

IPSWICH HOUSING ACTION GROUP LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

IPSWICH HOUSING ACTION GROUP LIMITED
(A company limited by guarantee)

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IPSWICH HOUSING ACTION GROUP LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2020**

| | |
|--------------------------------------|--|
| Trustees | John Grierson, Chair of Trustees (resigned 31 December 2019) Daniel Bristow Jeremy Hennell James, Treasurer Elaine Webb Tracy Murphy Thomas Jell Christopher McEwen Antonia Lancaster, Chair of Trustees (appointed as trustee on 27 June 2019 and appointed as Chair on 31 December 2019) David Jackson (appointed 27 June 2019) Gemma Bloomfield (appointed 10 October 2019) |
| Company registered number | 05268499 |
| Charity registered number | 1107841 |
| Registered office | 22-24 Carr Street Ipswich IP4 1EJ |
| Company secretary | Julie Ramsey |
| Independent auditors | Larking Gowen LLP Chartered Accountants 1 Claydon Business Park Great Blakenham Ipswich IP6 0NL |

IPSWICH HOUSING ACTION GROUP LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

The Trustees, who are also Directors of the Charity for the purposes of the Companies Act 2006, present their Annual Report together with the audited financial statements of Ipswich Housing Action Group Limited (the company) for the year ended 31 March 2020.

The Trustees confirm that the Annual Report and Financial Statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 is not required.

The company which also trades under the name ihAg, is a Charitable Company limited by guarantee and is governed by its Memorandum and Articles of Association.

Objectives and activities

a. Objects

The Charity's Memorandum and Articles of Association state that "The Charity's objects are to relieve need, hardship and distress amongst the homeless and amongst those who are living in adverse housing conditions in Ipswich and the surrounding districts by the provision of accommodation and associated amenities".

b. Aim

Our aim, as stated in our Mission Statement, is:

"To deliver services that act as stepping stones, from homelessness and social exclusion, into permanent accommodation and social inclusion. To be an agent for change, both in homeless people and in society"

c. Objectives

To help all homeless people in the Ipswich area, or in any area that can be serviced from an Ipswich base, primarily those people who are non-statutory homeless. In practice this has been achieved by:

- Providing temporary shared housing in Ipswich, then assisting tenants to move on into permanent independent housing.
- The provision of money advice across Suffolk.
- Providing walk-in advice and support services at the Chapman Centre.
- Taking a leading role in building partnerships and networks e.g. the Framework Forum and the Ipswich Locality Homelessness Partnership and thereby coordinating specialist expertise and potential service delivery for the benefit of the wider client group.

Apart from the direct delivery of services to our own clients, ihAg ".... will investigate the most effective way, either through direct services from ihAg or by campaigning for new and improved services from others, to enable homeless people to achieve independent living."

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Objectives and activities (continued)

d. How Our Activities Deliver Public Benefit?

Insofar as it is complementary to the Charity's objectives, the Charity is guided by both local and national policy. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

A description of our main activities and who we try to help, is provided on our website at www.ihag.co.uk and through twitter.com/IHAG_homeless. All our charitable activities are built upon a belief that having a secure and appropriate place to live is the platform from which an individual is best placed to deal with their other issues, and that single homeless people are best served by becoming part of the community.

All our activities are undertaken to further our charitable purposes for the public benefit.

Achievements and performance

a. Review of Key Activities

In line with the agreed Strategy, the key activities for the year were as follows:

- a. To develop a 3-year Strategic Plan for ihAg.
- b. To finalise and agree the process of succession planning for the Director and Chair.
- c. To strengthen the Trustee Board through a recruitment and selection process.
- d. To continue offering core services to service users, and respond to need as appropriate.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance (continued)

b. Three-year Strategy

Whilst the initial intention was to develop a three-year Strategic Plan for ihAg, the subsequent decisions made regarding the succession of the Director meant that this decision was revisited. The Trustees agreed that a one-year plan would be more appropriate, allowing the new CEO the opportunity to provide direction for a longer term plan.

The one-year plan was developed by the Senior Management Team and agreed by the Trustees in November 2018. This set out five key objectives:

- Revision and Improvement of Service Delivery
- Developing a stronger and more cohesive identity
- Broadening awareness and fundraising scope
- Preparing for Succession
- Increasing effectiveness of campaigning and partnership working

Revision and Improvement of Service Delivery

The Theory of Change project lead by New Philanthropy Capital in November 2018 began the process of reviewing the Service Delivery model for all three core services, and the need for measuring and reporting on impact. This project proposed a separate Theory of Change model for each of the services, which meant there could not be one definitive impact measure across the whole organisation.

The project was suspended during the recruitment of the new Chief Executive Officer, and was reviewed in June 2019. At this time, due to the global Coronavirus pandemic (Covid-19) service delivery had already changed significantly, and the CEO felt the review of service delivery required a more in depth approach, to ensure it could remain accessible to people who needed it throughout any future civil liberty restrictions.

This objective has subsequently been included in the new plan for 2021/22.

Developing a stronger more cohesive identity

During the Summer of 2019, the Director approached two external Consultants with a proposal for a short term piece of work to begin the review of the branding of the organisation. SASA marketing were employed to complete this task, and although this began in November 2019, there was a short break until February 2020 until this began in earnest. By the end of March 2020, the Trustees had approved new logos, branding, colour schemes, documents and a refresh of the website.

Broadening Awareness and Fundraising Scope

A survey was undertaken with the public to establish the external perception of the charity and its services. The findings strongly suggested that ihAg's brand in the market place was weak, and the name was not linked to homelessness services – the majority of the people asked thought the "H A" stood for Housing Association.

It was agreed that external communications via social media channels needed to increase awareness of what ihAg stood for, and the services it provided.

The local press followed the transition to the new Chief Executive Officer, and have since began to seek regular comment on homeless related news stories. The local radio station has also run two interviews with the CEO.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance (continued)

Twitter, Facebook and LinkedIn are now being used on a regular basis to share information, news, and success stories, and engagement from the public has seen a gradual increase.

Fundraising has increased slightly due to the increased media interest in the organisation, and the new CEO drafted a Fundraising Strategy for 2020/21, to set a clear direction and targets for unrestricted fundraising.

However, Covid-19 has had a significant impact on the ability to implement this strategy, due to the restrictions on civil liberties, and this strategy will be revised for 2021/22.

Preparing for Succession

The Trustees, Director and Senior Management team completed a number of tasks to prepare for the smooth transition from outgoing Director to new Chief Executive Officer, and included staff in discussion forums to keep communication as transparent as possible.

The first round of recruitment was unsuccessful, and the role, job description and advertisement were amended slightly before re-advertising the role in July 2019. Three candidates were interviewed, and one was offered the role. Being required to give three months' notice, the successful candidate joined ihAg on the 4th November 2019.

Increasing effectiveness of campaigning and partnership working

Partnership working has proved to be a key element of the services delivered at the Chapman Centre during the year, and in particular as Covid-19 restrictions came into force. Professionals from other agencies have contacted the Centre to enquire about the wellbeing of joint service users, and have arranged meetings during the Centre opening times to ensure attendance.

The Housing First contract which is being delivered in partnership with Anglia Care Trust (ACT) has been successful in terms of engaging and securing accommodation for service users, and although there remain minor differences in approaches to work and support, the project has met expectations of the two agencies and Ipswich Borough Council.

c. Succession planning for the Director and Chair

The succession plan concluded with a smooth transition to a new CEO in November 2019.

The Chair of the Board agreed to stay on until the AGM in December 2019, to provide stability in the Board whilst the new CEO settled into role.

The Board held an away day in November 2019 to further discuss the transition of the new Chair, review the cohesion of the Board and how this could be improved, and their expectations of the new CEO as she came into role. An action plan was formulated for the new Chair to drive forward.

The outgoing Chair stepped down at the December AGM, and the new Chair was formally elected.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance (continued)

d. Strengthen the Trustee Board

As part of the Board Away Day in November 2019, there was a structured discussion about team working and decision making, the strengths and skills of current Trustees and the identification of any gaps which may need addressing in future Trustee recruitment.

A skills audit was undertaken, and established that there is a broad range of skills and abilities amongst the current Trustees. Whilst it was agreed that some development work would be beneficial, this has not as yet been undertaken, due to external factors.

e. Continue offering core services to service users, and respond to need as appropriate

Delivery of services has remained the central focus of the wider staff team of ihAg, and throughout the year all core services have been available as expected.

A total of 2,905 people were supported by the organisation during the year, the majority of which accessed support via the Chapman Centre. 730 people engaged in the assessment process by Money Advice, and 31 people were provided with accommodation.

Service users have been involved in choosing additional activities through the summer months, and these have included fishing, football sessions, trips to the local museum, and a session on family tree research.

Cooking and art and craft have remained popular practical and social sessions, and money management advice, and practical support with homelessness and benefit applications have remained the most sought after support for people accessing our services.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the 'going concern' basis in preparing the financial statements. Further details regarding the adoption of the 'going concern' basis can be found in the Accounting Policies.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Financial review (continued)

b. Financial Position

The budget for 2019/20 was approved by the Trustees on 14th March 2019 and predicted a deficit of £89,347, with a total of £247,728 being agreed as the drawdown from the Investment fund, which included a number of specific areas of work that would benefit from this investment should it not be possible to obtain funding from elsewhere.

However, during the period 2019/20, ihAg was awarded a number of significant grants, not least from winning the Ipswich Borough Council and Novus prison contracts for Money Advice, extra funding for the Chapman Centre and weekend service and this, combined with sound financial management, meant that the eventual drawdown on the Investment Fund was only £62,747.

ihAg was relatively successful in 2019/20 in attracting new funding by investing in fundraising and winning new contracts, which means the overall increase in general unrestricted funds over the year was £38,395.

The overall expenditure for 2019/20 exceeded the overall income by £7,361, and there was a subsequent deficit balance of £7,361.

Towards the end of the financial year, ihAg was successful in securing 2020/21 funding for the Rough Sleeper Initiative In-Reach and Outreach contracts (value £86,000) Lottery Covid-19 Emergency Fund (£49,184) and several grants for the weekend service at the Chapman Centre (total value £41,920).

In addition, both the MASDAP contract and Housing Related Support contract were extended for a further year, and these will provide much needed stability for the year ahead.

As the original forecast budget had predicted a shortfall, the Trustees had already agreed to use both the Investment Fund and the reserves to underwrite the operating costs of ihAg.

The Trustees have agreed that any drawings from the Investment Fund must be properly costed/specified, be time limited and fall under one of the following criteria:

1. Services where there is a shortfall, as long as that shortfall is considered to be reasonably short-term and that convincing efforts are being made to replace that funding or to reduce the cost of the service in the near future.
2. Services and/or posts where there is currently no income, but which will be an asset to ihAg in the long term and/or which ihAg can sell and market.
3. Capital expenditure that can be recouped through savings or income generation within a reasonable time period.

The CEO will be expected to present a detailed Business Proposal to the full Board, outlining the case for committing funds to a role/pilot project/underfunded service, the short and long term benefits this will bring the organisation and how this will be monitored.

There is a clear understanding that whilst using reserves in this way in the short term is sound business, in the long term this is neither sustainable nor good practice. The one-year strategy implemented for the financial year 2019/20 will provide a platform for a longer term strategy which will include a clear model for increasing unrestricted and restricted funds, which will enable ihAg resources to stabilise and proactively grow as opportunities in the sector allow.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Financial review (continued)

We are grateful for the continued support of the Mrs LD Rope Third Charitable Settlement and various funds managed by the Suffolk Community Foundation; Ipswich Borough Council Community Grants Fund for its considerable 3-year investment in ihAg to run and develop the Chapman Centre and to the Big Lottery Fund for the third year of its three-year funding of the Centre.

We are also indebted to the Albert Hunt Trust, the 29th May 1961 Charitable Trust, Hopkins Homes Fund, and numerous individual and small charitable donations which are made throughout the year, and to local community groups who donate food and clothes during the winter.

We continue to appreciate the strong link with Ipswich Building Society who have raised funds for the organisation, adopted ihAg as a beneficiary of their Mutual Advantage Savings Account and who continually offer support and promotional opportunities for ihAg.

c. Reserves Policy

ihAg defines its free reserves as "... that part of its funds which relate to cash that is available to be spent freely on any of IHAG's objects".

The Trustees have set aside designated funds, the names of which are self-explanatory, for the purpose of renewing necessities on an ongoing basis. The Investment Fund has already been explained above.

Currently ihAg has a total of £941,327 in unrestricted funds; however, £275,000 of this is represented by fixed assets and is unavailable for immediate use.

ihAg's reserves policy is:

"to maximise funds that are available to spend on the beneficiaries of the Charity whilst at the same time setting aside prudent sums to allow alternative funding to be sought in the case of short-term income loss."

Additionally, the Trustees have to ensure that there are enough funds to cover current liabilities like rent, maintenance and redundancy costs.

To these ends, the Trustees have agreed, at the year end, the following:

1. To ring-fence the Welfare Fund (£11,852), the Office Rental Fund for the remaining 2 ½ years of the lease (£39,801), the Office Development Fund (£15,000) and the investment Fund (£136,681).
2. To increase the Maintenance Sinking Fund by £16,637 to £144,502. The Maintenance Sinking Fund is prudent to meet our maintenance liabilities on the houses we own and on the houses where the landlord is no longer liable for certain remedial work.

ihAg's three freehold properties are carried at £275,000 and free reserves stand at £219,912 which includes £100,000 to cover short term income losses and £50,000 to cover staffing liabilities.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Financial review (continued)

d. Material Investment Policy

ihAg holds its reserves in investment accounts and the focus of the Policy is to preserve the security of the funds whilst maximising the returns earned. Comparative interest rates are assessed on a regular basis but there is very little scope for secure investments returning more than the very low Bank of England Base Rate.

Additionally, ihAg has taken steps to spread its risk by keeping its reserves in a range of institutions.

Structure, governance and management

a. Constitution

Ipswich Housing Action Group Limited is registered as a charitable company limited by guarantee and was set up by a Trust deed.

b. Method of Appointment or Election of Trustees

The appointment of Directors/Trustees is by election at the AGM or, between AGMs, by election by the existing Trustees, with re-election at the next AGM.

c. Governance and Management

The Charity is governed by the Directors/Trustees, who are ultimately responsible for the Charity and set the policies, guidelines and objectives. The management of the day-to-day activities of ihAg is delegated to the Chief Executive Officer, Jools Ramsey. Through a Delegation of Authority process, the CEO also delegates some day to day decision making responsibilities to the Service Managers.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Structure, governance and management (continued)

d. Governance

Following the departure of John Grierson last year, Antonia Lancaster has taken the role of Chair. Antonia works for the Royal Voluntary Service, focussing on reducing health inequalities in the community. She has lead the Board since December 2019, and supports the Chief Executive Officer through monthly meetings and ad hoc interactions. In addition to the annual risk assessment and review, the Trustees have continued to review the governance of ihAg and specifically they have: -

- Reviewed a high level Delegation of Authority document, and requested the Chief Executive Officer does the same for her level of delegation.
- Reviewed the current Strategic Plan, and agreed to delay the completion of a Three Year Strategy due to current environmental factors – a One Year Strategy is being devised in its place.
- Agreed to review the Mission Statement, Aims and Objectives, as laid out in the Charity's Memorandum and Articles of Association, to ensure the Charity is able to maximise future opportunities to grow.

At 31st March 2020, the Trustee membership of 9 full Trustees provides ihAg with a balanced range of appropriate skills, experiences and working styles to develop a strong and effective Board.

At the beginning of the financial year, the Trustees followed a pattern of governance meetings as follows:

Quarterly Executive Meetings – all Trustees reviewing organisational performance, risk, finance and strategy, with feedback from sub-committee meeting chairs. CEO, senior manager and a staff representative would also be present.

Quarterly Service Sub-Committee meetings – at least three Trustees reviewing Services performance, contract compliance and staffing. CEO and all senior managers would also be present.

Quarterly Finance Sub-Committee meetings – Treasurer, Chair and at least two other Trustees reviewing organisational finances. CEO and Housing Services Manager would also be present.

Towards the end of the financial year, due to the Covid-19 pandemic, all Trustees met every month via a digital platform (Microsoft Teams). This meeting format has continued for the time being, and has had a beneficial effect on the knowledge base of the Trustees, and the decision-making processes relating to finances and operations.

A number of ihAg Trustees are also Trustees for the Chapman Centre Trust, and have continued to review the benefits of the two charities and their partnership working throughout the year.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Structure, governance and management (continued)

e. Risk Assessment

The significant risks for 2019/20 were identified as: -

- Continuing reduction in public sector funding
- Refocussing of public sector funding towards rough sleeping, to the detriment of supported housing
- Competition with national and/or large organisations for local contracts
- Organisational stability following retirement of Director
- Board stability following retirement of Chair

The financial risks were somewhat mitigated by the Trustee approval of usage of the Investment Fund to implement the marketing strategy, and raise ihAg's profile sufficiently to attract new funders, and projects which allowed a gradual move away from Local Authority dependency.

This approach will also allow the organisation to cement its reputation as a provider of effective local services, which will ensure its competitiveness against larger organisations.

A number of applications for the Chapman Centre work were developed and submitted to a selection of Trusts and Foundations, with some degree of success.

The Trustees agreed a transition plan for the introduction of the new CEO, which allowed a two-week hand-over with the outgoing Director, during which introductions were made to external partners, funders, and influencers.

Face to face meetings were also held with all Trustees and staff, and then collectively as teams. Within a month of the new CEO joining ihAg, Ipswich Borough Council released a tender for the Rough Sleeper Initiative Contracts, and the subsequent successful bid dispelled the concerns of many staff that the organisation may suffer a loss of reputation or revenue with a new person as its head.

The stability of the Board has been unaffected during this year of change, due to a number of factors. The away day in November 2019 had an element of focus on team building and utilising the diversity of skills of the Trustees, and the Board's oversight of the recruitment process for the new CEO provided an opportunity for a number of the Trustees to work together.

The change to the frequency and structure of Board meetings later in the financial year has also meant that all Trustees are meeting regularly to review all elements of the organisation, and this has had a powerful effect on their relationships and governance approach.

f. Related party relationships

None of ihAg's Trustees receive remuneration or other benefit from their work with the charity. Any connection between a Trustee or senior manager of the charity with an entity with which it does business must be disclosed to the full Board of Trustees.

In the current year, no such related party transactions were reported.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Plans for future periods

Following a series of discussions between the Trustees and the Senior Management team, it was agreed that progress on the agreed key objectives for the year 2019/20 had stalled due to the extended recruitment process for the new CEO, and the objectives were subsequently rolled forward for 2020/21:

- 1 Revising and Improving Service Delivery
- 2 Developing a stronger and more cohesive identity
- 3 Broadening awareness and fundraising scope
- 4 Preparing for succession
- 5 Increasing the effectiveness of campaigning and partnership working

These objectives committed to ensuring:

Service users are consulted on the services they receive and are able to influence future changes and improvements.

Building on the rebranding work which had been undertaken, and considering a “re-launch” of ihAg and its services when the website has been refreshed.

Implementing a Fundraising Strategy to secure unrestricted funds from a number of sources, including individuals and local businesses.

Developing a Succession Plan which builds on the learning of the transition from the outgoing Director and incoming CEO, AND the outgoing and incoming Chair of the Board.

Developing a planned series of Campaigns, and how these can be more effective with cross sector support.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Conclusion

2019/20 has been a year of significant change for ihAg, which has proved challenging at all levels of the organisation. The Trustees and staff team have responded in a determined yet flexible manner, which has enabled the organisation to continue to provide the quality service needed by those who seek our help. The most unexpected change has been the emergence of the global pandemic, Covid-19, which has caused the Government to impose the toughest restrictions on civil liberties seen in many years.

However, the pandemic has given the opportunity to review the fundamental purpose of ihAg, the services it delivers, and how to ensure people that require its support are able to access it, in spite of any further restrictions, including full lockdown.

The strategic direction has already shifted to include the review of digital platforms the organisation uses, and how these can be further developed to meet the needs of service users accessing any of the three core services.

As Covid-19 emerged, a number of “emergency funds” became available for charities, although many provided short term relief, and were aimed at charities with an income below £1 million.

Whilst the pandemic poses a number of potential risks for the forthcoming year, not least the additional pressure on the funding environment for the charitable sector, it has already provided ihAg with the opportunity to review its core mission, services, and working practices, and how these can be delivered safely and effectively in an uncertain future.

It is clear that the full impact of the pandemic has not yet emerged, but every person in every community has been affected in one way or another, and this will inevitably lead to an increased demand on all of our current service provision, provide opportunities to develop and deliver new services, and improve our ability to dispel the myths about the circumstances that can lead homelessness.

Our staff team has shown outstanding commitment and determination to provide the best service they can during this challenging year. The support we can offer for their short and longer term wellbeing has been a focus of the new CEO, and an external assistance programme has been adopted to provide 24/7 support for all.

This year has showcased the resilience of the staff team, and the organisation as a whole, and it is this resilience that will enable ihAg to stabilise its services, consolidate its finances, and be ready for opportunities to develop and grow throughout the months ahead.

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TRUSTEES' REPORT (CONTINUED)
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Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Larking Gowen LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

A Lancaster
Antonia Lancaster, Chair of Trustees

JK Hennell James
Jeremy Hennell James, Treasurer

Date: *9th March 2021*

IPSWICH HOUSING ACTION GROUP LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IPSWICH HOUSING ACTION GROUP LIMITED

Opinion

We have audited the financial statements of Ipswich Housing Action Group Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, 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 Group's and of the parent charitable company's affairs as at 31 March 2020 and of the Group's 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 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IPSWICH HOUSING ACTION GROUP LIMITED (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' 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.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 Trustees' report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' 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 Trustees' report and from the requirement to prepare a Strategic report.

IPSWICH HOUSING ACTION GROUP LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IPSWICH HOUSING ACTION GROUP LIMITED (CONTINUED)

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 Group's and the parent 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

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 to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 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 auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Larking Gowen LLP

Giles Kerkham DChA FCA

For and on behalf of
Larking Gowen LLP
Chartered Accountants
Statutory Auditors

Ipswich

Date: 10 March 2021

IPSWICH HOUSING ACTION GROUP LIMITED
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020**

| | Note | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ | <i>Total funds 2019 £</i> |
|------------------------------------|-------------|--|--|---------------------------------------|---------------------------------------|
| Income from: | | | | | |
| Donations and legacies | 4 | 19,157 | - | 19,157 | 18,454 |
| Charitable activities | 5 | 890,627 | 359,482 | 1,250,109 | 1,218,700 |
| Investments | 6 | 5,587 | - | 5,587 | 3,472 |
| Total income | | 915,371 | 359,482 | 1,274,853 | 1,240,626 |
| Expenditure on: | | | | | |
| Raising funds | 7 | 29,169 | 147 | 29,316 | 33,089 |
| Charitable activities | 8 | 902,322 | 350,576 | 1,252,898 | 1,226,147 |
| Total expenditure | | 931,491 | 350,723 | 1,282,214 | 1,259,236 |
| Net movement in funds | | (16,120) | 8,759 | (7,361) | (18,610) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 957,447 | 10,781 | 968,228 | 986,838 |
| Net movement in funds | | (16,120) | 8,759 | (7,361) | (18,610) |
| Total funds carried forward | | 941,327 | 19,540 | 960,867 | 968,228 |

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

The notes on pages 22 to 41 form part of these financial statements.

IPSWICH HOUSING ACTION GROUP LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 05268499

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2020

| | Note | 2020 £ | 2019 £ |
|--|------|-----------------------|-----------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 275,000 | 278,000 |
| | | <u>275,000</u> | <u>278,000</u> |
| Current assets | | | |
| Debtors | 14 | 92,769 | 92,800 |
| Cash at bank and in hand | | 686,472 | 656,147 |
| | | <u>779,241</u> | <u>748,947</u> |
| Creditors: amounts falling due within one year | 15 | (93,374) | (58,719) |
| Net current assets | | <u>685,867</u> | <u>690,228</u> |
| Total net assets | | <u><u>960,867</u></u> | <u><u>968,228</u></u> |
| Charity funds | | | |
| Restricted funds | 16 | 19,540 | 10,781 |
| Unrestricted funds | 16 | 941,327 | 957,447 |
| Total funds | | <u><u>960,867</u></u> | <u><u>968,228</u></u> |

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

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

A Lancaster

Antonia Lancaster

Chair of Trustees

Date: 9th March 2021

The notes on pages 22 to 41 form part of these financial statements.

IPSWICH HOUSING ACTION GROUP LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 05268499

CHARITY BALANCE SHEET
AS AT 31 MARCH 2020

| | Note | 2020 £ | 2019 £ |
|--|------|----------------|----------------|
| Fixed assets | | | |
| Tangible assets | 12 | 275,000 | 278,000 |
| | | <u>275,000</u> | <u>278,000</u> |
| Current assets | | | |
| Debtors | 14 | 112,430 | 92,813 |
| Cash at bank and in hand | | 625,047 | 641,500 |
| | | <u>737,477</u> | <u>734,313</u> |
| Creditors: amounts falling due within one year | 15 | (85,215) | (56,219) |
| Net current assets | | 652,262 | 678,094 |
| Total net assets | | <u>927,262</u> | <u>956,094</u> |
| Charity funds | | | |
| Restricted funds | | 10,000 | 781 |
| Unrestricted funds | | 917,262 | 955,313 |
| Total funds | | <u>927,262</u> | <u>956,094</u> |

The deficit for the year of the parent charity was £28,832 (2019 - £27,251).

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

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

A Lancaster

Antonia Lancaster
Chair of Trustees
Date: 9th March 2021

The notes on pages 22 to 41 form part of these financial statements.

IPSWICH HOUSING ACTION GROUP LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

| | Note | 2020 £ | 2019 £ |
|---|-------------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 18 | 24,738 | (57,660) |
| Cash flows from investing activities | | | |
| Dividends, interests and rents from investments | | 5,587 | 3,472 |
| Net cash provided by investing activities | | 5,587 | 3,472 |
| Change in cash and cash equivalents in the year | | 30,325 | (54,188) |
| Cash and cash equivalents at the beginning of the year | | 656,147 | 710,335 |
| Cash and cash equivalents at the end of the year | 19 | 686,472 | 656,147 |

The notes on pages 22 to 41 form part of these financial statements

IPSWICH HOUSING ACTION GROUP LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. General information

Ipswich Housing Action Group Limited is a registered company incorporated in England and Wales and limited by guarantee, registration number 05268499. The registered office is 22-24 Carr Street, Ipswich, Suffolk, IP4 1EJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Ipswich Housing Action Group Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The financial statements are presented in sterling and rounded to the nearest pound (£).

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

2.2 Going concern

The Trustees have considered the group's position at the time of signing the financial statements, and in particular the issues caused by Covid-19 and its potential impact on the company and group and the wider economy. They have considered the current financial strength of the group, forecasts and projections and the range of measures available to mitigate ongoing costs should it be required.

Based on this, the Trustees have concluded that they have a reasonable expectation that the group will have adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of signing these financial statements. They therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

2.3 Income

All income is recognised once the group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

IPSWICH HOUSING ACTION GROUP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.4 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 allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Basis of consolidation

The financial statements consolidate the accounts of Ipswich Housing Action Group Limited and its subsidiary undertaking, The Chapman Centre Trust.

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Statement of Financial Activities.

2.7 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

IPSWICH HOUSING ACTION GROUP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

| | |
|------------------|---------------------|
| Motor vehicles | - 20% straight line |
| Office equipment | - 25% straight line |

No depreciation is provided in respect of freehold property as, in the opinion of the Trustees the estimated residual value is in excess of the net book value.

All new computer equipment is charged directly to the SOFA, as the Trustees consider that it is immediately impaired.

Furniture within the rental properties is replaced as necessary and the Trustees consider this to be revenue expenditure and it is therefore charged direct to the SOFA.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

2.12 Financial instruments

The group 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.

IPSWICH HOUSING ACTION GROUP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.13 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of financial activities on a straight line basis over the lease term.

2.14 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

As described in note 2.8, the Trustees have judged that no depreciation is provided in respect of freehold property as the estimated residual value is in excess of the net book value.

4. Income from donations and legacies

| | Unrestricted funds 2020 £ | Total funds 2020 £ |
|--------------------------|--|---------------------------------------|
| Donations and membership | 19,157 | 19,157 |

IPSWICH HOUSING ACTION GROUP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

4. Income from donations and legacies (continued)

| | <i>Unrestricted funds 2019 £</i> | <i>Total funds 2019 £</i> |
|--------------------------|--|---------------------------------------|
| Donations and membership | <u>18,454</u> | <u>18,454</u> |

5. Income from charitable activities

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|--|--|--|---------------------------------------|
| Rents receivable | 420,401 | - | 420,401 |
| Service contracts | 277,620 | - | 277,620 |
| Money Advice Service Debt Advice Project Grant | - | 104,064 | 104,064 |
| Housing First | 36,424 | - | 36,424 |
| Ipswich Borough Council Grant | 7,000 | - | 7,000 |
| MHCLG - Rough Sleeper Initiative | 108,692 | - | 108,692 |
| Big Lottery Fund Grant (Chapman Centre) | - | 108,291 | 108,291 |
| Funding for Money Advice | - | 52,711 | 52,711 |
| Funding for Locality | - | - | - |
| Other Chapman Centre Funding | 9,116 | 85,197 | 94,313 |
| Other income | 31,374 | 9,219 | 40,593 |
| Total 2020 | <u><u>890,627</u></u> | <u><u>359,482</u></u> | <u><u>1,250,109</u></u> |

IPSWICH HOUSING ACTION GROUP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

5. Income from charitable activities (continued)

| | <i>Unrestricted funds 2019 £</i> | <i>Restricted funds 2019 £</i> | <i>Total funds 2019 £</i> |
|--|--|--|---------------------------------------|
| Rents receivable | 408,297 | - | 408,297 |
| Service contracts | 277,620 | - | 277,620 |
| Money Advice Service Debt Advice Project Grant | 104,020 | - | 104,020 |
| Housing First | 17,123 | - | 17,123 |
| Ipswich Borough Council Grant | 7,000 | - | 7,000 |
| MHCLG - Rough Sleeper Initiative | 111,988 | - | 111,988 |
| Big Lottery Fund Grant (Chapman Centre) | - | 115,024 | 115,024 |
| Funding for Money Advice | - | 36,725 | 36,725 |
| Funding for Locality | - | 29,643 | 29,643 |
| Other Chapman Centre Funding | 15,239 | 73,249 | 88,488 |
| Other income | 22,772 | - | 22,772 |
| <i>Total 2019</i> | <u>964,059</u> | <u>254,641</u> | <u>1,218,700</u> |

6. Investment income

| | Unrestricted funds 2020 £ | Total funds 2020 £ |
|-------------------|--|---------------------------------------|
| Interest received | <u>5,587</u> | <u>5,587</u> |

| | <i>Unrestricted funds 2019 £</i> | <i>Total funds 2019 £</i> |
|-------------------|--|---------------------------------------|
| Interest received | <u>3,472</u> | <u>3,472</u> |

IPSWICH HOUSING ACTION GROUP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

7. Expenditure on raising funds

Costs of raising voluntary income

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|----------------------|--|--|---------------------------------------|
| Fundraising | 7,413 | 147 | 7,560 |
| Tenant participation | 1,399 | - | 1,399 |
| Welfare costs | 9,944 | - | 9,944 |
| Direct staff costs | 10,413 | - | 10,413 |
| | <u>29,169</u> | <u>147</u> | <u>29,316</u> |

Costs of raising voluntary income (continued)

| | <i>Unrestricted funds 2019 £</i> | <i>Restricted funds 2019 £</i> | <i>Total funds 2019 £</i> |
|----------------------|--|--|---------------------------------------|
| Fundraising | 12,352 | 438 | 12,790 |
| Tenant participation | 292 | - | 292 |
| Welfare costs | 7,787 | - | 7,787 |
| Direct staff costs | 12,220 | - | 12,220 |
| | <u>32,651</u> | <u>438</u> | <u>33,089</u> |

Costs of raising funds include the costs of grant applications, however income from successful grants is included in charitable activities.

IPSWICH HOUSING ACTION GROUP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

8. Analysis of expenditure by activities

| | Activities undertaken directly 2020 £ | Support costs 2020 £ | Total funds 2020 £ |
|----------------------------------|--|---|---------------------------------------|
| Provision of housing / equipment | 183,615 | 50,585 | 234,200 |
| Food | 30,125 | 104,474 | 134,599 |
| Maintenance | 29,232 | 2,942 | 32,174 |
| Transport | 26,422 | 2,133 | 28,555 |
| Campaign and research | 44,459 | 2,223 | 46,682 |
| Service Delivery Costs | 776,048 | 640 | 776,688 |
| | <u>1,089,901</u> | <u>162,997</u> | <u>1,252,898</u> |

Included within provision of housing/equipment are bad debt write offs of £17,519 (2019 - £19,813).

| | <i>Activities undertaken directly 2019 £</i> | <i>Support costs 2019 £</i> | <i>Total funds 2019 £</i> |
|----------------------------------|--|---|---------------------------------------|
| Provision of housing / equipment | 192,523 | 53,178 | 245,701 |
| Food | 27,507 | 98,894 | 126,401 |
| Maintenance | 44,036 | 2,864 | 46,900 |
| Transport | 22,169 | 2,381 | 24,550 |
| Campaign and research | 49,964 | 2,912 | 52,876 |
| Service Delivery Costs | 699,362 | 714 | 700,076 |
| Locality costs | 29,643 | - | 29,643 |
| | <u>1,065,204</u> | <u>160,943</u> | <u>1,226,147</u> |

IPSWICH HOUSING ACTION GROUP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Provision of Housing / Equipment 2020 £ | Service Delivery Cost 2020 £ | Maintenance 2020 £ | Transport 2020 £ | Campaign and Research 2020 £ |
|------------------------------|---|--|--------------------------|----------------------------|--|
| Training/recruitment | 6,040 | 5,436 | 1,342 | - | 604 |
| Professional fees | - | 14,358 | - | - | - |
| Office costs | 27,259 | 38,464 | 1,599 | 2,133 | 356 |
| Membership and subscriptions | - | 2,729 | - | - | 551 |
| Admin costs | 2,076 | 18,692 | - | - | - |
| Premises costs | 4,936 | 3,577 | 1 | - | 712 |
| Governance costs | 10,274 | 21,218 | - | - | - |
| | <u>50,585</u> | <u>104,474</u> | <u>2,942</u> | <u>2,133</u> | <u>2,223</u> |
| | | | | Food 2020 £ | Total funds 2020 £ |
| Training/recruitment | | | | - | 13,422 |
| Professional fees | | | | - | 14,358 |
| Office costs | | | | 640 | 70,451 |
| Membership and subscriptions | | | | - | 3,280 |
| Admin costs | | | | - | 20,768 |
| Premises costs | | | | - | 9,226 |
| Governance costs | | | | - | 31,492 |
| | | | | <u>640</u> | <u>162,997</u> |

IPSWICH HOUSING ACTION GROUP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

| | <i>Provision of Housing / Equipment 2019 £</i> | <i>Service Delivery Cost 2019 £</i> | <i>Maintenance 2019 £</i> | <i>Transport 2019 £</i> | <i>Campaign and Research 2019 £</i> |
|------------------------------|--|---|-----------------------------------|---------------------------------|---|
| Training/recruitment | 4,854 | 4,369 | 1,079 | - | 485 |
| Professional fees | - | 3,405 | - | - | - |
| Office costs | 30,430 | 43,647 | 1,785 | 2,381 | 398 |
| Membership and subscriptions | - | 2,700 | - | - | 551 |
| Admin costs | 1,786 | 18,433 | - | - | - |
| Premises costs | 5,925 | 7,404 | - | - | 1,478 |
| Governance costs | 10,183 | 18,936 | - | - | - |
| | <u>53,178</u> | <u>98,894</u> | <u>2,864</u> | <u>2,381</u> | <u>2,912</u> |
| | | | | <i>Food 2019 £</i> | <i>Total funds 2019 £</i> |
| Training/recruitment | | | | - | 10,787 |
| Professional fees | | | | - | 3,405 |
| Office costs | | | | 714 | 79,355 |
| Membership and subscriptions | | | | - | 3,251 |
| Admin costs | | | | - | 20,219 |
| Premises costs | | | | - | 14,807 |
| Governance costs | | | | - | 29,119 |
| | | | | <u>714</u> | <u>160,943</u> |

Governance costs include: auditors' remuneration; Trustee expenses and training; professional fees and staff costs.

IPSWICH HOUSING ACTION GROUP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

9. Auditors' remuneration

| | 2020 £ | 2019 £ |
|--|------------------|-----------|
| Fees payable to the Charity's auditor for the audit of the Charity's annual accounts | 6,750 | 6,500 |

10. Staff costs

| | Group 2020 £ | <i>Group 2019 £</i> | Company 2020 £ | <i>Company 2019 £</i> |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Wages and salaries | 731,019 | 664,193 | 731,019 | 664,193 |
| Social security costs | 53,876 | 50,800 | 53,876 | 50,800 |
| Contribution to defined contribution pension schemes | 46,052 | 41,522 | 46,052 | 41,522 |
| | 830,947 | 756,515 | 830,947 | 756,515 |

Included within wages and salaries is a non-statutory/non-contractual severance payment of £17,500 (2019 - £nil).

The average number of persons employed by the Charity during the year was as follows:

| | Group 2020 No. | <i>Group 2019 No.</i> | Company 2020 No. | <i>Company 2019 No.</i> |
|--|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
| Charitable activities | 35 | 32 | 35 | 32 |
| Management and administration of the Charity | 3 | 4 | 3 | 4 |
| | 38 | 36 | 38 | 36 |

No employee received remuneration amounting to more than £60,000 in either year.

The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel during the year was £56,935 (2019: £51,699).

IPSWICH HOUSING ACTION GROUP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

Trustees' expenses totalling £2,367 (2019: £1,123) were reimbursed for travel and training costs.

12. Tangible fixed assets

Group and Company

| | Freehold property £ | Motor vehicles £ | Office equipment £ | Total £ |
|--------------------------|---------------------------|------------------------|--------------------------|------------|
| Cost or valuation | | | | |
| At 1 April 2019 | 275,000 | 27,051 | 4,716 | 306,767 |
| At 31 March 2020 | 275,000 | 27,051 | 4,716 | 306,767 |
| Depreciation | | | | |
| At 1 April 2019 | - | 24,051 | 4,716 | 28,767 |
| Charge for the year | - | 3,000 | - | 3,000 |
| At 31 March 2020 | - | 27,051 | 4,716 | 31,767 |
| Net book value | | | | |
| At 31 March 2020 | 275,000 | - | - | 275,000 |
| At 31 March 2019 | 275,000 | 3,000 | - | 278,000 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

13. Subsidiary charity

On 25 January 2017, The Chapman Centre Trust (a charitable company, limited by guarantee) was incorporated. The Chapman Centre Trust's Company registration number is 10584100 and Charity registration number is 11775598. Ipswich Housing Action Group Limited holds the majority of the voting rights and has the right to appoint or remove a majority of its board of directors, therefore The Chapman Centre Trust is a subsidiary of Ipswich Housing Action Group Limited.

The Chapman Centre Trust has no shares and therefore the cost of the investment is £Nil.

| | 2020 | <i>2019</i> |
|-------------------|------------------|------------------|
| | £ | <i>£</i> |
| Total assets | 61,425 | <i>14,647</i> |
| Total liabilities | (27,820) | <i>(2,513)</i> |
| Total funds | 33,605 | <i>12,134</i> |
| Gross income | 197,759 | <i>130,324</i> |
| Expenditure | (176,288) | <i>(118,190)</i> |
| Surplus | 21,471 | <i>12,134</i> |

14. Debtors

| | Group | <i>Group</i> | Company | <i>Company</i> |
|------------------------------------|---------------|---------------|----------------|----------------|
| | 2020 | <i>2019</i> | 2020 | <i>2019</i> |
| | £ | <i>£</i> | £ | <i>£</i> |
| Due within one year | | | | |
| Trade debtors | 31,297 | <i>22,948</i> | 31,297 | <i>22,948</i> |
| Amounts owed by group undertakings | - | <i>-</i> | 19,661 | <i>13</i> |
| Other debtors | 54,352 | <i>57,046</i> | 54,352 | <i>57,046</i> |
| Prepayments and accrued income | 7,120 | <i>12,806</i> | 7,120 | <i>12,806</i> |
| | 92,769 | <i>92,800</i> | 112,430 | <i>92,813</i> |

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Creditors: Amounts falling due within one year

| | Group 2020 £ | <i>Group 2019 £</i> | Company 2020 £ | <i>Company 2019 £</i> |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade creditors | 10,002 | 27,143 | 10,002 | 27,143 |
| Other taxation and social security | 28,928 | - | 22,269 | - |
| Accruals and deferred income | 54,444 | 31,576 | 52,944 | 29,076 |
| | 93,374 | 58,719 | 85,215 | 56,219 |
| | Group 2020 £ | <i>Group 2019 £</i> | Company 2020 £ | <i>Company 2019 £</i> |
| Deferred income at 1 April 2019 | 4,243 | 16,717 | 4,243 | 16,717 |
| Resources deferred during the year | 30,970 | 4,243 | 30,970 | 4,243 |
| Amounts released from previous periods | (4,243) | (16,717) | (4,243) | (16,717) |
| | 30,970 | 4,243 | 30,970 | 4,243 |

Deferred income comprises contract income received in advance.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

16. Statement of funds

Statement of funds - current year

| | Balance at 1 April 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 March 2020 £ |
|---|---------------------------------|----------------|------------------|--------------------------|-------------------------------------|
| Unrestricted funds | | | | | |
| Designated funds | | | | | |
| Maintenance Sinking Fund | 129,764 | 1,062 | (2,961) | 16,637 | 144,502 |
| Investment Fund | 199,428 | 1,633 | (62,747) | (1,633) | 136,681 |
| Office Rent Fund | 57,343 | 469 | (17,542) | (469) | 39,801 |
| Other Designated Funds | 114,395 | 10,112 | (10,814) | 11,738 | 125,431 |
| | <u>500,930</u> | <u>13,276</u> | <u>(94,064)</u> | <u>26,273</u> | <u>446,415</u> |
| General funds | | | | | |
| Freehold property capital | 275,000 | - | - | - | 275,000 |
| General Funds | 181,517 | 902,095 | (837,427) | (26,273) | 219,912 |
| | <u>456,517</u> | <u>902,095</u> | <u>(837,427)</u> | <u>(26,273)</u> | <u>494,912</u> |
| Total Unrestricted funds | <u>957,447</u> | <u>915,371</u> | <u>(931,491)</u> | <u>-</u> | <u>941,327</u> |
| Restricted funds | | | | | |
| Ipswich Locality Homelessness Partnership | 781 | 9,219 | - | - | 10,000 |
| Big Lottery Fund Grant, Reaching Communities - Chapman Centre - revenue | - | 108,291 | (108,291) | - | - |
| Money advice project | - | 52,711 | (52,711) | - | - |
| Money and Pensions Service funded debt advice project | - | 104,064 | (104,064) | - | - |
| Ipswich Borough Council - rent and running costs | - | 49,100 | (49,100) | - | - |
| Building works | - | 2,700 | (2,700) | - | - |
| Suffolk Community Foundation - Emergency food fund | 5,000 | 4,028 | (9,028) | - | - |
| L D Rope - Weekend opening support | 5,000 | - | (5,000) | - | - |
| Utilities from CC | - | 5,000 | (5,000) | - | - |
| National Lottery Awards for All | - | 9,540 | - | - | 9,540 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

16. Statement of funds (continued)

Statement of funds - current year (continued)

| | Balance at 1 April 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 March 2020 £ |
|-------------------------|---------------------------------|-------------------------|---------------------------|--------------------------|-------------------------------------|
| Weekend Opening Funding | - | 14,829 | (14,829) | - | - |
| | <u>10,781</u> | <u>359,482</u> | <u>(350,723)</u> | <u>-</u> | <u>19,540</u> |
| Total of funds | <u><u>968,228</u></u> | <u><u>1,274,853</u></u> | <u><u>(1,282,214)</u></u> | <u><u>-</u></u> | <u><u>960,867</u></u> |

IPSWICH HOUSING ACTION GROUP LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

Statement of funds - prior year

| | <i>Balance at 1 April 2018 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Transfers in/out £</i> | <i>Balance at 31 March 2019 £</i> |
|---|--|---------------------|--------------------------|-----------------------------------|---|
| Unrestricted funds | | | | | |
| Designated funds | | | | | |
| Maintenance sinking fund | 127,391 | 632 | (14,896) | 16,637 | 129,764 |
| Office rental fund | 73,343 | 364 | (16,000) | (364) | 57,343 |
| Investment Fund | 232,994 | 1,156 | (33,566) | (1,156) | 199,428 |
| Other designated funds | 113,636 | 9,681 | (8,423) | (499) | 114,395 |
| | <u>547,364</u> | <u>11,833</u> | <u>(72,885)</u> | <u>14,618</u> | <u>500,930</u> |
| General funds | | | | | |
| General Funds | 152,432 | 974,152 | (930,449) | (14,618) | 181,517 |
| Freehold property capital | 275,000 | - | - | - | 275,000 |
| | <u>427,432</u> | <u>974,152</u> | <u>(930,449)</u> | <u>(14,618)</u> | <u>456,517</u> |
| Total Unrestricted funds | <u>974,796</u> | <u>985,985</u> | <u>(1,003,334)</u> | <u>-</u> | <u>957,447</u> |
| Restricted funds | | | | | |
| Ipswich Locality Homelessness Partnership | 781 | 29,643 | (29,643) | - | 781 |
| Funding for Chapman Centre | - | 1,242 | (1,242) | - | - |
| Big Lottery Fund Grant, Reaching Communities - Building Capabilities | 11,261 | - | (11,261) | - | - |
| Big Lottery Fund Grant, Reaching Communities - Chapman Centre - revenue | - | 115,024 | (115,024) | - | - |
| Money advice project | - | 36,725 | (36,725) | - | - |
| Ipswich Borough Council - rent and running costs | - | 49,100 | (49,100) | - | - |
| Building works | - | 10,827 | (10,827) | - | - |
| Suffolk Community Foundation - Emergency food fund | - | 5,000 | - | - | 5,000 |

IPSWICH HOUSING ACTION GROUP LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

16. Statement of funds (continued)

| | | | | | |
|---------------------------------------|----------------|------------------|--------------------|----------|----------------|
| L D Rope - Weekend opening support | - | 5,000 | - | - | 5,000 |
| Ipswich Locality Homeless Partnership | - | 2,080 | (2,080) | - | - |
| | <u>12,042</u> | <u>254,641</u> | <u>(255,902)</u> | <u>-</u> | <u>10,781</u> |
| Total of funds | <u>986,838</u> | <u>1,240,626</u> | <u>(1,259,236)</u> | <u>-</u> | <u>968,228</u> |

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|-------------------------------|--|--|-----------------------------------|
| Tangible fixed assets | 275,000 | - | 275,000 |
| Current assets | 759,701 | 19,540 | 779,241 |
| Creditors due within one year | (93,374) | - | (93,374) |
| Total | <u>941,327</u> | <u>19,540</u> | <u>960,867</u> |

Analysis of net assets between funds - prior year

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ |
|-------------------------------|--|--|-----------------------------------|
| Tangible fixed assets | 278,000 | - | 278,000 |
| Current assets | 738,166 | 10,781 | 748,947 |
| Creditors due within one year | (58,719) | - | (58,719) |
| Total | <u>957,447</u> | <u>10,781</u> | <u>968,228</u> |

IPSWICH HOUSING ACTION GROUP LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

18. Reconciliation of net movement in funds to net cash flow from operating activities

| | Group 2020 £ | <i>Group 2019 £</i> |
|--|-----------------------------|-----------------------------|
| Net income for the period (as per Statement of Financial Activities) | (7,361) | <i>(18,610)</i> |
| Adjustments for: | | |
| Depreciation charges | 3,000 | <i>3,612</i> |
| Dividends, interests and rents from investments | (5,587) | <i>(3,472)</i> |
| Decrease/(increase) in debtors | 28,959 | <i>(53,047)</i> |
| Increase in creditors | 5,727 | <i>13,857</i> |
| Net cash provided by/(used in) operating activities | 24,738 | <i>(57,660)</i> |

19. Analysis of cash and cash equivalents

| | Group 2020 £ | <i>Group 2019 £</i> |
|--|-----------------------------|-----------------------------|
| Cash in hand | 686,472 | <i>656,147</i> |
| Total cash and cash equivalents | 686,472 | <i>656,147</i> |

20. Analysis of Net Debt

| | At 1 April 2019 £ | Cash flows £ | At 31 March 2020 £ |
|--------------------------|----------------------------------|-------------------------|-----------------------------------|
| Cash at bank and in hand | 656,147 | 30,325 | 686,472 |
| | 656,147 | 30,325 | 686,472 |

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NOTES TO THE FINANCIAL STATEMENTS
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21. Operating lease commitments

At 31 March 2020 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | Group 2020 £ | <i>Group 2019 £</i> | Company 2020 £ | <i>Company 2019 £</i> |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Not later than 1 year | 12,000 | <i>12,000</i> | 12,000 | <i>12,000</i> |
| Later than 1 year and not later than 5 years | 17,367 | <i>29,500</i> | 17,367 | <i>29,500</i> |
| | 29,367 | <i>41,500</i> | 29,367 | <i>41,500</i> |

22. Trustees' personal guarantees

The company is limited by guarantee. In the even of any winding up of the company each member would be required to contribute an amount not exceeding £10 towards the liabilities of the company. At 31 March 2020 there were 9 such members (2019: 7 members).

23. Related party transactions

Wages costs of £127,658 (2019: £69,010) were recharged to The Chapman Centre Trust from Ipswich Housing Action Group.

At the year end, Ipswich Housing Action Group Limited was owed £19,661 (2019: £13) by The Chapman Centre Trust.