

CHARITY REGISTRATION NUMBER 1102542

COMPANY REGISTRATION NUMBER 4489582

HOPE COMMUNITY FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

HOPE COMMUNITY FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	C Davies A E Ibbotson E Muthiah L Davies L E Willis J Bramhall B P Kunaka	(Appointed 21 April 2022) (Appointed 30 June 2022)
Secretary	A E Ibbotson	
Charity number	1102542	
Company number	4489582	
Registered office	The Hope Centre Bernard Road Sheffield South Yorkshire S2 5BQ	
Auditor	UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield S8 0XF	
Bankers	Barclays Bank plc P.O. Box 1385 2 Arena Court Sheffield S9 2WV	
Solicitors	Geldards Number One Pride Place Pride Park Derby DE24 8QR	

HOPE COMMUNITY FOUNDATION

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HOPE COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their report and accounts for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charity's objects are:

- The advancement of education of children under statutory school age by provision of a nursery school
- Relief of poverty and sickness
- To provide facilities for recreation or other leisure time occupation with the object of improving the conditions of life
- Other such charitable purposes as the trustees think fit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Until recently, the principal activity of the charity has been the provision of early years nursery education. In the past three years, the work of the charity has diversified considerably, although the provision of early years education remains the most substantive part of our work as a charity.

Achievements and performance

The Hope Centre houses the work of Hope Community Foundation. The Hope Centre is well located to serve the needs of local communities, specifically but not exclusively those located in the S2 and S9 postcodes of the city, both of which have a higher-than-average rate of disadvantage compared with many other communities in Sheffield, and are amongst the most 10% disadvantaged in England and Wales. They represent many of the hardest hit, both in the aftermath of lockdown and the more recent cost of living crisis.

During this time, the charity, working alongside and in partnership with other statutory and non-statutory agents, has continued to provide inclusive services and support to an increasing number of local residents. This has been a considerable achievement, especially given the current review of early years provision at national level which has resulted in a high degree of uncertainty in the early years and childcare sectors.

HOPE COMMUNITY FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

Our General Community Projects

The charity has continued to seek ways in which it can extend the scope and impact of its work beyond that of childcare provision, fulfilling its strategy for diversification. With a valued support and engagement of staff and volunteers we have been able to build the strength of much of our existing provision as well as seek to work with partners to add further support options to our portfolio of services to enable us to not only meet presenting needs, but to ensure we seek to address the multiple needs of our beneficiaries and create the optimum social value across all of our services.

Key projects and Outputs:

1. Our Jigsaw café (for over 55s) is thriving with two sessions being very popular and well attended with 894 attendees over the past year. Through successfully obtaining funding for the project, we have been able to fund various activities including a recent day trip to the seaside for members of the group. The group has grown into a strong community where members feel a strong sense of belonging and support.
2. Despite some staff changes and some revisions of the delivery model, our community grocery, working in partnership with The Message Trust, has continued to deliver affordable food provision. This project now in its third year of existence remains a key part of our delivery of social impact, currently with 1,760 members and an average of 32 individual shops each day despite reduced opening times.
3. Our dedicated community hub within The Hope Centre continues to be a hive of community activity with our donation-based Foundation Café providing the environment for community connection and social cohesion.
4. Our Polka Dots toddler group has grown to be a popular event on a weekly basis during term time and we are seeking to further strengthen and grow this in the near future. In the last year 471 attendees have participated in Polka Dots activities.
5. We have commenced a project to support people coming to Sheffield from Hong Kong, called Café Connect with 35 total attendees since its inception in Summer 2023. The project provides people with various support including helping improve their grasp of conversational English.
6. We have worked together with our Local Authority under the Government's (HAF) Holiday Activities and Food programme to provide healthy holiday activities and services for the 300 children and families in our local community. This is something we hope to grow in the coming year.
7. We have continued to successfully grow our work together with Sheffield higher education providers to offer placements to undergraduate students to help them further their studies. This is something we aim to continue to develop in the future.
8. We have also piloted several new projects including:
 - Pathways- a listening and signposting project which aims to recognise and respond to the reality that our beneficiaries often have multiple needs and a low level of knowledge of or capacity to access support which is available across sectors in Sheffield.
 - Car Boot Sale- a community event designed to raise awareness of the work of Hope Community Foundation and present an accessible and affordable local market for people in the area which attracted 100 people and 22 sellers.
 - School Uniform project- working in partnership with C3 Hope Church and several local schools to provide school uniforms to local families in need.

This has been the final year of funding through the Henry Smith Charity which has enabled us to employ a volunteer coordinator; a role which has been vital in building capacity, our scope and project base and our partnerships with others in the city.

HOPE COMMUNITY FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

Our commitment to working in partnership is demonstrated by but not limited to our ongoing work with The Message Trust, Together for Sheffield, MASKK Sheffield, Voluntary Action Sheffield (VAS) and our local Universities and Schools. This partnership work has been vital in helping us to scale up the impact of our work while we are working from a smaller than preferred resource base.

In the next year we hope to further build capacity to enable us to embed and grow our current work and extend the scope and impact of these projects as well as to continue to engage volunteers and undertake the necessary organisational development to enable us to take on further contracted work, supporting our ongoing sustainability.

During this time, we will retain and continue to establish and strengthen current projects in preparation for us to consider additional provision from April 2024.

We continue to maintain a strong focus on Safeguarding vulnerable adults and young people, through the work of our Joint Safeguarding Board whose aim is to ensure that safeguarding is effective across all aspects of the work of the Hope Centre.

Our Community Nursery (Little Ark Nursery & Pre-School)

The Charity operates a community nursery which comprises both paid for and funded provision for local families. Throughout the past 18 months the nursery has succeeded in providing quality childcare and continued to work in partnership with statutory agencies despite a period of prolonged and considerable uncertainty which has been felt locally and nationally across the early years sector.

The original registration with Ofsted as an early years setting was made through Hope City Church (now C3 Trust UK) under URN: EY216880. Under this registration the nursery was rated as 'Good' on 5 March 2019. In February 2023 we successfully re-registered the nursery under Hope Community Foundation URN: 2716252 to bring the nursery officially under the Foundation from an Ofsted point of view.

Colin Davies (Trustee and Foundation Director) is now installed as the Nominated Individual for the Nursery, a requirement of Ofsted.

As part of the ongoing commitment to the nursery and recognition of its integral role in combining with other community projects, the charity recently benefited from funding which has enabled us to complete the refurbishment and upgrade of the nursery roof garden. This work has provided a refreshed external play area for nursery children and was completed successfully in early 2023.

The uncertainty and vulnerability of early years education and childcare across the country is well documented, and the ongoing viability of the sector, particularly in areas of high deprivation, remains under question. Over the past year, there has been a degree of response from local and national government, but we still consider this to be insufficient when facing the disproportionately escalating operating costs which continue to force up the cost of childcare.

Funded Early Learning (FEL) grants provided through local government through national government have increased for April 2023 and then in September 2023 which is a positive step towards bringing FEL rates back to a level which would constitute longer term viability.

HOPE COMMUNITY FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

Given the climate within which the nursery has operated and still operates, staff have worked hard to regain ground lost during COVID-19 and retain the confidence of parents in a time of uncertainty. This has been steady, and progress has been slower than expected and more recently in slight decline, which highlights a deficit in business development, associated with a possible downturn in birth rates in the area, despite the commitment to deliver a quality service for parents and children.

As a result, occupancy levels across the nursery remain considerably lower than required. Through the financial year the charity has continued to benefit from the rental, service charge and management charge concessions generously waived for the nursery by C3 Trust UK as part of the partner charity's commitment to the work and impact that the nursery delivers to the local community. A stepped reintroduction of rent was planned to be from April 2023, but at present there remains a need to continue to receive the rental waiver support for the foreseeable future. This is being reviewed regularly by Hope Community Foundation Trustees and by Trustees of C3 Trust UK.

Despite the adverse trading environment and uncertainties that the sector is experiencing, with the support of its partners over the coming months, Trustees, at this stage, remain committed to the ongoing work and recovery of the nursery and resources are being marshalled to provide the necessary support to provide the nursery with the best chance of recovery, although we appreciate that this may well take longer than expected.

Funding and Fundraising

The charity has a fundraising strategy which brings together different revenue streams including the following:

1. Primary Purpose Trading (e.g Early year provision)
2. External grant making trusts and statutory funders
3. Individual & Corporate Donations (cash and in-kind)
4. Delivery of contracted services

The charity has been successful in gaining external project funding or contracts from a number of funders and commissioners since the last Trustees Annual Report for 2021-2022 which include:

- Community Fund (Awards for all) for Jigsaw Café
- Neighbourly Funding for Foundation Café
- Henry Smith Charity to support running costs and the Volunteer Coordinator
- The Home Office, contracted to Faith Action for Café Connect
- Sheffield Hallam University for work placements
- Postcode Neighbourhood Trust towards capital improvements
- Asda Foundation for Polka Dots
- Sheffield City Council Ward Pots for Polka Dots
- Sheffield City Council People Keeping Well for Warm Spaces

These grants and support are clear evidence of the charity's concerted efforts to attract support for its work in the community.

The charity received its year three drawdowns from the Henry Smith Charity (part of a three-year funding programme which has supported capacity building across our work). We aim to re-apply to the charity for further support.

HOPE COMMUNITY FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

Previously gained grant funding for our Jigsaw café for over 55's has now been fully deployed this year to fund this activity and we have been successful in gaining further funding to support this work.

The charity continues to receive funding from individual donors and plans to be more intentional in the coming year to raise awareness of opportunities for personal support. This has recently started with individuals undertaking fundraising activities on behalf of the charity and raising almost £1,000 over the recent summer period towards general running costs.

The community café operates largely on a donation basis ensuring that the café is accessible and financially viable and has been the beneficiary of funding for providing refreshments to projects and to enable vital equipment to be upgraded.

Financial review

The trustees make strategic and operational decisions based on the financial position of the charity by reference to the financial information (i.e. budgets, cashflows) provided to them quarterly at their formal meetings. The trustees however do not get involved in the day to day detailed running of the charity except where required in order to support the appointed officers for the charity.

The charity received £389,996 (2022: £457,361) of income during the financial year to 31 March 2023 and expended £404,323 (2022: £465,478) showing a deficit of £14,327 (2022: £8,117). The principal sources of income are disclosed in notes 3 and 4 to the accounts.

The charity has unrestricted reserves of £(18,621) (2022: £(9,122)). The trustees have identified that the available reserves are at a low level and are addressing this in order to build reserves in line with the charity's reserves policy of three month's operating costs.

The trustees have assessed the major risks to which the charity is exposed, which include the risk of over-gearing due to the cross guarantee of borrowings taken out in C3 Trust UK. The trustees are satisfied that systems are in place to mitigate exposure to the major risks.

Future Progress and Development

Trustees are encouraged by the progress being made both in terms of effective delivery of existing and new community projects and the steady improvements being brought to bear in the nursery. The charity's strategy moving forward is:

- To continue to commit to the growth and strength of Little Ark Nursery & Pre-School, this being a vital part of our work and key component to the social value we provide.
- To continue to extend our community work in a managed and sustainable way whilst strengthening our links with other local provision to enable us to forge a person-centred approach to our work.
- To address short-term and medium-term staffing and capacity challenges in order to sustain and grow the output and impact of the work we undertake.
- To continue to focus on strengthening our existing projects and develop additional funding streams to promote ongoing sustainability.
- To undertake capital improvements to the community areas including upgrades to the café and toilets to improve our user-experience and quality of provision.

HOPE COMMUNITY FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

Some examples of the way this strategy will be outworked will be the following:

- Seeking funding for 2-3 additional roles to further strengthen the organisational infrastructure, thereby enabling us to grow in a managed way.
- Strengthen the vital work of the community grocery to ensure this is sustainable and effective over the medium to long term.
- Strengthen our existing programmes by extending their reach and engagement.
- Establishing our Pathways process as a central means by which we can ensure that we are delivering outcomes as well as outputs.
- To undertake a social audit of our work to quantify the social value and impact we provide through our work as a charity.
- Continue to establish vital and effective links and strategic partnerships to extend our scope of work and subsequently the impact we make.
- Continue to strengthen policies and procedures in general and increase our investment in training and development, and Human Resources through our HR Adviser, Croner HR.

Structure, governance and management

The charity is a company limited by guarantee under the provisions of the Companies Act 2006. (Number 04489582). The company does not have share capital. The charity was set up as a new company on 18 July 2002 and received registered charity status in March 2004 (Number 1102542). The company officially changed its name to Hope Community Foundation from 13 August 2021.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

C Davies

A E Ibbotson

E Muthiah

L Davies

L E Willis

J Bramhall

(Appointed 21 April 2022)

B P Kunaka

(Appointed 30 June 2022)

There are at least three managing trustees at any one time in line with the charity's governing documents. When a vacancy occurs, the trustees discuss potential candidates and instruct a trustee representative to approach potential candidates. The trustees make a final decision to appoint trustees based on cultural fit, experience, knowledge and commitment.

None of the trustees have any beneficial interest in the company. At the time of preparing these financial statements, all of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The current company secretary is Anna Elizabeth Ibbotson.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor are aware of such information.

HOPE COMMUNITY FOUNDATION

**TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2023**

The trustees' report was approved by the Board of Trustees.

C Davies

Trustee

Dated: 2 October 2023

HOPE COMMUNITY FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The trustees, who are also the directors of Hope Community Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOPE COMMUNITY FOUNDATION

Opinion

We have audited the financial statements of Hope Community Foundation (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty relating to going concern

We have identified a matter of concern in our report because we have concerns that the charity may not be able to continue as a going concern. Disclosure has been made in note 1.2 to the accounts concerning the charity's ability to continue as a going concern. The trustees are aware of certain material uncertainties which remain largely outside of the immediate control of the charity and centre around challenges facing early-years education on a national level which comprises the majority of the income of the charity. The charity is playing an active part in representing the sector where appropriate to effect positive change at local and national level.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOPE COMMUNITY FOUNDATION CONTINUED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, 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 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 our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOPE COMMUNITY FOUNDATION CONTINUED

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOPE COMMUNITY FOUNDATION CONTINUED

Based on our understanding of the charity and the sector in which it operates, we identified the principal risks of non-compliance with laws and regulations related to the acts by the charity, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the charity's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Charity Commission, review of correspondence with legal advisors and enquiries of management in so far as they related to the financial statements, and in testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Mealing (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

2 October 2023

Chartered Accountants
Statutory Auditor

HOPE COMMUNITY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds	Restricted funds	Total 2023	Unrestricted funds	Restricted funds	Total 2022
	Notes	£	£	£	£	£	£
<u>Income from:</u>							
Donations and gifts	3	27,390	43,567	70,957	38,538	109,467	148,005
Charitable activities	4	319,039	-	319,039	309,356	-	309,356
Total income		<u>346,429</u>	<u>43,567</u>	<u>389,996</u>	<u>347,894</u>	<u>109,467</u>	<u>457,361</u>
<u>Expenditure on:</u>							
Charitable activities	5	358,416	45,907	404,323	353,910	111,568	465,478
Net outgoing resources before transfers		(11,987)	(2,340)	(14,327)	(6,016)	(2,101)	(8,117)
Gross transfers between funds		2,488	(2,488)	-	(60)	60	-
Net expenditure for the year/ Net movement in funds		<u>(9,499)</u>	<u>(4,828)</u>	<u>(14,327)</u>	<u>(6,076)</u>	<u>(2,041)</u>	<u>(8,117)</u>
Fund balances at 1 April 2022		<u>(9,122)</u>	<u>17,167</u>	<u>8,045</u>	<u>(3,046)</u>	<u>19,208</u>	<u>16,162</u>
Fund balances at 31 March 2023		<u><u>(18,621)</u></u>	<u><u>12,339</u></u>	<u><u>(6,282)</u></u>	<u><u>(9,122)</u></u>	<u><u>17,167</u></u>	<u><u>8,045</u></u>

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

All income and expenditure derive from continuing activities.

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

HOPE COMMUNITY FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	11		20,457		26,054
Current assets					
Debtors	12	5,190		17,355	
Cash at bank and in hand		35,620		38,463	
		<u>40,810</u>		<u>55,818</u>	
Creditors: amounts falling due within one year	14	<u>(30,878)</u>		<u>(27,994)</u>	
Net current assets			9,932		27,824
Total assets less current liabilities			30,389		53,878
Creditors: amounts falling due after more than one year	15		(36,671)		(45,833)
Net (liabilities)/assets			<u>(6,282)</u>		<u>8,045</u>
Income funds					
Restricted funds	16		12,339		17,167
Unrestricted funds			(18,621)		(9,122)
			<u>(6,282)</u>		<u>8,045</u>

The financial statements were approved by the Trustees on 2 October 2023

C Davies
Trustee

Company registration number 4489582

HOPE COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Hope Community Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is The Hope Centre, Bernard Road, Sheffield, South Yorkshire, S2 5BQ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The accounts are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements are prepared on the going concern basis. The trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future and has agreed significant ongoing support from its parent over the next year. However, the trustees are aware of certain material uncertainties which may cause doubt on the charity's ability to continue as a going concern. These uncertainties remain largely outside of the immediate control of the charity and centre around challenges facing early-years education on a national level which comprises the majority of the income of the charity. The charity is playing an active part in representing the sector where appropriate to effect positive change at local and national level.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Grants and voluntary income comprising gifts, donations and other forms of income, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable, except insofar as they are incapable of financial measurement.

The value of services provided by volunteers has not been included.

Grants are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

HOPE COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business.

1.5 Resources expended

Resources expended are recognised in the year in which they are incurred inclusive of irrecoverable VAT.

Charitable expenditure comprises costs incurred by the charity in the delivery of its activities and includes costs that can be allocated directly to such activities and costs of an indirect nature to support them.

Grants for other charitable activities are made at the discretion of the trustees and are recognised in the year in which they are made.

Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold buildings	Straight line over the period of the lease
Fixtures, fittings & equipment	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Fixed assets costing less than £500 are not capitalised.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

HOPE COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

HOPE COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

HOPE COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. There are no judgements or estimates which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

3 Donations and gifts

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Donations and gifts	27,390	43,567	70,957	32,993	109,467	142,460
Government grants	-	-	-	5,545	-	5,545
	<u>27,390</u>	<u>43,567</u>	<u>70,957</u>	<u>38,538</u>	<u>109,467</u>	<u>148,005</u>
Grants receivable for core activities						
Coronavirus Job Retention Scheme	-	-	-	3,140	-	3,140
HMRC SSP Grant	-	-	-	655	-	655
Bounce back loan interest grant	-	-	-	1,250	-	1,250
Charity Aid Foundation	-	-	-	500	-	500
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,545</u>	<u>-</u>	<u>5,545</u>

HOPE COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

	Nursery fees and catering income £	Cafe sales £	Total 2023 £	Total 2022 £
Sales within charitable activities	<u>283,220</u>	<u>35,819</u>	<u>319,039</u>	<u>309,356</u>

HOPE COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Charitable activities

	Pre-school nursery education £	Community based activities £	Total 2023 £	Pre-school nursery education £	Community based activities £	Total 2022 £
Staff costs	279,289	33,793	313,082	256,392	90,478	346,870
Depreciation and impairment	5,597	-	5,597	6,497	-	6,497
Rent	7,491	6,000	13,491	35,766	14,203	49,969
Insurance	1,351	-	1,351	1,581	-	1,581
Cleaning	1,003	-	1,003	1,485	36	1,521
Printing, postage and stationery	1,667	77	1,744	3,717	158	3,875
Staff training	1,651	510	2,161	948	268	1,216
Catering costs	23,515	1,203	24,718	12,636	1,270	13,906
Legal and professional fees	9,432	1,218	10,650	11,166	477	11,643
Bad and doubtful debts	4,466	-	4,466	(104)	-	(104)
Sundry expenses	11,734	2,105	13,839	10,574	1,846	12,420
Advertising	812	-	812	2,228	157	2,385
Repairs and maintenance	1,588	227	1,815	2,382	1,918	4,300
Educational activities	4,407	726	5,133	4,023	757	4,780
Bank charges	3,863	48	3,911	4,139	-	4,139
	<u>357,866</u>	<u>45,907</u>	<u>403,773</u>	<u>353,430</u>	<u>111,568</u>	<u>464,998</u>
Share of governance costs (see note 7)	550	-	550	480	-	480
	<u>358,416</u>	<u>45,907</u>	<u>404,323</u>	<u>353,910</u>	<u>111,568</u>	<u>465,478</u>
Analysis by fund						
Unrestricted funds	358,416	-	358,416	353,910	-	353,910
Restricted funds	-	45,907	45,907	-	111,568	111,568
	<u>358,416</u>	<u>45,907</u>	<u>404,323</u>	<u>353,910</u>	<u>111,568</u>	<u>465,478</u>

HOPE COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Description of charitable activities

Pre-school nursery education

The charity runs a children's nursery providing pre-school childcare and education.

Community based activities

The charity runs community based activities to relieve poverty, including food poverty, and loneliness within the local community.

7 Support costs

	Support costs	Governance costs	2023	2022
	£	£	£	£
Audit fees	-	550	550	480
	<u>-</u>	<u>550</u>	<u>550</u>	<u>480</u>
	<u>-</u>	<u>550</u>	<u>550</u>	<u>480</u>
Analysed between				
Charitable activities	-	550	550	480
	<u>-</u>	<u>550</u>	<u>550</u>	<u>480</u>

Governance costs includes payment to the auditor of £550 for audit fees (2022: £480 for audit fees). Other costs includes payments to the auditor of £2,330 (2022: £2,100) for other services.

8 Trustees

C Davies together with his wife controls another company that during the year received payments totalling £1,364 (2022: £1,512) for payroll services.

None of the other trustees (or any persons connected with them) received any remuneration or any other benefits from employment with the charitable company and no trustee expenses have been incurred in the year (2022: none).

HOPE COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Staff	20	25
Trustees	7	7
	<u>27</u>	<u>32</u>

Employment costs

	2023	2022
	£	£
Wages and salaries	290,238	329,174
Social security costs	16,553	11,296
Other pension costs	6,291	6,400
	<u>313,082</u>	<u>346,870</u>

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

10 Taxation

In view of the charitable objects of the company and of its registered charity status, no taxation should be payable.

HOPE COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

11 Tangible fixed assets

	Leasehold buildings £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 April 2022	122,768	22,341	145,109
At 31 March 2023	122,768	22,341	145,109
Depreciation and impairment			
At 1 April 2022	98,521	20,534	119,055
Depreciation charged in the year	4,788	809	5,597
At 31 March 2023	103,309	21,343	124,652
Carrying amount			
At 31 March 2023	19,459	998	20,457
At 31 March 2022	24,247	1,807	26,054

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	5,190	5,963
Other debtors	-	11,392
	5,190	17,355

13 Loans and overdrafts

	2023 £	2022 £
Bank loans	45,004	50,000
Payable within one year	8,333	4,167
Payable after one year	36,671	45,833

The long-term loan is secured as part of the cross guarantee arrangement for the bank loan held by C3 Trust UK as described in note 18.

HOPE COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	13	8,333	4,167
Other taxation and social security		1,477	-
Trade creditors		3,695	1,231
Amount owed to parent undertaking		10,478	16,461
Amounts owed to fellow group undertakings		78	78
Other creditors		2,849	2,465
Accruals and deferred income		3,968	3,592
		<u>30,878</u>	<u>27,994</u>

15 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	13	<u>36,671</u>	<u>45,833</u>

HOPE COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Restricted funds

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

	Movement in funds				Movement in funds				
	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	Balance at 31 March 2023
	£	£	£	£	£	£	£	£	£
Henry Smith Charity	9,787	33,100	(38,957)	-	3,930	33,550	(31,370)	-	6,110
Hope Hampers	1,792	2,493	(947)	-	3,338	-	(530)	-	2,808
Neon Schools Programme	4,629	37	-	-	4,666	-	(4,653)	-	13
Befriending/ Jigsaw Services	3,000	-	(1,681)	-	1,319	102	(1,125)	-	296
Kickstart	-	70,465	(68,415)	-	2,050	7,815	(6,987)	(2,878)	-
Polka Dot Playgroup	-	500	(560)	60	-	500	(890)	390	-
Share the Light	-	2,872	(1,008)	-	1,864	975	-	-	2,839
Pathways	-	-	-	-	-	625	(352)	-	273
	<u>19,208</u>	<u>109,467</u>	<u>(111,568)</u>	<u>60</u>	<u>17,167</u>	<u>43,567</u>	<u>(45,907)</u>	<u>(2,488)</u>	<u>12,339</u>

HOPE COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Restricted funds

(Continued)

The charity has received its final instalment of a three year grant from the Henry Smith Charity. The grant has been awarded to assist with capacity building or projects and to strengthen the role of volunteering in the charity and has funded a Volunteer Coordinator for the whole of the period of the funding.

Various funders contributed to our efforts to tackle the impact of COVID-19 and the cost of living crisis by providing emergency food provision through our Hope Hampers to those affected either directly or indirectly.

In order to contribute to a planned project working with young people in schools, funds were raised largely through Aviva Community Fund to the Neon Schools Programme. This project has continued during the year with one person employed for one day a week.

Jigsaw services are now providing two weekly sessions for over 55s. In the last year 894 attendees have participated in Jigsaw activities.

Kickstart provides work placements for young people. This project was completed during the year.

Polka Dots play group has delivered weekly sessions during term time. In the last year 471 attendees have participated in Polka Dots activities.

Pathways is a listening and signposting processes designed to enable us to meet the multiple needs of our service users. It recognises that people connect with us often and mostly at a single point of need but meeting that need doesn't necessarily provide that person with the full support they need to help them to move forward in life. The signposting process helps to identify other needs and connect people with other services which they may find useful as well as providing them with an opportunity to connect with one of our chaplaincy team from the church if they so wish who can provide them with pastoral support.

HOPE COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Fund balances at 31 March 2023 are represented by:						
Tangible assets	20,457	-	20,457	26,054	-	26,054
Current assets/(liabilities)	(2,407)	12,339	9,932	10,657	17,167	27,824
Long term liabilities	(36,671)	-	(36,671)	(45,833)	-	(45,833)
	<u>(18,621)</u>	<u>12,339</u>	<u>(6,282)</u>	<u>(9,122)</u>	<u>17,167</u>	<u>8,045</u>

18 Financial commitments, guarantees and contingent liabilities

Hope Community Foundation along with Hope Centre Limited cross guarantee a bank loan held by C3 Trust UK. At 31 March 2023, the bank loan amounted to £681,676 (2022: £727,461) and is due to mature on 27 November 2033.

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023	2022
	£	£
Aggregate compensation	-	11,893

The trustees review payments made to employees in equivalent managerial positions in similar organisations when considering the levels of pay for key managers. The trustees also take in to consideration the ability of the charitable company to be able to pay such salaries.

The company has taken advantage of the exemption from the requirement to disclose transactions with group companies on the grounds that any such transactions were entered into between the ultimate parent or wholly owned subsidiaries of the group and that group accounts are prepared.

HOPE COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

20 Control

The ultimate controlling party is C3 Trust UK, a charitable company incorporated in the United Kingdom. C3 Trust UK control Hope Community Foundation as it is able to appoint and remove all the trustees of Hope Community Foundation. C3 Trust UK (being the smallest and largest group of which the charitable company is a member for which group financial statements are prepared) prepares group accounts and copies can be obtained from The Hope Centre, Bernard Road, Sheffield, South Yorkshire, S2 5BQ.

The parent's principal purposes are to advance the Christian faith, to relieve sickness and financial hardship and to advance education.