

CHARITY

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 2019

ACTION HOMELESS (LEICESTER) LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A Harrop	
	R Roberts	
	C Malcherczyk	
	S De Looze	
	C Hurst (Treasurer)	
	N Winks (Chair)	
	D Ireland	(Appointed 9 April 2018)
	M Pankhurst	(Appointed 3 December 2018)
	G Parekh	(Appointed 6 March 2019)
	A Peasgood	(Appointed 3 September 2019)
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	
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 2019

The trustees present their report and financial statements for the year ended 31 March 2019.

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

Action Homeless will endeavour to break the cycle of chronic homelessness and prevent people from sleeping rough. Action Homeless believes that the cycle of street homelessness in Leicestershire can be broken in the lifetime of this strategy, given the numbers of people who are currently sleeping rough in the City and County. Action Homeless will focus its efforts on preventing people from ending up on the streets in the first instance and getting those who do find themselves on the street into accommodation as quickly as possible. We will ensure that those who have a history of chronic homelessness can find a home and are supported to keep it.

Objectives

- Develop services to break the cycle of chronic homelessness
- Leading policy and practice to break the cycle of chronic homelessness
- Creating a customer-led organisation
- Growing our 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 2019

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 continues to have an impact on

This year we received 576 referrals for support, compared to 645 in the previous year – a 10% decrease. This is due to a decrease in permanent accommodation options, and people having to stay longer in our accommodation. We have been able to accommodate 586 people in 166 bed spaces. We accommodated 155 people in 45 commissioned bed spaces as part of Leicester City Single Access and Referral point. We offered 72 individuals experiencing Rough Sleeping additional emergency beds as part of City and County wide Rough Sleeping initiatives, as well as providing instance access to overnight accommodation for 48 people with no bed that night who knocked on our door. 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;

Developing services to break the cycle of chronic homelessness

A key objective for Action Homeless is to provide a public benefit through provision of services that break the cycle of homelessness. This year we delivered projects that can do this.

Glenfield Community Transitions Project, in conjunction with Leicestershire NHS Partnership Trust, provides patients that have been discharged from the Bradgate Mental Health Unit with a safe place to live whilst they start to reintegrate into the community. As well as high quality accommodation, the project offers support which enables people to make the transition from hospital to community living and prevents instances where people are discharged with no stable accommodation offer.

Action Homeless' Rough Sleeping initiative supports some of Leicester's most entrenched rough sleepers to find and sustain accommodation in which they can thrive. Clients are given intensive support by specialist staff who work with them on the streets to support and encourage a move into appropriate housing. Once housed, clients receive regular and consistent contact from the Support Team to enable them to identify and move towards achieving their personal goals. The service is resilient and tolerant of the fact that everybody's needs and aspirations are different and promotes a strengths based approach.

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 586 individuals through the year.

Bridge House is our specialist project for women and children fleeing domestic violence. It accommodated 18 women with 44 children 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 2019

Funded by BBC Children in Need, Building Blocks is an Action Homeless project for children affected by homelessness. It offers play groups, and 121 support for families with children aged 0-12 years who have been affected by homelessness or unsettled housing situations. It aims to mitigate the effects of homelessness on young children in an attempt to break the pattern of homelessness for families. It has supported 71 children this year.

For people in crisis, Action Homeless runs the Food Stop which provided 150 tonnes of emergency food to over 3000 individuals during the course of the year.

In addition to the above initiatives, Action Homeless has continued to provide both temporary and permanent accommodation to people affected by homelessness through our Accommodation Assist and Accommodation Plus projects and has offered a range of housing types from self-contained units to shared houses to 61 people during the course of the year.

Ensuring that everyone leaving our housing has the confidence and skills to live independently

A key objective for Action Homeless is to provide public benefit by ensuring that the people leaving our housing are able to sustain their independence and therefore avoid future instances of homelessness. This year we have continued to provide a number of services that enable this to happen.

Moneywise Plus supports 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 67 this year. The project is funded by the European Social Fund and the Big Lottery.

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 x 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 a new van allowing the social enterprise to offer even more placements.

Engage, based next door to Mayfield House, has continued to offer an activities programme which promotes wellbeing and independence. This year the centre has provided cookery classes, pop up hair salons and clothes shops as well as access to a computer suite. We are grateful to our team of volunteers who have supported this service.

Leading policy and practice to break the cycle of chronic homelessness

A key objective for Action Homeless is to provide public benefit by leading policy and practice to break the cycle of chronic homelessness. This year we have been at the forefront of a number of projects to help effect systems change locally.

Action Homeless led Leicester's European End Street Homelessness Campaign, a partnership effort and commitment to end street homelessness locally. The campaign was launched in 2017 with a city wide 'Connections Week', a comprehensive count and survey of rough sleepers which saw over 100 local volunteers involved. The campaign has continued this year with subsequent counts being undertaken, targeted work with rough sleepers and the launch of Leicester's Homelessness Charter.

Creating a customer-led organisation

Action Homeless is committed to ensuring that people affected by homelessness have a voice and are able to be involved in and influence the decisions that affect them.

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

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. In particular we are grateful to the dedicated volunteers based at the charity's Food Stop who have served 3667 people and contributed a staggering 3036 hours of their time.

Thanks to the generosity of supporters, our Winter Appeal raised over £20,000 in cash as well as goods worth an estimated £10,000. These donations combined enabled us to facilitate a Christmas events programme that saw 60 volunteers giving up a combined 210 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 like to give special thanks to Fosse Park General Manager, Adrian Young who supported our Winter Appeal, by organising a sponsored 'sit-out' and colleagues at Pick Everard who raised £4331 through a summer cycling sportive and other office fundraising events during the course of the year.

Our Food Stop operations wouldn't have been possible without the generous donations from Wonky Veg Boxes, Bilstein, Co-op Central England and members of the public. We'd also like to thank the Rotary Club of Oadby, Gray's Café, Sainsbury's Wigston, Earl Shilton Building Society, Natwest Leicester and organisers of the Western Park Beer Festival for their fundraising efforts this year.

Achievements and performance

Key Achievements

Developing services to break the cycle of chronic homelessness

- Launched a new Rough Sleeping initiative which supported 29 rough sleepers during the year
- Provided housing and support to 13 people on discharge from Glenfield Hospital through the Community Transitions Project
- Created 22 new units of affordable accommodation available to people experiencing homelessness
- Provided information, advice and guidance to more than 2400 people at risk of homelessness via our Duty Desk helpline.
- Provided 3667 people, including 907 children, with emergency food at our city centre Food Stop

Ensuring that everyone leaving our housing has the confidence and skills to live independently

- Provided 67 people, aged 18-25, through Moneywise Plus with financial management and digital inclusion support
- Increased the number of employment and training opportunities available to homeless people through the expansion of Action Trust.

Leading policy and practice to break the cycle of chronic homelessness

- Continued to lead Leicester's European End Street Homeless Campaign
- Supported the development and subsequent launch of Leicester's Homelessness Charter

Creating a customer-led organisation

- Launched our coproduction implementation with a workshop at our Client Conference which was attended by 50 clients
- 92% of clients would recommend us to someone else who was experiencing homelessness

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

Growing our resources and capabilities needed to deliver our vision and objectives

- Continued to work within the Investors in People framework to retain our accreditation
- Developed relationships with new funders including WRAP and attracted continuation funding for existing projects including Building Blocks and Moneywise Plus
- Attracted social investment via new partnership with Charity Bank to enable the charity to expand the number of accommodation units on offer
- Continued to invest in our staff and volunteer team, providing training and personal development opportunities.

Financial review

The results for the year show total income of £2,554,194. This amount included Restricted Funds of £513,695 and £2,040,499 of Unrestricted Funds. The Total resources expended in the year amounted to £2,284,163. 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 £2,080,281 of which £229,255 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. Our Unrestricted Funds of £420,626 are considered sufficient to achieve this aim. We also have £1,430,500 in designated reserves which is ring fenced for future development plans and to ensure there is sufficient funds to maintain our properties.

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.

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 £585,000 to the designated funds (see below) plus £23,418 to cover a shortfall on some restricted funding. This leaves free unrestricted reserves to carry forward of £420,626.

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.

The Charity owns 7 properties which are used as social housing and are deemed necessary in order to help in the fulfilment of the Charity's Objectives. These properties have a carrying value of almost £1.87million and because of this valuation it distorts the true picture of the charity, as these properties are essential in the delivery of affordable social housing.

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

Designated funds.

Our Designated Funds now stand at £1,430,400 following a transfer of £585,000 from Unrestricted Funds during the year to cover specific future events which is part of the charity's strategic planning.

An amount of £575,000 was transferred for future development purposes. A further amount of £10,500 to cover future costs to meet contractual dilapidation agreements between the charitable company and existing lessors.

To provide an insight into our property management work Action Homeless manages 41 properties across Leicester and 3 in Hinckley, providing a total of 192 units of accommodation, which consists of:

10 Properties managed on behalf of Housing Associations (65 units).

27 Leased from private property owners (70 units).

7 Owned by Action Homeless (57 Units).

The costs to maintain, and improve these properties alongside future investment in social housing requires the need to maintain healthy designated reserves.

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.

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.

Future Plans

At the heart of Action Homeless' Strategy is to continue to respond to the growing crisis of homelessness in Leicester and Leicestershire and in particular street homelessness.

A key component of Action Homeless' strategy is to continue to increase the number of homes if can provided. It aims to do this by acquiring property from private and social property owners either through leases, or through purchase of houses. Previously this activity has been focused to the City; however, we will be in future be looking to acquire property across the County.

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

The Trustees have allocated unrestricted funds to advance this work, which, along with grants and loan finance, will enable us to acquire another 30 units of accommodation in the coming year.

Action Homeless believes that the best way to break the cycle of homeless is through a Housing First model, this offer the combination of secure homes with high quality landlord services and intensive personal support. Over the coming year, Action Homeless has earmarked staff and properties that will be exclusively dedicated to offering Housing First. Action Homeless' largest property Mayfield House was purchased from East Midland Housing Group in 2018 and it is our intention to refurbish this accommodation over the coming year to make it fit for future use and adapt it to meet the needs of our beneficiaries.

Action Homeless is committed to solving Homelessness in Leicestershire and feels that this can be best achieved by working in partnership. To this end it as supported Leicester to become one of 13 Cities who are part of the European End Street Homelessness Campaign. This is a movement of cities that are working together to permanently house Europe's most vulnerable people and end chronic street homelessness by 2020. To support this initiative Action Homeless has actively supported the creation of a Homeless Charter for Leicester. The Charter aims is to improve the way organisations and individuals work together to tackle homelessness in the city, and to harness the enthusiasm of those who want to get involved but don't know how.

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 and up to the date of signature of the financial statements were:

A Harrop

R Roberts

C Malcherczyk

A Payton

(Resigned 12 July 2018)

L Choudhury

(Resigned 14 May 2018)

Z Hassam

(Resigned 14 May 2018)

S De Looze

C Hurst (Treasurer)

N Winks (Chair)

D Ireland

(Appointed 9 April 2018)

M Pankhurst

(Appointed 3 December 2018)

G Parekh

(Appointed 6 March 2019)

A Peasgood

(Appointed 3 September 2019)

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.

ACTION HOMELESS (LEICESTER) LTD

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

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 10 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 £60,000 and £70,000 and this is 3.5 times more than the lowest paid officer.

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.



N Winks (Chair)

Trustee

Dated: 28 November 2019

ACTION HOMELESS (LEICESTER) LTD

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2019

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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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 financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements 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 financial statements 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.

ACTION HOMELESS (LEICESTER) LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ACTION HOMELESS (LEICESTER) LTD

Opinion

We have audited the financial statements of Action Homeless (Leicester) Ltd (the 'charity') for the year ended 31 March 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, 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 accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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 Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

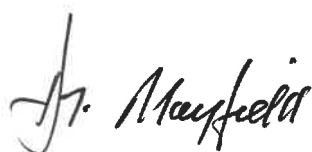
As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal 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.

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



David Mayfield FCA (Senior Statutory Auditor)
for and on behalf of Mayfield & Co.

Chartered Accountants

2 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

28 November 2019

ACTION HOMELESS (LEICESTER) LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted funds general £	Unrestricted funds designated £	Restricted funds £	Total 2019 £	Total 2018 £
<u>Income from:</u>						
Donations and legacies	3	48,019	-	224,084	272,103	295,196
Charitable activities	4	1,966,480	-	289,611	2,256,091	2,022,088
Raising funds	5	25,486	-	-	25,486	24,477
Investments	6	514	-	-	514	1,134
Total income		2,040,499	-	513,695	2,554,194	2,342,895
<u>Expenditure on:</u>						
Raising funds	7	24,122	-	-	24,122	20,264
Charitable activities	8	1,648,948	-	611,093	2,260,041	2,096,009
Total expenditure		1,673,070	-	611,093	2,284,163	2,116,273
Net gains on investments	12	6,083	-	-	6,083	5,539
Net incoming/(outgoing) resources before transfers		373,512	-	(97,398)	276,114	232,161
Gross transfers between funds		(608,918)	585,500	23,418	-	-
Net movement in funds		(235,406)	585,500	(73,980)	276,114	232,161
Fund balances at 1 April 2018		656,032	844,900	303,235	1,804,167	1,572,006
Fund balances at 31 March 2019		420,626	1,430,400	229,255	2,080,281	1,804,167

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 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	15	1,903,799		1,718,813	
Investments	16	210,020		203,938	
		<u>2,113,819</u>		<u>1,922,751</u>	
Current assets					
Debtors	18	300,948		142,103	
Cash at bank and in hand		794,163		609,193	
		<u>1,095,111</u>		<u>751,296</u>	
Creditors: amounts falling due within one year	21	(285,923)		(187,802)	
Net current assets			809,188		563,494
Total assets less current liabilities			<u>2,923,007</u>		<u>2,486,245</u>
Creditors: amounts falling due after more than one year	22		(842,726)		(682,078)
Net assets			<u>2,080,281</u>		<u>1,804,167</u>
Income funds					
Restricted funds	26	229,255		303,235	
<u>Unrestricted funds</u>					
Designated funds	27	1,430,400		844,900	
General unrestricted funds		420,626		656,032	
		<u>1,851,026</u>		<u>1,500,932</u>	
			<u>2,080,281</u>		<u>1,804,167</u>

ACTION HOMELESS (LEICESTER) LTD

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2019

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 2019, 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 financial statements under the requirements of the Companies Act 2006.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements 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 financial statements, so far as applicable to the company.

These financial statements 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 28 November 2019



C Hurst (Treasurer)
Trustee

Company Registration No. 02422130

ACTION HOMELESS (LEICESTER) LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	31		287,601		258,923
Investing activities					
Purchase of tangible fixed assets		(274,852)		(636,754)	
Interest received		514		1,134	
Net cash used in investing activities			(274,338)		(635,620)
Financing activities					
Proceeds of new bank loans		200,000		525,000	
Repayment of bank loans		(24,596)		(503)	
Payment of obligations under finance leases		(3,697)		(3,697)	
Net cash generated from financing activities			171,707		520,800
Net increase in cash and cash equivalents			184,970		144,103
Cash and cash equivalents at beginning of year			609,193		465,090
Cash and cash equivalents at end of year			794,163		609,193

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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 financial statements 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.

1.2 Going concern

At the time of approving the financial statements, 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 financial statements.

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.

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.

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

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	78%
Fund-raising and publicity	4%
Management and administration of the charity	18%

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.

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 recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

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).

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

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.

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 2019

3 Donations and legacies

	Unrestricted funds general 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Donations and gifts	48,019	-	48,019	55,817
Grants receivable	-	224,084	224,084	239,379
	<u>48,019</u>	<u>224,084</u>	<u>272,103</u>	<u>295,196</u>
For the year ended 31 March 2018	<u>55,817</u>	<u>239,379</u>		<u>295,196</u>
Donations and gifts				
Donations and gifts	48,019	-	48,019	55,817
	<u>48,019</u>	<u>-</u>	<u>48,019</u>	<u>55,817</u>
Grants receivable for core activities				
NSNO County	-	28,390	28,390	30,605
Reaching People Moneywise Plus/LHA ASRA	-	21,717	21,717	24,233
Other grants	-	64,862	64,862	26,793
WRAP	-	40,571	40,571	-
Children In Need/Building Blocks	-	13,646	13,646	35,268
NHS & IAG	-	-	-	22,044
LCC Foodbank	-	54,898	54,898	55,436
Nationwide Renovation Grant	-	-	-	35,000
University of Leicester	-	-	-	10,000
	<u>-</u>	<u>224,084</u>	<u>224,084</u>	<u>239,379</u>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

4 Charitable activities

	2019 £	2018 £
Provision of Housing	2,256,091	2,022,088
Analysis by fund		
Unrestricted funds - general	1,966,480	
Restricted funds	289,611	
	2,256,091	
For the year ended 31 March 2018		
Unrestricted funds - general		2,022,088

Included within Unrestricted Income for 2019 relating to Housing Schemes are the following:

Board and lodging and rent receipts	£216,181
Housing benefits receipts	£1,774,955
Bad debts recovered/(written off)	<u>(£24,656)</u>
Total	£1,966,480

Included within Restricted Income for 2019 relating to Housing Schemes are the following:

Accommodation Based Housing Related Support	£182,520
Rough Sleepers Initiative Income	£50,796
Communities Transition Fund	<u>£56,295</u>
Total	£289,611

All income from charitable activities are to provide Housing Related Support.

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

5 Raising funds

	Unrestricted funds general 2019 £	Total 2018 £
Fundraising events	25,486	24,477

Unrestricted funds:	2019	2018
Action Trust	<u>£25,486</u>	<u>£24,277</u>
Total	£25,486	£24,277

6 Investments

	Unrestricted funds general 2019 £	Total 2018 £
Interest receivable	514	1,134

7 Raising funds

	2019 £	2018 £
<u>Costs of raising funds</u>		
Premises costs	4,206	792
Stationery and publications	1,367	898
Training and communications	1,090	1,169
Audit and professional fees	212	879
Meetings and staff development	34	-
Recruitment	30	594
Staff costs	17,183	15,932
	<u>24,122</u>	<u>20,264</u>
Costs of raising funds	24,122	20,264

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

8 Charitable activities

	Housing Schemes £	LCC SP Contract £	Charitable activities £	Total 2019 £	Total 2018 £
Staff costs	533,815	-	375,364	909,179	812,567
Depreciation and impairment	31,936	-	57,931	89,867	126,825
Premises costs	290,867	-	18,625	309,492	319,960
Management charge	228,425	-	47,589	276,014	228,967
Charitable expenditure	-	-	73	73	12,744
Catering costs	25,742	-	4,765	30,507	37,406
Communications	20,758	-	4,553	25,311	21,733
Stationery, publications and publicity	5,747	-	2,958	8,705	8,167
IT costs	13,527	-	6,139	19,666	10,623
TV rental and licenses	4,920	-	568	5,488	4,122
Bank charges and fees	-	-	31,302	31,302	19,458
Renewals (Misc)	55,039	-	17,034	72,073	32,422
Motor and travel	5,279	-	8,655	13,934	10,929
Welfare	406	-	10,475	10,881	7,751
Vehicle costs	-	-	2,724	2,724	264
Training, meetings and staff development	-	-	20,295	20,295	2,762
Other charitable expenditure	-	-	2,043	2,043	-
	<u>1,216,461</u>	<u>-</u>	<u>611,093</u>	<u>1,827,554</u>	<u>1,656,700</u>
Share of support costs (see note 9)	351,045	-	-	351,045	356,265
Share of governance costs (see note 9)	81,442	-	-	81,442	83,044
	<u>1,648,948</u>	<u>-</u>	<u>611,093</u>	<u>2,260,041</u>	<u>2,096,009</u>
Analysis by fund					
Unrestricted funds - general	1,648,948	-	-	1,648,948	
Restricted funds	-	-	611,093	611,093	
	<u>1,648,948</u>	<u>-</u>	<u>611,093</u>	<u>2,260,041</u>	
For the year ended 31 March 2018					
Unrestricted funds - general	1,695,515	138,446	-		1,833,961
Restricted funds	-	-	262,048		262,048
	<u>1,695,515</u>	<u>138,446</u>	<u>262,048</u>		<u>2,096,009</u>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

9 Support costs

	Support costs	Governance costs	2019	2018
	£	£	£	£
Staff costs	292,114	34,366	326,480	302,711
Premises costs	20,320	-	20,320	25,647
Communications	4,580	-	4,580	8,567
Stationery, publications and publicity	1,494	-	1,494	1,496
IT costs	8,668	-	8,668	5,377
Training	3,876	-	3,876	5,483
Travel and vehicle costs	2,730	-	2,730	3,370
Audit and professional fees	11,213	-	11,213	21,994
Meetings and staff	479	-	479	-
Recruitment	440	-	440	10,090
Vehicle costs	5,131	-	5,131	3,394
Audit fees	-	5,130	5,130	5,674
Premises costs	-	17,877	17,877	26,566
Communications	-	614	614	1,122
Stationery and publications	-	5,465	5,465	3,591
IT costs	-	8,668	8,668	5,377
Other governance costs (includes Training, Travel, Meeting staff, Recruitment, Bank charges and Miscellaneous expenses)	-	9,322	9,322	8,850
	<u>351,045</u>	<u>81,442</u>	<u>432,487</u>	<u>439,309</u>
Analysed between				
Charitable activities	<u>351,045</u>	<u>81,442</u>	<u>432,487</u>	<u>439,309</u>

Governance costs includes payments to the auditors of £5,674 (2018- £4,506) 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 £133 travelling expenses (2018- £139).

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Chief Executive	1	1
Housing Schemes	39	36
Resettlement	-	1
Development	2	2
Administration and Support	7	6
	<u>49</u>	<u>46</u>

Employment costs

	2019 £	2018 £
Wages and salaries	1,123,445	1,022,219
Social security costs	95,742	83,639
Other pension costs	33,655	25,352
	<u>1,252,842</u>	<u>1,131,210</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2019 Number	2018 Number
Band £60,000 to £70,000	<u>1</u>	<u>-</u>

12 Net gains/(losses) on investments

	Unrestricted funds general 2019 £	Total 2018 £
Revaluation of investments	<u>6,083</u>	<u>5,539</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 2019

14 Impairments

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

	2019 £	2018 £
In respect of:		
Property, plant and equipment	-	66,080

15 Tangible fixed assets

	Freehold Property £	Scheme Fixtures & Fittings £	Motor vehicles £	Central Office Equipment £	Total £
Cost					
At 1 April 2018	2,000,586	254,502	26,137	25,329	2,306,554
Additions	253,403	-	21,450	-	274,853
At 31 March 2019	2,253,989	254,502	47,587	25,329	2,581,407
Depreciation and impairment					
At 1 April 2018	302,052	254,502	5,858	25,329	587,741
Depreciation charged in the year	82,439	-	7,428	-	89,867
At 31 March 2019	384,491	254,502	13,286	25,329	677,608
Carrying amount					
At 31 March 2019	1,869,498	-	34,301	-	1,903,799
At 31 March 2018	1,698,534	-	20,279	-	1,718,813

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £2,760 (2018 - £2,759) for the year.

	2019 £	2018 £
Motor vehicles	2,426	6,125

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

15 Tangible fixed assets

(Continued)

As outlined under the accounting policies at the end of 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 impairment loss.

For the year ended 31 March 2019 the Trustees have considered the valuation of the properties it held and does not believe the carrying values to be materially different to open market values and on that basis have decided against make further impairment provisions.

16 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 April 2018	203,938
Valuation changes	6,082
At 31 March 2019	210,020
Carrying amount	
At 31 March 2019	210,020
At 31 March 2018	203,938

17 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	181,695	109,971
Equity instruments measured at cost less impairment	210,020	203,938
Carrying amount of financial liabilities		
Measured at amortised cost	1,047,310	803,817

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

18 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	181,695	92,647
Other debtors	-	17,324
Prepayments and accrued income	119,253	32,132
	<u>300,948</u>	<u>142,103</u>

19 Loans and overdrafts

	2019	2018
	£	£
Bank loans	<u>899,901</u>	<u>724,497</u>
Payable within one year	57,175	43,598
Payable after one year	<u>842,726</u>	<u>680,899</u>

The long-term loans are secured by fixed charges over seven of the charity's freehold properties with total carrying value of £1,490,347 (2018: £1,559,763):

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
 10 St James Terrace, Leicester, LE2 1NA

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%.

20 Finance lease commitments

Future minimum lease payments due under finance leases:

	2019	2018
	£	£
Within one year	1,539	4,057
Within two and five years	-	1,179
	<u>1,539</u>	<u>5,236</u>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

21 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Bank loans	19	57,175	43,598
Obligations under finance leases	20	1,539	4,057
Other taxation and social security		24,275	20,433
Deferred income	23	57,064	45,630
Trade creditors		44,412	19,147
Other creditors		36,862	277
Accruals and deferred income		64,596	54,660
		<u>285,923</u>	<u>187,802</u>

22 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Bank loans	19	842,726	680,899
Obligations under finance leases	20	-	1,179
		<u>842,726</u>	<u>682,078</u>

23 Deferred income

	2019 £	2018 £
Arising from Grants in advance	<u>57,064</u>	<u>45,630</u>

Deferred income is included in the financial statements as follows:

	2019 £	2018 £
Current liabilities	<u>57,064</u>	<u>45,630</u>
	<u>57,064</u>	<u>45,630</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 £33,655 (2018 - £25,352).

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

25 Unrestricted funds

	Balance at 1 April 2018	Income	Movement in funds			Balance at 31 March 2019
	£	£	Expenditure	Transfers	Gains and Losses	£
			£	£	£	
Unrestricted funds						
General Fund	656,032	2,040,499	(1,673,070)	(608,918)	6,083	420,626
	<u>656,032</u>	<u>2,046,582</u>	<u>(1,673,070)</u>	<u>(608,918)</u>	<u>6,083</u>	<u>420,626</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 2018	Income	Movement in funds		Balance at 31 March 2019
	£	£	Expenditure	Transfers	£
			£	£	
No Second Night Out	-	28,390	(28,390)	-	-
Tribal Capital Grant	291,545	-	(82,329)	-	209,216
Bridge House Kids	2,000	360	(2,360)	-	-
Communities Transition Fund	1,083	56,295	(57,399)	21	-
University of Leicester	953	-	(953)	-	-
Pret a Mange	4,137	6,312	(8,299)	-	2,150
Children In Need (Building Blocks)	318	13,646	(13,964)	-	-
Moneywise Plus Reaching People	-	21,717	(21,717)	-	-
LCC Foodbank	3,199	54,898	(60,073)	1,976	-
WRAP	-	40,571	(22,682)	-	17,889
NWL Severe Weather	-	24,000	(27,083)	3,083	-
Rough Sleepers	-	50,796	(52,017)	1,221	-
Lunch Club/Feeding Britain	-	34,190	(34,190)	-	-
Accommodation Based Housing Related Support	-	182,520	(199,637)	17,117	-
	<u>303,235</u>	<u>513,695</u>	<u>(611,093)</u>	<u>23,418</u>	<u>229,255</u>

ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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 2018 £	Transfers £	Balance at 31 March 2019 £
Property Fund	745,300	-	745,300
Dilapidation Fund	99,600	10,500	110,100
Development Fund	-	575,000	575,000
	<u>844,900</u>	<u>585,500</u>	<u>1,430,400</u>

28 Analysis of net assets between funds

	Unrestricted Funds 2019 £	Designated Funds 2019 £	Restricted Funds 2019 £	Total 2019 £	Total 2018 £
Fund balances at 31 March 2019 are represented by:					
Tangible assets	264,183	1,430,400	209,216	1,903,799	1,718,813
Investments	210,020	-	-	210,020	203,938
Current assets/(liabilities)	789,149	-	20,039	809,188	563,494
Long term liabilities	(842,726)	-	-	(842,726)	(682,078)
	<u>420,626</u>	<u>1,430,400</u>	<u>229,255</u>	<u>2,080,281</u>	<u>1,804,167</u>

29 Capital commitments

At 31 March 2019 the charity had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment	-	250,000
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ACTION HOMELESS (LEICESTER) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

30 Related party transactions

There were no disclosable related party transactions during the year (2018- none).

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	184,455	135,000

Action Trust

There is a related party relationship between Action Trust (Leicester) Ltd and Action Homeless (Leicester) Ltd via the administration of Action Trust (Leicester) Ltd by Action Homeless (Leicester) Ltd staff and management.

During the year Action Homeless (Leicester) Ltd recharged management fees to Action Trust (Leicester) Ltd totalling £25,486 (2018: £24,277) and also made payments on behalf of Action Trust (Leicester) Ltd totalling £2,901 (2018: £9,698).

As at the year end the balance owed to Action Homeless (Leicester) Ltd by Action Trust (Leicester) Ltd was £66,953 (2018: £38,566).

31 Cash generated from operations

	2019 £	2018 £
Surplus for the year	276,114	232,161
Adjustments for:		
Investment income recognised in statement of financial activities	(514)	(1,134)
Fair value gains and losses on investments	(6,083)	(5,539)
Depreciation and impairment of tangible fixed assets	89,867	126,825
Movements in working capital:		
(Increase) in debtors	(158,845)	(49,197)
Increase/(decrease) in creditors	75,628	(39,042)
Increase/(decrease) in deferred income	11,434	(5,151)
Cash generated from operations	287,601	258,923

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