

**HOPE UK**

**TRUSTEES' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**Charity Registration No 1044475 (England & Wales)**

**Charity Registration No SC040550 (Scotland)**

**Company Registration No 3022470 (England & Wales)**

# Hope UK

## Financial Report year ended 31 December 2016

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# HOPE UK

## Charity Reference and Administrative Information

<b>Trustees</b>	Andy Lawley (Chair) (reappointed 2/4/2016) Christina Becares (Treasurer) (reappointed 2/4/2016) John Campbell (appointed 12/4/2014) Denias Chihwai (appointed (12/4/2014) Ann Galbraith (reappointed 2/4/2016) Josephine Hart (reappointed 2/4/2016) Patricia Howell (appointed 2/4/2016) David Linington (resigned 2/4/2016) Nab Mills-Robertson (appointed (12/4/2014) Sharon Murphy (reappointed 2/4/2016) Kate Sandison (reappointed 2/4/2016)
<b>Chief Executive Officer</b>	Sarah Brighton
<b>Secretary</b>	Marolin Watson
<b>Charity Number</b>	1044475 (England & Wales) SCO40550 (Scotland)
<b>Company Number</b>	3022470
<b>Registered Office</b>	50 Gold St Kettering Northamptonshire NN16 8JB
<b>Independent Examiner</b>	Gary Peter Brookes FCA FCIE BSc 130 Wombourne Park Wombourne S Staffordshire WV5 0LY
<b>Bankers</b>	Bank of Ireland P O Box 2124 Belfast BT1 9RS
<b>Solicitor</b>	Wedlake Bell LLP 52 Bedford Row London WC1R 4LR
<b>Investment Managers</b>	Brewin Dolphin 12 Smithfield Street London EC1A 9BD

# **HOPE UK**

## **Year ended 31 December 2016**

### **Trustees' Report**

The Trustees of Hope UK present this report and accounts for the period 1 January 2016 to 31 December 2016.

This report has been prepared in accordance with the accounting policies set out in note 1 to the accounts and complies with the charity's Memorandum and Articles of Association, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### **Vision, Mission and Aims of the Charity**

Hope UK's vision is to see children and young people in Britain living confident, healthy, drug-free and fulfilling lives.

Its mission is to enable children and young people throughout the United Kingdom to develop the knowledge and life skills they need to make drug-free choices.

Hope UK's aims are:

- to have highly trained voluntary Drug Educators in every community throughout the United Kingdom delivering interactive age-appropriate drug education, including our 8-session 'Drugs, Sex and You' course for youth groups
- to support young people choosing drug and alcohol-free lifestyles through our youth branch, Generation Hope
- to involve young people in Hope UK's work in various capacities, including governance and peer education

#### **Governing Document**

Hope UK is a registered charity in England, Wales and Scotland (1044475 registered on 24<sup>th</sup> February 1995 with the Charity Commission for England and Wales; and SC040550 registered on 2<sup>nd</sup> June 2009 with the Office of the Scottish Charity Regulator) and also a company limited by guarantee in England and Wales (3022470 incorporated on 16<sup>th</sup> February 1995).

Hope UK (formerly the UK Band of Hope Union) was established under a Memorandum and Articles of Association which sets out its objects and powers. In the event of the company being wound up its Trustees are required to contribute an amount not exceeding £1 each.

#### **Activities and Achievements**

##### The Voluntary Drug Educator Training Programme

For the last 24 years, Hope UK has been training suitable volunteers to become Drug Educators in their own communities, working with children and young people in schools, colleges, pupil referral units, hostels, youth groups – and from stands in busy streets and market places. Drug awareness sessions are also provided for parents, teachers and other professionals to enable them to include drug education in their work with children and young people.

Last year, Hope UK introduced three new volunteering opportunities:

- As an Educator specialising in 'detached' work – working in very informal environments (for example, a shopping centre, church fun day) doing drug prevention activities with passers-by.
- As a Generation Hope Volunteer – developing opportunities for local young people to get involved with Generation Hope – this might involve helping at or running a club, setting up detached work for young people to be involved with, helping run residential weekends, etc.
- As a Church Speaker – representing Hope UK to local churches, speaking at services, midweek meetings, home groups, etc., talking about our work and encouraging people to support us.

The training course used to train our educational volunteers is accredited with the Open College Network and consists of 120 hours of distance learning and four (often residential) practical training weekends.

At the beginning of the year we had 118 voluntary Drug Educators. A recruitment drive boosted numbers to 135. In addition, the number of young people involved with Generation Hope more than doubled from 30 to 70 individuals, many of whom contributed to the total of over 2,500 drug education sessions that were carried out last year.

Generation Hope young people have been particularly effective in detached settings, providing peer-to-peer education under close supervision from adult Drug Educators.

### Generation Hope

Generation Hope (GH) is Hope UK's youth membership branch which aims to use positive peer influence, training, mentoring, activities and social media to support young people in choosing healthy lifestyles and encouraging others to do likewise.

An experienced youth worker heads up this project with support from the CEO and some of the adult volunteers who are also youth workers.

Last year, many events were organised for GH young people, including training and activity weekends, days out and a whole week of camping near Keswick in the Lake District, providing drug education from a stand at an annual Christian conference, but also having fun and building solid friendships. One of the young people commented:

*"The Generation Hope stand attracted many young people of all ages during the open hours. They would come every day to participate in the activities that we had set out; beer goggles, dangerous drugs, pour a unit; everything was there for them to play and learn with. We all had interesting discussions."*

Generation Hope has its own website which can be found at <http://genhope.co.uk/>.

### Alcohol-Free Today

Alcohol-Free Today (AFT) is a low-cost project involving a brightly coloured wrist band which, when worn, signals a young person's intention to be alcohol-free for a period of time or on a particular occasion, acting as a reminder to them as well as friends who may want to encourage them to drink. A Facebook page enables young people who use the wrist bands to share their experience of being alcohol-free and post light-hearted videos demonstrating fun activities that don't involve drinking.

## Drugs, Sex and You course

During 2016, Drugs, Sex and You courses were delivered by specially trained Drug Educators with ten youth groups in different parts of the UK. Delivered over 8 sessions, the course includes self-esteem and confidence building, life skills and sexual health education as well as drug and alcohol information. Although the course has been very well received by both young people and youth workers, opportunities to deliver it were limited last year by a combination of Educator availability and lack of time by our small office staff team to publicise it widely.

The course is particularly effective with disadvantaged young people who often lack the confidence to benefit from the education in these areas provided in schools and at home.

### **Plans for 2017**

At the beginning of 2017 we moved from our office in Copperfield Street SE1 to two offices; one in our own building in Kettering, Northamptonshire and a rented office in Latimer Church in the East End of London. We have been using the conference and dormitory facilities of Latimer Church for our practical training weekends for many years so this is a move that will increase our efficiency and reduce costs.

We will continue to recruit and train new volunteers for the various roles now on offer.

Generation Hope members will be supported locally by our voluntary Drug Educators, and 8 were trained last year to do this. We plan to train more volunteers this year. The youth worker responsible for developing GH has a full programme of activities planned for this year and membership is expected to double or even triple as our youth branch becomes more widely known.

The Alcohol-free Today project will grow with Generation Hope, but many of the characteristic wrist bands have been taken by young people with no association with our youth branch.

The Educators who have been trained to run the 'Drugs, Sex and You' course will be encouraged to continue offering the course to youth groups in their area.

### **Activities, Achievements and Plans for Scotland**

Sixty-one drug and alcohol education sessions were delivered by our Project Worker and team of six Drug Educators, mainly in North East Scotland. Three of the Educators regularly worked from a bus in Buckie that caters for people with substance use issues. A Drug Educator in Ayrshire continues to regularly use Hope UK's training in his interventions with families.

The Project Worker again delivered the Drugs, Sex and You course with disadvantaged young people at Aberlour Youth Point.

The part-time local Project Worker resigned from her post at the end of the year to take on a full-time job with another charity and three of the voluntary Drug Educators left the programme for various reasons. We are currently reviewing the future of our work in Scotland which we are committed to continuing.

### **Affiliations**

Hope UK is a member of the Drug Practitioners Forum, the National Council for Voluntary Youth Services (NCVYS) and the National Council for Voluntary Organisations (NCVO). Hope UK is a recognised centre for the Open College Network (London region).

## **Organisational Structure**

The Chief Executive Officer is accountable to the Trustees who are provided with monthly updates of the charity's work. The CEO participates in Trustee meetings but has no vote. Trustees meet four times per year including the Annual General Meeting held in April. Trustee subgroups have been established to consider topics such as youth involvement, vision and fundraising.

During 2016 Hope UK had seven full-time and one part-time HQ staff members who functioned as one integrated team, though with differing responsibilities for Educator recruitment and support, Generation Hope, fundraising, finance and administration. There were four part-time Local Project Workers responsible for recruiting and supporting volunteers as well as delivering drug education in North East Scotland, the North of England, Northamptonshire and Hampshire. A part-time Generation Hope worker was employed in South West Wales.

As a result of a staff restructuring for greater efficiency, there are now six full-time HQ staff and four Local Project Workers in the North of England, Northamptonshire and Hampshire.

A strategic plan has been adopted with priorities set for the year ahead. This is complemented by annual objectives and a budget prepared by the Hon Treasurer in consultation with the Chief Executive Officer, Business Manager and the Chair of Trustees.

## **Public Benefit**

Hope UK's Trustees believe that the charity clearly meets the public benefit requirements of charity law. This is demonstrated by the activities reported upon in this document in furtherance of the charity's objects which are focused on enabling young people to make drug-free choices by providing information to children, young people and their parents, training children's, youth, family and church workers and developing our youth membership branch.

## **Resources**

Hope UK relies on income from trusts, companies, other voluntary organisations (like churches) and individual donors. An investment portfolio (see below) is managed to produce income in the form of dividends and interest.

Last year, Hope UK sold a building bequeathed to it by Kettering Temperance Society (KTS) in Northamptonshire. The proceeds from the sale were used to support our work.

As a service providing charity, Hope UK normally does not make grants to other charities. However, the Trustees reserve the right to make small grants to organisations that will further Hope UK's aims.

Hope UK's capital resources relate to the 25(F) Copperfield Street property which has been used as the national office and was held on a 999-year lease. This is being sold to provide further operating capital for the work of the charity.

## **Investments (Reserves)**

Hope UK's Capital Reserve originated primarily from funds provided by the sale of a central London property in the 1990's, which was purchased in the 1930's after a fundraising appeal. The current value has been influenced by the rise and fall of stock values as well as the planned sale of investments to fund the development of educational work.

At the end of 2016, there was approximately £381,001 held in reserve, comprised of £369,067 in investments with an investment company, Brewin Dolphin; and £11,934 'on deposit' with the Bank of Ireland. About half of these reserves are restricted for use in specific geographical areas.

Income, including investment gains of £37,655, for the year were £283,722 (cp 2015 £268,015). Expenditure at £415,366 (cp 2015 £397,060) also increased. This resulted in another overall deficit of £131,644 but was only marginally higher of the 2015 year's loss of £129,045.

The gap between Hope UK's income and expenditure has been addressed by the sale of the HQ building in Copperfield Street and a relocation to two very low-cost venues, one of which is owned, as well as a staff restructuring which includes the employment of a fundraiser with a proven track record of success.

A Finance Group meets twice a year as a sub-group reporting to the Trustees.

To comply with the charity's objects, the Trustees have implemented an ethical investment policy prohibiting investment in companies dealing with alcohol, tobacco, gambling and pornography.

### **Control systems**

Hope UK's Trustees have overall responsibility for ensuring that there are appropriate control systems, financial and otherwise, which provide reasonable assurance of:

- efficient and effective operation;
- protection against unauthorised use or disposition of assets;
- maintenance of proper records with the provision of reliable financial information;
- compliance with relevant legislation and regulation.

### **Risk Factors**

The Trustees consider that areas of risk fall into two overall areas of finance and infrastructure (income, expenditure, buildings, equipment, ICT and security); and personnel and operational issues (recruitment, training, provision of talks and training by staff and voluntary educators, health and safety, management systems, employment legislation issues, child protection and confidentiality).

The Trustees have mitigated the finance and infrastructure risks by;

- ensuring there is no over-reliance on any one funding source or fixed term income;
- ensuring systems exist to combat the threat of computer viruses and loss of information;
- ensuring appropriate insurances are in place for buildings and staff.

The Trustees have mitigated the personnel and operational risks by:

- maintaining appropriate insurance;
- having appropriate policies and training to cover employment and health and safety legislation, and child protection and confidentiality – all staff are required to be familiar with these policies. An external Human Resources adviser is employed on a retainer basis.
- ensuring that Hope UK 'benchmarks' its activities by reference to external standards, e.g., Open College Network accreditation for training courses; membership of DrugScope and the Drug Practitioners Forum.

## **Recruitment and Appointment of Trustees**

Hope UK's Trustees, who are also Directors for the purpose of Company Law, are normally appointed for three-year terms at the Annual Meeting. Should a casual vacancy occur, then a Trustee may be elected to fill the remaining term of that vacancy. All Trustees must be members of Hope UK.

Trustees retire by rotation and, if nominated, are able to offer themselves for re-election at the Annual Meeting.

The Trustees bring a wide range of professional and voluntary experience, including a church leader, pharmacist, general practice nurse and a cost assurance manager.

Most of Hope UK's drug education and prevention work is delivered by voluntary Drug Educators. All of the Trustees are also voluntary Drug Educators and bring this experience to their roles.

From time to time the Trustees consider the mix of skills and experience represented amongst them and, when appropriate, have sought to maintain a broad mix by actively seeking nomination for suitably experienced individuals.

## **Trustee Induction and Training**

New trustees are given access to the NCVO's 'Good Trustee Guide', and an explanation of the role and responsibility of Trustees is included as part of the recruitment process. Trustees are sent Charity Commission Guides and other helpful information when it becomes available. All Trustees are encouraged to attend the Annual Drug Educators' conference and Annual Meeting day to meet members as well as those who are providing drug education on Hope UK's behalf, participating in the training that takes place at this event.

Specific items which require training or further information may be addressed as part of a Trustees' meeting.

## **Responsibility of the Management Committee (Hope UK's Trustees)**

Company law requires the Management Committee to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Management Committee should follow best practice and:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis.

The Management Committee is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Management Committee is also responsible for safeguarding the assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Members of the Management Committee

Members of the Management Committee, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 3.

In the interests of transparency, two Trustees, both of whom are also voluntary Drug Educators, received payment to work for one day per week as Hope UK's Local Project Workers in Southampton and the North of England respectively. We declare that there was no conflict of interest and that Ann Galbraith and Sharon Murphy were excluded from any discussions concerning their remuneration. The Charity Commission was informed.

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's independent financial auditor is unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant information and to establish that the charity's independent financial adviser is aware of that information.

## **Independent Examiner**

Gary Brookes Chartered Accountant was re-appointed as the Independent Examiner ( being the updated assignment from Statutory Auditor at the Annual General Meeting by the members of Hope UK.

Approved by the Management Committee and signed on its behalf by:

A Lawley, Chair of Trustees

## **HOPE UK**

### **Financial Statements for the year to 31 December 2016**

#### **Independent Examiner's Report to the directors of HOPE UK**

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the ICAEW.

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 2011 Act; section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act), and the Charities Accounts (Scotland) Regulations 2006;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

#### **Basis of independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission and is in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. 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 you as 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.

Your attention is to be drawn to the fact that the charity has prepared the accounts (financial statements) in accordance with Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard (FRS102) preference to the Accounting and Reporting by Charities; Statement of Recommended Practice issued on April 2005 which is referred to in the extant regulations but has since been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

#### **Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect, the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; section 44(1)(a) of the 2005 Act, and Regulation 4 of the Accounts Regulations and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 section 44(1)(b) of the 2005 Act and

Regulation 8 of the 2006 Accounts Regulations and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met, or

2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Gary Peter Brookes

Fellow of the Institute of Chartered Accountants of England and Wales and Association of Charity

Independent Examiners

130 Wombourne Park

Wombourne

South Staffs

WV5 0LY

April 2017

**HOPE UK**  
**Statement of Financial Activities**  
**Year ended 31 December 2016**

	<u>Notes</u>	Unrestricted funds	Restricted funds	Total Funds 2016	Total Funds 2015 **
		£	£	£	£
<b>Income</b>					
Donations and Legacies	<b>2(a)</b>	107,447	40,950	148,397	233,503
Investment income	<b>2(b)</b>	10,906	2,835	13,741	18,691
Charitable Activities	<b>2(c)</b>	5,730	-	5,730	3,291
Other Income	<b>2(d)</b>	78,199	-	78,199	920
<b>Total Income</b>		<u>202,282</u>	<u>43,785</u>	<u>246,067</u>	<u>256,405</u>
<b>Expenditure on</b>					
Raising Funds	<b>3</b>	37,464	816	38,280	56,344
Charitable activities	<b>3</b>	208,883	168,203	377,086	340,716
<b>Total Expenditure</b>		<u>246,347</u>	<u>169,019</u>	<u>415,366</u>	<u>397,060</u>
Gains on investment assets		29,885	7,770	37,655	11,610
<b>Net Income / (expenditure)</b>		<u>(14,180)</u>	<u>(117,464)</u>	<u>(131,644)</u>	<u>(129,045)</u>
Transfers between funds		89,741	(89,741)	-	-
<b>Net movement in funds</b>		<u>75,561</u>	<u>(207,205)</u>	<u>(131,644)</u>	<u>(129,045)</u>
Total funds brought forward		566,914	377,066	943,980	1,073,025
<b>Total funds carried forward</b>		<u>642,475</u>	<u>169,861</u>	<u>812,336</u>	<u>943,980</u>

\*\*

\*\* See note 13 for full comparatives for 2015

**HOPE UK**  
**Summary Income and Expenditure Account**  
**Year ended 31 December 2016**

	<b>Funds 2016</b>	<b>Funds 2015</b>
	<b>£</b>	<b>£</b>
Income	246,067	256,405
Gains on investments	<u>37,655</u>	<u>11,610</u>
Gross Income	283,722	268,015
Expenditure	415,366	397,060
Net (expenditure) for the year	<u><u>(131,644)</u></u>	<u><u>(129,045)</u></u>

The summary income and expenditure account is derived from the statement of financial activities on page 13 which, together with the notes on the following pages provides full information on the movements during the year on all funds of the charity

**HOPE UK**  
**Balance Sheet**  
**As at 31 December 2016**

	Notes	2016		2015	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible Assets for use by the charity	7		309,945		312,401
Investments	8		<u>381,001</u>		<u>608,561</u>
			<u>690,946</u>		<u>920,962</u>
<b>Current Assets</b>					
Debtors	9	9,801		12,873	
Bank & Cash in hand		<u>135,792</u>		<u>30,898</u>	
		145,593		43,771	
<b>Creditors : Amounts falling due within one year</b>	10	24,203		20,753	
<b>Net Current Assets</b>			121,390		23,018
<b>Total Assets less Current Liabilities</b>			<u><u>812,336</u></u>		<u><u>943,980</u></u>
<b>Capital Funds</b>					
<b>Restricted Funds</b>	11		169,861		377,066
<b>Unrestricted Funds</b>					
General		332,530		254,513	
Capital Reserve		<u>309,945</u>		<u>312,401</u>	
			642,475		566,914
<b>Total Charity Funds</b>			<u><u>812,336</u></u>		<u><u>943,980</u></u>

For the year ended 31 December 2016 the company was entitled to exemption from audit under section 477 (1) of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476

The Directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with s386 and s387 of the Companies Act 2006 and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31 December 2016 and of its profit for the year then ended in accordance with the requirements of s396 and which comply with the requirements of the Act relating to the accounts so far as applicable to the company.

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

Signed and approved on the behalf of the Board on ..... 2017

Name

Company number 3022470

The notes on the following pages form part of these financial statements

**HOPE UK**  
**Notes to the Accounts**  
**Year ended 31 December 2016**

**1. Accounting Policies**

**(a) Basis of Accounts Preparation**

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) published on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) the Charities Act 2011 the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015. The financial statements have been prepared on a going concern basis under the historical cost convention modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity

**(b) Recognition of incoming resources**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Any further detail is given in the Trustees' Annual Report

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

**HOPE UK**  
**Notes to the Accounts**  
**Year ended 31 December 2016**

**c) Expenditure recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

**Governance costs**

Include costs of the preparation and examination of statutory accounts, the costs of trustee meetings and cost of any legal advice to trustees on governance or constitutional matters.

**Support Costs**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises overheads and central functions have been allocated on an activity costs basis consistent with the use of resources.

Fund raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities

**(d) Funds**

**Restricted Funds**

Restricted funds are those funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charity for particular purposes. The cost of raising and administering such fund are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements

**Unrestricted Funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes

**Designated funds**

Designated funds comprise of unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements

**( e) Tax**

**Tax reclaims on donations and gifts**

Gift Aid and other tax reclaims are included in the SoFA at the same time as the donations to which they relate.

**(f) Debtors and creditors**

Debtors and Creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure

**(g) Investment properties**

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in net gains /(losses) on investments in the SOFA

**(h) Investments**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the SOFA if the shares are publically traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

**HOPE UK**  
**Notes to the Accounts (cont.)**  
**Year ended 31 March 2016**

**(i) Assets**

**Tangible fixed assets for use by charity**

Tangible fixed assets are stated at cost ( or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Costs includes costs directly attributable to making the assets capable or operating as intended. These are capitalised if they can be used for more than one year, and cost at least £1000. They are valued at cost.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset on a systematic basis over its expected useful life as follows:

Office equipment	25% on a straight line basis
Computer equipment	33% on a straight line basis
Leasehold Premises	0.1% on a straight line basis

**(j) Going Concern**

The directors consider that the charity remains viable for the year ahead

**2(a). Income from donations and legacies**

	<b>Unrestricted</b>	<b>2016</b>		<b>2015</b>
	<b>Funds</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>Funds</b>	<b>£</b>	<b>£</b>
Donations and gifts	36,127	23,650	59,777	104,698
Grants receivable for core activities	50,080	17,300	67,380	100,037
Legacies	1,000	-	1,000	5,000
Recharges	20,240	-	20,240	23,768
	<u>107,447</u>	<u>40,950</u>	<u>148,397</u>	<u>233,503</u>

**2(b).Income from Investments**

Income from listed investments	10,905	2,835	13,740	18,582
Interest receivable	1	-	1	109
	<u>10,906</u>	<u>2,835</u>	<u>13,741</u>	<u>18,691</u>

**2(c).Income from charitable activities**

Income for service provision	<u>5,730</u>	<u>-</u>	<u>5,730</u>	<u>3,291</u>
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**2(d)Other Income**

Profits on sale of property	71,432	-	71,432	-
Other Income	6,767	-	6,767	920
	<u>78,199</u>	<u>-</u>	<u>78,199</u>	<u>920</u>

**HOPE UK**  
**Notes to the Accounts (cont.)**  
**Year ended 31 December 2016**

**3. Analysis of Expenditure**

	<b>Staff costs</b>	<b>Other</b>	<b>Total 2016</b>	<b>Total</b>
	<b>£</b>	<b>Costs</b>	<b>£</b>	<b>2015</b>
		<b>£</b>		<b>£</b>
<b>Raising Funds</b>				
Fundraising and publicity	33,469	-	33,469	49,734
Publicity and promotions	-	128	128	1,165
Printing, postage and Stationery	-	723	723	546
Investment management costs	-	3,960	3,960	4,899
<b>Total</b>	<b>33,469</b>	<b>4,811</b>	<b>38,280</b>	<b>56,344</b>

**Charitable activities**

Activities undertaken directly:

**General education**

Salaries	272,323	-	272,323	248,819
Depreciation	-	2,453	2,453	2,472
Direct project costs	-	5,940	5,940	14,972
Training	-	40,383	40,383	18,781
Telephone	-	1,932	1,932	2,168
Insurance	-	4,536	4,536	4,647
Computer costs	-	4,618	4,618	7,565
Utility costs	-	1,445	1,445	1,683
Property expenses	-	21,921	21,921	12,222
Leasing costs	-	1,954	1,954	1,972
Subscriptions	-	1,126	1,126	1,623
Legal expenses	-	185	185	1,010
Bank charges	-	326	326	533
HR support	-	2,364	2,364	750
Printing, postage and stationery	-	8,045	8,045	11,350
Accountancy support	-	3,850	3,850	5,346
Governance costs	-	3,685	3,685	4,803
<b>Total</b>	<b>272,323</b>	<b>104,763</b>	<b>377,086</b>	<b>340,716</b>

**HOPE UK**  
**Notes to the Accounts (cont.)**  
**Year ended 31 December 2016**

**4. Governance Costs**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Accounts preparation and independent examination	2,900	3,000
Statutory Audit and accountancy	-	430
Trustee expenses	785	1,373
	<u>3,685</u>	<u>4,803</u>

**5. Employees**

Wages & Salaries	275,160	268,878
Social Security Costs	21,186	20,899
Pension Costs	7,976	7,390
Life assurance	1,470	1,386
	<u>305,792</u>	<u>298,553</u>

The average monthly number of staff employed by the charity during the year was as follows:

Fundraising and publicity	0.5	1
Charitable activities	11	10.5
Support	1	1
	<u>12.5</u>	<u>12.5</u>

There were no employees whose annual emoluments were £60,000 or more

**6.Trustees' and key management personnel remuneration expenses**

A. Galbraith received a salary of £4,101 (2015 £4,099)

S. Murphy received a salary of £3,497 (2015 £4,025)

Four of the trustees were reimbursed for expenses amounting to £785 (2015 £2,394)

**HOPE UK**  
**Notes to the Accounts (cont.)**  
**Year ended 31 December 2016**

**7. Tangible Fixed Assets for use by the Charity**

	<b>2016</b>			
	<b>Land and buildings</b>	<b>Computer equipment</b>	<b>Office equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cost as at 1 January 2016	315,165	17,560	15,168	347,893
Additions	-	-	-	-
Cost as at 31 December 2016	<u>315,165</u>	<u>17,560</u>	<u>15,168</u>	<u>347,893</u>
Depreciation as at 1 January 2016	6,623	14,318	14,551	35,492
Charge for the year	315	1,873	268	2,456
Depreciation as at 31 December 2016	<u>6,938</u>	<u>16,191</u>	<u>14,819</u>	<u>37,948</u>
Net book Value as at 31 December 2016	<u>308,227</u>	<u>1,369</u>	<u>349</u>	<u>309,945</u>
Net book Value as at 31 December 2015	<u>308,542</u>	<u>3,242</u>	<u>617</u>	<u>312,401</u>

**8. Fixed assets investments**

	<b>Land and buildings</b>	<b>Quoted investments</b>	<b>Cash</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Market value as at 1 January 2016	120,000	473,729	14,832	608,561
Disposals at opening book value	(120,000)	(190,302)	-	(310,302)
Acquisitions at valuation and cost	-	48,701	-	48,701
Change in value in the year	-	34,041	-	34,041
Movements in cash	-	2,898	(2,898)	-
Market value as at 31 December 2016	<u>-</u>	<u>369,067</u>	<u>11,934</u>	<u>381,001</u>

**Historical cost**

At 31 December 2016	<u>-</u>	<u>260,303</u>	<u>11,934</u>	<u>272,237</u>
At 31 December 2015	<u>120,000</u>	<u>371,174</u>	<u>14,832</u>	<u>506,006</u>

**9. Debtors**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Gift Aid Tax due	1,800	2,400
Trade Debtors	1,750	245
Other Debtors	-	3,832
Prepayments	6,251	6,396
	<u>9,801</u>	<u>12,873</u>

**10. Creditors : Amounts falling due in less than one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Taxes and social security costs	6,470	6,148
Trade creditors	7,998	6,370
Accruals	3,350	4,900
Holiday pay accrual	-	1,642
Other creditors	6,385	1,693
	<u>24,203</u>	<u>20,753</u>

**HOPE UK**  
**Notes to the Accounts (cont.)**  
**Year ended 31 December 2016**

**11. Fund Reconciliation**

	<b>Fund Balances 1 January 2016</b>	<b>Incoming resources</b>	<b>Outgoing resources</b>	<b>Transfers</b>	<b>Fund Balances 31 December 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Trust Funds</b>					
Cromer Norfolk	3,639	-	-	(3,639)	-
Love IOW	1,885	-	-	(1,885)	-
Hants IOW	12,587	-	-	(12,587)	-
Southampton	40,631	2,212	8,739	-	34,104
Leicester	25,360	1,381	18,245	-	8,496
Middlesbrough	14,537	792	215	-	15,114
Woking	6,985	-	-	(6,985)	-
Newton Abbot	13,263	722	1,906	-	12,079
Sheffield	45,123	2,457	11,209	-	36,371
Watford	55,858	3,041	14,038	-	44,861
	<u>219,868</u>	<u>10,605</u>	<u>54,352</u>	<u>(25,096)</u>	<u>151,025</u>
<b>Grants</b>					
General Regional grants	-	50	119	69	-
Kettering	-	18,000	18,000	-	-
London	-	2,000	2,000	-	-
North East	1,734	2,000	3,734	-	-
North West	2,935	5,170	2,134	-	5,971
Peckham	8,996	4,500	9,476	-	4,020
Scotland	-	901	9,065	8,164	-
Bucks	1,060	-	105	-	955
East Anglia	-	847	107	-	740
East Midlands	2,408	2,830	93	-	5,145
South East	1,843	90	1,933	-	-
Leicester	-	1,200	1,200	-	-
West Midlands	2,005	1,265	1,265	-	2,005
Yorkshire	-	50	50	-	-
Wales	-	(1,870)	1,892	3,762	-
Generation Hope	16,217	3,917	62,678	42,544	-
	<u>37,198</u>	<u>40,950</u>	<u>113,851</u>	<u>54,539</u>	<u>18,836</u>
<b>Capital</b>					
Property transfer	120,000	-	-	(120,000)	-
<b>Total restricted</b>	<u>377,066</u>	<u>51,555</u>	<u>168,203</u>	<u>(120,000)</u>	<u>169,861</u>
<b>Unrestricted reserves</b>					
Fixed Asset Reserve	312,401	-	-	(2,456)	309,945
General reserve	254,513	232,167	247,163	93,013	332,530
	<u>566,914</u>	<u>232,167</u>	<u>247,163</u>	<u>90,557</u>	<u>642,475</u>
<b>Total Funds</b>	<u>943,980</u>	<u>283,722</u>	<u>415,366</u>	<u>-</u>	<u>812,336</u>

**HOPE UK**  
**Notes to the Accounts (cont.)**  
**Year ended 31 December 2016**

**12. Net Assets Between Funds**

	<b>Unrestricted funds</b>	<b>Fixed asset reserve</b>	<b>Restricted funds</b>	<b>2016 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible Fixed assets	-	309,945	-	309,945
Investments	231,936	-	149,065	381,001
Current assets	124,797	-	20,796	145,593
Creditors amounts falling due within one	(24,203)	-	-	(24,203)
	<u>332,530</u>	<u>309,945</u>	<u>169,861</u>	<u>812,336</u>

**13. SOFA Comparatives**

	<b>Notes</b>	<b>Unrestricted funds 2015</b>	<b>Restricted funds 2015</b>	<b>Total Funds 2015</b>
		<b>£</b>	<b>£</b>	<b>£</b>
<b>Income</b>				
Donations and Legacies	<b>2(a)</b>	144,242	89,261	233,503
Investment income	<b>2(b)</b>	11,427	7,264	18,691
Charitable Activities	<b>2(c)</b>	3,291	-	3,291
Other Income		920	-	920
<b>Total Income</b>		<u>159,880</u>	<u>96,525</u>	<u>256,405</u>
<b>Expenditure on</b>				
Raising Funds	<b>3</b>	54,429	1,915	56,344
Charitable activities	<b>3</b>	241,274	99,442	340,716
<b>Total Expenditure</b>		<u>295,703</u>	<u>101,357</u>	<u>397,060</u>
Gains on investment assets		7,072	4,538	11,610
<b>Net Income / (expenditure)</b>		<u>(128,751)</u>	<u>(294)</u>	<u>(129,045)</u>
Transfers between funds		7,405	(7,405)	-
<b>Net movement in funds</b>		<u>(121,346)</u>	<u>(7,699)</u>	<u>(129,045)</u>
Total funds brought forward		688,260	384,765	1,073,025
<b>Total funds carried forward 31 December 2015</b>		<u><b>566,914</b></u>	<u><b>377,066</b></u>	<u><b>943,980</b></u>