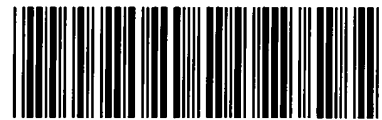


Charity Registration No. 1011337

Company Registration No. 2634724 (England and Wales)

HARROGATE HOMELESS PROJECT LIMITED
DIRECTORS' REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017

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LEGAL AND ADMINISTRATIVE INFORMATION

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	J.C. Harris CBE DL I.F.B. Brown M.J. Farrar J.B. Halstead D.C. Hunt J. Moulson Visc. F. Mountgarret H. Shay J. Verity D.I. West	(Chair) (Secretary)
Charity number	1011337	
Company number	2634724	
Registered office	7 Bower Street Harrogate North Yorkshire HG1 5BQ	
Independent examiner	S J Williams FCA Murray Harcourt 110 Station Parade Harrogate North Yorkshire HG1 1EP	
Bankers	Yorkshire Bank plc James Street Harrogate HG1 1QU Nationwide Building Society Kings Park Road Moulton Park Northampton NN3 6NW Secure Trust Bank PLC One Arlestone Way Solihull B90 4LH Cambridge & Counties Bank Limited Charnwood Court New Walk Leicester LE1 6TE	

HARROGATE HOMELESS PROJECT LIMITED

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HARROGATE HOMELESS PROJECT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

Introduction

Harrogate Homeless Project Limited ("HHP" or the "Project") is a registered charity No. 1011337 and is a registered company No. 2634724 limited by guarantee and not having share capital. The objectives of the company are set out in the Memorandum and Articles of Association as follows:

- 1) to relieve the need of homeless persons within the administrative area known as Harrogate by provision of temporary accommodation, advice and counselling and;
- 2) to conduct research into the causes of and ways of relieving poverty and disease and to publish findings by lectures, meetings, films, books, exhibitions and otherwise in order to educate the public.

The Directors present their report and accounts for the year ended 31st August 2017. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the company's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", in accordance with the Financial Reporting Standard FRS 102 (effective 1 January 2015).

Constitutional matters are as detailed in its Memorandum and Articles of Association and HHP is managed by the Management Board of Trustees, those who served as directors in the period up to the date of signing these accounts:

J.C. Harris CBE DL	(Chair as from 10 th November 2016)
I F B Brown	
M.J.Farrar	(appointed 8 th November 2017)
J.B. Halstead	
D.C. Hunt	
J.A. Leah	(resigned 25 th April 2017)
J Moulson	(appointed 25 th May 2017)
Viscountess F Mountgarret	(appointed 28 th June 2017)
H Shay	(appointed 28 th June 2017)
J Simpson	(appointed 28 th June 2017, but resigned 14 th September 2017)
J Verity	(appointed 28 th May 2017)
G.F. Webber	(resigned as Trustee and Chair 8th November 2016)
M.J. Webber	(resigned 30 th August 2017)
D.I. West	

We welcomed five new Trustees and express our appreciation for their support to those who stood down during the year. Trustees invited to join the management board of Trustees are inducted by briefings, attending meetings before their actual appointment, and by being supplied with copies of Project policy documents and booklets provided by the Charities Commission and Companies House to clarify their responsibilities. A representative from the Housing Department of Harrogate Borough Council is invited to attend meetings but is not a Trustee. The Chief Executive also attends meetings but is not a Trustee.

The Trustees confirm that they have complied with the Charity Commission's general guidance on public benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, we have considered how planned activities will contribute to the aims and objectives that have been set.

HARROGATE HOMELESS PROJECT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The Chief Executive, Liz Hancock, is responsible for the management of HHP. The staff work to develop and improve working relations with other agencies in the District. We work closely with police, probation and prison services, as well as Harrogate Borough Council and the Young Persons Hub, together with health and other statutory and voluntary agencies, to achieve, for each individual client, a solution which maximises the chances of moving away from homelessness. HHP employed sixteen staff (part time and full time) as at 31st August 2017. They are supported by approximately thirty volunteers.

Objectives

Harrogate Homeless Project was established over 25 years ago in 1991 and operates on the principle of providing individuals with support to help them off the streets, not a hand out supporting them to maintain street lifestyles or dependency on services. Our aim is to help individuals who are homeless, vulnerably housed or sleeping rough – we offer resettlement off the streets immediately in emergency overnight accommodation – we work with them to find sustainable accommodation tailored to their needs.

Rough sleeping is damaging to both the person who is homeless and society. The longer someone stays out, the greater the risk that they will be trapped on the streets where they are vulnerable to crime, substance misuse problems, illness, mental health issues and dying prematurely.

HHP is committed to working through a multi-agency response to rough sleeping through a simple referral process for agencies, potential clients and the public. This includes effective information-sharing and collaborative working to support rough sleepers off the street and prevent entrenchment, to provide an effective and person-centred assessment hub, and a clear move-on pathway to enable resettlement for clients with a range of support issues.

Activities

- The Project Hostel is in two houses in Bower Street rented from Harrogate Borough Council for a peppercorn rent and it receives variable sums from Housing Benefit and grant funding from North Yorkshire County Council. This sixteen-bed direct access emergency hostel provides accommodation for single homeless adults who have a local connection.
- Outreach services are provided for some former residents who have found other accommodation in order to ensure that the improvement in their circumstances is maintained.
- In addition to providing hostel accommodation and move-on accommodation, the Project aims to set up life skills training where it is necessary and to act as a gateway to other organisations which can provide support and assistance. Through outreach it aims to help clients sustain their new accommodation in the long term.
- Through the Springboard Day Centre, HHP aims to provide support to people who are known to be vulnerable and helps them meet their basic needs, such as food, shower, laundry and access to advice and support by the Project's own staff and by other agencies.
- Since 2012 HHP has operated the District's only No Second Night Out programme. The NSNO scheme is intended to ensure that anybody faced with street homelessness is offered an immediate alternative to sleeping rough. Following an assessment whilst accessing the overnight shelter, the offer may be of a hostel stay, move on accommodation provided by the Project, private or social housing accommodation, or help in returning to an area where the applicant has a local connection. Funding has been provided from various sources, including a Harrogate Borough Council VCS grant, PCC grant and the Liz and Terry Bramall Foundation, with the balance met from Project reserves and donated funds. A purpose-built extension to the hostel premises provides dedicated facilities for those accessing the NSNO scheme overnight.

HARROGATE HOMELESS PROJECT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

- Harrogate Borough Council once again commissioned the Project to provide cold weather shelter during the winter months, to fulfil their statutory responsibilities under their Severe Weather Emergency Protocol (SWEP). Clients accessing this service have been encouraged to consider resettlement through the Project's mainstream services.
- From April 2017, with Project Leader funding from Harrogate Borough Council, HHP established a new initiative – a service to assist those facing exclusion (SAFE). It aims to provide innovative ways of working with the most marginalised vulnerable individuals with a long history of rough sleeping and multiple, complex needs.

Achievements and performance

Throughout the year demand for assistance has continued at very high levels:

- Referrals to NSNO have exceeded 200 per year with 10% of referrals coming from criminal justice sources (probation and prison services)
- Four fifths of referrals had drug and/or alcohol substance misuse issues
- Evictions accounted for over a quarter of those finding themselves homeless
- The average occupancy of the hostel was over 90%
- 16% of hostel residents achieved employment during their stay
- the average stay in the NSNO emergency beds was 4.5 nights and 80% of those accessing NSNO successfully receive an offer, 40% of these accepted a hostel stay, 14% accepted private rented and 15% were reconnected to their area of origin, and overall 81% received a suitable and sustainable offer of accommodation.

Hostel accommodation continued to operate at virtually full capacity and HHP continues to lease a house in Harrogate as move-on accommodation from the hostel. Further accommodation is available in three three-bed houses owned by a local supported housing charity, Lifeline. As increasing difficulty was experienced in securing move-on rented accommodation, HHP decided to use some donated capital to purchase a house and this was successfully completed during the year.

The number of visits to Springboard Day Centre continues to increase, with over 7,000 visits in the last year. Springboard provides refreshment, shower and clothes washing facilities, and continues to reduce social isolation. Springboard also provides help and advice for those who are homeless or vulnerable, with other specialist agencies making use of the premises.

HHP received its third year of grant funding from the Lloyds Bank Foundation to deliver a psychotherapy service, known as Streetlight, to homeless people accessing the hostel and day service.

We are grateful for the continued support of individuals, companies and grant giving trusts, without which it would have been unable to function effectively. The support received was not only financial, but also donations of foodstuffs from Harvest Festivals and regularly from stores/restaurants, clothing and furniture. We are also grateful to CNG Ltd, a local energy supply business, who provided a Christmas meal for staff, volunteers and clients, and who also provide a free supply of gas to the hostel. CNG also generously donated a van to the Project for collecting donations and assisting clients moving on.

HARROGATE HOMELESS PROJECT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The greatest challenge facing the charity was the need to replace the income which had previously been received from Harrogate Borough Council and North Yorkshire County Council to support the No Second Night Out scheme and which ended in April 2016. It would have been a major loss to rough sleepers if the successful work of No Second Night Out could not be continued so we acknowledge the generous three-year financial support from the Liz and Terry Bramall Foundation Trust which has been crucial in securing the continuation of NSNO. A further risk faced was the expiry of the Supporting People contract funding on 30th September 2016; very welcome confirmation has been received that a two-year grant will replace the Supporting People contract from 1st October 2016. The Mayor of Harrogate Councillor, Nick Brown, generously included HHP as one of his five mayoral charities and HHP received £23,000 from his fund-raising appeals.

We acknowledge the support of the Harrogate Borough Council, North Yorkshire County Council and North Yorkshire Police and Crime Commissioner which has underpinned our activity in many different ways.

It has again been a challenging year for the Senior Management Team and our staff. The Trustees would like to pay tribute to their achievements and dedication, and also to the contribution made by our volunteers and all our donor supporters.

Financial review

At 31 August 2017 the company had a total of £299,972 (2016 - £284,485) unrestricted funds. During the year the decision to purchase a house to provide much needed move on accommodation was implemented and was partially funded from unrestricted reserves. At the year end the balance of funds not used for tangible fixed assets was £134,171 and is available for the continuing daily activities of the charity.

The Directors confirm that in their view the assets of the company are adequate to fulfil its current obligations.

Reserves policy

The major risk faced by the charity as a whole is the uncertainty of funding and the Trustees have created a reserve fund for winding up costs in case the Project ever has to close. In previous years an amount of the unrestricted funds has been classified as designated funds. The Directors have determined that their reserve policy is more appropriate to the needs of the Company and this designation has been removed. The minimum level of reserves to be held is set at between £60,000 and £85,000 which equates to three months forecast expenditure including the costs to satisfy outstanding commercial commitments (excluding restricted expenditure) and if this level is reached the Directors will have to consider all options including the potential controlled closure of the Company.

On behalf of the board of Directors



John Harris CBE DL

Director

Dated: 15 March 2018

HARROGATE HOMELESS PROJECT LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE DIRECTORS OF HARROGATE HOMELESS PROJECT LIMITED

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 August 2017 which are set out on pages 6 to 16.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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 your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed 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 confirm that I am qualified to undertake the examination because I am a member the Institute of Chartered Accountants in England & Wales, which is one of the listed bodies.

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; or
2. the accounts do not accord with those records; 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 (FRS 102).

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.



Steven Williams

Qualified member of the Institute of Chartered Accountants in England & Wales

Murray Harcourt Partners LLP
110 Station Parade
Harrogate
HG1 1EP
15 March 2018

HARROGATE HOMELESS PROJECT LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2017 £	Total 2016 £
<u>Income</u>						
Donations and legacies	2	93,532		56,546	150,078	126,477
Other trading activities		0		0	0	0
Income from investments	3	2,203		0	2,203	2,805
		95,735	0	56,546	152,281	129,282
Income from Charitable activities	4	253,302		73,724	327,026	340,974
Total income		349,037	0	130,270	479,307	470,256
<u>Expenditure</u>						
Expenditure on Raising funds		4,525		262	4,787	763
Expenditure on Charitable activities	5	306,367		167,289	473,656	468,458
Other expenditure		0		0	0	0
Total expenditure		310,892	0	167,551	478,443	469,221
Net income/(expenditure) before transfers		38,145		(37,281)	864	1,035
Transfer between funds		(22,658)		22,658	0	0
Net income/(expenditure) for the year/Net movement in funds		15,487		(14,623)	864	1,035
Fund balances at 1 September 2016		284,485	0	68,566	353,051	352,016
Fund balances at 31 August 2017		299,972	0	53,943	353,915	353,051

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

HARROGATE HOMELESS PROJECT LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017	2016
		£	£
Fixed assets			
Tangible assets	10	221,790	13,705
Investments		-	-
Total fixed assets		221,790	13,705
Current assets			
Debtors	11	6,494	6,135
Cash at bank and in hand		176,923	416,803
Total current assets		183,417	422,938
Liabilities			
Creditors: amounts falling due within one year	12	(51,292)	(83,592)
Net current assets		132,125	339,346
Net assets		353,915	353,051
The funds of the charity:			
Unrestricted income funds		299,972	284,485
Restricted income funds	14	53,943	68,566
Total charity funds		353,915	353,051

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2017. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

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

The accounts were approved by the Board on 8 March 2018.



J C Harris
Director

Company Registration No. 2634724

HARROGATE HOMELESS PROJECT LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash used in operating activities	18	<u>(26,470)</u>	<u>59,355</u>
Cash flows from investing activities			
Interest income		2,203	2,805
Purchase of tangible fixed assets		(215,613)	(7,782)
Cash provided by (used in) investing activities		<u>(213,410)</u>	<u>(4,977)</u>
Increase (decrease) in cash and cash equivalents in the year		<u>(239,880)</u>	<u>54,378</u>
Cash and cash equivalents at the beginning of the year		416,803	362,425
Total cash and cash equivalents at the end of the year		<u>176,923</u>	<u>416,803</u>

HARROGATE HOMELESS PROJECT LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities" in accordance with the Financial Reporting Standard FRS 102 (effective 1 January 2016) and the Companies Act 2006.

1.2 Going concern

The Directors have prepared a cash flow forecast covering a period of at least 12 months from the date of approval of these financial statements. The cash flow forecast shows that the company should be able to pay its debts as they fall due and accordingly the Directors have prepared the financial statements on a going concern basis.

1.3 Income

All incoming resources are included in the Statement of Financial Activities 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.

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.

1.4 Expenditure

All expenditure is accounted for on the accruals basis.

Costs relating directly to the objectives of the company and governance costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements are treated as direct charitable expenditure.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land	Nil
Freehold property	2% Straight-line
Fixtures, fittings & equipment	25% Reducing balance

Any fixed asset purchased with the help of a grant is depreciated on the gross value of the asset. Depreciation is then charged to the appropriate fund. Assets costing under £100 are not capitalised.

1.6 Property repairs

Repairs and improvements to the short-term leasehold property are written off to the statement of financial activities when incurred.

HARROGATE HOMELESS PROJECT LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1.7 Taxation

Due to the charitable status of the company no tax is payable on the charity's income for the year. It is also exempt from the requirement to pay Capital Gains Tax. Value Added Tax is not recoverable by the company, consequently all expenditure in these financial statements is stated inclusive of Value Added Tax where applicable.

1.8 Accumulated funds

Restricted funds are only to be used in accordance with specific restrictions imposed by the donor. The purposes and uses of the funds are set out in the notes to the accounts.

Unrestricted funds are general funds which are available at the discretion of the Directors in furtherance of the general objectives of the charity.

HARROGATE HOMELESS PROJECT LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

2 Donations and legacies

	Unrestricted Funds £	Restricted funds £	Total 2017 £	Total 2016 £
Donations and legacies	93,532	56,456	150,078	126,477

Of donations and legacies of £126,477 in the prior year, £68,901 related to unrestricted funds and £57,576 related to restricted funds

3 Income from investments

	2017 £	2016 £
Interest receivable	2,203	2,805

Income from investments in the prior year of £2,805 related wholly unrestricted funds

4 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Housing benefit	111,243	20,520	131,763	141,923
Service charge	12,828	8,314	21,142	19,248
Grants	92,553	44,890	137,443	143,463
Other income	36,678	-	36,678	36,340
	253,302	73,724	327,026	340,974

Included within grants is an amount for Supporting People of £82,674 (2016: £82,674).

Other income includes the reimbursement of costs associated with the "STARS" (also known as "SWEPS") cold weather service operated on behalf of Harrogate Borough Council of £36,583 (2016: £32,926).

Of income from charitable activities of £340,974 in the prior year, £231,408 related to unrestricted funds and £109,566 related to restricted funds

HARROGATE HOMELESS PROJECT LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

5 Expenditure

Expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Staff costs	256,011	111,595	367,606	358,790
Property and occupancy costs	20,300	32,363	52,663	57,343
Household and support costs	20,288	20,415	40,703	41,578
Legal and professional costs	4,987	169	5,156	6,179
Depreciation	4,781	2,747	7,528	4,568
	<u>306,367</u>	<u>167,289</u>	<u>473,656</u>	<u>468,458</u>

Staff costs includes expenditure on training. Property and occupancy costs include rent of all premises, including Move On houses operated under the NSNO scheme, lighting and heating, council tax and other property related expenditure. Household and support costs include expenditure on telephones, operating costs of office equipment, disposal of refuse and contaminated waste, office supplies and health and safety costs. Legal and professional charges include consultants' fees and outsourcing charges, together with governance costs comprising the independent review of these accounts of £720 (2016: £720).

Of expenditure on charitable activities of £468,458 in the prior year, £293,750 related to unrestricted funds and £174,708 related to restricted funds.

Expenditure on raising funds

Expenditure on raising funds in the period of £4,787 included expenditure relating to restricted funds of £262 and in the prior year the expenditure of £763 related wholly to unrestricted funds.

6 Directors and key management personnel

None of the Directors (or any persons connected with them) received any remuneration during the year, and none of them were reimbursed any travelling expenses (2016: nil).

The key management personnel comprise the Trustees, the Chief Executive, Service Manager and NSNO Manager. The total employee benefits of the key management personnel of the company were £92,167 (2016: £95,830).

7 Pensions

The company established a workplace pension scheme on 1 May 2017. The scheme is operated by The People's Pension (administrated by B&CE Financial Services Limited). Employees and the company make contributions into the Scheme which is a money purchase auto-enrolment scheme. New employees are automatically enrolled into the scheme and may exercise their right to opt out of the scheme at their discretion. Minimum contributions made by employees and employers are defined by government in the Pensions Act 2008 and associated Regulations and the company complies with those requirements. The total contributed by the company in the year was £718 (2016: £5,548).

HARROGATE HOMELESS PROJECT LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

8 Employees

Number of employees

The average number of employees during the year was:

	2017 Number	2016 Number
Service manager	1	1
Support and project workers	19	18
Housekeeper	1	1
	<u>21</u>	<u>20</u>
Employment costs		
	2017	2016
	£	£
Wages and salaries	342,753	325,661
Social security costs	22,137	19,556
Pension contributions	718	5,548
	<u>365,608</u>	<u>350,765</u>

The average number of employees as shown above is calculated on a full-time equivalent basis. The actual total average number of staff is 21 (2016: 20).

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

9 Transfers

Transfers of £22,658 from unrestricted to restricted were to extinguish a shortfall in expenditure on the Springboard fund (£21,486) and Streetlight fund (£1,172).

The Directors' Report indicates that the minimum level of reserves to be held equates to the potential closure costs of the company which are estimated to be between £60,000 and £85,000. The Trustees monitor the level of reserves held monthly throughout the year.

HARROGATE HOMELESS PROJECT LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

10	Tangible fixed assets			
		Freehold land buildings £	Fixtures, fittings and equipment £	Total £
	Cost			
	At 1 September 2016	0	35,314	35,314
	Additions	202,813	12,800	215,613
	Disposals	0	0	0
	At 31 August 2017	202,813	48,114	250,927
	Depreciation			
	At 1 September 2016	0	21,609	21,609
	On disposals	0	0	0
	Charge for the year	2,556	4,972	7,528
	At 31 August 2017	2,556	26,581	29,137
	Net book value			
	At 31 August 2017	200,257	21,533	221,790
	At 31 August 2016	0	13,705	13,705
	All fixed assets are used in direct furtherance of the charity's objectives			
11	Debtors		2017 £	2016 £
	Other debtors and accrued income		6,494	6,135
			6,494	6,135
12	Creditors: amounts falling due within one year		2017 £	2016 £
	Trade creditors		3,689	788
	Taxes and social security		5,424	-
	Deferred income		17,500	53,474
	Accruals		24,679	29,330
			51,292	83,592

Deferred income represents the portion of a grant for the Service for Adults Facing Exclusion project applicable to the year beginning 1 September 2017. Deferred income in the prior year included a donation from a charitable foundation and a grant with time limitations which stated that the funds may only be utilised in the current year.

HARROGATE HOMELESS PROJECT LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

13 Share capital

The company is registered as a company Limited by Guarantee and has no share capital. Every member of the company is a guarantor for a maximum of £1.

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes

	Balance at 1 September 2016	Movement in funds		Transfers	Balance at 31 August 2017
		Income	Expenditure		
Refurbishment fund	50	-	(13)	-	37
No 8 Bedsit furniture	50	-	(13)	-	37
Service user fund	1,995	-	-	-	1,995
No Second Night Out	65,616	101,334	(113,588)	(1,488)	51,874
Service for Adults Facing Exclusion	-	12,500	(13,988)	1,488	-
Springboard	-	8,436	(29,922)	21,486	-
Streetlight	855	8,000	(10,027)	1,172	-
	<u>68,566</u>	<u>130,270</u>	<u>(167,550)</u>	<u>22,658</u>	<u>53,943</u>

The Springboard fund is for running costs of the Day Centre, and the shortfall in expenditure of £21,486 was met by a transfer from unrestricted funds.

The newly introduced Service for Adults Facing Exclusion ("SAFE") is an extension of the No Second Night Out ("NSNO") service with costs principally met by grant funding from Harrogate Borough Council. The shortfall in expenditure of £1,488 was met by a transfer from the main NSNO Fund.

The Streetlight fund provides the cost of a part-time psychotherapist to assist clients with emotional problems and realigning with society, and the shortfall in expenditure of £1,172 was met by a transfer from unrestricted funds.

The Service user fund is to supply materials to engage clients in specific projects in order to enhance their work ethic. The remaining funds largely relate to grants for specific property and equipment refurbishment.

HARROGATE HOMELESS PROJECT LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total 2017 £
Fund balances at 31 August 2017 are represented by:			
Tangible fixed assets	165,826	55,964	221,790
Current assets	159,766	23,651	183,417
Current liabilities	(25,620)	(25,672)	(51,292)
	<u>299,972</u>	<u>53,943</u>	<u>353,915</u>

Tangible fixed assets include freehold land and buildings with a net book value of £200,257 representing a Move-On property in the No Second Night Out scheme. The property was purchased during the year and the objective is that it should be funded entirely by the No Second Night Out restricted fund. As at 31 August 2017 there was a balance of £152,534 funded by unrestricted funds. The total of tangible fixed assets funded by unrestricted funds at 31 August 2017 is £165,826 and the balance of £134,146 represents the free funds available for continuing the charity's daily activities

16 Commitments under operating leases

At 31 August 2017 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2017	2016
	£	£
Not later than one year	0	2,400
Later than one year and not later than 5 years	0	0
Later than 5 years	0	0

17 Commitments

The properties used for temporary accommodation were leased, rent free, from Harrogate Borough Council until 20 March 2025. The annual rental value of the properties is estimated to be £12,000.

18 Reconciliation of net movement in funds to net cash flow from operation activities

	2017 £	2016 £
Net movement in funds	864	1,035
Add back depreciation	7,528	4,568
Deduct interest income shown in investing activities	(2,203)	(2,805)
Decrease (increase) in debtors	(359)	3,866
Increase (decrease) in creditors	(32,300)	52,691
Net cash used in operating activities	<u>(26,470)</u>	<u>59,355</u>

