

Charity Registration No. 1011337

Company Registration No. 2634724 (England and Wales)

HARROGATE HOMELESS PROJECT LIMITED
DIRECTORS' REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

HARROGATE HOMELESS PROJECT LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	J.C. Harris CBE DL I.F.B. Brown L.M.E.D. Cameron H.L. Crossland J.R. Dening L. Estensen M.J. Farrar P.K.L. French J.B. Halstead J.K.B. Moulson Visc. F.M. Mountgarret H.M. Shay J. M. Verity	(Chair) (resigned 18 November 2020) (appointed 9 June 2020) (resigned 17 August 2020) (Treasurer) (Deputy Chair) (Secretary)
Charity number	1011337	
Company number	2634724	
Registered office	7 Bower Street Harrogate North Yorkshire HG1 5BQ	
Independent examiner	S J Williams FCA Murray Harcourt 6 Queen Street Leeds West Yorkshire LS1 2TW	
Bankers	Yorkshire Bank plc James Street Harrogate HG1 1QU Nationwide Building Society Kings Park Road Moulton Park Northampton NN3 6NW	

HARROGATE HOMELESS PROJECT LIMITED

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HARROGATE HOMELESS PROJECT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Introduction

Harrogate Homeless Project Limited ("HHP" or the "Project") is a registered charity No. 1011337 and is a registered company No. 2634724 limited by guarantee and not having share capital. The objectives of the company are set out in the Memorandum and Articles of Association as follows:

- 1) to relieve the need of homeless persons within the administrative area known as Harrogate by provision of temporary accommodation, advice and counselling and,
- 2) to conduct research into the causes of and ways of relieving poverty and disease and to publish findings by lectures, meetings, films, books, exhibitions and otherwise in order to educate the public.

The Directors present their report and accounts for the year ended 31st August 2020. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the company's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", in accordance with the Financial Reporting Standard FRS 102 (effective 1 January 2015).

Constitutional matters are as detailed in its Memorandum and Articles of Association and HHP is managed by the Management Board of Trustees, those who served as directors in the period up to the date of signing these accounts:

J.C. Harris CBE DL	(Chair)
I.F.B. Brown	(resigned 18 November 2020)
L.M.E.D. Cameron	
H.L. Crossland	
J.R. Denning	(appointed 9 June 2020)
L. Estersen	
M.J. Farrar	
P.K.L. French	(resigned 17 August 2020)
J.B. Halstead	(Treasurer)
J.K.B. Moulson	
Viscountess F.M. Mountgarret	(Deputy Chair)
H.M. Shay	
J.M. Verity	(Company Secretary)

A representative from the Housing Department of Harrogate Borough Council is invited to attend meetings but is not a Trustee. The Chief Executive also attends meetings but is not a Trustee.

The Trustees confirm that they have complied with the Charity Commission's general guidance on public benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, we have considered how planned activities will contribute to the aims and objectives that have been set.

The Chief Executive, Liz Hancock, is responsible for the management of HHP. The staff work to develop and improve working relations with other agencies in the District. We work closely with police, probation and prison services, as well as Harrogate Borough Council and the Young Persons Hub, together with health and other statutory and voluntary agencies, to achieve, for each individual client, a solution which maximises the chances of moving away from homelessness. HHP employed twenty-three staff (part time and full time) as at 31st August 2020. They are supported by approximately thirty-five volunteers.

HARROGATE HOMELESS PROJECT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives

Harrogate Homeless Project was established almost 30 years ago in 1991 and operates on the principle of providing individuals with support to help them off the streets, rather than supporting them to maintain street lifestyles or dependency on services. Our aim is to help individuals who are homeless, vulnerably housed or sleeping rough – we offer resettlement off the streets immediately in emergency overnight accommodation – we work with them to find sustainable accommodation tailored to their needs – we work with them towards establishing everyday living and employment.

There are many reasons why people become homeless. HHP is here to make sure nobody has to sleep rough in the Harrogate District and to build a level of trust that will encourage homeless adults towards a life off the streets.

Rough sleeping is damaging to both the person who is homeless and society. The longer someone stays out, the greater the risk that they will be trapped on the streets where they are vulnerable to crime, substance misuse problems, illness, mental health issues and dying prematurely.

HHP is committed to providing a multi-agency response to rough sleeping through a simple referral process for agencies, potential clients and the public. This includes effective information-sharing and collaborative working to support rough sleepers off the street and prevent entrenchment, to provide an effective and person-centred assessment hub, and a clear move-on pathway to enable resettlement for clients with a range of support issues.

Activities

The operation of HHP described below has been severely disrupted since March 2020 because of the pandemic. Face to face contact has been maintained as far as possible where the support to individuals cannot be conducted remotely – but the Day Centre has operated as a skeleton service and the number of Hostel bedrooms occupied has had to be reduced in view of the shared facilities.

- The Project's Hostel is in Bower Street, rented from Harrogate Borough Council for a peppercorn rent and it receives variable sums from Housing Benefit and grant funding from North Yorkshire County Council (via the Borough Council). This sixteen-bed direct access emergency hostel provides accommodation for single homeless adults who have a local connection to the Harrogate District.
- Outreach services are provided for former residents who have found other accommodation in order to ensure that the improvement in their circumstances is maintained.
- In addition to providing hostel accommodation and move-on accommodation, the Project aims to set up life skills training where helpful and necessary and to act as a gateway to other organisations which can provide support and assistance. Through outreach it aims to help clients sustain their new accommodation in the long term.
- Through the Springboard Day Centre, HHP aims to provide support to people who are known to be vulnerable and helps them meet their basic needs, such as food, shower, laundry and access to advice and support by the Project's own staff and by other agencies.

HARROGATE HOMELESS PROJECT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

- The planned development of the Springboard Day Centre to meet the needs of the increasing number of individuals using the service, by extending both the opening hours, space available and the range of services offered, was commenced during the period. It had been recognised that the space available in the former caretaker's house at Wesley Centre was too small and restricted to meet the increased demand levels and, in order to resolve this and with the support of the Nidd Valley Methodist Circuit, plans to extend the site were drawn up, planning consent obtained and encouraging liaison established with the National Lottery Community Fund with a view to obtaining grant funding.
- Since 2012 HHP has operated the District's only No Second Night Out programme, intended to ensure that anybody faced with street homelessness is offered an immediate alternative to sleeping rough. Following an assessment, whilst accessing the overnight shelter, the offer may be of a hostel stay, move on accommodation provided by the Project, private or social housing accommodation, or help in returning to an area where the applicant has a local connection. A purpose-built extension to the hostel premises offers dedicated facilities for those accessing the NSNO scheme overnight and provides 5 bed spaces; should the need arise local hotels are used as overspill accommodation. HHP operations in this area having been restricted during the Covid-19 crisis, however individuals have been assisted by the short-term local authority measures to provide temporary accommodation at the height of the pandemic.
- Since April 2017 the Project has assisted those with multiple complex needs who face multiple exclusion for traditional service routes. Known as SAFE, this specialist scheme uses innovative ways of working with the most marginalised vulnerable individuals with a long history of rough sleeping and multiple, complex needs. This service, though essential, is proving demanding, challenging and highly stressful. A review has been undertaken in order to improve operational efficiency.

Transformational opportunities

As mentioned earlier support services have been severely disrupted during the Covid-19 crisis. Ironically, the pandemic also resulted in opportunities becoming available which will be transformational to our operations.

- As stated earlier, preliminary plans for the extension of the caretaker's house at the Wesley Centre were commenced in the period. However, the impact of Covid-19 presented a more favourable alternative, as the expansive Lower Halls of the Wesley Centre became available. This is essentially a large community centre with office space, providing much more flexibility and consequently many more facilities than the planned extension could have provided. The respective Trustees of HHP and the Wesley Centre are now progressing plans for this space to be leased from the Wesley Centre, which will be a transformational development to our Day Service in the coming year.
- The Project enters the forthcoming year focusing on plans to review and potentially improve the hostel accommodation, in the light of Covid-19 and any future pandemic(s). In addition, the Project is also exploring further self-contained accommodation which may be secured as an alternative to hostel accommodation.

HARROGATE HOMELESS PROJECT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Achievements and performance

Throughout the first 6 months of the year (September 2019-March 2020) demand for assistance continued to be high, with an average of 24 new referrals for support per month, in addition to an average of 10 new referrals each month provided with emergency accommodation in the NSNO scheme. In those 6 months, 475 nights of accommodation were provided in NSNO, and there were 10 successful move-ons from the hostel into appropriate next stage accommodation. This demonstrates the success of HHP's street-to-home pathway, with sustained and effective support provided to hostel residents to ensure a successful onward move to independent living.

From March 2020 to the end of the reporting period (August 2020), all services were heavily impacted by the Covid-19 pandemic. The unprecedented effects of the crisis meant that HHP services had to rapidly respond to working in a vastly different way. Naturally, this was not without significant challenges operationally, but the charity successfully continued its vital face to face work, whilst continuing to ensure the safety of staff and clients across our services.

The most significant impact was the suspension of the NSNO emergency beds scheme, following Government advice on the safe operation of night shelters and shared accommodation. Similarly, the 16-bed hostel was restricted to 50% occupancy, to ensure effective risk management and limit the communal areas of the accommodation. However, we still achieved 9 positive onward moves from the hostel in this period, into appropriate next stage accommodation, and in addition our move-on houses (one leased, one owned) continued to operate.

Our Springboard day service for homeless and vulnerable people was also affected by the pandemic. The first half of the year achieved over 4,000 visits to the service, 2,760 meals were provided, 172 laundry loads and 257 showers accessed by our vulnerable client group. The service continued to provide its successful weekly GP clinic, regular podiatry sessions, as well as Pilates and hairdressing and the StreetPaws veterinary sessions.

From March 2020, following Government guidance for day services, Springboard too was subject to restrictions, to reduce the number of people mixing from different households, and quickly had to adapt to the new operating environment. Crucially, when statutory services immediately suspended face to face working, and introduced remote consultations, Springboard continued to work face to face with clients. This provided a vital lifeline for our vulnerable client group, enabling rough sleepers to access the technology needed to continue getting the support they needed. This included the provision of mobile phones and phone credit, as well as power banks as a means of retaining contact with other essential agencies, including Harrogate Borough Council's Housing Options team, drug and alcohol services, welfare benefits and GP prescribing. Food provision continued from Springboard, however this had to be restricted to take-away packed lunches, and showers and laundry were limited to rough sleepers only. From March-August 2020, 141 individuals were supported in this way, with 752 visits to the service, and Springboard provided a vital role in linking rough sleepers to Harrogate Borough Council's emergency Covid-19 accommodation options during this period.

HHP continues to deliver our psychotherapy service, known as Streetlight, to homeless people accessing the hostel and day service.

We are grateful for the continued support of individuals, companies and grant giving trusts, without which we would have been unable to function effectively, particularly during the challenging second half of the period. The support received was not only financial, but also donations of foodstuffs from Harvest Festivals and regularly from stores/restaurants, clothing and furniture. We are also grateful to CNG Ltd, a local energy supply business, who provided a Christmas meal for staff, volunteers and clients, and who also provided a free supply of gas to the hostel for part of the period.

HARROGATE HOMELESS PROJECT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

There has been considerable progress made on all fronts to improve the performance of HHP in meeting the increasing needs of individuals who are homeless, vulnerably housed or sleeping rough:

- an organisation structure review is being undertaken and implemented as funds allowed
- A CRM system has been introduced to manage client records
- A CRM system is being implemented to manage our donor and volunteer database
- Activity has continued to raise the media and community profile
- Significant sustainable funding has been achieved
- Supporters' engagement has been reinforced with newsletters and events, when permitted, were held
- A new house style has been adopted with new promotional material produced
- Engagement with entrenched rough sleepers continues to contribute to a reduction in reported town centre anti-social behaviour
- An Ambassadors scheme has been created to try to access larger ongoing donations.

We acknowledge the generous three-year financial support from the Liz and Terry Bramall Foundation which has been crucial in securing the continuation of NSNO; ongoing support has also been provided by three other locally based family trusts which is invaluable in establishing a sound financial base. Additionally, substantial three-year funding from the Lloyds Bank Foundation enables service development to take place.

We also acknowledge the support of the Harrogate Borough Council and North Yorkshire County Council which has underpinned our activities in many different ways. Unfortunately, we have been advised that Government austerity measures will impact substantially on the level of this support in the coming periods.

It has again been a challenging year for the Senior Management Team and our staff. The Trustees would like to pay tribute to their achievements and dedication, and also to the contribution made by our volunteers and all our donor supporters.

Financial review

At 31 August 2020 the company had a total of £272,953 (2019 - £265,835) unrestricted funds (excluding designated funds). The bulk of these reserves came from two substantial legacies received in a prior year which were utilised in the purchase of a house to provide much needed move on accommodation for our clients. The net book value of the property is £192,588 (2019 - £195,144).

In previous years £100,000 of unrestricted funds was transferred to a designated fund in support of the Springboard Development Fund. During the year initial work on the development process was commenced and costs totalling £18,775 were charged to the designated fund.

At the year end, the balance of unrestricted funds not used for tangible fixed assets was £68,400 and is available for the continuing daily activities of the charity. The Directors confirm that, in their view, the assets of the company are adequate to fulfil its current obligations.

HARROGATE HOMELESS PROJECT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

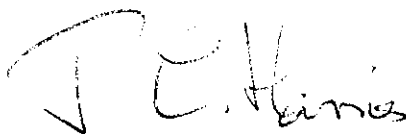
Given the financial hardship caused by Covid-19 on businesses and individuals, the support from our local community has been both remarkable and humbling. Together with many charities, we have been seriously hit by the fall in revenues, however, the generosity of our community shown to the Project has been maintained. This backing has been critical as, in the period, HHP lost over £50,000 in rent covered by housing benefit because of the need to dramatically reduce hostel occupancy to comply with social distancing requirements. Furthermore, government financial restrictions meant that the Supporting People grant was reduced by 50%. The initial impact of this cut has been lessened by a subsidy from Harrogate Borough Council and we are extremely grateful for their support. However, this reduction in government support means the loss of £35,000pa of our core funding.

In addition to the ongoing revenue problems caused by the Covid-19 pandemic, we have many new challenges facing us, including the need to raise capital funding for the potential conversion of Hostel accommodation into Covid-19 secure units, together with additional revenue funding for the extra core revenue costs of the Springboard Day Centre development (occupancy, operational and staffing costs).

Reserves policy

The major risk faced by the charity continues to be the uncertainty of funding and the Trustees have identified the level of reserves required for winding up costs in case HHP ever has to close. The minimum level of reserves to be held is set at between £60,000 and £85,000 which equates to two months forecast expenditure including the costs to satisfy outstanding commercial commitments (excluding restricted expenditure). If this level is not reached the Directors will have to consider all options including raising additional funds using the company's freehold property, either as security for a loan or by sale. As at 31 August 2020 the amount of free unreserved funds, as reported earlier, stood at £68,400.

On behalf of the board of Directors



John Harris CBE DL

Director

Dated: 7 April 2021

HARROGATE HOMELESS PROJECT LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE DIRECTORS OF HARROGATE HOMELESS PROJECT LIMITED

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 August 2020 which are set out on pages 8 to 18.

This report is made solely to the company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's Trustees as a body, for my work or for this report.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the institute of chartered accountants in England & Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Steven Williams

Qualified member of the Institute of chartered accountants of England & Wales

Murray Harcourt Partners LLP

6 Queens Street

Leeds

LS1 2TW

14 April 2021

HARROGATE HOMELESS PROJECT LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	General funds £	Designated funds £	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Income							
Donations and legacies	2	165,480	0	165,480	3,383	168,863	151,885
Other trading activities		0	0	0	0	0	0
Income from investments	3	326	0	326	0	326	0
		165,806	0	165,806	3,383	169,189	151,885
Income from Charitable activities	4	301,914	0	301,914	113,017	414,931	406,951
Other income		844	0	844	0	844	0
Total Income		468,564	0	468,564	116,400	584,964	558,836
Expenditure							
Expenditure on Raising funds		2,059	0	2,059	818	2,877	1,864
Expenditure on Charitable activities	5	353,832	18,775	372,607	221,147	593,754	539,308
Other expenditure		0	0	0	0	0	0
Total expenditure		355,891	18,775	374,666	221,965	596,631	541,172
Net income/(expenditure) before transfers		112,673	(18,775)	93,898	(105,565)	(11,667)	17,664
Transfer between funds		(105,555)	0	(105,555)	105,555	0	0
Net income/(expenditure) for the year / Net movement in funds		7,118	(18,775)	(11,657)	(10)	(11,667)	17,664
Fund balances at 1 September 2019		265,835	100,000	365,835	2,037	367,872	350,208
Fund balances at 31 August 2020		272,953	81,225	354,178	2,027	356,205	367,872
Represented by:							
Tangible fixed assets		204,553	0	204,553	5,402	209,955	209,627
Other funds		68,400	81,225	149,625	(3,375)	146,250	158,605
		272,953	81,225	354,178	2,027	356,205	367,872

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

HARROGATE HOMELESS PROJECT LIMITED

BALANCE SHEET


AS AT 31 AUGUST 2020

	Notes	2020	2019
		£	£
Fixed assets			
Tangible assets	10	209,955	209,267
Investments		-	-
Total fixed assets		209,955	209,267
Current assets			
Debtors	11	6,192	8,503
Cash at bank and in hand		233,289	247,327
Total current assets		239,481	255,830
Liabilities			
Creditors: amounts falling due within one year	12	(93,231)	(97,225)
Net current assets		146,250	158,605
Net assets		356,205	367,872
The funds of the charity:			
Unrestricted income funds		354,178	365,835
Restricted income funds	14	2,027	2,037
Total charity funds		356,205	367,872

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2020. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The Directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

The accounts were approved by the Board on 7 April 2021.


J C Harris
Director

Company Registration No. 2634724

HARROGATE HOMELESS PROJECT LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash used in operating activities	18	(5,714)	52,241
Cash flows from Investing activities			
Interest income		326	-
Purchase of tangible fixed assets		(8,650)	(914)
Cash provided by (used in) investing activities		(8,324)	(914)
Increase (decrease) in cash and cash equivalents in the year		(14,038)	51,237
Cash and cash equivalents at the beginning of the year		247,327	196,000
Total cash and cash equivalents at the end of the year		233,289	247,327

HARROGATE HOMELESS PROJECT LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared on a going concern basis under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities" in accordance with the Financial Reporting Standard FRS 102 (effective 1 January 2019) and the Companies Act 2006.

1.2 Going concern

In concluding that the going concern basis is appropriate the Directors have considered the financial position of the charity and its key financial risks, including those arising from the Covid 19 pandemic. Further information is provided in the Financial Review on page 6.

As noted in the Trustees' Report, the charity has operated on a reduced capacity basis because of Covid-19 social distancing rules. This has impacted on the funding that the charity has received. The Trustees consider that, due to progress with the vaccination programme in the UK, it is reasonable to assume that social distancing restrictions will be lifted later in 2021 and that capacity and funding will increase again thereafter. Financial forecasts for a period up to April 2022 have been prepared based on this assumption.

These forecasts show that the Charity has sufficient reserves to be able to pay its debts as they fall due. The forecasts also indicate that, taken together with other mitigating actions that could be implemented, headroom exists to be able to absorb a reasonable level of further financial downsides that may arise should social distancing restriction lifting be delayed beyond that assumed in the forecasts.

Having considered the financial forecasts and financial risks described above, the Trustees have concluded that the risk that the charity cannot pay its debts as they fall due for a period of at least 12 months from the date of signature of these financial statements is remote, and accordingly that no material uncertainty over going concern exists.

1.3 Income

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity, however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

1.4 Expenditure

All expenditure is accounted for on the accruals basis.

Costs relating directly to the objectives of the company and governance costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements are treated as direct charitable expenditure.

HARROGATE HOMELESS PROJECT LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land	Nil
Freehold property	2% Straight-line
Fixtures, fittings & equipment	25% Reducing balance

Any fixed asset purchased with the help of a grant is depreciated on the gross value of the asset. Depreciation is then charged to the appropriate fund. Assets costing under £100 are not capitalised.

1.6 Property repairs

Repairs and improvements to the short-term leasehold property are written off to the statement of financial activities when incurred.

1.7 Taxation

Due to the charitable status of the company no tax is payable on the charity's income for the year. It is also exempt from the requirement to pay Capital Gains Tax. Value Added Tax is not recoverable by the company, consequently all expenditure in these financial statements is stated inclusive of Value Added Tax where applicable.

1.8 Accumulated funds

Restricted funds are only to be used in accordance with specific restrictions imposed by the donor. The purposes and uses of the funds are set out in the notes to the accounts.

Unrestricted funds are general funds which are available at the discretion of the Directors in furtherance of the general objectives of the charity.

HARROGATE HOMELESS PROJECT LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2 Donations and legacies

	Unrestricted Funds £	Restricted funds £	Total 2020 £	Total 2019 £
Donations and legacies	165,480	3,383	168,863	151,885

Of donations and legacies of £151,885 in the prior year, £146,760 related to unrestricted funds and £5,125 related to restricted funds.

3 Income from Investments

	2020 £	2019 £
Interest receivable	326	-

4 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Housing benefit	133,068	22,318	155,386	154,703
Service charge	12,506	4,866	17,372	20,538
Grants	156,340	85,833	242,173	231,710
	301,914	113,017	414,931	406,951

Included within grants is an amount for Supporting People of £53,040 (2019: £70,240).

Of income from charitable activities of £406,951 in the prior year, £260,789 related to unrestricted funds and £146,162 related to restricted funds

HARROGATE HOMELESS PROJECT LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

5 Expenditure

Expenditure on charitable activities

	General funds £	Designated funds £	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Staff costs	313,792	15,238	329,030	151,088	480,118	428,928
Property and occupancy costs	13,844	0	13,844	38,322	52,166	49,430
Household and support costs	20,610	0	20,610	27,135	47,745	51,663
Governance costs	840	0	840	0	840	720
Legal and professional costs	1,107	3,537	4,644	279	4,923	1,303
Depreciation	3,639	0	3,639	4,323	7,962	7,264
	353,832	18,775	372,607	221,147	593,754	539,308

Staff costs include all employment related expenditure including training. Property and occupancy costs include rent of all premises, including Move On houses operated under the NSNO scheme, lighting and heating, council tax and other property related expenditure. Household and support costs include expenditure on telephones, operating costs of office equipment, disposal of refuse and contaminated waste, office supplies and health and safety costs. Legal and professional charges include consultants' fees and outsourcing charges, together with governance costs comprising the independent review of these accounts of £840 (2019: £720).

Of expenditure on charitable activities of £539,308 in the prior year, £325,961 related to unrestricted funds and £213,347 related to restricted funds.

Expenditure on raising funds

Expenditure on raising funds in the period of £2,877 included expenditure relating to restricted funds of £818 and in the prior year the expenditure of £1,864 included expenditure relating to restricted funds of £800.

6 Directors and key management personnel

None of the Directors (or any persons connected with them) received any remuneration during the year, and none of them were reimbursed any travelling expenses (2019: nil).

The key management personnel comprise the Trustees, the Chief Executive and two Service Managers. The total employee benefits of the key management personnel of the company were £101,372 (2019: £106,586).

7 Pensions

The company's workplace pension scheme is operated by The People's Pension (administered by B&CE Financial Services Limited). Employees and the company make contributions into the Scheme which is a money purchase auto-enrolment scheme. New employees are automatically enrolled into the scheme and may exercise their right to opt out of the scheme at their discretion. Minimum contributions made by employees and employers are defined by government in the Pensions Act 2008 and associated Regulations and the company complies with those requirements. The total contributed by the company in the year was £11,401 (2019: £7,755).

HARROGATE HOMELESS PROJECT LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Employees

Number of employees

The average number of employees during the year was:

	2020 Number	2019 Number
Management	3	3
Support and project workers	14	13
Housekeeper	1	1
	<u>18</u>	<u>17</u>
Employment costs		
	2020 £	2019 £
Wages and salaries	437,694	394,119
Social security costs	26,938	22,554
Pension contributions	11,401	7,755
	<u>476,033</u>	<u>424,428</u>

The average number of employees as shown above is calculated on a full-time equivalent basis. The actual total average number of staff is 22 (2019: 22).

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

9 Transfers

Transfers of £105,555 from unrestricted to restricted were to extinguish fund deficits on the Springboard fund (£32,434), NSNO fund (£60,696) and SAFE fund (£12,425).

During the year expenditure totalling £18,775 was incurred in the development of the Springboard Day Centre and charged to the designated fund established for that purpose in a prior year.

HARROGATE HOMELESS PROJECT LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Tangible fixed assets

	Freehold land buildings £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 September 2019	202,813	51,121	253,934
Additions	-	8,650	8,650
Disposals	0	0	0
At 31 August 2020	202,813	59,771	262,584
Depreciation			
At 1 September 2019	7,669	36,998	44,667
On disposals	0	0	0
Charge for the year	2,556	5,406	7,962
At 31 August 2020	10,225	42,404	52,629
Net book value			
At 31 August 2020	192,588	17,367	209,955
At 31 August 2019	195,144	14,123	209,267

All fixed assets are used in direct furtherance of the charity's objectives. A property was purchased using available funds in a prior year as a move-on house due to difficulties in finding suitable premises to lease.

11 Debtors

	2020 £	2019 £
Other debtors and accrued income	6,192	8,503
	6,192	8,503

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	4,003	1,543
Taxes and social security	8,563	6,976
Deferred income	46,321	46,321
Accruals	34,344	42,385
	93,231	97,225

Deferred income includes the portion of a grant for the Service for Adults Facing Exclusion project applicable to the year beginning 1 September 2020 of £17,500 (2019: £17,500), the balance of £6,599 (2019: £6,599) on a grant from the Police and Crime Commissioner for North Yorkshire, also for the SAFE project and related to specific expenditure not yet incurred, together with the portion of a grant from the Lloyds Bank Foundation for England and Wales applicable to the year beginning 1 September 2020 of £22,222 (2019: £22,222).

HARROGATE HOMELESS PROJECT LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

13 Share capital

The company is registered as a company limited by guarantee and has no share capital. Every member of the company is a guarantor for a maximum of £1.

14 Funds

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

Restricted funds

	Balance at 1 September 2019	Movement in funds			Balance at 31 August 2020
		Income	Expenditure	Transfers	
Refurbishment fund	21	-	(5)	-	16
No 8 Bedsit furniture	21	-	(5)	-	16
Service User Fund	1,995	-	-	-	1,995
No Second Night Out	-	49,684	(110,380)	60,696	-
Service for Adults Facing Exclusion	-	30,000	(42,425)	12,425	-
Springboard	-	36,716	(69,150)	32,434	-
	<u>2,037</u>	<u>116,400</u>	<u>(221,965)</u>	<u>105,555</u>	<u>2,027</u>

The Springboard fund is for running costs of the Day Centre, and the deficit incurred of £32,434 was met by a transfer from unrestricted funds.

The No Second Night Out fund ("NSNO") incurred a deficit of £60,696 which was met by a transfer from unrestricted funds; the Service for Adults Facing Exclusion ("SAFE"), an extension of the No Second Night Out ("NSNO") service with costs largely met by grant funding from Harrogate Borough Council, incurred a deficit of £12,425 met by a transfer from unrestricted funds.

The Service User Fund is to supply materials to engage clients in specific projects in order to enhance their work ethic. The remaining funds largely relate to grants for specific property and equipment refurbishment.

Unrestricted funds

	Balance at 1 September 2019	Movement in funds			Balance at 31 August 2020
		Income	Expenditure	Transfers	
General	265,835	468,564	(355,891)	(105,555)	272,953
Designated	100,000	-	(18,775)	-	81,225
	<u>365,835</u>	<u>468,564</u>	<u>(374,666)</u>	<u>(105,555)</u>	<u>354,178</u>

Expenditure totalling £18,775 was incurred in the extension of the Springboard Day Centre and charged to the designated fund established for that purpose in a previous year.

HARROGATE HOMELESS PROJECT LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

15 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total 2020
Fund balances at 31 August 2020 are represented by:	£	£	£	£
Tangible fixed assets	204,553	-	5,402	209,955
Current assets	102,273	88,006	49,202	239,481
Current liabilities	(33,873)	(6,781)	(52,577)	(93,231)
	<u>272,953</u>	<u>81,225</u>	<u>2,027</u>	<u>356,205</u>

Tangible fixed assets include freehold land and buildings with a net book value of £192,588 representing a Move-On property in the No Second Night Out scheme. The property was purchased in 2017 due to difficulties in sourcing suitable properties for lease when occupants are receiving benefits.

The balance of unrestricted funds remaining after accounting for tangible fixed assets is £68,400 and this represents the free funds available for continuing the charity's daily activities.

16 Commitments under operating leases

As at the year end and the prior year end there were no commitments under operating leases.

17 Commitments

The properties used for temporary accommodation were leased, rent free, from Harrogate Borough Council until 20 March 2025. The annual rental value of the properties is estimated to be £12,000.

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

	2020 £	2019 £
Net movement in funds	(11,667)	17,664
Add back depreciation	7,962	7,264
Deduct interest income shown in Investing activities	(326)	-
Decrease (increase) in debtors	2,311	(2,969)
Increase (decrease) in creditors	(3,994)	30,282
Net cash used in operating activities	<u>(5,714)</u>	<u>52,241</u>