

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

Homeless Action Resource Project
Charitable Company Limited by Guarantee
Financial Statements
31st March 2021

Homeless Action Resource Project
Charitable Company Limited by Guarantee
Contents page
Year ended 31st March 2021

	Page
Trustees' annual report (incorporating the Directors' report)	2-12
Independent auditor's report to the members	13-16
Statement of Comprehensive Income (including income and expenditure account)	17
Statement of financial activities (including income and expenditure account)	18
Statement of financial position	19
Statement of cash flows	20
Notes to the financial statements	21-36
The following pages do not form part of the financial statements	
Detailed statement of financial activities	37-40

Homeless Action Resource Project

Charitable Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31st March 2021

The Trustees, who are also the Directors for the purposes of company law, present their report and the financial statements of the Charity for the year ended 31st March 2021.

Reference and administrative details

Registered Charity name	Homeless Action Resource Project
Trading name	HARP (Southend's Homelessness Charity)
Charity registration number	1098126
Company registration number	04566985
Social Housing Regulator number	4742
Principal office and registered office	146 New London Road Chelmsford Essex CM2 0AW
The Trustees	Alistair Barr (Honorary Treasurer) Iain Campbell Lilias Felton Richard Hair (Chair) Alex Kaye Michael Nevin (appointed 14 December 2020) Joanne Prestidge Mark Rothman Haroon Siddique Debbie Stanton Peter Thorn Yvonne Vickers
Key management	Jackie Bliss (Chief Executive) Nicole Houston (Director of Property Development) Stephen Mansfield (Director of Fundraising and Communications) Jacqueline Saxby (Director of Finance and HR) Gary Turner (Director of Service Operations)
Auditor	Edmund Carr LLP Chartered Accountants & Statutory Auditor 146 New London Road Chelmsford Essex CM2 0AW

Homeless Action Resource Project

Charitable Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31st March 2021

Objectives and activities

HARP offers a unique service in South East Essex. With our mission of doing everything we can to try to end homelessness within Southend-on-Sea, we identify homeless need as our starting point. We then work to enable people to move towards independent living, offering a comprehensive service with a range of emergency and longer term supported housing together with training, support and meaningful activities. Our services are all designed to enable our service users - including those who are vulnerable and most 'hard to reach' - an opportunity to re-establish themselves within their local community and prevent a return to homelessness. The Charity achieves its objectives partly by preventing homelessness in the first place by working closely with those at risk of becoming so, partly by seeking to address the root causes behind individuals' experience of homelessness, and partly through our services described above and below. HARP's vision in our Five Year Strategy for 2018 to 2023 is to be in a position, by March 2023, whereby no one who comes to us seeking emergency accommodation has to be turned away due to lack of our resources or capacity.

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

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

STRATEGIC REPORT

Achievements and performance

The need

HARP assisted 852 people during the year who were either homeless or at risk of becoming homeless, compared with 1,221 in 2019/20. In many ways, 2020/21 is incomparable with previous years, due to the Covid19 pandemic and the effect this had on homelessness nationally, which was seen equally here in Southend. At the outset of the global spread of this virus, HARP was amongst many organisations in our sector calling for urgent action to be taken to provide safe accommodation for the street homeless, not just for their own health but for the wider public interest. Central Government acted swiftly in April 2020 to launch their Everyone In campaign, which led to the vast majority of the UK's rough sleepers being housed temporarily in "bed and breakfast" (B&B) or hotels, which were empty due to the national lockdown by then in place. Introduction of a ban on evictions and the lockdowns themselves, together with the new furloughing scheme to keep people in employment, all contributed towards reducing levels of new homeless during 2020/21, as well as

Homeless Action Resource Project

Charitable Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31st March 2021

keeping existing homeless off the streets. Although there were only some 35 or so people sleeping rough when Everyone In was launched, large numbers of "hidden homeless" individuals – who had been sofa-surfing, or living in unsafe and inappropriate accommodation or relationships – rapidly emerged seeking emergency housing. At its peak, therefore, the Everyone In programme housed 139 people in the local B&Bs who would otherwise have been either rough sleeping or hidden homeless. HARP was both proud and relieved that despite the health vulnerabilities of our clients, Covid did not sweep through our properties as it did care homes, with less than a handful of infections affecting our residents or those housed in the B&Bs.

a. Age and gender

Age and gender breakdown for all service users for 2020/2021					
Age	Male	Female	Non binary	Totals	%
18 - 25	101	88	3	192	22.5%
26 - 29	61	17	0	78	9.2%
30 - 59	388	142	2	532	62.4%
60 +	45	5	0	50	5.9%
Totals	595	252	5	852	100.0%
	69.9%	29.6%	0.5%	100.0%	

b. Rough sleepers

Long Term Rough Sleepers (LTRS) are defined as those who have spent the equivalent of three months or more sleeping on the streets in their lifetime, and Short Term Rough Sleepers (STRS) are those who have spent time on the streets, but not yet the equivalent of three months' of nights in total. Of the 463 rough sleepers we helped during 2020/21 (2019/20: 596), 297 were LTRS and 166 STRS. Rough sleepers made up 54.3% of total service users, with LTRS representing 34.85% and STRS being 19.48% of the total. Of these rough sleepers, 253 (190 LTRS and 63 STRS) (2019/20: 340) had complex needs, i.e. were rough sleepers with a history of drug, alcohol and/or mental health issues.

c. Mental illness

531 people (63% of total service users) reported having a history of or were currently experiencing mental health issues, compared with 715 (59%) last year. There was a similar growth pattern in mental illness for young people aged 18 to 25 and for women. This has continued a steady increase year-on-year since 2010/11, when only 221 service users presented to HARP with mental health conditions.

d. Substance misuse

521 people (61%) reported having drug and/or alcohol misuse issues in 2020/21, which is broadly in line with the 728 (59.6%) seen in the previous year. Once again, there has been a steady increase since 2010/11 (466 = 30.0%).

e. Young people

HARP does not work with young people under the age of 18. A total of 192 (22.5%) of HARP's clients in 2020/21 were young people aged between 18 and 25, compared to 283 (23.2%) in the previous year.

f. Women

252 women (29.6% of total service users) sought assistance from HARP in 2020/21. This compared with 328 (26.9%) in the previous year. Of service users who were **resident** with HARP this year,

Homeless Action Resource Project

Charitable Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31st March 2021

34.0% were female (averaged over 2020/21 as a whole), compared with 30.0% in 2019/20.

Resources

Emergency day services

In "normal" times, our Bradbury Day Centre represents a "one-stop-shop" for those who find themselves homeless or at risk of becoming homeless, providing free rough sleeper breakfasts, showers, training and access to medical attention. It also usually offers advice and support, clean clothes, laundry, and various meaningful activities aimed at helping to motivate people to get back on their feet. With funding from Southend Borough Council as part of the MHCLG's national Rough Sleeping Initiative, HARP was able to provide two services based in the Bradbury Centre: an emergency overnight "sit up" shelter service, providing a safe place to sleep for up to 12 service users with cooked breakfast the next morning, plus street outreach aimed at rough sleepers.

Inevitably, the Covid19 lockdowns required HARP to largely close our Bradbury Centre to the public during 2020/21, and HARP's support for our clients moved primarily to being delivered remotely via telephone, or via our newly created online chat facility (TAWK). While the situation relaxed slightly in between lockdowns, with more face to face support being provided with PPE (personal protective equipment) and as much social distancing as is feasible when working with complex and often chaotic individuals, it was deemed unsafe to continue to operate our "sit up" service at all, which has now ceased. In any event, this was scarcely needed during the year, due to the Everyone In campaign. HARP's outreach service, now employing five workers, continued during the year but with much of the team's work becoming more of an "in-reach" to support the former rough sleepers accommodated temporarily in local B&Bs.

Accommodation

By 31st March 2021, HARP had a total of 226 available beds (2019/20: 214 units excluding up to twelve "sit up" beds). All accommodation offered by HARP is part of a multi-stage process in a homeless person's journey from street to independent living. Despite the challenges posed by the pandemic, HARP was proud to be able to open a new nine-bed property during the year specialising in individuals recovering from drug or alcohol addictions – our new "Building Bridges" project.

Training, employment and volunteering

HARP's service model is based on the three key elements of Support, Accommodation and Meaningful Activity ('SAM'). Meaningful Activity is an essential part of our programme, as research has shown that people taking part in such activities have purpose and motivation to address their underlying issues, and are consequently more likely to succeed in rebuilding their lives and moving on to independent living. We offer a wide range of services and some of these are in a training room and other facilities at HARP's Bradbury Centre which are also used by other training organisations, e.g.: the Southend Adult Community College runs Tenancy Sustainment courses there. An unfortunate outfall from Covid19 was that it proved difficult to provide anything more than a skeleton meaningful activities programme or training during 2020/21, but the intention for the future is very much to relaunch this as soon as the lifting of government restrictions permits. The nature of HARP's clients is such that we have to take an ultra-cautious approach when risk-assessing our service delivery, because individuals who have suffered trauma and whose behaviour may be chaotic – due to mental health conditions or substance/alcohol misuse – are often not able or willing to comply with the usual social distancing rules or use of PPE.

Housing outcomes

Of the 852 people who sought our assistance during 2020/21 (2019/20: 1,221), we helped 494 (2019/20: 638) people to either find or keep their accommodation. Of those, 260 cases were closed (2019/20: 310), 49 with a known positive outcome and 12 with negative outcomes, such as return to

Homeless Action Resource Project

Charitable Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31st March 2021

prison. A total of 199 of the cases closed had an unknown outcome as those service users had ceased contact with the Charity for three months or more and many will have left the area, making it difficult for HARP to know whether their final outcomes were positive or negative. As at 31st March 2021, 98 people still lacked accommodation (2019/20: 273). This was mainly due to lack of suitable property, so to help to address that, HARP employs a Landlord Liaison and Eviction Prevention Officer, funded by Nationwide via the Essex Community Foundation for two years, to build relationships with the private rented sector. To increase HARP's capacity to provide accommodation for our clients while we work with them to overcome the root causes of their homelessness, we were delighted to be able to start on site at our new "Bluebird Project" development, which by 2022/23 will provide a further 50+ bedspaces in total, partly through a newly constructed row of six houses and also through existing properties owned or leased which forms part of this new housing complex.

Public benefit

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

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

We have considerable presence locally in an area of high deprivation. Southend was the ninth worst area in the UK in terms of numbers of people sleeping rough in November 2017, and consequently was awarded grants from the MHCLG's (Ministry of Housing, Communities and Local Government) first tranche of its Rough Sleeping Initiative (RSI) funding in 2018/19. This was continued and enhanced in 2019/20 but Covid19 required the RSI funding to be repurposed during 2020/21, as our former "sit up" approach to providing temporary beds in our Day Centre was no longer considered safe. Instead, for the latter half of the year, HARP's MHCLG funding was used to provide five "hub beds" at our Heath House property (adjoined to the Bradbury Centre), and to employ High Intensity Project Workers and some Housing Support Workers to help support individuals accommodated in local B&Bs via Everyone In. In the three years of the RSI programme, levels of rough sleeping in Southend have reduced from 72 to "only" eight by December 2020, this reduction of almost 90% far exceeding the national average of 43%. HARP has also made great progress towards our Five Year Strategic goal of "No one turned away by 2023". In the year ended March 2018, 319 people had to be turned away from our emergency accommodation due to lack of capacity, but by March 2021, this had fallen to 79 – a reduction of 76%.

While levels of rough sleeping have reduced dramatically, however, we anticipate that the need for our services will sadly continue to grow, as the country starts to experience the economic outfall from Covid19, perhaps exacerbated by Brexit. Together with the lifting of the eviction ban in 2021/22 and the working through by the courts of the backlog in evictions already in process at the time the ban commenced, we expect to see rising levels of homelessness in future years. Consequently, continued expansion remained a high priority in our Corporate Business Plan for 2021/22.

Homeless Action Resource Project

Charitable Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31st March 2021

Volunteers

In pre-Covid times, a huge contribution has always been made by our volunteers, who at 31st March 2020 numbered 126, excluding the Trustees. As the virus spread through the UK in early 2020, we quickly took the decision to stand down our entire volunteer workforce, due primarily to concerns about their safety given their typical age profile. We have always felt that without our valued "army" of volunteers, the Charity would struggle to operate. While the work usually undertaken by many volunteers could not take place during 2020/21 due to our charity shops being closed and staff furloughed for much of the year, and to the near-closure of our Bradbury Centre with few rough sleeper breakfasts being served, nevertheless we felt the loss of volunteers acutely, the burden of extra work falling primarily on our frontline staff. As the country moves out of lockdown restrictions in the latter half of 2021, we are now gradually bringing back our volunteers, having realised more than ever just how valuable they are to HARP.

Food donations

We are always incredibly grateful to local business and members of the public who donate food to HARP to be served at our Day Centre and this has not diminished during the pandemic. We have tried to quantify this for the first time this year and reliably estimate that the value of food donated is approximately £ 250,000. We have included this amount in our donations and in the food expenditure costs for 2021 but as no figure is available for 2020, this explains the increase in donations and food costs year on year.

Financial review

Our net surplus for the year ended 31st March 2021 was £ 1,173,231. Total funds at the end of the year were £ 7,105,861. Of this, £ 5,785,727 represented the value of accommodation which HARP provides for the homeless. Our principle funding source is from housing income (see note 6) and this is used to run, and continue to maintain, HARP's high standard of housing stock for homeless people. This income allows us to provide the support our residents need to enable them to move towards independent living and a healthier lifestyle. We also receive grant funding (see note 6) which allows us to provide additional specialist support for particularly vulnerable and at-risk homeless individuals.

The freehold properties have been reviewed by the Trustees in the year to ensure the valuations being carried in the accounts reflect a fair market value. A professional valuation was carried out by Jones Lang LaSalle in May 2021 using the 'existing use' valuation method for the majority of the properties in the portfolio. Additions or redevelopments in the year have been included at their cost price and the properties at Ceylon Road, Heath House and White Heather House have been revalued by an independent valuer.

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

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

Homeless Action Resource Project

Charitable Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31st March 2021

plan to expand our available accommodation for local homeless people

At the end of the financial year, £ 477,750 is included in debtors as receivable from Homes England for the Bluebird Project as this was payable on the start of the project at end March 2021 but was not received until early April. This plus a provision from free reserves of £ 300,000 was transferred to reserves designated for the Bluebird Project at the year end.

Reserves statement

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

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

Charity Commission guidance defines free reserves as 'income which becomes available to the Charity and is to be expended at the Trustees' discretion in furtherance of the Charity's objects, but is not yet spent, committed or designated'. At the balance sheet date, the Charity's net free current asset reserves amounted to £498,792 (2019/20: £432,564) after deducting fixed assets, long term liabilities, designated reserves and restricted balances from total funds.

This represents approximately six weeks' of expenditure (2019/20: 6 weeks). The Trustees' aim is to build up the level of free reserves over time, but this remains a challenge due to the continued rise in homelessness and the Charity's need to continue to invest most of its funds each year into combatting that.

Plans for future periods

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

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

Homeless Action Resource Project

Charitable Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31st March 2021

for money is obtained from the funds we have obtained from the public sector or from our donors.

Pay policy for senior staff

The Directors of the Company are also the Charity's Trustees. All Trustees give up their time freely, and no Trustees received remuneration in the year.

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

Events after the end of the reporting period

Bluebird Project

On 29th March 2021 HARP entered into a JCT contract with A.W.Hardy Ltd for £2.264 million for the construction of 6 new build houses and the refurbishment and remodelling of no's 45 and 47 Southchurch Avenue. Total project cost of £3.166 million.

Funding is provided by Homes England. The project is to be funded by a grant from Homes England for £1.365 million, (of which in line with their contract, £1,023,750 has been received to date, with the balance on completion) borrowing of £1.525 million and grants and donations totalling £100,000 with the balance of £176,000 from reserves.

Borrowing

Borrowing of £1.525 million is made up of £600,000 from St.Clement's Church and £925,000 of the offered loan of £1,459 million from Charity Bank.

The £1,459 million from Charity Bank is designated £925,000 for the Bluebird Project; £250,000 towards the purchase of the flats at 49 Southchurch Avenue that completed in March 2021 and £284,000 towards the proposed remodelling of properties in York Rd.

Structure, governance and management

Governing document

The Charity is controlled by its governing document, the Memorandum and Articles of Association, and constitutes a Company Limited by Guarantee, as defined by the Companies Act 2006. HARP is also a Registered Social Housing Provider, and consequently regulated by the Social Housing Regulator.

Organisational structure

The Charity is governed by its Trustees, who are selected to provide a broad base of expertise in social welfare, legal matters, finance, human resources, homelessness and charity administration. At the outset of the pandemic, Trustee Board meetings moved from being held monthly to quarterly (via Zoom during 2020/21 and to date in 2021/22). The former practice has been discontinued of a representative of Serving the Homeless (a long-term donor to and supporter of HARP) and a sitting Councillor from the Local Authority being invited to attend the meetings once each quarter, those

Homeless Action Resource Project

Charitable Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31st March 2021

sessions having been designated 'Management Committee meetings' rather than 'Trustees meetings'. That arrangement was considered by HARP's Trustees to be an anachronism due to the growth of the Charity over the years.

The Trustees have chosen to exercise much of the Charity's governance and oversight via the following sub-committees: Governance Committee (comprising the Chair of Trustees, Chief Executive and the Chairs of each Sub-Committee); Premises Committee; Personnel & Services Committee, Finance Committee, Fundraising & Communications Committee. The day-to-day operating decisions of the Charity are delegated via a Scheme of Delegated Authority to the Chief Executive Officer, Jackie Bliss, who reports directly to the Trustees via the Chair, Richard Hair.

New Trustees are recruited through personal recommendation or increasingly via external advertising – the latter being considered more desirable in terms of achieving Equality, Diversity and Inclusion – and are selected according to their relevant skills, expertise and the sympathy they demonstrate towards the plight of the homeless. Prospective Trustees attend one or more Trustees meetings (including a Sub-Committee) in addition to being interviewed by a panel of Trustees. One new Trustee was appointed during the year, Michael Nevin. Trustees attend an induction programme following their appointment, and all Trustees are offered suitable training opportunities according to their needs.

Risk management

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

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

- reviewed its financial control system to protect its assets and help to prevent fraud and other irregularities
- reviewed all relevant regulations with regards to the conduct of its principal activities
- ensured that regulations governing employment law and taxation are complied with
- continuously monitored Health and Safety risks for its staff, volunteers and clients, particularly during the year in respect of Covid19
- reviewed its information management systems to ensure compliance with the data protection regulations known as GDPR
- implemented other risk management measures as appropriate, including insurances where available, to help mitigate those risks which cannot be eliminated entirely
- appointed expert health and safety consultants, human resources consultants, and other professional firms or individuals, to advise the Charity and the Trustees as and when required.

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

- the Charity's ability to continue to provide its services against the background of the Covid19 global pandemic, with the need to balance the safety of staff and volunteers with achievement of HARP's core charitable object of meeting the needs of Southend-on-Sea's homeless people
- the impact on the national and local economy from Covid19 as well as from 'Brexit', both in terms of increased rates of homelessness due to rising poverty, and reduced funding available to the government
- the long-term sustainability of housing benefit paid directly to HARP, in light of the potential for central government policy to seek to replace this over time with a 'cheaper' funding

Homeless Action Resource Project

Charitable Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31st March 2021

mechanism

- the continued rolling out of Universal Credit, to replace existing social welfare benefits, having the potential to result in increased levels of homelessness in the Southend area
- the continued shortage of suitable affordable accommodation within the local vicinity, especially during Southend Council's redevelopment of the local Queensway social housing over the coming decade which will have the effect of increasing pressure on affordable housing while existing tower blocks are demolished and new accommodation is being constructed to replace those; this is likely to increase the need for HARP's services whilst at the same time increasing the cost to the Charity of housing both existing and new service users
- the non-renewal of major multi-year revenue grants such as our Day Centre and Heath Centre grants from Southend Borough Council, the latter having expired at the end of March 2021
- the risk that the Ministry of Housing, Communities and Local Government (MHCLG) decides to discontinue funding its Rough Sleeping Initiative project, and the impact that could have on HARP's ability to continue to operate its emergency services including outreach work
- the relatively small size of the Charity's staffing, constraining opportunities for segregation of duties and resulting in over-reliance on individuals for key tasks such as preparing payroll.

Trustees' responsibilities statement

The Trustees (who are also Directors of HARP for the purposes of company law) are responsible for preparing the Trustees Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and

Homeless Action Resource Project

Charitable Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31st March 2021

- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

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


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

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

Small company provisions

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

The Trustees' annual report was approved on 13 September 2021 and signed on behalf of the board of Trustees by:


R. Hall
Trustee


A. Barr
Trustee

Homeless Action Resource Project

Charitable Company Limited by Guarantee

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

Year ended 31st March 2021

Opinion

We have audited the financial statements of Homeless Action Resource Project (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of comprehensive income, the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021, and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustees Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Trustees Annual Report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be

Homeless Action Resource Project

Charitable Company Limited by Guarantee

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

Year ended 31st March 2021

materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the 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' Annual Report (incorporating the directors' report). We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

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

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

Responsibilities of the Trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

Homeless Action Resource Project

Charitable Company Limited by Guarantee

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

Year ended 31st March 2021

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations for the company, including the Companies Act 2006, tax legislation and data protection, anti-bribery, employment, environmental and health and safety legislation.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- Considered the internal controls in place to mitigate the risks of fraud and non-compliance with laws and regulations

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships
- Tested journal entries to identify unusual transactions

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation
- Enquiring of management as to actual and potential litigation and claims

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Homeless Action Resource Project

Charitable Company Limited by Guarantee

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

Year ended 31st March 2021

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sandra Morrell 15.09.2021

S Morrell (Senior Statutory Auditor)
For and on behalf of Edmund Carr LLP
Chartered Accountants and Statutory Auditor
146 New London Road
Chelmsford
Essex
CM2 0AW

Homeless Action Resource Project

Charitable Company Limited by Guarantee

Statement of Comprehensive Income (Including Income and Expenditure Account)

Year ended 31st March 2021

	2021	2020
	Total funds	Total funds
	£	£
Turnover	5,693,683	4,321,682
Operating expenditure	(4,415,640)	(3,629,448)
Operating surplus / (deficit)	1,278,043	692,234
Interest receivable	155	185
Interest and financing costs	(40,174)	(52,273)
Downward revaluation of housing properties	(64,793)	(240,037)
Total comprehensive income for the year	1,173,231	400,109

The statement of comprehensive income was approved by the board of trustees on 13 September 2021 and was signed on its behalf by:

R. R. Hair
Trustee



A. Barr
Trustee



Homeless Action Resource Project

Charitable Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31st March 2021

		Unrestricted funds £	2021 Restricted funds £	Total funds £	2020 Total funds £
	Note				
Income and endowments					
Donations and legacies	5	655,590	236,500	892,150	450,654
Charitable activities	6	3,139,323	728,423	3,867,746	3,200,838
Other trading activities	7	102,684	479,250	581,934	642,000
Investment income	8	155	-	155	185
Other income	9	351,698	-	351,698	28,190
Total income		<u>4,249,450</u>	<u>1,444,233</u>	<u>5,693,683</u>	<u>4,321,867</u>
Expenditure					
Expenditure on raising funds:					
Fundraising costs	10	170,722	-	170,722	169,045
Expenditure on charitable activities	11,12	3,490,799	794,138	4,284,937	3,512,676
Total expenditure		<u>3,661,521</u>	<u>794,138</u>	<u>4,455,659</u>	<u>3,681,721</u>
Net income		<u>587,929</u>	<u>650,095</u>	<u>1,238,024</u>	<u>640,146</u>
Other recognised gains and losses					
Revaluation of freehold property			(64,793)	(64,793)	(240,037)
Net movement in funds		<u>587,929</u>	<u>585,302</u>	<u>1,173,231</u>	<u>400,109</u>
Reconciliation of funds					
Total funds brought forward		2,308,254	3,624,375	5,932,629	5,532,520
Total funds carried forward		<u>2,896,183</u>	<u>4,209,677</u>	<u>7,105,860</u>	<u>5,932,629</u>

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

All income and expenditure derive from continuing activities.

Homeless Action Resource Project

Charitable Company Limited by Guarantee

Statement of Financial Position

Company registration number 04566985

31st March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	18	7,083,097	6,524,817
Current assets			
Debtors	19	647,282	847,800
Cash at bank and in hand		<u>1,028,727</u>	<u>278,903</u>
		1,676,009	1,126,703
Creditors: amounts falling due within one year	20	<u>355,876</u>	<u>348,139</u>
Net current assets		1,320,133	778,464
Total assets less current liabilities		8,403,230	7,303,381
Creditors: amounts falling due after more than one year	21	1,297,370	1,370,752
Net assets		<u>7,105,860</u>	<u>5,932,629</u>
Funds of the Charity			
Restricted funds		4,209,677	3,624,375
Unrestricted funds		<u>2,896,183</u>	<u>2,308,254</u>
Total Charity funds	22	<u>7,105,860</u>	<u>5,932,629</u>

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

These financial statements were approved by the Board of Trustees and authorised for issue on 13 September 2021.

and are signed on behalf of the Board by:


R.R. Hair
Trustee


A. Barr
Trustee

Homeless Action Resource Project
Charitable Company Limited by Guarantee
Statement of Cash Flows
Year ended 31st March 2021

	2021	2020
	£	£
Cash flows from operating activities		
Net income	1,238,024	640,146
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	48,600	50,094
Other interest receivable and similar income	(155)	(185)
Interest payable and similar charges	40,174	57,474
Gain on disposal	(6,966)	-
<i>Changes in:</i>		
Trade and other debtors	200,518	(628,964)
Trade and other creditors due in one year	7,737	249,623
Cash generated from operations	1,527,932	368,188
Interest paid	(40,174)	(57,474)
Interest received	155	185
Net cash from operating activities	<u>1,487,913</u>	<u>310,899</u>
Cash flows from investing activities		
Purchase of tangible assets	(664,707)	(422,033)
Proceeds from sale of tangible assets	-	-
Long terms loan for purchase of assets	(73,382)	(53,248)
Net cash used in investing activities	<u>(738,089)</u>	<u>(475,281)</u>
Net increase (decrease) in cash and cash equivalents	749,824	(164,381)
Cash and cash equivalents at beginning of year	<u>278,903</u>	<u>443,284</u>
Cash and cash equivalents at end of year	<u><u>1,028,727</u></u>	<u><u>278,903</u></u>

Homeless Action Resource Project

Charitable Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31st March 2021

1. General information

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

2. Statement of compliance

The financial statements are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2020.

3. Accounting policies

Basis of preparation

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

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

Going concern

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

Judgements and key sources of estimation uncertainty

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

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

Income tax

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

Homeless Action Resource Project
Charitable Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31st March 2021

3. Accounting policies *(continued)*

Fund accounting

Funds held by the Charity are either:

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

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

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

Incoming resources

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

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

Grants received

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

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

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

Homeless Action Resource Project

Charitable Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31st March 2021

3. Accounting policies *(continued)*

Resources expended

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

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

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

Operating leases

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

Tangible assets

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

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

Depreciation

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

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

Homeless Action Resource Project

Charitable Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31st March 2021

3. Accounting policies *(continued)*

Impairment of fixed assets

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

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

Financial instruments

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

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

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

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

4. Limited by guarantee

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

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations	655,590	236,560	892,150
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Donations	379,586	71,068	450,654

Homeless Action Resource Project

Charitable Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31st March 2021

5. Donations and legacies *(continued)*

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

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Grants from charitable bodies	-	24,000	24,000
Statutory contracts	-	704,423	704,423
Housing benefit and service charges	3,139,323	-	3,139,323
	<u>3,139,323</u>	<u>728,423</u>	<u>3,867,746</u>

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

7. Other trading activities

	Restricted Funds £	Total Funds 2021 £	Restricted Funds £	Total Funds 2020 £
Donations from Charitable trusts	1,500	1,500	28,500	28,500
Statutory contracts for Capital Projects	477,750	477,750	613,500	613,500
Shop sales	102,684	102,684	-	-
	<u>581,934</u>	<u>581,934</u>	<u>642,000</u>	<u>642,000</u>

Shop sales have been reclassified in the current year to be shown as income from other trading activities (2020: Charitable activities)

Homeless Action Resource Project

Charitable Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31st March 2021

8. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Bank interest receivable	155	155	185	185

9. Other income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Government receipts re Covid (Furlough/Retail scheme)	345,321	345,321	-	-
Other income	6,377	6,377	28,190	28,190
	351,698	351,698	28,190	28,190

10. Fundraising costs

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Wages and salaries	149,937	149,937	149,020	149,020
Activities	-	-	125	125
Rates & water	2,119	2,119	-	-
Equipment and IT costs	4,270	4,270	4,747	4,747
Motor and travelling expenses	2,423	2,423	1,982	1,982
Telephone	2,008	2,008	1,874	1,874
Printing, postage and stationery	1,688	1,688	2,599	2,599
Subscriptions	107	107	178	178
Marketing	8,170	8,170	8,520	8,520
	170,722	170,722	169,045	169,045

Homeless Action Resource Project
Charitable Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31st March 2021

11. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Services to the homeless	2,933,632	794,138	3,727,770
Support costs	557,167	-	557,167
	<u>3,490,799</u>	<u>794,138</u>	<u>4,284,937</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Services to the homeless	2,344,738	591,640	2,936,378
Support costs	576,298	-	576,298
	<u>2,921,036</u>	<u>591,640</u>	<u>3,512,676</u>

12. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Services to the homeless	3,727,770	399,758	4,127,528	3,334,067
Governance costs	-	157,409	157,409	178,609
	<u>3,727,770</u>	<u>557,167</u>	<u>4,284,937</u>	<u>3,512,676</u>

13. Analysis of support costs

	Total 2021 £	Total 2020 £
Premises	249,037	287,245
Communications and IT	49,910	32,051
General office	100,811	78,393
Governance costs	153,209	178,609
	<u>557,167</u>	<u>576,298</u>

14. Net income

Net income is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	48,601	50,094
Loss/(gains) on disposal of tangible fixed assets	-	-
Operating lease rentals	374,038	279,059
Auditors remuneration	<u>11,750</u>	<u>12,000</u>

Homeless Action Resource Project
Charitable Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31st March 2021

15. Auditors' remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	11,750	12,000

The auditor's remuneration amounts to an audit fee of £11,750 (2020: £12,000).

16. Staff costs

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

	2021	2020
	£	£
Wages and salaries	2,238,250	1,862,856
Social security costs	187,881	153,579
Pension contributions	47,089	40,273
Agency staff	215,985	166,964
	<u>2,689,205</u>	<u>2,223,672</u>

The average head count of employees during the year was 97 (2020: 93). The average number of full-time equivalent employees during the year is analysed as follows:

	2021	2020
	No.	No.
Charitable purposes	86	70
Management and administration	7	7
	<u>93</u>	<u>77</u>

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

	2021	2020
	No.	No.
£60,000 to £69,999	2	2
£70,000 to £79,999	<u>2</u>	<u>2</u>

Key management personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the Charity. The total remuneration benefits paid to key management personnel for services provided to the Charity was £392,449 which includes employer's national insurance contributions of £40,262 (2020: £368,907 including employer's national insurance of £37,524).

17. Trustee remuneration and expenses

The Trustees neither received nor waived any remuneration during the year (2020: £Nil) and no Trustees received payment for expenses during the year (2020: £ nil)

Homeless Action Resource Project
Charitable Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31st March 2021

18. Tangible fixed assets

	Freehold property £	Motor vehicles £	Equipment £	Total £
Cost				
At 1 April 2020	6,248,318	37,406	597,774	6,883,498
Additions	639,858	17,759	7,090	664,707
Disposals	-	-	(8,362)	(8,362)
Revaluations	(64,794)	-	-	(64,794)
At 31 March 2021	6,823,383	55,165	596,502	7,475,050
Depreciation				
At 1 April 2020	-	15,613	343,067	358,680
Charge for the year	-	5,258	43,343	48,601
Disposals	-	-	(15,329)	(15,329)
At 31 March 2021	-	20,871	371,081	391,952
Carrying amount				
At 31 March 2021	6,823,383	34,294	225,421	7,083,097
At 31 March 2020	6,248,318	21,794	254,705	6,524,817

The freehold properties have been reviewed by the Trustees in the year to ensure the valuations being carried in the accounts reflect a fair market value. A professional valuation was carried out by Jones Lang LaSalle in May 2021 using the 'existing use' valuation method for the majority of the properties in the portfolio. Additions or redevelopments in the year have been included at their cost price and the properties at Ceylon Road, Heath House and White Heather House have been revalued by an independent valuer.

Included within bank loans and overdrafts is an amount of £ 1,289,637 (2020: £1,307,000) which is secured by The Charity Bank Limited by way of a fixed charge over Vancouver House, 36 Genesta Road, 58 York Road and 117 York Road. There is also a floating charge covering all the property and undertaking of the company. The legal charge also contains a negative pledge.

Tangible fixed assets held at valuation

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

	Freehold property £
At 31 March 2021	
Aggregate cost	9,209,978
Aggregate depreciation	-
Carrying value	9,209,978
At 31 March 2020	
Aggregate cost	8,768,232
Aggregate depreciation	-
Carrying value	8,768,232

Homeless Action Resource Project
Charitable Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31st March 2021

19. Debtors

	2021	2020
	£	£
Prepayments and accrued income	41,714	746,420
Other debtors	605,568	101,380
	<u>647,282</u>	<u>847,800</u>

Included within prepayments and deferred income is an amount of £1,305 (2020: £6,000) which represents fundraising income received in advance of the events.

20. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	76,208	125,688
Accruals and deferred income	145,523	120,847
Social security and other taxes	52,409	48,302
Bank and third party loans	81,736	53,302
	<u>355,876</u>	<u>348,139</u>

21. Creditors: amounts falling due after one year

	2021	2020
	£	£
Bank and third party loans	1,297,370	1,370,752
	<u>1,297,370</u>	<u>1,370,752</u>

Of this amount, capital of £1,065,559 is due to be repaid after more than 5 years.

Included within bank loans and overdrafts is an amount of £1,289,637 (2020: £1,307,000) which is secured by The Charity Bank Limited by way of a fixed charge over Vancouver House, 36 Genesta Road, 58 York Road and 117 York Road. There is also a floating charge covering all the property and undertaking of the company. The legal charge also contains a negative pledge.

Homeless Action Resource Project
Charitable Company Limited by Guarantee
Notes to the Financial Statements *(continued)*

Year ended 31st March 2021

22. Analysis of charitable funds

Unrestricted funds

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
General funds	2,308,254	4,249,450	(3,661,521)	(777,750)	2,118,613
Property development	-	-	-	777,750	777,750
	<u>2,308,254</u>	<u>4,249,450</u>	<u>(3,661,521)</u>	<u>-</u>	<u>2,896,183</u>

Unrestricted funds

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

Homeless Action Resource Project
Charitable Company Limited by Guarantee
Notes to the Financial Statements *(continued)*

Year ended 31st March 2021

Restricted funds

	Balance at 1 Apr 2020 £	Income £	Expenditure/ Revaluation £	Capitalised Expenditure £	Balance at 31 Mar 2021 £
Southend Main Grant	-	118,528	(118,528)	-	-
Supporting People Grant (contract)	-	76,000	(76,000)	-	-
Serving The Homeless	-	6,250	(6,250)	-	-
Southend Rough Sleeper NSAP	-	339,895	(339,895)	-	-
Essex Probation Trust	-	170,000	-	-	170,000
Bridgepoint	-	250	(250)	-	-
Nationwide Building Society	-	15,450	-	-	15,450
Essex Community Foundation	25,000	-	(25,000)	-	-
Co-op	-	4,960	(4,960)	-	-
NHS Thurrock	-	1,684	-	-	1,684
Fowler Smith and Jones	12,000	-	(12,000)	-	-
Asda	4,000	5,000	(9,000)	-	-
Platt Rushton	-	900	(900)	-	-
Henry Smith Foundation	-	25,000	(25,000)	-	-
Landaid – for under 25s	--	24,000	(16,659)	-	7,341
Landaid Charitable Trust	-	10,055	(5,013)	-	5,042
Homeless Link (Covid fund)	-	5,352	(1,841)	-	3,511
Skipton Community	-	90,349	(90,349)	-	-
Tesco	-	1,000	(1,000)	-	-
Over 25s	-	500	(500)	-	-
Leigh Lions	-	18,500	(8,072)	-	10,428
Essex Freemasons	-	(244)	(244)	-	-
Card Factory	244	250	(250)	-	-
Others	-	500	(500)	-	-
	-	52,060	(51,927)	-	133
<hr/>					
Funds Available to Spend	41,244	966,483	(794,138)	-	213,589
Capital Fund (Fixed Assets)	3,583,131	477,750	(504,043)	439,250	3,996,088
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,624,375	1,444,233	(1,298,181)	439,250	4,209,677

During the year, HARP received a total of £339,895 through Southend Borough Council as part of the Ministry of Housing, Communities and Local Government (MHCLG) initiative to tackle rough

Homeless Action Resource Project

Charitable Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31st March 2021

sleeping. Continuation funding was obtained by the balance sheet date to enable these services to continue to operate in the following year.

Southend Main Grant

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

Nationwide Building Society

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

Fowler Smith and Jones

Provides for new white goods at Ceylon House

Henry Smith Foundation

Funding is for a 4 year Housing First Project

Homeless Link (Covid Fund)

Emergency funding received to support the charity through the Covid pandemic

NSAP

Funding is for the Next Steps Accommodation Program

New Development Projects

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

At the end of the financial year, £ 477,750 is included in debtors as receivable from Homes England for the Bluebird Project as this was payable on the start of the project at end March 2021 but was not received until early April.

Homeless Action Resource Project

Charitable Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31st March 2021

Restricted funds

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

Homeless Action Resource Project
Charitable Company Limited by Guarantee
Notes to the Financial Statements *(continued)*

Year ended 31st March 2021

23. Analysis of net assets between funds

	Tangible fixed assets £	Net current assets £	Creditors: amounts falling due after more than one year	Total 2021 £
Restricted Income Funds:				
Services to the homeless	3,996,085	213,592	-	4,209,677
Unrestricted Income Funds	3,087,012	1,106,541	(1,297,370)	2,896,183
Total Funds	<u>7,083,097</u>	<u>1,320,133</u>	<u>(1,297,370)</u>	<u>7,105,860</u>

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

24. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	393,582	333,740
Later than 1 year and not later than 5 years	718,960	632,550
	<u>1,125,542</u>	<u>966,290</u>

25. Contingencies

During 2020 the Charity received donations of £34,995 in respect of unclaimed client account balances from various solicitors. The Charity has provided an indemnity to reimburse the funds should the relevant parties ever come forward and raise a claim on the balance.

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

Homeless Action Resource Project
Charitable Company Limited by Guarantee
Notes to the Financial Statements *(continued)*

Year ended 31st March 2021

26. Related parties

In March 2020, the Charity entered into a lease at market value for a property where the landlord is a family company of which RR Hair is a director. £ 15,000 rent was paid in the year (2020:£15,000).

27. Events after the reporting period

Bluebird Project

On 29th March 2021 HARP entered into a JCT contract with A.W.Hardy Ltd for £2.264 million for the construction of 6 new build houses and the refurbishment and remodelling of no's 45 and 47 Southchurch Avenue. Total project cost of £3.166 million.

Funding is provided by Homes England. The project is to be funded by a grant from Homes England for £1.365 million, (of which in line with their contract, £1,023,750 has been received to date, with the balance on completion) borrowing of £1.525 million and grants and donations totalling £100,000 with the balance of £176,000 from reserves.

Borrowing

Borrowing of £1.525 million is made up of £600,000 from St.Clement's Church and £925,000 of the offered loan of £1,459 million from Charity Bank.

The £1,459 million from Charity Bank is designated £925,000 for the Bluebird Project; £250,000 towards the purchase of the flats at 49 Southchurch Avenue that completed in March 2021 and £284,000 towards the proposed remodelling of properties in York Rd