

Charity Registration No. 702230

Company Registration No. 02422130 (England and Wales)

**ACTION HOMELESS (LEICESTER) LTD
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

ACTION HOMELESS (LEICESTER) LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A Harrop (Chair) R Roberts C Malcherczyk A Payton (Vice Chair) T Archer L Choudhury Z Hassam (Appointed 7 July 2016)
Secretary	R Mawdsley
Charity number	702230
Company number	02422130
Principal address	Ridgeway House Little Hill Newton Lane Wigston LE18 3SE
Registered office	Ridgeway House Little Hill Newton Lane Wigston LE18 3SE
Auditor	Mayfield & Co. 2 Merus Court Meridian Business Park Leicester LE19 1RJ
Bankers	HSBC 2-6 Gallowtree Gate Leicester LE1 1DA
Solicitors	Howes Percival LLP 3 The Osiers Business Centre Leicester LE19 1DX

ACTION HOMELESS (LEICESTER) LTD

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ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

The trustees present their report and accounts for the year ended 31 March 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, 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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

Action Homeless has referred to the Charity Commission's guidance on public benefit when reviewing its aims and objectives and in planning its future activities. In particular, the Board of Trustees has considered how the charity's activities have and will continue to deliver the aims and objectives they have set. The vision, values and objectives of Action Homeless as agreed by the Board of Trustees are as follows.

Vision

Within ten years, Action Homeless will be one of the UK's leading organisations in the prevention and eradication of homelessness.

Objectives

- Develop quality services that prevent people from becoming homeless before they reach crisis point.
- Ensure people are provided with homes and have the skills, confidence and means to successfully maintain them.
- Influence policy and practice to create improvements in homeless services and ensure a voice for homeless people.

Become an enterprising and sustainable organisation with the resources and capabilities needed to deliver our vision and objectives.

Values

- Everyone has the right to live as independently as possible and we will do everything we can to ensure people affected by homelessness achieve and maintain independent living.
- Those affected by homelessness have the potential to transform their lives through support and education to enable them to achieve their aspirations.
- People at risk of homelessness have the right to expect timely and clear information and support to ensure that they do not become homeless.
- Everyone affected by homelessness has the right to expect good standards of accommodation and we will work to ensure that our housing is of good quality.
- Everyone using our services has the right to have their say in how these services are run and we will work to ensure that they have a voice in the running and development of the charity's activities.
- Our colleagues are the key to our success and we will work to create a culture which values and supports the people that work with and for us.

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

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

The Operating Environment

Action Homeless continues to strive to meet the needs of its local community providing a public benefit across Leicester and Leicestershire. The consistent shortage of affordable housing and welfare reform means that more people than ever are approaching Action Homeless for help.

This year we received 853 referrals for support, compared to 614 in the previous year – a 39% increase on demand for our accommodation. We have been able to accommodate 502 people, a 10% increase on the previous year, in 142 bed spaces. We were unable to offer accommodation or refused 41% of all referrals in the year 2016-17. In the previous year this number was 25%. This year 378 people left our services. We continue to see a younger cohort with 150 of these clients being aged between 18 and 35, a group who face the most difficult housing choices.

Client support needs are becoming more complex and support levels are increasingly higher with Mental Health, Drugs and Alcohol still posing the main challenges. 80% of our work with the clients this year involved partnership with other agencies.

White males are still the predominate group, however more females entered our services this year (100 in total) making up 25% of the community. On arrival 7 clients had part-time work and 3 had full time work. On leaving 28 clients had obtained paid part time or full time work whilst 39% were long term sick and 33% were claiming JSA.

Activities

Our key projects and achievement's during the year were as follows;

Preventing Homelessness

A key objective for Action Homeless is to provide a public benefit through prevention of the cycle of homelessness and this year we continued to develop projects that can do this.

No Second Night Out (NSNO) Leicestershire is a partnership project led by Action Homeless, which provides a coordinated response to rough sleeping within the city and county. The project offers crisis accommodation for rough sleepers and a signposting service. Between September 2015 and November 2016, NSNO Leicestershire has helped 100 rough sleepers in the county and city.

Funded by BBC Children in Need, Building Blocks is an Action Homeless project for very young children affected by homelessness. It offers play groups, family trips and parenting support for families with children aged 0-4 years who have been affected by homelessness or unsettled housing situations. Since the project began in March 2016, it has helped 85 children aged 0-4 years.

Food Stop; In June 2016 Action Homeless took over the Emergency Food Provision under Leicester City Council's Welfare Provision Scheme. The service delivers a five-day per week food bank, supporting over 3,000 people per annum. Action Homeless knows that poverty and homelessness run hand in hand and this new service will allow us to engage with those at risk of losing their homes in the community before it becomes too late to prevent them from becoming homeless. Our aim is to support and empower people to take control of their own situation and give them the skills and resources to manage their finances better.

Responding to Homelessness

For those who do reach crisis point, we offer a range of support and accommodation.

Through the services commissioned by Leicester City Council, we provide support to some of those who have been rough sleeping. From Mayfield House, The Hollies and Jarvis House we provide emergency accommodation to approximately 45 men and women at any one time. This service provided support to 185 individuals through the year.

Bridge House is our specialist project for women and children fleeing domestic violence. It accommodated 14 families last year, providing them with specialist support and counselling to help them move on with their lives.

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

Providing Homes

Giving people the opportunity to leave homelessness behind has continued to be a key focus for Action Homeless. It operates a range of accommodation that is tailored to meet the needs of each individual and provide them with the help that they need to move on in their lives.

Our Accommodation Assist service provides good-quality accommodation to people in a housing crisis. Ranging from self-contained flats to shared houses, the project offers intensive housing management to tenants with few or no support needs. The project currently offers 46 units of accommodation and we housed 186 people last year. This service is in high demand as the availability of affordable and accessible housing for single people continues to reduce.

Accommodation Plus: Our efforts to tackle the lack of affordable housing in Leicester has led to us developing a Housing First initiative. This is a pioneering project, which renovates properties in Leicester and transforms them into suitable accommodation for individuals and families with experience of homelessness. Accommodation Plus gives 44 tenants a permanent home that meets their needs. Tenants are allocated a dedicated member of staff who helps them to maintain their tenancies and supports them to live independently.

Sourcing and providing more homes continues to be the key objective for the Charity and this year we developed an additional 17 units of accommodation with support from the Nationwide Foundation and lending from Charity Bank.

Promoting Independence

Our Engage suite facilitates a range of activities such as cook and eat sessions, tenancy training and a gardening club to help residents gain the skills and confidence required to live independently. A drop in session also gives residents access to support when-ever they require it. The Light Project is run in conjunction with the University of Leicester's Medical School and provides health promotion support to Action Homeless residents. Students run specialist sessions to help improve the mental and physical wellbeing of clients.

Education and Training

Action Trust is a social enterprise providing professional cleaning and gardening services. The social enterprise offers supervised training and work placements to people who have experienced homelessness and are long term unemployed. Action Trust currently employs 4 individuals whilst also offering 6 -12 week work placements to our residents, giving them the skills and independence to move into future employment and break the cycle of homelessness. Thanks to a grant from the Pret Foundation Trust, Action Trust has acquired a new van allowing the social enterprise to offer even more placements.

Moneywise was launched across Leicester and Leicestershire to support unemployed individuals with money handling, budgeting and digital confidence. The programme worked to prepare these individuals for work through training and education and has supported people 65 people in its final year. Thanks to a funding award from the European Social Fund and the Big Lottery, Moneywise Plus has been launched and will expand upon the previous Moneywise project.

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

Support from the Community

Action Homeless, once again this year, has been fortunate to benefit from the support of a number of passionate and committed volunteers who have played a significant role in enabling the charity to provide chances for change for homeless people. Our volunteer base has expanded considerably due to the emergency food provision service operating out of the Action Homeless Food Stop and we are grateful to the dedicated volunteers who have made this new project a great success.

Thanks to the generosity of supporters, our Winter Appeal raised over £13,000 in cash as well as goods worth an estimated £9,000. These donations combined enabled us to facilitate a Christmas events programme that saw 93 volunteers giving up a combined 217 hours of their time, to support our client's at the most vulnerable time of the year.

We are also hugely grateful to the many individuals, community groups and schools who made donations and raised sponsorship for us during the course of the year. We would also like to thank the Rotary Club of Oadby who selected Action Homeless as the President's Charity of the Year and a local business man who donated £10,000 following a visit to the Food Stop and our accommodation service. We were also delighted to be supported by various teams of NCS students who fundraised during the summer of 2016.

Action Homeless has also been fortunate to have received support from a number of trusts and foundations. In particular we would like to thank The Nationwide Foundation, The Pret Foundation Trust, The 29th May 1961 Charitable Trust, The Caterpillar Foundation and The Leicester, Leicestershire and Rutland Community Foundation.

Action Homeless continues to invest in building its profile and therefore local communities and business support of the work of Action Homeless continues to grow. We were delighted to have the support of a number of local organisations this year including Anderson's, PwC, Phoenix Cinema, Waitrose Blaby and Loughborough School of Business and Economics. We would also like to thank Indy Hair Salon whose employees raised £781 through their Big Hair Do fundraising event.

This year has also seen the continued support of students from both De Montfort University and the University of Leicester who have contributed their time and efforts through volunteering schemes and fundraising events to enrich the lives of our clients.

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

Achievements and performance

Key achievements

Developing quality services that prevent people from becoming homeless before they reach crisis point.

- Leading the Homeless Leicester Partnership and the No Second Night Out Leicester which in its first year, supported 165 individuals off the streets and into temporary accommodation
- Coordinated No Second Night Out response across Leicestershire, in partnership with seven county boroughs, providing an emergency response to 100 people.
- Provided an emergency phone line which took over 1200 calls offering specialist housing advice to local people at risk of homelessness
- Provided budgetary and money management advice to 102 people through Moneywise and Moneywise Plus, a partnership project seeking to improve financial and digital confidence
- Delivered specialist play activities to 85 children affected by homelessness through Building Blocks, a Children in Need funded initiative to break the cycle of homelessness for our youngest clients
- Opened the Action Homeless Food Stop in partnership with Leicester City Council to provide emergency food and engage with people who may be at risk of homelessness

Ensuring people are provided with homes and have the skills, confidence and means to successfully maintain them.

- Secured a £140,000 grant from the Nationwide Foundation to support the development of our Housing First Homes by enabling Action Homeless to become ready to obtain loan finances from the Charity Bank.
- Worked in partnership with Leicester Food Network, Fareshare East Midlands to distribute food parcels to families and individuals experiencing food poverty in Leicester.
- Action Homeless has now developed 61 units of new accommodation as part of its strategy to create 100 new units of accommodation
- With support from the Pret Foundation created four more work placements to individuals living in our accommodation.

Influencing policy and practice to create improvements in homeless services and ensure a voice for homeless people.

- Led on the development of the Making Every Adult matter initiative for the City with other partners in order to provide an effective response for homeless people with the most complex needs.
- Successful in applying to the Building and Social Housing Foundation for Leicester to become one of their nominated Cities in their European Ending Street Homelessness Campaign

We will become an enterprising and sustainable organisation with the resources and capabilities needed to deliver our vision and objectives.

- Created 17 new units of lettable accommodation through the support of the Nationwide Foundation.
- Increased our fundraising income through general donations and new project funding
- Reduced our reliance on statutory income, maintained that less than 8% of our income came from Local Authority contracts whilst increasing our total turnover
- Expanded our corporate fundraising work, building on existing partnerships with Pret A Manger and Leicester's two Universities as well as developing new and exciting partnerships with Anderson's, British Gas and many smaller local businesses in the City.
- Reaccredited with the investors in People award supporting our HR strategy which will ensure that we have the skills and human resources in place to deliver our organizational strategy

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

Financial review

Summary

The results for the year show total incoming resources amounting to £2,323,119. Of this amount, £333,526 was in the form of restricted incoming resources. Total resources expended in the year amounted to £2,038,674. The surplus income was predominantly made up from better than budget voids and bad debt and ensuring tight fiscal controls. These funds have been reinvested into the Charity to further support the strategic objectives of creating 100 new homes. The reserves carried forward were £1,572,006 of which £313,859 were restricted funds. These reserves will be used over a number of years and matched against depreciated amounts. Good corporate governance dictates that the charity maintains sufficient unrestricted reserves to meet unexpected events, irregular cashflow and contingencies.

Due to the expansion of our Housing First Homes programme, which is a means to ending rather than managing homelessness the accounts show growth in the revenue of housing management. The income from this programme has been designated to continue the development of this initiative in the coming financial year. The expansion of the programme was thanks to the Nationwide Foundation, a grant of £140,000 received from them in 2016 supported the Charity to secure Loan finance that develops further our property portfolio. This year saw the Charity, for the first time, borrowing funds.

Principal Funding Sources

The charity's principal funding comes through rental income, contracts and grants. The charity also continued to be funded by Leicestershire Boroughs to support a No Second Night Out response for rough sleepers in the county. In addition, LHA Asra provided a grant for the continuation of Moneywise, a project to improve financial confidence. Children in Need also provided funds to support our work with supporting homeless children through the Building Bridges project. Action Homeless is also grateful to the many individuals and companies who provided financial support and gifts in kind to the charity during the course of the year.

Investment Policy

The charity continues to review its Investment Policy to reflect the fact that its level of reserves has come into line with the Reserves Policy. The Charity uses interest bearing accounts to maximise the interest on money on deposit. The Charity has also invested some of its reserves with investment manager Raymond James in order to maximise the returns from its reserves. The Charity has also used some of its free reserves to purchase the freehold on a total of seven residential properties which provide both accommodation for clients and a monetary return in the form of rental income. A balance has been struck between the requirements to maximise interest and the cash-flow needs of the charity.

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

Reserves Policy

The Board of Trustees has given careful consideration to the requirement for Action Homeless to maintain an appropriate level of free reserves, being those funds not invested in fixed assets, designated for specific purposes or otherwise committed. The Trustees have taken into account the level of free reserves required to cover the following risks: loss of income as a result of reductions in contracts or services, failure to equip and maintain buildings to a satisfactory standard, failure to achieve agreed and necessary fundraising targets and the consequences of an event having a major negative reputational impact on the work of the charity.

Based on this assessment, the Board of Trustees consider that the level of free reserves currently held, whilst adequate enough to cover the current assessment of potential costs, would ideally be greater and the Trustees would like an increased level of free reserves in order to ascertain a greater margin of safety.

During the year the trustees transferred £211,067 to the designated funds (see below) plus £28,051 to cover a shortfall on some restricted funding. This leaves free unrestricted reserves to carry forward of £530,147.

The remaining funds (representing the balance between the level of reserves required by Trustees and the actual level of free reserves) have been specifically identified by Trustees to support the realisation of the charity's strategic objectives.

Designated funds.

As discussed previously within unrestricted reserves the Trustees transferred £211,067 to the designated funds to cover the following specific future events which is part of the charity's strategic planning.

An amount of £180,000 specifically designated and ring fenced as a contribution towards providing further accommodation for the homeless, which has been identified and will come to fruition within the next 12 months.

A further amount of £58,000 to cover future costs to meet contractual dilapidation agreements between the charitable company and existing lessors.

Finally the amount of £26,933 that was bequeathed and known as the Jack Flewitt Legacy has been utilised in the manner it was intended for.

Risk Management

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The Trustees recognise the importance of risk management within the framework of governance and internal control. A risk register has been compiled to assess strategic, operational and financial risk. Risk management processes are in place providing a high level of reassurance. The risk management process applies to all aspects of work undertaken by Action Homeless. Risk assessments and risk management are an integral part of the daily duties of front line staff and managers.

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

In March 2013 the Board of Trustees agreed a new high level strategic plan covering the period 2013-2018. It sets out our vision as an ambitious and forward thinking charity and explains how we will meet our strategic objectives. It also lays the foundations for realising our ambition of becoming one of the UK's leading organisations in the prevention and eradication of homelessness.

Our work will continue to focus on four key strategic goals:

- Developing quality services that prevent people from becoming homeless before they reach crisis point
- Ensuring people are provided with homes and have the skills, confidence and means to successfully maintain them
- Influencing policy and practice to create improvements in homeless services and ensure a voice for homeless people
- Becoming an enterprising and sustainable organisation with the resources and capabilities needed to deliver our objectives

We will judge how well we are performing against these goals by:

- The number of people sleeping rough – our aspiration will be zero.
- The number of affordable tenancies we create for people in housing need – our target will be 100 new lettable units in the life of this plan.
- The number of repeat homelessness cases amongst people living in and moving on from our accommodation – our aspiration will be zero
- The success of our advice services in preventing people from becoming homeless – our aspiration will be to prevent homelessness for everyone who comes to us for advice.
- The progress we make in reducing the charity's reliance on local authority funding – our target will be for 80% of the charity's funding to come from sources other than local authority contracts by 2018.

The Action Homeless Strategic Plan is available at www.actionhomeless.org.uk

This plan will be reviewed in the coming year as local and national government are currently reviewing how services for homeless people are commissioned and this will inevitably impact on Action Homeless, clients, staff and the organisation as a whole.

Structure, governance and management

The charity is a company limited by guarantee, incorporated on 12 September 1989 and registered as a charity on 17 November 1989.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

A Harrop (Chair)

R Roberts

C Malcherczyk

A Payton (Vice Chair)

C Farr (Treasurer)

(Resigned 7 July 2016)

D Champion

(Resigned 29 September 2016)

T Archer

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

L Choudhury

Z Hassam

J Lewis

(Appointed 7 July 2016)

(Appointed 24 November 2016 and resigned 22 March 2017)

Recruitment and Appointment of Trustees

The directors of the company are charity trustees for the purposes of charity law and under the company's articles are known as members of the Board of Trustees. Under the requirements of the Memorandum and Articles of Association, members of the Board of Trustees are elected annually at the Annual General Meeting.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational Structure

The Board of Trustees meets six times in a year and is responsible for the governance framework and the strategic direction and policy of the charity. The Board currently has 7 members drawn from a variety of professional backgrounds relevant to the work of the charity. Three sub committees of the Board of Trustees each meet up to three times a year to review specific areas of the charity's operations and to make recommendations to the Board in relation to their areas of concern. The sub committees are as follows: Finance and General Purposes Committee, Quality and Performance Committee and the Housing and Development Committee. The Chief Executive and Executive Management Team are responsible for the day to day running of the charity and for the realisation of the strategy agreed by the Board.

The highest paid officer is paid between £50,000 and £60,000 and this is 3.5 times more than the lowest paid officer.

Public Benefit

The Board of Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit.

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

Statement of trustees responsibilities

The trustees, who are also the directors of Action Homeless (Leicester) Ltd 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; and
- 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.

Auditor

In accordance with the company's articles, a resolution proposing that Mayfield & Co. be reappointed as auditor of the company will be put at a General Meeting.

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 is aware of such information.

The trustees report was approved by the Board of Trustees.



A Harrop (Chair)

Trustee

Dated: 30 November 2017

ACTION HOMELESS (LEICESTER) LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ACTION HOMELESS (LEICESTER) LTD

We have audited the accounts of Action Homeless (Leicester) Ltd for the year ended 31 March 2017 set out on pages 13 to 33. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees responsibilities included in the Trustees' Report set out on pages 1 - 10, the trustees, who are also the directors of Action Homeless (Leicester) Ltd for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

The trustees have elected for the accounts to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 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.

ACTION HOMELESS (LEICESTER) LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ACTION HOMELESS (LEICESTER) LTD

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the accounts; or
- 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 accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



30 November 2017

MR DAVID MAYFIELD FCA (Senior Statutory Auditor)

for and on behalf of Mayfield & Co.

Chartered Accountants

Statutory Auditor

2 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Mayfield & Co. is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

ACTION HOMELESS (LEICESTER) LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted funds general £	Unrestricted funds designated £	Restricted funds £	Total 2017 £	Total 2016 £
Income from:						
Donations and legacies	3	36,080	-	333,526	369,606	173,733
Charitable activities	4	1,926,395	-	-	1,926,395	1,738,199
Raising funds	5	25,961	-	-	25,961	33,137
Investments	6	1,157	-	-	1,157	1,156
Total income		1,989,593	-	333,526	2,323,119	1,946,225
Expenditure on:						
Raising funds	7	18,127	-	-	18,127	19,294
Charitable activities	8	1,640,031	-	380,516	2,020,547	1,769,772
Total resources expended		1,658,158	-	380,516	2,038,674	1,789,066
Net gains on investments	12	16,148	-	-	16,148	261
Net incoming/(outgoing) resources before transfers		347,583	-	(46,990)	300,593	157,420
Gross transfers between funds		(239,118)	211,067	28,051	-	-
Net movement in funds		108,465	211,067	(18,939)	300,593	157,420
Fund balances at 1 April 2016		421,682	516,933	332,798	1,271,413	1,113,993
Fund balances at 31 March 2017		530,147	728,000	313,859	1,572,006	1,271,413

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.

ACTION HOMELESS (LEICESTER) LTD

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	15		1,208,884		601,298
Investments	16		198,399		182,251
			<u>1,407,283</u>		<u>783,549</u>
Current assets					
Debtors	18	92,906		92,570	
Cash at bank and in hand		465,090		582,445	
			<u>557,996</u>		<u>675,015</u>
Creditors: amounts falling due within one year	21	<u>(188,552)</u>		<u>(187,151)</u>	
Net current assets			<u>369,444</u>		<u>487,864</u>
Total assets less current liabilities			<u>1,776,727</u>		<u>1,271,413</u>
Creditors: amounts falling due after more than one year	22		<u>(204,721)</u>		<u>-</u>
Net assets			<u>1,572,006</u>		<u>1,271,413</u>
Income funds					
Restricted funds	26		313,859		332,798
<u>Unrestricted funds</u>					
Designated funds	27	728,000		516,933	
General unrestricted funds		530,147		421,682	
			<u>1,258,147</u>		<u>938,615</u>
			<u>1,572,006</u>		<u>1,271,413</u>

ACTION HOMELESS (LEICESTER) LTD

BALANCE SHEET (CONTINUED)

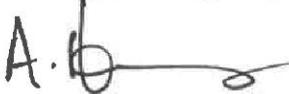
AS AT 31 MARCH 2017

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2017, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

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

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

The accounts were approved by the Trustees on 30 November 2017



A Harrop (Chair)
Trustee



R Roberts
Trustee

Company Registration No. 02422130

ACTION HOMELESS (LEICESTER) LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	30		436,682		94,030
Investing activities					
Purchase of tangible fixed assets		(764,126)		-	
Interest received		1,157		1,156	
Net cash (used in)/generated from investing activities			(762,969)		1,156
Financing activities					
Repayment of bank loans		200,000		-	
Payment of obligations under finance leases		8,932		-	
Net cash generated from/(used in) financing activities			208,932		-
Net (decrease)/increase in cash and cash equivalents			(117,355)		95,186
Cash and cash equivalents at beginning of year			582,445		487,259
Cash and cash equivalents at end of year			465,090		582,445

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Charity information

Action Homeless (Leicester) Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is Ridgeway House, Little Hill, Newton Lane, Wigston, LE18 3SE.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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

Action Homeless (Leicester) Ltd meets the definition of a public benefit entity under FRS 102.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 March 2017 are the first accounts of Action Homeless (Leicester) Ltd prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are to be used for specific purpose as laid down by the donor. Grants received by the charity by way of management agreements with Local Authorities and Housing Associations are restricted to particular schemes but not to specific items of expenditure. The Charity treats expenditure from these restricted funds as being the earliest expenditure at each scheme, in the year.

Unrestricted funds are donations and other incoming resources, including charges for accommodation, receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes VAT which cannot be recovered.

Expenditure in the operation of the charity's central services system and central office is apportioned between support costs, fund-raising and publicity and governance of the charity based on actual costs incurred where these can be ascertained. Other costs, such as salaries and overhead costs are apportioned on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

Scheme support costs	85%
Fund-raising and publicity	1%
Management and administration of the charity	14%

1.6 Tangible fixed assets

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other recognised gains and losses and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in net income/(expenditure) or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in net income/(expenditure) for the year.

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:

Freehold Property	4% straight line
Scheme Fixtures & Fittings	50% straight line
Motor vehicles	25% straight line
Central Office Equipment	25% 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 recognized in net income/(expenditure) for the year.

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognized in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Transaction costs are expensed as incurred. Changes in fair value are recognised in other recognised gains and losses except to the extent that a gain reverses a loss previously recognised in net income expenditure, or a loss exceeds the accumulated gains recognised in equity; such gains and loss are recognised in net income/(expenditure) for the year.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible 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).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.9 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.

1.10 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 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.

1.12 Retirement benefits

The pension costs charged in the financial statements represents the contribution payable by the company during the year.

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.14 Renewals

This was an amount agreed by Housing Benefit to specifically purchase and update furniture at each of the projects.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees 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.

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

3 Donations and legacies

	Unrestricted funds general £	Unrestricted funds designated £	Restricted funds £	Total 2017 £	Total 2016 £
Donations and gifts	36,080	-	-	36,080	18,116
Legacies receivable	-	-	-	-	26,933
Grants receivable	-	-	333,526	333,526	128,684
	<u>36,080</u>	<u>-</u>	<u>333,526</u>	<u>369,606</u>	<u>173,733</u>
For the year ended 31 March 2016	<u>18,116</u>	<u>26,933</u>	<u>128,684</u>		<u>173,733</u>
Grants receivable for core activities					
NSNO County	-	-	66,995	66,995	55,000
LHA ASRA/Moneywise	-	-	11,596	11,596	22,747
Other grants	-	-	33,166	33,166	3,707
Big Potential	-	-	25,850	25,850	23,150
Children In Need	-	-	35,403	35,403	3,220
IAG & NHS	-	-	1,500	1,500	16,860
1961 Foundation	-	-	4,755	4,755	4,000
LCC Foodbank	-	-	45,385	45,385	-
Nationwide	-	-	96,738	96,738	-
Other	-	-	12,138	12,138	-
	<u>-</u>	<u>-</u>	<u>333,526</u>	<u>333,526</u>	<u>128,684</u>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

4 Charitable activities

	Housing schemes	Housing and resettlement schemes (LCC Support Contract)	Total 2017	Total 2016
	£	£	£	£
Other income	1,743,875	182,520	1,926,395	1,738,199

Included within income relating to Housing Schemes are the following:

Board and lodging and rent receipts	£190,039
Housing benefits receipts	£1,572,490
Bad debts recovered/(written off)	<u>(£18,654)</u>
Total	£1,743,875

All incoming resources from charitable activities are in respect of rent receivable and income support from Housing Benefit and Supporting People in respect of our clientele who represent some of the most vulnerable of our society.

5 Raising funds

	2017	2016
	£	£
Fundraising events	25,961	33,137

Unrestricted funds:	2017	2016
Action Catering	£nil	£4,103
Action Trust	<u>£25,961</u>	<u>£29,034</u>
Total	£25,961	£33,137

6 Investments

	2017	2016
	£	£
Interest receivable	1,157	1,156

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

7 Raising funds

	2017	2016
	£	£
<u>Costs of raising funds</u>		
Seeking donations, grants and legacies	1,149	1,006
Membership schemes and social lotteries	1,055	960
Staging fundraising events	601	1,109
Fundraising agents	777	1,604
Advertising	293	61
Other fundraising costs	98	94
Staff costs	14,154	14,460
	<hr/>	<hr/>
Costs of raising funds	18,127	19,294
	<hr/>	<hr/>
	18,127	19,294
	<hr/> <hr/>	<hr/> <hr/>
For the year ended 31 March 2016		
Costs of raising funds		19,294
		<hr/> <hr/>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

8 Charitable activities

	Housing Schemes £	LCC SP Contract £	Charitable activities £	Total 2017 £	Total 2016 £
Staff costs	451,137	164,566	177,803	793,506	745,595
Depreciation and impairment	445	-	156,096	156,541	20,695
Premises costs	266,327	5,789	5,872	277,988	189,555
Management charge	202,806	5,178	23,405	231,389	281,583
HTF - Homeless Transition Fund	2,981	-	1,656	4,637	37,784
Catering costs	55,849	-	3,381	59,230	29,903
Communications	11,148	2,995	816	14,959	11,582
Stationery, publications and publicity	4,420	958	661	6,039	4,516
IT costs	15,584	1,557	1,857	18,998	14,435
TV rental and licenses	3,189	-	-	3,189	2,837
Insurance	156	-	315	471	14,791
Renewals (Misc)	36,091	294	3,368	39,753	17,327
Motor and travel	6,234	1,453	1,122	8,809	4,965
Welfare	889	879	1,198	2,966	402
Grants repaid	-	-	695	695	-
Training	-	-	2,271	2,271	810
	<u>1,057,256</u>	<u>183,669</u>	<u>380,516</u>	<u>1,621,441</u>	<u>1,376,780</u>
Share of support costs (see note 9)	322,872	-	-	322,872	316,379
Share of governance costs (see note 9)	76,234	-	-	76,234	76,613
	<u>1,456,362</u>	<u>183,669</u>	<u>380,516</u>	<u>2,020,547</u>	<u>1,769,772</u>
Analysis by fund					
Unrestricted funds - general	1,456,362	183,669	-	1,640,031	
Restricted funds	-	-	380,516	380,516	
	<u>1,456,362</u>	<u>183,669</u>	<u>380,516</u>	<u>2,020,547</u>	
For the year ended 31 March 2016					
Unrestricted funds - general	1,365,616	155,440	85,782		1,606,838
Restricted funds	20,723	-	142,211		162,934
	<u>1,386,339</u>	<u>155,440</u>	<u>227,993</u>		<u>1,769,772</u>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

9 Support costs	Support costs	Governance costs	2017	2016	Basis of allocation
	£	£	£	£	
Staff costs	240,614	28,308	268,922	274,745	
Depreciation	-	-	-	28	
Premises costs	21,520	-	21,520	21,047	
Communications	2,754	-	2,754	5,222	
Stationery, publications and publicity	1,760	-	1,760	1,601	
IT costs	11,809	-	11,809	11,861	
Training	3,933	-	3,933	7,619	
Travel and vehicle costs	3,987	-	3,987	2,250	
Audit and professional fees	20,647	-	20,647	18,364	
Meeting and staff	4,691	-	4,691	968	
Recruitment	1,658	-	1,658	1,594	
Insurance	9,499	-	9,499	-	
Audit fees	-	4,506	4,506	2,141	Governance
Premises costs	-	8,886	8,886	14,912	Governance
Communications	-	361	361	576	Governance
Stationery and publications	-	4,222	4,222	3,842	Governance
IT costs	-	12,711	12,711	11,861	Governance
Other governance costs (includes Training, Travel, Meeting staff, Recruitment, Bank charges and Miscellaneous expenses)	-	17,240	17,240	14,361	Governance
	<u>322,872</u>	<u>76,234</u>	<u>399,106</u>	<u>392,992</u>	
Analysed between					
Charitable activities	<u>322,872</u>	<u>76,234</u>	<u>399,106</u>	<u>392,992</u>	

Governance costs includes payments to the auditors of £4,506 (2016- £2,141) for audit fees.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but some of them were reimbursed a total of £514 travelling expenses (2016- £162).

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

11 Employees

Number of employees

The average monthly number employees during the year was:

	2017 Number	2016 Number
Chief Executive	1	1
Housing Schemes	43	38
Resettlement	1	1
Development	2	2
Administration and Support	5	5
	<u>52</u>	<u>47</u>

Employment costs

	2017 £	2016 £
Wages and salaries	972,902	936,466
Social security costs	79,487	74,241
Other pension costs	24,193	24,093
	<u>1,076,582</u>	<u>1,034,800</u>

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

12 Net gains/(losses) on investments

	2017 £	2016 £
Revaluation of investments	<u>16,148</u>	<u>261</u>

13 Taxation

The charitable company is exempt from corporation tax on its charitable activities.

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

14 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2017 £	2016 £
In respect of:		
Property, plant and equipment	122,537	-

15 Tangible fixed assets

	Freehold Property £	Scheme Fixtures & Fittings £	Motor vehicles £	Central Office Equipment £	Total £
Cost					
At 1 April 2016	625,843	254,502	4,920	25,329	910,594
Additions	753,087	-	11,039	-	764,126
Disposals	-	-	(920)	-	(920)
At 31 March 2017	1,378,930	254,502	15,039	25,329	1,673,800
Depreciation and impairment					
At 1 April 2016	24,990	254,502	4,475	25,329	309,296
Depreciation charged in the year	31,403	-	2,600	-	34,003
Impairment losses	122,537	-	-	-	122,537
Eliminated in respect of disposals	-	-	(920)	-	(920)
At 31 March 2017	178,930	254,502	6,155	25,329	464,916
Carrying amount					
At 31 March 2017	1,200,000	-	8,884	-	1,208,884
At 31 March 2016	600,853	-	445	-	601,298

More information on the impairment arising in the year is given in note 14.

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

15 Tangible fixed assets

(Continued)

As outlined under the accounting policies properties have been revalued during the year. Independent valuations were undertaken on all the Charity's Social Housing Properties and a valuation of £1.2 million was agreed upon.

This led to an impairment of properties £122,537 - which was the difference between the carrying value of the assets and the valuations placed upon these properties. The impairment losses were written off against the charity's restricted funds.

16 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 31 March 2017	182,251
Valuation changes	16,148
	<hr/>
At 31 March 2017	198,399
	<hr/>
Carrying amount	
At 31 March 2017	198,399
	<hr/> <hr/>
At 31 March 2016	182,251
	<hr/> <hr/>

17 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	68,991	76,592
Equity instruments measured at cost less impairment	198,399	182,251
	<hr/>	<hr/>
Carrying amount of financial liabilities		
Measured at amortised cost	322,941	80,179
	<hr/> <hr/>	<hr/> <hr/>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

18 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	51,689	46,780
Other debtors	17,302	29,812
Prepayments and accrued income	23,915	15,978
	<u>92,906</u>	<u>92,570</u>

19 Loans and overdrafts

	2017	2016
	£	£
Bank loans	<u>200,000</u>	<u>-</u>
Payable within one year	515	-
Payable after one year	<u>199,485</u>	<u>-</u>

The long-term loans are secured by fixed charges over six of the charity's freehold properties with total carrying value of £681,928:

150 St Saviours Road, Leicester, LE5 3SG
67 Central Road, Leicester, LE3 5EJ
25 Sylvan Street, Leicester, LE3 9GU
63 Glenfield Road, Leicester, LE3 6AU
26 Freeman Road North, Leicester, LE5 4NA
101 St Peters Road, Leicester, LE2 1DJ

The bank loan bears interest at 2.75% above Bank of England base rate, provided that if the Bank of England base rate is lower than 0.00%, the Bank of England base rate applicable to the loan shall be deemed to be 0.00%.

Finance lease commitments

Future minimum lease payments due under finance leases:

	2017	2016
	£	£
Within one year	3,697	-
Within two and five years	5,236	-
	<u>8,933</u>	<u>-</u>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

21 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans	19	515	-
Obligations under finance leases		3,697	-
Other taxation and social security		19,551	18,267
Deferred income	23	50,781	88,705
Trade creditors		54,587	4,027
Other creditors		508	4,120
Accruals and deferred income		58,913	72,032
		<u>188,552</u>	<u>187,151</u>

22 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Bank loans	19	199,485	-
Obligations under finance leases		5,236	-
		<u>204,721</u>	<u>-</u>

23 Deferred income

	2017 £	2016 £
Arising from Grants in advance	<u>50,781</u>	<u>88,705</u>

Deferred income is included in the financial statements as follows:

	2017 £	2016 £
Current liabilities	<u>50,781</u>	<u>88,705</u>
	<u>50,781</u>	<u>88,705</u>

24 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £3,582 (2016 - £4,679).

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

25 Unrestricted funds

	Balance at 1 April 2016 £	Movement in funds		Transfers £	Balance at 31 March 2017 £
		Incoming Resources £	Outgoing Resources £		
Unrestricted funds					
General Fund	421,682	2,005,741	(1,658,158)	(239,118)	530,147
	<u>421,682</u>	<u>2,005,741</u>	<u>(1,658,158)</u>	<u>(239,118)</u>	<u>530,147</u>

26 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:

	Balance at 1 April 2016 £	Movement in funds		Transfers £	Balance at 31 March 2017 £
		Incoming resources £	Outgoing resources £		
No Second Night Out	(13,982)	66,995	(67,076)	-	(14,063)
1961 Foundation	4,000	4,000	(4,000)	-	4,000
Tribal Capital Grant	342,432	-	(25,853)	-	316,579
NHS/IAG	-	1,500	(1,500)	-	-
MEAM	-	1,250	(1,250)	-	-
LCC Pot to Plate	348	-	(348)	-	-
University of Leicester	-	20,000	(20,000)	-	-
Pret a Manger	-	6,313	(2,787)	-	3,526
Children In Need (Building Blocks)	-	35,403	(38,966)	3,563	-
Moneywise Plus	-	9,144	(9,144)	-	-
Nationwide	-	105,000	(128,086)	23,086	-
Moneywise (Original)	-	11,596	(12,993)	1,397	-
Big Potential	-	25,850	(25,855)	5	-
LCC Foodbank	-	45,385	(41,568)	-	3,817
Building Better Opportunities	-	1,090	(1,090)	-	-
	<u>332,798</u>	<u>333,526</u>	<u>(380,516)</u>	<u>28,051</u>	<u>313,859</u>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

27 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2016	Movement in funds		Transfers	Balance at 31 March 2017
		Incoming Resources	Outgoing Resources		
	£	£	£	£	£
Dilapidation Fund	30,000	-	-	58,000	88,000
Property Fund	460,000	-	-	180,000	640,000
Jack Flewitt Legacy	26,933	-	-	(26,933)	-
	<u>516,933</u>	<u>-</u>	<u>-</u>	<u>211,067</u>	<u>728,000</u>

28 Analysis of net assets between funds

	Unrestricted Funds	Designated Funds	Restricted Funds	Total
	£	£	£	£
Fund balances at 31 March 2017 are represented by:				
Tangible assets	258,420	625,000	325,464	1,208,884
Investments	-	198,399	-	198,399
Current assets/(liabilities)	271,727	104,086	(6,369)	369,444
Long term liabilities	-	(199,485)	(5,236)	(204,721)
	<u>530,147</u>	<u>728,000</u>	<u>313,859</u>	<u>1,572,006</u>

29 Related party transactions

There were no disclosable related party transactions during the year (2016- none).

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Aggregate compensation	<u>135,000</u>	<u>135,000</u>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

29 Related party transactions

(Continued)

Action Trust

There are common directors and board of management for Action Trust (Leicester) Ltd and Action Homeless (Leicester) Ltd. The administration of Action Trust (Leicester) Ltd is carried out by Action Homeless (Leicester) Ltd.

During the year Action Homeless (Leicester) Ltd recharged management fees to Action Trust (Leicester) Ltd totalling £25,961 (2016: £29,034) and also made payments on behalf of Action Trust (Leicester) Ltd totalling £12,731 (2016: £15,484).

The balance owed to Action Homeless (Leicester) Ltd by Action Trust (Leicester) Ltd was £19,606 (2016: 11,430).

30 Cash generated from operations

2017

2016

£

£

Surplus for the year

300,593

157,419

Adjustments for:

Investment income recognised in statement of financial activities

(1,157)

(1,156)

Fair value gains and losses on investments

(16,148)

(261)

Depreciation and impairment of tangible fixed assets

156,541

20,723

Movements in working capital:

(Increase)/decrease in debtors

(336)

39,597

Increase/(decrease) in creditors

35,113

(145,784)

(Decrease)/increase in deferred income

(37,924)

23,492

Cash generated from operations

436,682

94,030