

**HOPE UK**

**TRUSTEES' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**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 2017

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**HOPE UK**  
**Charity information**

<b>Trustees</b>	A Lawley (Chair)	Re-appointed April 17
	C Becares (Treasurer)	Re-appointed April 17
	J Campbell	
	D Chihwai	Resigned May 17
	N Mills-Robertson	Resigned March 17
	A Galbraith	
	J Hart	
	S Murphy	
	K Sandison	
	P Howell	
	A Earwaker	Appointed April 17
O Odejai	Appointed April 17	
A Smith	Appointed April 17	
<b>Chief Executive Officer</b>	Sarah Brighton	
<b>Company Secretary</b>	Alan Earwaker	
<b>Charity number</b>	1044475 (England and Wales)	SC040550 (Scotland)
<b>Company number</b>	3022470	
<b>Registered office</b>	50 Gold Street Kettering Northamptonshire NN16 8JB	
<b>Independent Examiner</b>	Gary Peter Brookes FCA FCIE BSc 130 Wombourne Park Wombourne S Staffs WV5 0LY	
<b>Bankers</b>	Bank of Ireland PO 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 2017**

### **Trustees' Report**

The Trustees of Hope UK present this report and accounts for the period 1 January 2017 to 31 December 2017.

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 equip 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**

### 2017 – A year of Change and Transition

In 2017 we decided to make significant changes to both the structure of Hope UK, as well as the locations we use. This was to reflect the changes to our work that have occurred over the last few years, with new kinds of volunteering opportunities available and the development and growth of our youth branch, Generation Hope.

As you will read below, we sold our central London office, moving our Head office to Kettering, with a smaller office in East London. We also restructured our staff team.

We also worked on developing new policies and procedures where needed, and introduced a new website.

### The Volunteer Training Programme

For the last 23 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.

For just over one year we have also had three other ways volunteers can get involved with Hope UK:

- 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 135 voluntary Drug Educators. The number of volunteers stayed stable throughout 2017 – we did not increase our numbers as we did not recruit new volunteers, while we implemented other changes at Hope UK. In addition, the number of young people involved with Generation Hope increased to 100 individuals, many of whom contributed to the total of over 1,500 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 at Soul Survivor, an annual youth festival, providing drug education from a stand. We introduced Saturday workshops, where we offer life skill training opportunities. In 2017 these were a drug information workshop, including focussing on peer resistance skills, and a confidence building day. One young person identified the importance to her of these days, saying:

*"The main issue of today's youth, amongst girls particularly, is that they have absolutely no self-confidence. I hear too much of "I'm so ugly", "I'm so fat, no boy/girl is ever going to look at me twice", "I'm super nervous about everything", "I'm gonna do terrible at this". And that they do not have the confidence to stand up for themselves and they let other people push them around. The good thing about Generation Hope is that we are taught how to be confident, and how to say 'no'. These are two life skills that we are not taught in school, but should be. It is really important that we learn these things, so it is really good we have organisations like Generation Hope who will teach us these things."*

## 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 2017, Drugs, Sex and You courses were delivered by specially trained Drug Educators 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 2018**

In 2017 we decided to release capital tied up in a central London building, to further the work throughout the UK. Kettering Temperance Society had an empty office available for our use, so we moved our Head Office function to Kettering, with a small office in East London, for London-based staff to work from.

This has enabled us to make strategic changes to the way Hope UK works, to help take advantage of new opportunities and developments.

In 2018, we will recruit a Deputy CEO, and re-visit our fundraising strategy (we did not employ a fundraiser in 2017). We will re-start recruiting volunteers throughout the UK, training them either in London or in local groups.

Generation Hope activities will increase from last year, with 6 workshops planned (mostly in London, but one in Derbyshire), along with two residential weekends and an annual conference. Young members will lead or help lead these events. They will also run detached work stands at Big Church Day Out and Soul Survivor, as well as at other, local events.

Hope UK has a rich heritage from the past, as the Band of Hope. In 2018 we will develop resources, including films, to be used in schools and youth groups, highlighting the work of the youth Temperance movement in the Victorian era, bringing the work up to date with preventative drug education.

We will also develop online resources for local churches to use.

Later in 2018, we hope to start looking for former members of the Band of Hope, in order to re-engage them with our work.

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

One hundred and eleven drug and alcohol education sessions were delivered by our team of four 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.

We do not currently have an employed member of staff in Scotland, and this is under review.

## **Affiliations**

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

## **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 six 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 2017 Hope UK had six full-time HQ staff members who functioned as one integrated team, though with differing responsibilities for Educator recruitment and support, Generation Hope, finance and administration. There were four part-time Local Project Workers responsible for recruiting and supporting volunteers as well as delivering drug education, the North of England, Northamptonshire, Watford, Leicester and Hampshire.

A strategic plan has been adopted with priorities set for the next three years. This is complemented by annual objectives and a budget prepared by the Hon Treasurer in consultation with the Chief Executive Officer, 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.

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 was sold in 2017 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 2017, there was approximately £1,449,346 held in reserve, comprised of £1,241,160 in investments with an investment company, Brewin Dolphin; and £220,367 on deposit with the Bank of Ireland. Some of these reserves are restricted for use in specific geographical areas.

Income, including investment gains of £49,830, for the year was £993,063 (cp 2016 £283,722). Expenditure at £356,053 (cp 2016 £415,366). This resulted in another overall surplus of £637,010 (cp 2016 year's loss of £131,644.)

A Finance Group meets five times 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'

## **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 examiner 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 examiner 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**  
**for the year to 31st December 2017**  
**Independent Examiners Report to the Trustees of HOPE UK**

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2017 which is set out on pages 12 to 23 .

***Responsibilities and basis of report***

As the charity trustees of the company (who are treated as directors for the purposes of the company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Charities and Trustee Investment ( Scotland) Act 2005 ( ' the 2005 Act' ), the Charities Accounts ( Scotland ) Regulations 2006 ( as amended ) and the Companies Act 2006 ( 'The 2006 Act' ). You are satisfied that the accounts of the Company are not required by charity or company law to be audited and have chosen to have an independent examination.

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination , I report in respect of my examination of the Company's accounts as carried out under section 44(1) (C) of the 2005 Act and section 145 of the Charities Act 2011 ( 'the 2011 Act' ). In carrying out my examination I have followed Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 ( as amended ) and the Directions given by the Charity Commission under section 145 (5) (b) of the 2011 Act.

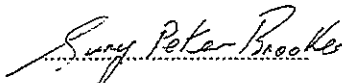
***Independent Examiner's Statement***

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I can confirm that I am qualified to undertake the examination because I am a member of The Institute Of Chartered Accountants for England and Wales. This membership also qualifies me under the Regulation 11 (2) of the Charities Accounts ( Scotland) Regulations 2006 ( as amended) to carry out this assignment

I have completed my examination . I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect :

- (1) accounting records were not kept in respect of the company as required by section 386 of the 2006 Act and Regulation 4 of the 2006 Accounts Regulations or
- (2) the accounts do not accord with those records with the accounting requirements of Regulation 8 of the Charities Accounts ( Scotland) Regulations 2006; or
- (3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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 ;or
- (4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ( FRS102).

I have no concerns and 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.

Signed  Date 16.4.2018

Gary Peter Brookes  
Fellow of The Institute of Chartered Accountants of England and Wales  
Full Member of the Institute of Independent Examiners  
130 Wombourne Park  
Wombourne  
South Staffs  
WV5 0LY

**HOPE UK**  
**Statement of Financial Activities**  
**Year ended 31 December 2017**

	<u>Notes</u>	Unrestricted and Designated	Restricted funds	Total Funds 2017	Total Funds 2016
		£	£	£	£
<b>Income</b>					
Donations and Legacies	2(a)	60,220	25,225	85,445	148,397
Investment income	2(b)	13,363	1,554	14,917	13,741
Charitable Activities	2(c)	1,645	-	1,645	5,730
Other Income	2(d)	841,226	-	841,226	78,199
<b>Total Income</b>		<u>916,454</u>	<u>26,779</u>	<u>943,233</u>	<u>246,067</u>
<b>Expenditure on</b>					
Raising Funds	3	17,734		17,734	38,280
Charitable activities	3	270,247	68,072	338,319	377,086
<b>Total Expenditure</b>		<u>287,981</u>	<u>68,072</u>	<u>356,053</u>	<u>415,366</u>
Gains on investment assets		45,768	4,062	49,830	37,655
<b>Net Income / (expenditure)</b>		<u>674,241</u>	<u>(37,231)</u>	<u>637,010</u>	<u>(131,644)</u>
Transfers between funds				-	-
<b>Net movement in funds</b>		<u>674,241</u>	<u>(37,231)</u>	<u>637,010</u>	<u>(131,644)</u>
Total funds brought forward		642,475	169,861	812,336	943,980
<b>Total funds carried forward</b>		<u><b>1,316,716</b></u>	<u><b>132,630</b></u>	<u><b>1,449,346</b></u>	<u><b>812,336</b></u>

\*\*

\*\* See note 13 for full comparatives for 2016

**HOPE UK**  
**Summary Income and Expenditure Account**  
**Year ended 31 December 2017**

	<b>Funds 2017</b>	<b>Funds 2016</b>
	<b>£</b>	<b>£</b>
Income	943,233	246,067
Gains on investments	49,830	37,655
Gross Income	993,063	283,722
Expenditure	356,053	415,366
Net (expenditure) for the year	<u>637,010</u>	<u>(131,644)</u>

The summary income and expenditure account is derived from the statement of financial activities on page 11 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 2017**

	Notes	2017		2016	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible Assets for use by the charity	7		194		309,945
Investments	8		<u>1,241,160</u>		<u>381,001</u>
			1,241,354		690,946
<b>Current Assets</b>					
Debtors	9	3,752		9,801	
Bank & Cash in hand		<u>220,367</u>		<u>135,792</u>	
		224,119		145,593	
Creditors : Amounts falling due within one year	10	16,127		24,203	
<b>Net Current Assets</b>			207,992		121,390
<b>Total Assets less Current Liabilities</b>			<u>1,449,346</u>		<u>812,336</u>
<b>Capital Funds</b>					
<b>Restricted Funds</b>	11		132,630		169,861
<b>Unrestricted Funds</b>					
General		1,316,716		332,530	
Capital Reserve		<u>-</u>		<u>309,945</u>	
			1,316,716		642,475
<b>Designated funds</b>					-
<b>Total Charity Funds</b>			<u>1,449,346</u>		<u>812,336</u>

For the year ended 31 December 2017 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 accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006

Signed and approved on the behalf of the Board on 6 APRIL 2018

*Andrew Lawley*

Name ( PRINT).....A. LAWLEY.....

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

**HOPE UK**  
**Notes to the Accounts**  
**Year ended 31 December 2017**

**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 2017**

**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 2017**

**(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

**(j) Going Concern**

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

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

	<b>Unrestricted Funds</b>	<b>2017 Restricted Funds</b>	<b>Total</b>	<b>2016 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donations and gifts	37,210	18,000	55,210	59,777
Grants receivable for core activities <b>2 (e)</b>	18,437	7,225	25,662	67,380
Legacies	4,573	-	4,573	1,000
Recharges	-	-	-	20,240
	<u>60,220</u>	<u>25,225</u>	<u>85,445</u>	<u>148,397</u>

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

Income from listed investments	13,361	1,554	14,915	13,740
Interest receivable	2	-	2	1
	<u>13,363</u>	<u>1,554</u>	<u>14,917</u>	<u>13,741</u>

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

Income for service provision	<u>1,645</u>	<u>-</u>	<u>1,645</u>	<u>5,730</u>
Profits on sale of property	841,226	-	841,226	71,432
Other Income	-	-	-	6,767
	<u>841,226</u>	<u>-</u>	<u>841,226</u>	<u>78,199</u>

**2(e) Restricted Grants re core activities**

Southampton	500
North East	2,000
Conference	4,000
South East	725
	<u>7,225</u>

**HOPE UK**  
**Notes to the Accounts (cont.)**  
**Year ended 31 December 2017**

**3. Analysis of Expenditure**

	<b>Staff costs</b>	<b>Other</b>	<b>2017</b>	<b>Total</b>
	£	£	£	£
<b>Raising Funds</b>				
Fundraising and publicity	13,125	-	13,125	33,469
Direct Costs	-	20	20	851
Investment management costs	-	4,589	4,589	3,960
Total	<u>13,125</u>	<u>4,609</u>	<u>17,734</u>	<u>38,280</u>

**Charitable activities**

Activities undertaken directly:

**General education**

Salaries	231,273	-	231,273	272,323
Depreciation	-	1,524	1,524	2,453
Direct project costs	-	9,003	9,003	5,940
Training	-	38,429	38,429	40,383
Telephone	-	3,057	3,057	1,932
Postage	-	4,750	4,750	5,220
Insurance	-	3,383	3,383	4,536
Computer costs	-	4,160	4,160	4,618
Utility costs	-	(1,508)	(1,508)	1,445
Property expenses	-	10,407	10,407	21,921
Leasing costs	-	2,804	2,804	1,954
Subscriptions	-	1,350	1,350	1,126
Legal expenses	-	1,953	1,953	185
Bank charges	-	258	258	326
HR support	-	3,608	3,608	2,364
Office Expenses	-	6,676	6,676	2,825
Accountancy support	-	3,150	3,150	3,850
Gifts	-	10,000	10,000	-
Governance costs	-	4,042	4,042	3,685
	<u>231,273</u>	<u>107,046</u>	<u>338,319</u>	<u>377,086</u>

**HOPE UK**  
**Notes to the Accounts (cont.)**  
**Year ended 31 December 2017**

<b>4. Governance Costs</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Accounts preparation and independent examination	3,000	2,900
Trustee expenses	1,042	785
	<u>4,042</u>	<u>3,685</u>

**5. Employees**

Wages & Salaries	202,737	275,160
Social Security Costs	15,334	21,186
Pension Costs	6,205	7,976
Life Assurance	1,222	1,470
Redundancy Payments	18,900	-
	<u>244,398</u>	<u>305,792</u>

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

Fundraising and publicity	0.5	0.5
Charitable activities	9	11
Support	1	1
	<u>10.5</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 £4,142 (2016 £4,101)

S. Murphy received a salary of £2,262 (2016 £3,497)

Four of the trustees were reimbursed for expenses amounting to £1,042 (2016 £785)

**HOPE UK**  
**Notes to the Accounts (cont.)**  
**Year ended 31 December 2017**

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

	<b>Land and buildings</b>	<b>Computer equipment</b>	<b>Office equipment</b>	<b>2017 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cost as at 1 January 2017	315,165	17,560	15,168	347,893
Disposals	(315,165)	-	-	(315,165)
Cost as at 31 December 2017	<u>0</u>	<u>17,560</u>	<u>15,168</u>	<u>32,728</u>
Depreciation as at 1 January 2017	6,938	16,191	14,819	37,948
Charge for the year	(6,938)	1,368	156	(5,414)
Depreciation as at 31 December 2017	<u>-</u>	<u>17,559</u>	<u>14,975</u>	<u>32,534</u>
Net book Value as at 31 December 2017	<u>-</u>	<u>1</u>	<u>193</u>	<u>194</u>
Net book Value as at 31 December 2016	<u>308,227</u>	<u>1,369</u>	<u>349</u>	<u>309,945</u>

<b>8. Fixed assets investments</b>	<b>Quoted investments</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 2017	-	369,067	11,934	381,001
Disposals at opening book value	-	(92,295)	-	(92,295)
Acquisitions at valuation and cost	450,000	401,564	-	851,564
Change in value in the year	1,500	43,692	-	45,192
Movements in cash	-	4	55,694	55,698
Market value as at 31 December 2017	<u>451,500</u>	<u>722,032</u>	<u>67,628</u>	<u>1,241,160</u>

**Historical cost**

At 31 December 2017	<u>451,193</u>	<u>601,912</u>	<u>67,628</u>	<u>1,120,733</u>
At 31 December 2016	<u>-</u>	<u>260,303</u>	<u>11,934</u>	<u>272,237</u>

**9. Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Gift Aid Tax due	242	1,800
Trade Debtors	655	1,750
Prepayments	2,855	6,251
	<u>3,752</u>	<u>9,801</u>

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Taxes and social security costs	5,086	6,470
Trade creditors	4,631	7,998
Accruals	4,450	3,350
Other creditors	1,960	6,385
	<u>16,127</u>	<u>24,203</u>

**HOPE UK**  
**Notes to the Accounts (cont.)**  
**Year ended 31 December 2017**

**11. Fund Reconciliation**

	<b>Fund Balances 1 January 2017</b>	<b>Incoming resources</b>	<b>Outgoing resources</b>	<b>Transfers</b>	<b>Fund Balances 31 December 2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Trust Funds</b>					
Southampton	34,104	2,024	8,349	-	27,779
Leicester	8,496	379	6,875	-	2,000
Middlesbrough	15,114	676	82	-	15,708
Newton Abbot	12,079	539	259	-	12,359
Sheffield	36,371	494	6,672	-	30,193
Watford	44,861	2,004	14,426	-	32,439
	<u>151,025</u>	<u>6,116</u>	<u>36,663</u>	<u>-</u>	<u>120,478</u>
<b>Grants</b>					
<i>General Regional grants</i>					
Kettering	-	18,000	18,000	-	-
North East	-	2,000	2,000	-	-
North West	5,971	-	1,801	-	4,170
Peckham	4,020	-	4,020	-	-
Bucks	955	-	35	-	920
East Anglia	740	-	740	-	-
East Midlands	5,145	-	-	-	5,145
South East	-	725	725	-	-
West Midlands	2,005	-	88	-	1,917
Conference	-	4,000	4,000	-	-
	<u>18,836</u>	<u>24,725</u>	<u>31,409</u>	<u>-</u>	<u>12,152</u>
<b>Total restricted</b>	<u>169,861</u>	<u>30,841</u>	<u>68,072</u>	<u>-</u>	<u>132,630</u>
<b>Unrestricted reserves</b>					
Fixed Asset Reserve	309,945	-	-	(309,945)	-
General reserve	332,530	962,222	287,981	309,945	1,316,716
<b>Designated Reserves</b>					0
	<u>642,475</u>	<u>962,222</u>	<u>287,981</u>	<u>-</u>	<u>1,316,716</u>
<b>Total Funds</b>	<u>812,336</u>	<u>993,063</u>	<u>356,053</u>	<u>-</u>	<u>1,449,346</u>

**HOPE UK**  
**Notes to the Accounts (cont.)**  
**Year ended 31 December 2017**

**12. Net Assets Between Funds**

	<b>Unrestricted and Designated funds £</b>	<b>Fixed asset reserve £</b>	<b>Restricted funds £</b>	<b>2017 Total £</b>
Tangible Fixed assets	-	194	-	194
Investments	1,120,682	-	120,478	1,241,160
Current assets	211,967	-	12,152	224,119
Creditors amounts falling due within one	(16,127)	-	-	(16,127)
	<u>1,316,522</u>	<u>194</u>	<u>132,630</u>	<u>1,449,346</u>

**13. Lease Agreements**

Rentals applicable to operating leases are charged to the statement of financial activities over the period they are incurred. The finance element of each payment is charged to the Financial Activities so as to produce periodic rate on the net obligation outstanding in each period.

	<b>1 yr £</b>	<b>from end of year 1 up to 5 year £</b>
Premises	4,000	16,000
Photocopier Latimer	2,078	8,312
Franking Machines Kettering and Latimer	1,409	4,930
Photocopier Kettering	571	1,998
	<u>8,057</u>	<u>31,240</u>

HOPE UK  
Notes to the Accounts (cont.)  
Year ended 31 December 2017

SOFA COMPARATIVES  
Statement of Financial Activities  
Year ended 31 December 2016

	<u>Notes</u>	Unrestricted funds	Restricted funds	Total Funds 2016
		£	£	£
<b>Income</b>				
Donations and Legacies	<b>2(a)</b>	107,447	40,950	148,397
Investment income	<b>2(b)</b>	10,906	2,835	13,741
Charitable Activities	<b>2(c)</b>	5,730	-	5,730
Other Income	<b>2(d)</b>	78,199	-	78,199
<b>Total Income</b>		<u>202,282</u>	<u>43,785</u>	<u>246,067</u>
<b>Expenditure on</b>				
Raising Funds	<b>3</b>	37,464	816	38,280
Charitable activities	<b>3</b>	208,883	168,203	377,086
<b>Total Expenditure</b>		<u>246,347</u>	<u>169,019</u>	<u>415,366</u>
Gains on investment assets		29,885	7,770	37,655
<b>Net Income / (expenditure)</b>		<u>(14,180)</u>	<u>(117,464)</u>	<u>(131,644)</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>
Total funds brought forward		566,914	377,066	943,980
<b>Total funds carried forward</b>		<u><b>642,475</b></u>	<u><b>169,861</b></u>	<u><b>812,336</b></u>