

HOSPITALITY AND HOPE CIO

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 October 2018

Charity Number 1159213

HOSPITALITY AND HOPE CIO

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 October 2018

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Hospitality and Hope
A Charitable Incorporated Organisation
Trustees Annual Report
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The Trustees for Hospitality and Hope have pleasure in presenting their annual report and financial statements of the charity for the year ended 31 October 2018.

1. Reference and administrative details of the charity, its trustees and advisors

Charity Name	Hospitality and Hope
Registered Charity Number	1159213
Registered Office and operational address	Hampden Street Centre Hampden Street South Shields Tyne and Wear. NE33 4JR
Trustees	Pauline Tinnelly (Chair) Sue Chilton (Treasurer) Sir David Chapman Bt Dave Fawcett (appointed 22.2.18) Peter Maloney Avril Robinson Ann Rodgers (Appointed 16.7.18)
Independent Examiner	Doug Maltman FMAAT Ellison Services Higham House Higham Place Newcastle upon Tyne NE1 8AF
Bankers	HSBC 110 Grey Street Newcastle Upon Tyne Tyne & Wear NE1 6JG

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2. Structure, governance and management

Governing documents

The organisation is a Charitable Incorporated Organisation, incorporated on 14 November 2014. The charity was established under a Foundation Model Constitution which establishes the objectives and powers of the charitable incorporated organisation and is governed under its Constitution.

Appointment of Trustees

Apart from the first charity trustees, every trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the charity trustees. In selecting individuals for appointment as charity trustees, the charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

Organisation

The Trustees meet each month with key staff and deal with the administration of the charity encompassing the strategic vision, financial accountability and risk management.

The operational management of the organisation is undertaken by the Operations & Development Manager appointed in June 2018, working in conjunction with the Board of Trustees.

Risk management

The Trustees have conducted a review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. These include the implementation of procedures for authorisation of all transactions and projects and for ensuring the consistent quality of the delivery of all operational aspects of the charitable organisation. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

3. Financial review

Review of the year

The results for the year and the charity's financial position at the end of the year are shown in the attached financial statements.

During the year the Charity had income of £208,946 (2017: £245,017) and expenditure of £220,651 (2017: £107,391). There was an operating deficit of £11,705 (2017: surplus £137,626). The 2017 surplus includes £33,400 which was received in the last month of the financial year to support the operation of the café through its first year.

Reserves policy

The trustees have a strategy to continue to build reserves through planned operating surpluses.

4. Public benefit statement

The Trustees have had due regard to the Charity Commission's guidance on public benefit when reviewing the charity's objectives and planning its future activities. This annual report will aim to demonstrate the link between our charitable activity and how this benefits our service users.

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5. Objectives and activities

The objectives of the charitable incorporated organisation (CIO) are to bring hope to the local community through:

- the relief of poverty, sickness and distress amongst homeless people and those in need in South Tyneside by the provision of funds, goods, or services of any kind as the trustees from time to time may think fit including (but not by way of limitation) by the operation of a soup kitchen and food bank;
- the relief of those in need by reason of age, ill-health, disability, financial hardship or any other social or economic disadvantage in such ways as the trustees from time to time may think fit including (but not by way of limitation) by the promotion and provision of or assistance with the provision of accommodation and/or supported accommodation appropriate to their needs; and
- to further such other purposes being exclusively charitable according to the laws of England and Wales as the trustees from time to time may think fit.

During the period 1 November 2017 to 31 October 2018 the regular activities of Hospitality and Hope were

- Delivery of a soup kitchen by teams of volunteers.
- Delivery of a food bank by a team of volunteers.
- Delivery of a clothes bank by a team of volunteers.
- Management of the Hampden Street Centre, the operational base for the charity.
- Management of the Supported Living Accommodation.
- Management of the Community Café.

6. Achievements and Performance

The Trustees of Hospitality and Hope consider their charitable objectives have been met by way of the following:

- The development of the Hampden Street Centre has proved a great success, providing an operational base for the charity and bringing its original core services under one roof. Ongoing financial support from the Greggs Foundation has provided the revenue funds for the centre.
- Our original core business helping people in the short term need through our soup kitchen, and food/clothes bank has continued to be delivered by teams of enthusiastic volunteers. The need for these services is increasing on a monthly basis.

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- The soup kitchen serves approximately 50 meals each week on Wednesdays and Sundays to homeless and vulnerable people. In addition, our guests receive sandwiches, fruit, and cakes to take away. The clothing bank is open so clients can choose items and on-site shower facilities are also available.
- Volunteers at the food bank have provided over 3300 bags of food, with an estimated value of £24k, to 1500 adults and 1100 children. Referrals to our foodbank have increased by 21% on the previous year. We continue to work closely with the local authority and other agencies who continue to refer clients experiencing food poverty. We also have an increasing number of people turning up at the door without agency referral, particularly before a weekend.
- Virtually all food for both the soup kitchen and food bank is donated by local people and firms, including bakers, food manufacturers, supermarkets and other local businesses as well as community groups, schools, churches, individuals and families. We have food donation boxes at the two local Sainsburys, and the Wilko store, and undertake food appeal days at the two Asda stores in our area. We are most grateful for their support and generosity.
- Our longer term support is offered through our supported housing facility. Our Project Leader manages the project and works closely with the core team and providing specialist one to one support with residents to aid in their journeys to recovery and independence. There are already clear sign that this model is proving successful with noticeable improvements in confidence and self esteem amongst many of our residents.
- In keeping with our wish to offer a total package of support to our clients a structured programme of training and activities for clients was offered over a nine-month period from September 2017 to May 2018 with the support of two ESF grants. A number of activities were offered including cooking, music and singing, art, Job Club, volunteering and work experience within our community cafe. Overall, 62 people engaged with the project generating 5,639 learning hours and gaining 40 qualifications in Food safety, First Aid and Health and Safety.
- In addition work began on scoping out a regular wellbeing activity in the form of a 'Listening Programme', an informal mentoring initiative to provide additional support and social engagement to our clients.
- Such has been the positive impact on the health and wellbeing of clients across both projects, that we have taken the strategic decision to include holistic support, based on this model, as a core service in the future.
- We continue to employ a part-time Volunteer Co-ordinator who manages over 60 registered volunteers working around 5,000 hours during the year which equates to £39k at minimum wage if they were paid. In addition to our regular volunteers several companies and institutions have encouraged their staff to volunteer: Headliners, Asda, William Hill, and Virgin Money all contributing in many ways, cleaning, painting, helping in the foodbank and kitchen.

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- Following a facilitation day in January 18, the staff team was strengthened by the successful appointment of our Operations and Development Manager. The remit of this role is to manage and lead the staff team and volunteers across the portfolio of services and to work closely with the Board of Trustees on matters of Strategy, Governance, Performance and Organisational Resilience.
- The Board also agreed the appointment of a Funding Officer to work under the remit of the trustees to develop a strategic fundraising plan and lead on funding applications. Following this appointment, a strategic sub-committee was formed including Trustees, Treasurer, Funding Officer and the Operations and Development Manager to manage the funding pipeline.
- The Board of Trustees was expanded during the year with the appointment of Dave Fawcett from Happy Days Charity in Halifax who has particular expertise in the area of homeless and vulnerable people. Ann Rodgers also joined the Board as a volunteer representative who brings expertise in counselling and benefit advice. Talks were also held with other potential candidates, with further appointments to be made in the future.
- Following the appointment of the new Operations and Development Manager, an 18-month delivery plan was agreed covering Strategic Leadership, Organisational Resilience and Communications. From there, work also began on clarifying the Vision, Mission and Values of the organisation to feed into a new outward communications plan, spearheaded by the development of a new website.
- A Strategic Review Day was held in September 18 to review services and identify themes to formulate a three-year Business Plan for the future. The findings were presented at the October Board meeting and will continue to be developed.
- The Board of Trustees along with the Operations and Development Manager also began a full review of policies & procedures and GDPR compliance plan.
- A full review of the Café was conducted, following its first 12 months of operation. This included a six-month forecast and additional measures such as menu revision, opening hours and staffing. Figures from the café were very encouraging, showing clear growth since opening and the café celebrated its first £5k trading month in October 18.
- Throughout the year our staff and volunteers continued to work in close partnership with many organisations. This included schools, Council services, churches and other bodies to support homeless and vulnerable people in South Tyneside, promote the charity's work and raise funds to deliver services in one of the most deprived boroughs in England.

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7. Plans for the future

The trustees continue to have ambitious plans for the development of the charity in a number of areas.

- Our primary focus is to continue to support and develop the core areas of the charity with particular emphasis on the food bank, soup kitchen, clothes bank, supported living accommodation and the community café.
- Continuing to review our services as part of the strategic planning process and identify any new needs and adjustments required to maintain the appropriate service. During the course of the year, the Board of Trustees will work closely with the Operations and Development Manager to formulate a three-year plan to lead the organisation into the 2020's.
- We will seek availability of alternative premises to our Hampden Street Operations Centre which has now become too small to accommodate the needs of our organisation and increased demand for our services.
- We will launch our new website in the Spring of 2019 along with our rebrand and a new digital-first communications plan to increase our profile and attract new supporters and funding.
- We have applied for funding to facilitate the delivery of a new CRM (Customer Relationship Management) system to give us a firm foundation for future growth, to improve our systems and processes, to better respond to our clients and improve our communications.
- We will progress the Listening Programme for our clients, deliver training for potential mentors, and develop appropriate policies and procedures.
- We will continue to seek funding to secure the continued employment of key staff essential for the delivery of our much-needed services to the most vulnerable residents of South Tyneside.
- We will continue to develop the appropriate policies and procedures to enable the charity to carry out its work and ensure that the trustees fully meet their responsibilities.
- We will seek to recruit new trustees with specific skill sets who share our Christian ethos as well as further developing our volunteer base to help deliver and support the services of the charity. Both are critical for the on-going success of the charity.

8. Statement of Trustee Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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Charity Law requires the trustees to prepare financial statements for each financial year which give a view of the state of affairs of the charitable incorporated organisation and of incoming resources and application of resources, including the income and expenditure of the charitable incorporated organisation for that year. In preparing those financial statements, the trustees are required to:

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

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charitable incorporated organisation and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charitable incorporated organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on 28.05.2019 and signed on their behalf by:

P Tinnelly (Chair)

HOSPITALITY AND HOPE CIO

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 31 October 2018

I report on the financial statements of Hospitality and Hope CIO for the year ended 31 October 2018, which are set out on pages 10 to 22.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a "true and fair" view which is not a matter considered as part of an independent examination.

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

Doug Maltman FMAAT
Ellison Services Limited
Higham House
Higham Place
Newcastle upon Tyne
NE1 8AF
Date: 29.05.2019

HOSPITALITY AND HOPE CIO

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 October 2018

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Income from:					
Donations and legacies	6	20,521	-	20,521	27,457
Charitable activities					
Grants and contracts	7	-	93,961	93,961	202,007
Other trading activities	8	590	93,874	94,464	15,553
Total income		21,111	187,835	208,946	245,017
Expenditure on:					
Raising funds	9	599	4,250	4,849	427
Charitable activities					
Operation of the charity	10	25,077	190,725	215,802	106,964
Total expenditure		25,676	194,975	220,651	107,391
Net income/(expenditure)		(4,565)	(7,140)	(11,705)	137,626
Transfers between funds		19,789	(19,789)	-	-
Net movement of funds		15,224	(26,929)	(11,705)	137,626
Reconciliation of funds					
Total funds brought forward		45,108	565,292	610,400	472,774
Total funds carried forward		60,332	538,363	598,695	610,400

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities

The notes on pages 12 to 22 form an integral part of these accounts.

BALANCE SHEET

As at 31 October 2018

	Notes	£	Total 2018 £	£	Total 2017 £
Fixed assets					
Tangible assets	16		525,454		532,516
Total fixed assets			525,454		532,516
Current assets					
Stock	17	1,402		-	
Debtors	18	9,776		7,066	
Cash at bank and in hand	19	110,471		124,340	
Total current assets		121,649		131,406	
Creditors: amounts falling due within one year	20	(18,408)		(13,522)	
Net current assets			103,241		117,884
Total assets less current liabilities			628,695		650,400
Creditors: amounts falling due after more than one year	21	(30,000)		(40,000)	
Total net assets or liabilities			598,695		610,400
Funds of the charity					
Unrestricted income funds			60,332		45,108
Restricted income funds			538,363		565,292
Total funds			598,695		610,400

The notes on pages 12 to 22 form an integral part of these accounts.

These financial statements were approved by the Board on:

28.05.2019

and are signed on its behalf by:

P Tinnelly
Chair

HOSPITALITY AND HOPE CIO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2018

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2 Basis of accounting

2.1 Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Hospitality and Hope CIO meets the definition of a public benefit entity under FRS 102.

2.2 Preparation of the accounts on a going concern basis

The charity reported total unrestricted funds at the year end of £60,332 and has already secured a significant amount of funding for the current year. The trustees are of the view that the immediate future of the charity for the next 12 to 18 months is secure and that on this basis the charity is a going concern.

3 Income

3.1 Recognition of income

Income is recognised when the charity has entitlement to the resources, any performance conditions attached to the item(s) of income have been met, it is more likely than not that the resources will be received and the monetary value can be measured with sufficient reliability

3.2 Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by FRS102 SORP or FRS102.

3.3 Grants and donations

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria of income recognition are met.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2018

3.4 Volunteer help

The value of volunteer help received is not included in the accounts but is described in the trustees' annual report.

3.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

3.6 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

4 Expenditure and liabilities

4.1 Liability recognition

Liabilities are recognised when it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

4.2 Charitable activities

Expenditure on charitable activities includes the costs of work and other activities undertaken to further the purposes of the charity and their associated support costs.

4.3 Governance and support costs

Support costs have been allocated between governance cost and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

4.4 Irrecoverable VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

4.5 Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

4.6 Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

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5 Assets

5.1 Tangible fixed assets for use by the charity

Individual fixed assets costing £250 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis, the charity does not currently have any tangible fixed assets:

Office and computer equipment	Straight line at 25%
Laygate property furniture	Straight line at 25%
Freehold land and buildings	Straight line over 50 years

HOSPITALITY AND HOPE CIO

NOTES TO THE FINANCIAL STATEMENTS

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Analysis of income

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
6 Donations and legacies				
Donations and gifts	18,968	-	18,968	19,347
Gift Aid	-	-	-	7,123
General grants provided for core funding	-	-	-	975
Other	1,553	-	1,553	12
	<u>20,521</u>	<u>-</u>	<u>20,521</u>	<u>27,457</u>
7 Charitable activities				
<u>Income from grants</u>				
Greggs Foundation - Hampden Street	-	12,500	12,500	11,070
Gisela Graham Foundation - Staffing	-	17,500	17,500	17,500
1989 Willian Charitable Trust - Staffing	-	-	-	5,000
Greggs Foundation - Christmas	-	-	-	2,000
NHS - Wellness project	-	-	-	8,750
ESF - LA7 Food, Shelter and a future	-	19,111	19,111	8,882
Finn Family Fund - Building	-	-	-	1,000
Sumner Wilson Charitable Trust - Building	-	-	-	100
Sir David Chapman - Building	-	-	-	20,150
J Fenwick - Building	-	500	500	550
Eva Reckitt Trust Fund - Building	-	-	-	1,000
The Mirianog Trust - Building	-	-	-	1,500
M I Dickson - Building	-	-	-	2,750
Middleton Enterprises - Building	-	-	-	1,000
UBS UK - Building	-	-	-	10,000
Help the Homeless Limited - Building	-	-	-	3,000
The Sylvia and Colin Shepherd Charitable Trust - Building	-	-	-	500
The Albert Hunt Trust - Building	-	-	-	15,000
Tony Trapp Foundation - Building	-	-	-	5,000
Hadrian Trust - Building	-	-	-	1,000
D Davidson - Building	-	-	-	1,030
Royal Warrant Holders Association - Building	-	-	-	2,500
Janice Slater - Building	-	-	-	1,000
Banks Community Fund - Building	-	-	-	20,000
Pharma Nord - Building	-	-	-	500
A Appleyard - Building	-	-	-	500
R W Johnson - Building	-	-	-	500
The Vardy Foundation - Building	-	-	-	10,000
A Duffy - Building	-	-	-	500
John Lewis Partnership - Building	-	-	-	10,000
Community Foundation Appletree Fund - Building	-	1,000	1,000	-
Hedley Denton Charitable Trust	-	1,000	1,000	1,000
R Hume - Staffing	-	-	-	750
Various Funders - Building	-	350	350	3,925

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	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
<u>Income from grants continued</u>				
Virgin Money Foundation - Staffing	-	-	-	33,800
Shields Evangelist Church - HMO residents	-	-	-	250
Newby Trust	-	10,000	10,000	-
Henfey Trust	-	10,000	10,000	-
Ballinger Charitable Trust	-	10,000	10,000	-
Sir James Knott Trust	-	7,000	7,000	-
Prudhoe Street Mission	-	3,000	3,000	-
Northumbria Police Commissioner	-	2,000	2,000	-
	-	93,961	93,961	202,007

8 Other trading activities

Room hire	-	-	-	420
Fundraising events	590	-	590	1,703
HMO residents	-	59,549	59,549	11,890
Laygate café	-	34,325	34,325	1,540
	590	93,874	94,464	15,553

Income was £208,946 (2017: £245,017) of which £21,111 was unrestricted or designated (2017: £28,605) and £187,835 was restricted (2017: £216,412)

Analysis of expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
9 Raising funds				
Fundraising costs	599	4,250	4,849	427
	599	4,250	4,849	427

10 Charitable activities

Direct costs

Trustee's salary	-	-	-	5,231
Trustee's NI	-	-	-	406
Staff salaries	-	22,149	22,149	31,711
Staff NI	4,924	-	4,924	2,472
Pension costs	3,418	-	3,418	-
Consultancy fees	-	-	-	13,362
DBS costs	18	-	18	28
Soup Kitchen	637	-	637	472
Food bank	534	-	534	430
Client expenses	-	240	240	100

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	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
<u>Support costs</u>				
Volunteer Co-ordinator	855	14,871	15,726	9,429
Training	1,428	-	1,428	-
Travel	183	-	183	-
Phone - Food bank	144	-	144	183
Postage and carriage	75	-	75	157
Office consumables	495	-	495	761
Payroll fees	887	-	887	330
Hospitality	-	-	-	1,024
Literature	207	-	207	299
Telephone	235	-	235	287
Insurance	477	-	477	681
Laygate - HMO costs:				
- Salary costs	-	25,558	25,558	-
- Utilities	-	4,719	4,719	3,430
- Other expenses	-	6,430	6,430	-
- Telephone	-	1,049	1,049	-
Laygate - Café costs:				
- Utilities	-	4,080	4,080	3,429
- Leases	-	2,863	2,863	-
- Salary costs	-	41,559	41,559	15,368
- Food and drink	-	12,851	12,851	-
- Equipment	-	863	863	-
- Janitor	-	1,959	1,959	-
- Printing and stationery	-	540	540	-
- Maintenance	-	164	164	-
- Travel	-	37	37	-
- Other expenses	-	1,655	1,655	-
Greggs Foundation	-	14,160	14,160	9,986
Film	1,000	4,000	5,000	-
Sundry	7,762	284	8,046	3,250
Rates and leases	-	-	-	539
ESF LA7	-	22,465	22,465	-
Equipment	238	-	238	-
Depreciation	708	8,229	8,937	2,780
<u>Governance costs</u>				
Independent examiner's fees for reporting on the accounts	852	-	852	819
	<u>25,077</u>	<u>190,725</u>	<u>215,802</u>	<u>106,964</u>

Expenditure on charitable activities was £220,651 (2017: £107,389) of which £25,676 was unrestricted or designated (2017: £6,080) and £194,975 was restricted (2017: £101,309)

HOSPITALITY AND HOPE CIO

NOTES TO THE FINANCIAL STATEMENTS

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11 Fees for examination of the accounts

	2018 £	2017 £
Independent examiner's fees for reporting on the accounts	852	819
Payroll fees paid to examiner.	887	330
	<u>1,739</u>	<u>1,149</u>

There were no other fees paid to the examiner (2017: £nil)

12 Analysis of staff costs and the cost of key management personnel

	2018 £	2017 £
Salaries and wages	102,266	45,900
Social security costs	5,573	3,349
Pension costs (defined contribution pension plan)	3,624	-
	<u>111,463</u>	<u>49,249</u>

No employee received remuneration above £60,000 (2017: £nil)

The key management personnel of the charity, comprise the trustees and the Operations and Development Manager.. The total employee benefits of the key management personnel of the charity were £14,583.

13 Staff numbers

The average monthly head count was 7 staff (2017: 5 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	2018 Number	2017 Number
The parts of the charity in which the employee's work		
Charitable activities	5.5	5.0
	<u>5.5</u>	<u>5.0</u>

14 Defined contribution pension scheme

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

The employer's pension costs represent contributions payable by the charity to the fund and amount to £3,624 (2017: £0). There was £0 outstanding as at 31 October 2018 (2017: £0)

15 Corporation Taxation

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

HOSPITALITY AND HOPE CIO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2018

	Office and Computer equipment £	Laygate property Furniture £	Freehold land and Building £	Total £
16 Tangible fixed assets				
Cost				
Balance brought forward	1,543	9,883	524,423	535,849
Additions	1,593	282	-	1,875
Disposals	-	-	-	-
Balance carried forward	3,136	10,165	524,423	537,724
Depreciation				
Basis	SL	SL	SL	
Rate	25%	25%	50 years	
Balance brought forward	863	2,470	-	3,333
Depreciation charge for year	708	2,541	5,688	8,937
Disposals	-	-	-	-
Balance carried forward	1,571	5,011	5,688	12,270
Net book value				
Brought forward	680	7,413	524,423	532,516
Carried forward	1,565	5,155	518,735	525,454

17 Stock

	For resale £
Charitable activities:	
Opening	-
Added in period	14,253
Expensed in period	(12,851)
Impaired	-
Closing	1,402

18 Debtors and prepayments (receivable within 1 year)

	2018 £	2017 £
Gift Aid	7,066	7,066
Prepayments	2,710	-
	9,776	7,066

HOSPITALITY AND HOPE CIO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2018

19 Cash at bank and in hand Unrestricted Funds

	2018 £	2017 £
Short term cash investment	-	-
Short term deposits	-	-
Cash at bank	110,022	124,340
Cash in hand	449	-
	<u>110,471</u>	<u>124,340</u>

20 Creditors and accruals (payable within 1 year)

	2018 £	2017 £
Accruals		
Independent examination of accounts	835	819
Other accruals	17,573	12,703
	<u>18,408</u>	<u>13,522</u>

21 Creditors and accruals (payable after more than 1 year)

	2018 £	2017 £
Long Term Loan	30,000	40,000
	<u>30,000</u>	<u>40,000</u>

22 Events after the end of the reporting period

No events (not requiring adjustment to the accounts) have occurred after the end of the reporting period but before the accounts are authorised which relate to conditions that arose after the end of the reporting period.

23 Analysis of charitable funds

Analysis of movements in unrestricted funds

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Unrestricted funds					
General unrestricted fund	45,108	21,111	(25,676)	19,789	60,332
Totals	<u>45,108</u>	<u>21,111</u>	<u>(25,676)</u>	<u>19,789</u>	<u>60,332</u>

Purpose of unrestricted funds

General unrestricted fund The 'free reserves' of the charity

HOSPITALITY AND HOPE CIO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2018

Analysis of movement in restricted funds

Restricted funds	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Gisela Graham Foundation	5,269	17,500	(19,507)	-	3,262
Laygate café	11	34,325	(66,573)	32,237	-
Laygate HMO	7,996	59,549	(37,756)	(29,789)	-
Virgin Money Foundation	30,508	-	-	(30,508)	-
ESF and LA7 Food, shelter and a future	3,638	19,111	(22,749)	-	-
Film Fund	4,000	-	(4,000)	-	-
Barbour Foundation	24,331	-	(15,642)	(1,729)	6,960
1989 Willian Charitable Trust	1,871	-	(1,871)	-	-
Newby Trust	-	10,000	(4,250)	-	5,750
Henfey Trust	-	10,000	-	-	10,000
Prudhoe Street Mission	-	3,000	-	-	3,000
Northumbria Police Commissioners	-	2,000	-	-	2,000
Ballinger Charitable Trust	-	10,000	-	-	10,000
Sir James Knott Trust	-	7,000	-	-	7,000
Building Fund	(47,386)	2,850	-	9,718	(34,818)
Freehold land and Building	-	-	(5,688)	524,423	518,735
Asset under construction	524,423	-	-	(524,423)	-
Asset - Laygate furniture	7,413	-	(2,540)	282	5,155
Greggs Foundation	1,668	12,500	(13,673)	-	495
Greggs Foundation - Xmas	1,550	-	(726)	-	824
Totals	565,292	187,835	(194,975)	(19,789)	538,363

Purpose of restricted funds

Restricted funds represent income resources used for a specific purpose within the charity as identified by the donor.

Gisela Graham Foundation	Funds for staffing costs.
ESF Funds	Improve the employment chances of the clients of the charity.
Building Fund	Funds to cover costs of Laygate property.
Film Fund	Funds received for the production and promoting of a film for the development of the charity.
Barbour Trust	Staffing to develop the charity.
Greggs Foundation	Funds for running costs of Hampden Street Centre.
Greggs Foundation - Xmas	Funds for Christmas activities for clients.
Virgin Money Foundation	Funds to support the running costs of the café.
1989 Willian Charitable Trust	Volunteer Co-ordinator costs.
Newby Trust	Fundraiser grant writer costs.
Henfey Trust	Staffing costs.
Ballinger Charitable Trust	Staffing costs.
Sir James Knott	Staffing costs.
Prudhoe Street Mission	Development for activity programmes for clients.
Police Commissioners	Development of gardening project with clients.

HOSPITALITY AND HOPE CIO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2018

Transfers between funds

	Reason for transfer	Amount £
Between unrestricted and restricted funds	Repayment of loan.	(10,000)
Between unrestricted and restricted funds	Allocation of HMO surplus	29,789

24 Capital commitments

As at 31 October 2018, the charity had no capital commitments (2017 -£nil)

25 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Tangible fixed assets	525,454	-	525,454
Investments	-	-	-
Cash at bank and in hand	(427,892)	538,363	110,471
Other net current assets/(liabilities)	(7,230)	-	(7,230)
Long term assets/(liabilities)	(30,000)	-	(30,000)
	<u>60,332</u>	<u>538,363</u>	<u>598,695</u>