,344,738	591,640	2,936,378
Support costs	576,298	-	576,298
	<u>2,921,036</u>	<u>591,640</u>	<u>3,512,676</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Services to the homeless	1,777,925	552,831	2,330,756
Support costs	367,517	13,220	380,737
	<u>2,145,442</u>	<u>566,051</u>	<u>2,711,493</u>

#### 12. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2020 £	Total fund 2019 £
Services to the homeless	2,936,378	397,689	3,334,067	2,617,152
Governance costs	-	178,609	178,609	94,341
	<u>2,936,378</u>	<u>576,298</u>	<u>3,512,676</u>	<u>2,711,493</u>

#### 13. Analysis of support costs

	Total 2020 £	Total 2019 £
Staff costs	-	10,013
Premises	287,245	190,054
Communications and IT	32,051	25,851
General office	78,393	60,478
Governance costs	178,609	94,341
	<u>576,298</u>	<u>380,737</u>

#### 14. Net income

Net income is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	50,094	52,219
Loss/(gains) on disposal of tangible fixed assets	-	-
Operating lease rentals	279,059	306,128
Auditors remuneration	<u>12,000</u>	<u>12,000</u>

# Homeless Action Resource Project

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31st March 2020

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#### 15. Auditors' remuneration

	2020 £	2019 £
Fees payable for the audit of the financial statements	<u>12,000</u>	<u>12,000</u>

The auditor's remuneration amounts to an audit fee of £12,000 (2019: £12,000) and taxation advice services of £0 (2019: £738).

#### 16. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2020 £	2019 £
Wages and salaries	1,862,856	1,507,557
Social security costs	153,579	118,667
Pension contributions	40,273	19,101
Agency staff	166,964	102,180
	<u>2,223,672</u>	<u>1,747,505</u>

The average head count of employees during the year was 93 (2019: 76). The average number of full-time equivalent employees during the year is analysed as follows:

	2020 No.	2019 No.
Charitable purposes	70	52
Management and administration	<u>7</u>	<u>7</u>
	<u>77</u>	<u>59</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2020 No.	2019 No.
£60,000 to £69,999	2	1
£70,000 to £79,999	<u>2</u>	<u>1</u>

#### Key management personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the Charity. The total remuneration benefits paid to key management personnel for services provided to the Charity was £368,907 which includes employer's national insurance contributions of £37,524 (2019: £362,636 including employer's national insurance of £ 37,651).

#### 17. Trustee remuneration and expenses

The Trustees neither received nor waived any remuneration during the year (2019: £Nil) and no Trustees received payment for expenses during the year (2019: £ nil)



# Homeless Action Resource Project

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31st March 2020

#### 18. Tangible fixed assets

	Freehold property £	Motor vehicles £	Equipment £	Total £
<b>Cost</b>				
At 1 April 2019	6,118,333	37,406	545,763	6,701,502
Additions	370,022	-	52,011	422,033
Disposals	-	-	-	-
Revaluations	(240,037)	-	-	(240,037)
<b>At 31 March 2020</b>	<b>6,248,318</b>	<b>37,406</b>	<b>597,774</b>	<b>6,883,498</b>
<b>Depreciation</b>				
At 1 April 2019	-	11,768	296,818	308,586
Charge for the year	-	3,845	46,249	50,094
Disposals	-	-	-	-
<b>At 31 March 2020</b>	<b>-</b>	<b>15,613</b>	<b>343,067</b>	<b>358,680</b>
<b>Carrying amount</b>				
<b>At 31 March 2020</b>	<b>6,248,318</b>	<b>21,794</b>	<b>254,705</b>	<b>6,524,817</b>
At 31 March 2019	6,118,333	25,638	248,945	6,392,916

The freehold properties were revalued in March 2018 by Jones Lang LaSalle (JLL), Chartered Surveyors. The properties have been valued on an Existing Use Value for Social Housing (EUV-SH) which, in JLL's opinion, is the market value. The Trustees have considered the values of the properties at 31 March 2020 and believe these to be materially consistent with the values shown in the balance sheet. The property at Ceylon Road has been revalued by an independent valuer after completion in the year of the major building works undertaken there. This has given rise to a write down of £ 240,037 in these accounts.

Included within bank loans and overdrafts is an amount of £1,307,000 (2019: £1,307,000) which is secured by The Charity Bank Limited by way of a fixed charge over Vancouver House, 36 Genesta Road, 58 York Road and 117 York Road. There is also a floating charge covering all the property and undertaking of the company. The legal charge also contains a negative pledge.

#### Tangible fixed assets held at valuation

In respect of tangible fixed assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Freehold property £
<b>At 31 March 2020</b>	
Aggregate cost	8,768,232
Aggregate depreciation	-
<b>Carrying value</b>	<b>8,768,232</b>
At 31 March 2019	
Aggregate cost	8,398,210
Aggregate depreciation	-
<b>Carrying value</b>	<b>8,398,210</b>

# Homeless Action Resource Project

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31st March 2020

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#### 19. Debtors

	2020 £	2019 £
Prepayments and accrued income	746,420	191,886
Other debtors	101,380	26,950
	<u>847,800</u>	<u>218,836</u>

#### 20. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	125,688	5,175
Accruals and deferred income	120,847	56,142
Social security and other taxes	48,302	34,199
Bank and Third Party loans	53,302	3,000
	<u>348,139</u>	<u>98,516</u>

Included within accruals and deferred income is an amount of £6,000 (2019: £12,622) which represents fundraising income received in advance of the events, and £nil (2019: £1,426) grant income received in advance.

#### 21. Creditors: amounts falling due after one year

	2020 £	2019 £
Bank and Third Party loans	1,370,752	1,424,000
	<u>1,370,752</u>	<u>1,424,000</u>

Of this amount, capital of £1,125,625 is due to be repaid after more than 5 years.

Included within bank loans and overdrafts is an amount of £1,307,000 (2019: £1,307,000) which is secured by The Charity Bank Limited by way of a fixed charge over Vancouver House, 36 Genesta Road, 58 York Road and 117 York Road. There is also a floating charge covering all the property and undertaking of the company. The legal charge also contains a negative pledge.

# Homeless Action Resource Project

Company Limited by Guarantee

## Detailed Statement of Financial Activities

Year ended 31st March 2020

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### 22. Analysis of charitable funds

#### Unrestricted funds

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
General funds	2,286,791	3,111,544	(3,090,081)	-	2,308,254
	<u>2,286,791</u>	<u>3,111,544</u>	<u>(3,090,081)</u>	<u>-</u>	<u>2,308,254</u>

#### Unrestricted funds

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	At 31 March 2019 £
General funds	1,607,815	2,442,398	(2,310,753)	547,331	2,286,791
Salary Reserve	300,000	-	-	(300,000)	-
Maintenance Reserve	70,680	37,513	-	(108,193)	-
Future property development	139,138	-	-	(139,138)	-
	<u>2,117,633</u>	<u>2,479,911</u>	<u>(2,310,753)</u>	<u>-</u>	<u>2,286,791</u>

# Homeless Action Resource Project

## Company Limited by Guarantee

### Detailed Statement of Financial Activities

Year ended 31st March 2020

#### Restricted funds

	Balance at 1 Apr 2019 £	Income £	Expenditure/ Revaluation £	Capitalised Expenditure £	Balance at 31 Mar 2020 £
Southend Main Grant	-	118,528	(118,528)	-	-
Supporting People Grant (contract)	-	76,000	(76,000)	-	-
Big Lottery (contract)	-	27,143	(27,143)	-	-
Big Lottery – (staff development)	-	-	-	-	-
Serving The Homeless	2,100	3,500	(5,600)	-	-
Southend Rough Sleeper	-	228,585	(228,585)	-	-
Southend sit up service	-	47,000	(47,000)	-	-
Nationwide Building Society	-	50,000	(25,000)	-	25,000
Essex Community Foundation	753	3,000	(3,753)	-	-
Screwfix	5,000	-	(5,000)	-	-
NHS Thurrock	-	40,000	(28,000)	-	12,000
Southend High School for boys	-	860	(860)	-	-
Fowler Smith and Jones	-	4,000	-	-	4,000
Morrison	-	12,650	(12,650)	-	-
Tesco's Groundwork	3,000	1,000	(4,000)	-	-
Tampon Tax	-	10,000	(10,000)	-	-
Rosca Charitable Trust	-	2,500	(2,500)	-	-
Skipton Community Trust	-	1,000	(1,000)	-	-
Leigh Lions	-	500	(256)	-	244
Others	200	4,600	(4,800)	-	-
<b>Funds Available to Spend</b>	<b>11,053</b>	<b>630,866</b>	<b>(600,675)</b>	<b>-</b>	<b>41,244</b>
<b>Capital Fund (Fixed Assets)</b>	<b>3,234,676</b>	<b>613,500</b>	<b>(267,500)</b>	<b>2,455</b>	<b>3,583,131</b>
	<b>3,245,729</b>	<b>1,244,366</b>	<b>(868,175)</b>	<b>2,455</b>	<b>3,624,375</b>

During the year, HARP received a total of £275,585 through Southend Borough Council as part of the Ministry of Housing, Communities and Local Government (MHCLG) newly launched initiative to tackle rough sleeping. The focus of that Rough Sleeping Initiative (RSI) was initially on the towns and cities suffering the highest recorded levels of street homelessness nationally, at a time

# **Homeless Action Resource Project**

## **Company Limited by Guarantee**

### **Detailed Statement of Financial Activities**

**Year ended 31st March 2020**

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when Southend was listed as the ninth worst. HARP was commissioned to set up a new 365 night per year service to take up to eight rough sleepers per night from the streets by providing shelter, breakfast and ancillary services at the Bradbury emergency centre. In reality, HARP has actually provided up to 14 such emergency beds per night since that new service was established in September 2019. HARP was also funded using RSI grant to employ two outreach workers and to provide an additional 20 bed spaces in leased property across the town. Continuation funding was obtained by the balance sheet date to enable these services to continue to operate until at least the end of March 2021.

#### **Southend Main Grant**

Provides for staff costs at the Day Centre and 10% of the grant goes towards management costs.

#### **Supporting People Grant**

Provides for 2.5 employees plus premises and office costs.

#### **Big Lottery Fund**

Funding from the Big Lottery ceased during the year.

#### **Nationwide Building Society**

Provides 2 year funding for an Eviction Prevention and Landlord Liaison Officer

#### **Tampon Tax**

Provides funding for a support worker at our women's shelter – White Heather House

#### **Fowler Smith and Jones**

Provides for a new white goods at Ceylon House

#### **NHS Thurrock**

Provides funding for mental health workers and related expenses

#### **New Development Projects**

Donations were received from the following sources for the development of new projects:

Estuary Contribution HARP charitable activities - £ 65,000

From Anon donor for Bluebird project – £ 100,000

Homes England for Bluebird Project - £ 546,000

Homes England for Ceylon project - £ 67,500

# Homeless Action Resource Project

## Company Limited by Guarantee

### Detailed Statement of Financial Activities

Year ended 31st March 2020

#### Restricted funds

	Balance at 1 Apr 2018 £	Income £	Expenditure/ Revaluation £	Capitalised Expenditure £	Balance at 31 Mar 2019 £
Southend Main Grant	-	118,528	(118,528)	-	-
Supporting People Grant (contract)	-	76,000	(76,000)	-	-
Big Lottery (contract)	-	100,732	(100,732)	-	-
Big Lottery – (staff development)	8,532	10,000	(18,532)	-	-
Serving The Homeless	330	2,100	(330)	-	2,100
Southend Rough Sleeper	-	90,000	(90,000)	-	-
Southend sit up service	-	57,000	(57,000)	-	-
Southend Move on service	-	62,211	(62,211)	-	-
Essex Community Foundation	5,816	-	(5,063)	-	753
Screwfix	-	5,000	-	-	5,000
Tesco's Groundwork	-	3,000	-	-	3,000
Postcode lottery	-	20,000	(20,000)	-	-
Mazars Charitable Trust	-	1,000	(1,000)	-	-
Serving the homeless	-	3,500	(3,500)	-	-
Leigh Lions Crisis training	-	1,000	(1,000)	-	-
ECF Minibus	-	3,220	(3,220)	-	-
Others	200	8,935	(8,935)	-	200
Development Projects	-	260,000	-	(260,000)	-
Funds Available to Spend	14,878	822,226	(566,051)	(260,000)	11,053
Capital Fund (Fixed Assets)	2,201,102	773,574	-	260,000	3,234,676
	<u>2,215,980</u>	<u>1,595,800</u>	<u>(566,051)</u>	<u>-</u>	<u>3,245,729</u>

**Homeless Action Resource Project**  
**Company Limited by Guarantee**  
**Detailed Statement of Financial Activities**  
**Year ended 31st March 2020**

**23. Analysis of net assets between funds**

	<b>Tangible fixed assets £</b>	<b>Net current assets £</b>	<b>Creditors: amounts falling due after more than one year</b>	<b>Total 2020 £</b>
<b>Restricted Income Funds:</b>				
Services to the homeless	3,583,130	41,245	-	3,624,375
<b>Unrestricted Income Funds</b>	<u>2,941,687</u>	<u>737,319</u>	<u>(1,370,752)</u>	<u>2,308,254</u>
<b>Total Funds</b>	<u>6,524,817</u>	<u>778,564</u>	<u>(1,370,752)</u>	<u>5,932,629</u>

	<b>Tangible fixed assets £</b>	<b>Net current assets £</b>	<b>Creditors: amounts falling due after more than one year</b>	<b>Total 2019 £</b>
<b>Restricted Income Funds:</b>				
Services to the homeless	3,234,676	11,053	-	3,245,729
<b>Unrestricted Income Funds</b>	<u>3,158,240</u>	<u>552,551</u>	<u>(1,424,000)</u>	<u>2,286,791</u>
<b>Total Funds</b>	<u>6,392,916</u>	<u>563,604</u>	<u>(1,424,000)</u>	<u>5,532,520</u>

**24. Operating lease commitments**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2020 £</b>	<b>2019 £</b>
Not later than 1 year	333,740	305,130
Later than 1 year and not later than 5 years	<u>632,550</u>	<u>699,760</u>
	<u>966,290</u>	<u>1,004,890</u>

**25. Contingencies**

During the year the Charity received a donation of £34,995 (2019: £14,527) in respect of unclaimed client account balances from various solicitors. The Charity has provided an indemnity to reimburse the funds should the relevant parties ever come forward and raise a claim on the balance.

Grants of £150,000 were received in each of 2014 and 2017 for property development at the Bradbury Centre and White Heather House respectively. The grant terms stipulate that in the event either property is sold within ten years of receiving the donation, the donor Foundation reserves the right to claim back the relevant donation in part or in full, depending on the proceeds received by the Charity.

**Homeless Action Resource Project**  
**Company Limited by Guarantee**  
**Detailed Statement of Financial Activities**  
**Year ended 31st March 2020**

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**26. Related parties**

	Income £	Expenditure £	Outstanding balances £
Hair & Son LLP - R.R. Hair is a Partner			
Year ended 31 March 2020	—		—
Year ended 31 March 2019	—	1,140	—

In March 2019, the Charity entered into a lease at market value for a property where the landlord is a family company of which RR Hair is a director. £15,000 rent was paid in the year (2019: nil).

**27. Events after the reporting period**

Since the year end, the Charity, in line with other UK charities and businesses, has been affected by the Covid-19 pandemic. All six charity shops closed in late March 2020, and a gradual reopening is planned. One shop has reopened as a donation station, and the phased reopening of shops for retail sales began on 27<sup>th</sup> July 2020. 24 HARP staff were furloughed, with a gradual return to work for these staff expected to be completed by the end of August 2020. The majority of HARP staff have worked throughout, but changes were made to work patterns for frontline staff to ensure their safety as far as possible. No staff have been made redundant as a result of the pandemic. All of the charity's fundraising events were cancelled from April 2020 onwards. There has been an impact on Housing Benefit received in the period due to not being able to fill voids because of a Public Health embargo, which has been offset by increased Housing Benefits rates agreed from 1<sup>st</sup> April onwards. Additional costs have been incurred, to make it as safe as possible for service users and staff alike, on items such as personal protective equipment (PPE), cleaning and security. We also made the decision to stand down the Charity's volunteers at the start of the pandemic, and their contribution has been much missed. We have, however, received help from the Government in the form of payments under the Employee Retention (Furlough) Scheme and Retail Grants Scheme, as well as from other generous institutions and individuals helping charities in this difficult time. We learned in March 2020 that we had been successful in obtaining grant funding from the Henry Smith Charity to set up a Housing First service in Southend, which was due to start in April but which has had to be rescheduled until this autumn due to the lockdown.