

Ongo Communities Limited

Report and Financial Statements

Year Ended 31 March 2020

Company Number 08619739 (England and Wales)

Charity Number 1156007

Ongo Communities Limited

Contents for the year ended 31 March 2020

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Ongo Communities Limited

Directors, Trustees and Advisors for the year ended 31 March 2020

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees serving during the year and since the year end were as follows:

J McKellar-Main	
A Bairstow	(resigned 31 December 2019)
P Elliot	(resigned 31 December 2019)
K Yorath	(resigned 31 December 2019)
H Lennon	(appointed 29 November 2019)
T Mills	(appointed 29 November 2019)
J Williams	(appointed 5 June 2020)
A Stansfield-Caladine	(appointed 16 June 2020)

Executive leadership team:	Chief Executive	S Hepworth
	Property Director	P Stones
	Director of Resource and Commercial	A Harrison
	Director of Corporate & Compliance Services	J Sugden
	Director of Communities	K Hornsby

Secretary J Sugden

Registered number:	Company number	08619739
	Charity registration number	1156007

Registered office: Ongo House, High Street, Scunthorpe, North Lincolnshire DN15 6AT

Auditors BDO LLP
Central Square
29 Wellington Street
Leeds LS1 4DL

Bankers: Barclays Bank plc
One Snowhill
Snowhill Queensway
Birmingham B4 6GB

Solicitors:

Croftons Solicitors LLP The Lexicon Mount Street Manchester NE1 3DX	Forbes Solicitors Rutherford House 4 Wellington Street (St Johns) Blackburn BB1 8DD
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Whiteheads Solicitors
6 Water Street
Newcastle
ST5 1HR

Ongo Communities Limited

Chair's Statement for the year ended 31 March 2020

Ongo Communities Limited has been providing opportunities for local people and communities for close to seven years. Part of the parent company Ongo Partnership Limited, the Communities arm has done a substantial amount of positive work over the past year and the teams have achieved targets in areas including employment, training, work with young people, ex-offenders, lone parents and other groups maximising their opportunities and prospects.

The organisation receives funds from Ongo Homes Limited (OH) and external grants which enable it to continue the excellent work delivered in the community. A total of £447k of funding was received in the year from a number of funders in addition to the funding from OH that will enable an increasing range of projects and services to be delivered; including self-employment support and mental health support for the next two years.

With a new four year strategy in place, and focus on the theme "Create Opportunities" which is part of the group's corporate plan, we will set challenging aims and objectives for the coming years. This includes a focus on those communities and neighbourhoods which are the most challenging and require our support to increase their skills, access new opportunities and improve the overall quality of life for those residing in these areas.



H Lennon
3 September 2020

Ongo Communities Limited

Report of the Trustees for the year ended 31 March 2020

The trustees are pleased to present their annual trustees' report (incorporating the directors' report under the Companies Act) together with the financial statements of the charity for the year ending 31 March 2020, which are also prepared to meet the requirements for a trustees' report and accounts for Companies Act 2006 purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the memorandum and Articles of Association, and Accounting and Reporting by Charities: statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Our objectives and activities

The corporate structure of the Ongo Partnership Limited group is clearly defined and the relationship between this Company, the parent and its other subsidiaries is set out in Intra-Group agreements which were considered and approved by each of their Boards.

The role of the Company, which is partly funded by Ongo Homes Limited (OH), is to deliver that company's wider social objectives by co-ordinating community development activity and developing social enterprises. On 1 April 2014 Ongo Communities acquired Crosby Employment Bureau Limited (CE), now Ongo Recruitment Limited, which operates as a subsidiary providing training and employment opportunities for local people within disadvantaged communities in order that they may develop their skills and re-engage with the labour market.

Governing documents

Ongo Communities is a registered charity (Charity Number 1156007) governed by its Articles of association dated 22nd July 2013. It is registered with the Charity Commission and is also a Company Limited by Guarantee (Company Number 08619739). The Charity is a subsidiary of Ongo Partnership Limited, the ultimate parent undertaking.

Key achievements and performance

During the current year Ongo Communities generated a surplus of £129k for the year (£57k deficit in 2018/19). The Trustees consider this to be an acceptable standard of performance.

Key achievements during the year were:

- Using the HACT (Housing Associations' Charitable Trust) model, we calculate that for every £1 we invested in community projects, we got £13.82 worth of value in return. This remains close to the previous year (£13.77) due to a similar amount of funds, number of people and communities supported
- Ongo Talk launched in 2018/19 which is a counselling, life coaching and training service for people who want to improve their mental health and wellbeing. It is a free service for tenants living within certain low income areas and others can pay a fee to access the service. We helped 217 people during 2019/20.
- Raising the aspirations of young people is a key target and we are pleased to report that we have provided one-to-one mentoring to 128 people and appointed 50 onto new apprenticeships.
- We have also successfully partnered with North Lindsey College to increase the number of training opportunities we can deliver. We worked together to support 189 people to gain qualifications to improve their CV and career prospects through our partnership at our Cole Street Training and Employment Centre.

Ongo Communities Limited

Report of the Trustees for the year ended 31 March 2020 (continued)

Structure, governance and management

Ongo Communities is managed and governed by the Trustees who hold regular board meetings and agenda items include finance, health and safety and other operational reports.

The Trustees delegate the day-to-day management of the charity to the Executive Leadership Team, details of which can be found on page 3.

The charity has a wholly owned subsidiary, Ongo Recruitment Limited, which in turns holds 100% of the share capital of Crosby Brokerage Limited. Ongo Recruitment Limited provides training and employment opportunities; Crosby Brokerage Limited offers business services.

Recruitment and appointment of Trustees

Recruitment for charity trustees is overseen by the parent company, Ongo Partnership Ltd who review and agree the recruitment procedures to be followed. Any new trustees will only be appointed if they have demonstrated they meet the skills and competencies required for the company following a recruitment exercise. New trustees can be appointed by the parent, Ongo Partnership Ltd.

Training and induction

All new trustees undertake an induction programme within the first six months of their appointment. As part of this they meet with the Chair of the Board, the Chief Executive and other members of the Executive Management Team to provide them with an overview of the charity and the context in which it operates. A number of documents are shared with the Trustees for them to read including the charity's Articles of Association and the Charities Commission Essential Role of the Charity Trustee. Additionally, there are some core training courses which all new trustees are expected to complete. Public benefit statement

The charity trustees have complied with their duty to have due regard to the guidance on public benefit published by the Commission in exercising their powers or duties.

Fundraising statement

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. All fundraising activities relate to applications for grant funding from relevant public and non-public sector bodies. We do not undertake widespread fundraising from the general public. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes."

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participants or professional fund-raisers, or third parties. The day to day management of all income generation is delegated to the executive team, who are accountable to the trustees.

The charity is not bound by any undertaking to be bound by any regulatory scheme.

We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times; as we do not approach individuals for funds we do not have to particularise this to fundraising activities nor do we consider it necessary to design specific procedures to monitor such activities.

Ongo Communities Limited

Report of the Trustees for the year ended 31 March 2020 (continued)

Financial review

Incoming resources for the year totalled £1,695k (2019: £1,495k) of which £477k related to funding activities upon which restrictions were placed and £1m was received from Ongo Homes. Expenditure totalled £1,566k (2019: £1,553k) resulting in a surplus of £129k (2019: £57k deficit).

At 31 March 2020 the charity's free reserves stood at £245k (2019: £122k) with restricted funds carried forward of £7k (2019: £nil). The business plan dictates that the free reserves will be retained for investment in the future development of the company.

Reserves policy

Reserves are needed to bridge the gap between the spending and receiving of income and to cover any unplanned expenditure. The Trustees have resolved to maintain sufficient reserves to cover short-term operational costs. No further reserves policy exists.

Future plans

During the coming years it is expected that the activities of the Ongo Communities Ltd will expand. Growth is anticipated for two main reasons:

1. Ongo Homes has approved a grant of £1,000,000 per year from 2019 to 2023 to deliver activities that meet the objects of the organisation.
2. Applications to grant giving organisations and EU funds have been awarded and a funding strategy is in place to continue to seek further opportunities to bid for funds and match fund projects that meet the needs of our customers and the wider communities within our area of benefit.
3. Covid-19 has had an effect on our ability to achieve the level of outcomes we had set for 2020/21 although we were able to change our ways of working to provide support by telephone and social media apps. We plan to use the learning from this to determine the way forward in the future: offering a mix of face to face and telephone support.

Financial Instruments

Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. The following financial institution was used and its credit rating was acceptable to the board:

Institution	Rating at 31/03/2020	Balance 31/03/2020 £	at	Rating at 31/03/2019	Balance 31/03/2019 £	at
Barclays Bank PLC (Moody's long term rating)	A1	<u>279,790</u>		Baa3	<u>91,290</u>	

Ongo Communities Limited

Report of the Trustees for the year ended 31 March 2020 (continued)

Liquidity risk

Liquidity risk arises from the company's management of working capital. Rolling cash flow projections are prepared regularly, together with the value of the company's cash investments. At the end of the financial year, these projections indicated that the company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Cash flow interest rate risk

The company is not currently exposed to cash flow interest rate risk.

Assessment of the effectiveness of Ongo Communities' system of internal control.

The Board is ultimately responsible for the charity's system of internal control and for reviewing its effectiveness.

The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of charity's assets and interests.

The Board has adopted a risk-based approach to internal controls, which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the charity is exposed and is consistent with good practice and regulatory requirements. Identification and evaluation of key risks

Strategic Risk

Throughout 2019-20 we have worked hard to strengthen our governance and risk management arrangements. This has involved a full revision of our Risk Management Framework and our Strategic and Operational Risk Registers.

The new Risk Management Framework and Strategic Risk Registers were approved by Board in September 2019. To test the effectiveness of our Risk Management Framework, an Internal Audit was undertaken to provide assurance that systems are in place. In April 2020 we received the final Internal Audit report, providing substantial assurance.

Operating Environment and Risk Management

To help identify emerging risks, we assess the external and internal environments using a variety of tools and techniques. Our performance management framework runs in line with our risk management framework to help identify areas of concern or emerging risks. We map the annual Sector Risk Profile with our existing risk registers as a comparison aid.

Each year we stress test our Business Plan from our strategic risk register. Our Boards have an active role in developing additional scenarios and agreeing on multivariate scenarios based on likelihood and onset.

The external operating environment provided a number of significant challenges in 2019-20, including economic and political uncertainty. Different scenarios were tested using the Bank of England and internal assumptions. A recovery plan was approved by Common Board in March 2020 to mitigate the financial impact on our Business Plan.

The risk landscape changed significantly at the end of the financial year, with the impact of the Covid-19 pandemic. Covid-19 created substantial challenges and new risks, whilst also increased the likelihood of existing risks. As with the rest of the country, we will continually review the situation and manage the recovery.

Ongo Communities Limited

Report of the Trustees for the year ended 31 March 2020 (continued)

Internal Audit

Independent resources are used to undertake detailed audits on specific internal controls. An annual plan is agreed and each report is summarised for review by the Group Audit & Risk Committee. At each meeting of this group the outstanding audit issues are reviewed to ensure actions are progressing satisfactorily, particularly if higher priority risks are identified by the audits.

The Annual Plan includes a range of audit reviews. The different types of review focus on one or more of the corporate assurance risks. This approach enables more in-depth work to be carried out in the individual assignments than would be possible if all four assurance risks were considered in every review.

Four levels of corporate assurance risk are considered in each Audit report; directed; compliance; operational and reputational. Each audit is structured accordingly. For all types of audit, value for money considerations are taken into account and any linkages to the organisational Assurance Framework. The outcomes of the work on these corporate assurance risks informs both the individual assignment assurance assessment and also the annual assurance opinion statement. Detailed explanations of these assurance assessments are set out in full in each audit report.

The internal auditors have an opportunity at every Committee meeting to discuss matters without the presence of executives.

External Audit

In so far as the Board is aware, all of the current board members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

The External Auditors have an annual meeting with the Committee without the presence of executives.

Fraud

The Fraud register is reviewed at each Group Audit and Risk Committee. To assess our internal control framework, assurance tests are built in to the Internal Audit Plan each year.

The Fraud Register is updated as necessary for all actual and potential frauds committed or attempted to be committed against the charity each report is assessed.

Reporting, review and corrective action

A process of regular management reporting on control issues provides assurance to the Executive Management Team and to the Board. This includes a rigorous procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those that may have a material impact on the financial statements and the delivery and fulfilment of our services.

The Group Audit & Risk Committee conducts an annual review of the effectiveness of the system of internal control and has taken account of any changes needed to maintain the effectiveness of risk management and control process. This Committee makes an annual report on this matter to the Board. The Board has received this report and has included it within the Financial Statements.

The Board confirms that there is an ongoing process for identifying, and managing significant risks faced by the Charity. This process has been in place throughout the year under review, up to and including the date of the annual report and accounts, and is regularly reviewed by the Board.

Ongo Communities Limited

Report of the Trustees for the year ended 31 March 2020 (continued)

NHF Code of Governance

The Board has adopted the National Housing Federation (NHF) Code of Governance and following an assessment against the code is fully compliant. The following areas of the Code are not applicable to this company:

- B8 (shareholders)
- D6 & D7 (provisions regarding nomination and election)
- H2(3) (Co-operative and Community Benefit Legislation)
- H6 (requirement to publish annual report)
- H7 (strategy for communicating to stakeholders)

Going concern

The Trustees are satisfied that the charity has sufficient resources to continue its activities for the foreseeable future. In making this assessment the Trustees have considered a wide range of information relating to present and future conditions, including future business plan projections allied to expected income. As previously detailed, Covid-19 has had an impact on the charity, however it is not expected to affect the charity's ability to continue as a going concern. The financial statement have been prepared on a going concern basis.

Employment and equal opportunities

Employee information is set out in the notes to the Financial Statements.

The Company is committed to the principles of equal opportunities.

Auditor

BDO LLP are in the second year of their three year appointment to serve as auditor for the company.

Signed on behalf of the Trustees.



H Lennon
3 September 2020

Ongo Communities Limited

Trustees' Responsibilities in Relation to the Financial Statements for the year ended 31 March 2020

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein

Ongo Communities Limited

Independent auditor's report to the members of Ongo Communities Limited for the year ended 31 March 2020

Opinion

We have audited the financial statements of Ongo Communities Limited ('the Charitable Company') for the year ended 31 March 2020 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Ongo Communities Limited

Independent auditor's report to the members of Ongo Communities Limited (continued) for the year ended 31 March 2020

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report, which is included in the Report of the Trustees, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the Trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Ongo Communities Limited

Independent auditor's report to the members of Ongo Communities Limited (continued) for the year ended 31 March 2020

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Helen Knowles (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Leeds

Date: 29 September 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Ongo Communities Limited
Statement of financial activities
Incorporating an income and expenditure account
for the year ended 31 March 2020

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Income					
Income from charitable activities	2	1,000,000	-	1,000,000	895,615
Income from donations		20,340	-	20,340	-
Income from trading activities	3	196,984	-	196,984	269,817
Grants receivable	4	-	477,723	477,723	329,965
Total income		1,217,324	477,723	1,695,047	1,495,397
Expenditure					
Expenditure on charitable activities		(429,599)	(895,780)	(1,325,379)	(1,104,906)
Expenditure on trading activities		(240,190)	-	(240,190)	(447,733)
Total expenditure	6	(669,789)	(895,780)	(1,565,569)	(1,552,639)
Net income / (expenditure) for the year	5	547,535	(418,057)	129,478	(57,242)
Transfers between funds	15	(425,442)	425,442	-	-
Net movement on funds		122,093	7,385	129,478	(57,242)
Reconciliation of funds					
Total funds brought forward		122,415	-	122,415	179,657
Total funds carried forward		244,508	7,385	251,893	122,415

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities.

The notes on pages 19 to 27 form part of these financial statements.

Ongo Communities Limited
Statement of financial activities
Incorporating an income and expenditure account
for the year ended 31 March 2019

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Income				
Income from charitable activities	895,615	-	895,615	693,244
Income from donations	-	-	-	-
Income from trading activities	269,817	-	269,817	190,726
Grants receivable	-	329,965	329,965	344,811
Total income	1,165,432	329,965	1,495,397	1,228,781
Expenditure				
Expenditure on charitable activities	(774,941)	(329,965)	(1,104,906)	(1,058,156)
Expenditure on trading activities	(447,733)	-	(447,733)	(318,533)
Total expenditure	(1,222,674)	(329,965)	(1,552,639)	(1,376,689)
Net income / (expenditure) for the year and net movement on funds	(57,242)	-	(57,242)	(147,908)
Reconciliation of funds				
Total funds brought forward	179,657	-	179,657	327,565
Total funds carried forward	122,415	-	122,415	179,657

Ongo Communities Limited
Statement of financial position
at 31 March 2020

Company number 08619739	Note	2020 £	2020 £	2019 £	2019 £
Current assets					
Debtors	11	84,783		127,668	
Cash at bank and in hand		279,790		91,290	
		<u>364,573</u>		<u>218,958</u>	
Creditors: amounts falling due within one year	12	(112,680)		(96,543)	
		<u>364,573</u>		<u>218,958</u>	
Total assets less current liabilities			251,893		122,415
			<u>251,893</u>		<u>122,415</u>
Total net assets			<u>251,893</u>		<u>122,415</u>
The funds of the charity					
Unrestricted funds			244,508		122,415
Restricted funds			7,385		-
			<u>251,893</u>		<u>122,415</u>
Total funds	15		<u>251,893</u>		<u>122,415</u>

The financial statements were approved by the Board of Directors and authorised for issue on 3 September 2020.



H Lennon
Trustee



S Hepworth
Chief Executive

The notes on pages 19 to 27 form part of these financial statements.

Ongo Communities Limited
Statement of cash flows
for the year ended 31 March 2020

	2020	2019
	£	£
Net cash inflow/(outflow) from operating activities	188,500	(46,748)
Increase / (decrease) in cash	188,500	(46,748)
Notes		
Change in cash and cash equivalents	188,500	(46,748)
Cash and cash equivalents at 1 April 2019	91,290	138,038
Cash and cash equivalents at 31 March 2020	279,790	91,290
Reconciliation of operating surpluses to net cash inflow / (outflow) from operating activities		
Operating surplus / (deficit)	129,478	(57,242)
Change in debtors	42,885	7,638
Change in creditors	16,137	2,856
Net cash inflow / (outflow) from operating activities	188,500	(46,748)
Analysis of cash and cash equivalents		
Cash in hand	870	770
Notice deposits (less than 3 months)	278,920	90,520
Cash and cash equivalents at 31 March 2020	279,790	91,290
Analysis of changes in net debt (cash at bank only)		
Cash flows in the year	188,500	(46,748)
Net debt at 1 April 2019	91,290	138,038
Net debt at 31 March 2020	279,790	91,290

The notes on pages 19 to 27 form part of these financial statements.

Ongo Communities Limited
Notes forming part of the financial statements
for the year ended 31 March 2020

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Ongo Communities Limited
Notes forming part of the financial statements
for the year ended 31 March 2020

1 Significant accounting policies

Ongo Communities Limited is a charitable company limited by guarantee and incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the page 3 and the nature of the company's operations and its principal activities are set out in the Report of the Trustees. The financial statements have been prepared under the historical cost convention and in accordance with Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, the Charities Act 2011 and the Companies Act 2006.

Ongo Communities Limited is a public benefit entity.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires company management to exercise judgement in applying the company's accounting policies.

The presentation currency of the financial statements is the Pound Sterling (£), rounded to the nearest £1.

The following principal accounting policies have been applied:

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Ongo Partnership Limited as at 31 March 2020 and these financial statements may be obtained from Ongo House, High Street, Scunthorpe, North Lincolnshire, DN15 6AT.

Basis of preparation - going concern

The charity's financial plans have been reviewed in light of the effects of Covid-19 and the Board are satisfied that these plans are affordable and that the financial statements should be prepared on a going concern basis.

As a consequence of the COVID-19 pandemic, the board have revised the charity's financial forecasts, for the two years ended 31 March 2022, to reflect the risks and financial impacts as relevant and proportionate to our business. This included an assessment of grant income and delivery of projects. Covid-19 has had an effect on our ability to achieve the level of outcomes we had set for 2020/21 although we were able to change our ways of working to provide support by telephone and social media apps. We plan to use the learning from this to determine the way forward in the future: offering a mix of face to face and telephone support. External grant funding continues to be available and the charity will continue to receive the agreed long term support from within the Ongo Group.

The company was swift to adapt and implement the Government guidance on social distancing, reviewing and adjusting the associated operating environment and processes.

A further local or national outbreak of COVID-19 cannot be ruled out and additional measures may be taken by the Government to contain this, which are unknown and uncontrollable. However, the charity has effective controls and processes in place to manage and monitor cashflows. On this basis, the board consider it appropriate for the financial statements to be prepared on a going concern basis.

Judgements in applying accounting policies and key sources of estimation uncertainty

Management do not consider there to be any significant judgements or estimation uncertainty due to the straightforward nature of the company's operations.

Income

Incoming resources are accounted for when receivable. Legacies are accounted for when considered receivable. Investment income, donations and gifts in kind are accounted for when receivable. Grants are recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Charitable expenditure includes direct costs and support costs. Support costs comprise those necessary costs which do not themselves produce the output of the charity, including central office functions and governance costs as shown in note 6. Such administration and accommodation support costs have generally been allocated on the basis of turnover.

Ongo Communities Limited
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for the year ended 31 March 2020

Taxation

Ongo Communities Limited is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Grants payable

Grants are recognised in full when there is a legal and constructive obligation.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable. The assets of the scheme are held separately from those of the company in an independently administered fund.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Cash at bank and in hand

Cash at bank and in hand includes deposits which can be withdrawn within 24 hours without penalty and short term deposits which have a maturity period of 3 months or less and are not subject to significant risk of changes in value.

Liabilities

Liabilities (including termination payments) are recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Fund accounting

Restricted funds are subject to specific restrictions imposed by the donor. They include 'Restricted income funds' which are spent or applied within a reasonable period from their receipt or 'Endowment funds' originating from donations or bequests and invested to enable future expenditure in line with the restrictions of the donor.

Endowment funds can be either permanent or expendable. Permanent endowment funds are held indefinitely and the capital cannot be expended.

Expendable endowments allow the Trustees to exercise the power to expend or apply the capital in line with the restriction.

Designated funds are set aside by the Trustees for specific purposes, but would otherwise form part of the general funds. General funds are available to spend at the discretion of the Trustees in furtherance of the charitable objectives of the company.

2 Income from charitable activities

All income from charitable activities was generated within the UK. £1million of this income (2019: £886k) relates to contributions from group company, Ongo Homes Limited.

Ongo Communities Limited
Notes forming part of the financial statements
for the year ended 31 March 2020

3 Trading income	2020	2019
	Unrestricted	Unrestricted
	£	£
Income from café facilities	58,806	53,284
Rental income	114,757	17,764
Income from Post Office	19,925	25,277
Other income	3,496	173,492
	196,984	269,817
	196,984	269,817

Rental income includes gifts in kind in respect of properties leased at below market rent from Ongo Homes. The facilities have been valued in excess of rent paid at £79,625; the cost is also included within expenditure.

4 Grants received	2020	2019
	Restricted	Restricted
	£	£
European Social Fund	83,767	123,346
DWP	118,190	96,839
Humber Learning Consortium	87,887	54,729
Urban Challenge	25,680	22,954
Through The Gate	11,400	12,192
Talent Match	-	12,563
Police Crime Commissioner Fund	39,375	5,625
Tribune Trust	3,750	1,000
Big Lottery Fund	13,100	717
North Lincolnshire Council	94,574	-
	477,723	329,965
	477,723	329,965

5 Net income/(expenditure):	2020	2019
	£	£
This is stated after charging:		
Operating lease charges - land & buildings	20,421	17,500
	20,421	17,500
Total	20,421	17,500

All fees for the audit of the company's annual accounts are paid by the ultimate parent company of the group.

Ongo Communities Limited
Notes forming part of the financial statements
for the year ended 31 March 2020

6 Analysis of expenditure

	Direct staff costs £	Grant funding of activities £	Other direct costs £	Support costs (note 7) £	Total 2020 £	Total 2019 £
Charitable activities						
Community benefit/improvement projects	755,261	-	201,142	368,976	1,325,379	1,104,906
Total charitable expenditure	755,261	-	201,142	368,976	1,325,379	1,104,906
Trading activities						
The Arc	53,508	-	62,799	10,102	126,409	140,435
Choose to Reuse	-	-	-	240	240	78,412
Handy Van	-	-	5,856	953	6,809	183,272
Management expenditure	-	-	-	106,732	106,732	45,614
Total trading expenditure	53,508	-	68,655	118,027	240,190	402,119
Total resources expended	808,769	-	269,797	487,003	1,565,569	1,552,639

7 Support costs

	Finance & Corporate £	IT £	Human Resources £	Property & Offices £	Total 2020 £	Total 2019 £
Charitable activities						
Community benefit/improvement projects	153,305	-	-	23,322	176,627	120,777
Management fee from parent company	63,739	24,326	104,284	-	192,349	203,173
Total charitable expenditure	217,044	24,326	104,284	23,322	368,976	323,950
Trading activities						
The Arc	-	-	-	10,102	10,102	9,747
Choose to Reuse	-	-	-	240	240	15,507
Handy Van	953	-	-	-	953	712
Management expenditure	24,040	-	-	82,692	106,732	45,614
Total trading expenditure	24,993	-	-	93,034	118,027	25,966
Total resources expended	242,037	24,326	104,284	116,356	487,003	395,530

The company is charged a management fee from its ultimate parent company, Ongo Partnership Limited, to cover all central Finance, Corporate, IT, HR, PR and governance costs.

Management expenditure includes the notional cost of the gift in kind relating to the lease of properties as detailed in note 3 to the accounts.

Ongo Communities Limited
Notes forming part of the financial statements
for the year ended 31 March 2020

8 Employees	2020	2019
	£	£
Staff costs (excluding directors who are paid by the group) consist of:		
Wages and salaries	808,705	833,518
Social security costs	70,741	71,493
Cost of defined benefit scheme	30,800	37,875
Cost of defined contribution scheme	43,091	44,885
	953,337	987,771
	953,337	987,771

No employees, including key management personnel, are paid directly by the company, although it is recharged by the group entity for employment costs incurred on its behalf. The above costs represent the charge made to Ongo Communities Limited.

Trustees did not receive any remuneration or benefits directly from Ongo Communities Limited during the year (2019: none). Three trustees (2019: none) were paid expenses during the year totalling £381 (2019: none). These were in respect of travel costs reimbursed.

A defined contribution pension scheme is operated by Ongo Partnership Limited on behalf of all Ongo group subsidiary undertakings. The assets of the scheme are held separately from those of the group in an independently administered fund.

The pension charge represents contributions payable by the company to the fund and amounted to £43,091 (2019: £44,885). Contributions amounting to £nil (2019: £nil) were payable to the fund at year end.

A defined benefit pension scheme is operated by Ongo Homes Limited on behalf of Ongo group subsidiary undertakings. The assets of the scheme are held separately from those of the group in an independently administered fund.

The pension charge represents contributions payable by the company to the fund and amounted to £30,800 (2019: £37,875). Contributions amounting to £nil (2019: £nil) were payable to the fund at year end.

9 Directors' remuneration

Directors' costs are paid by Ongo Partnership Limited and the relevant portion is recharged to Ongo Communities Limited (with a mark-up) through their management fee.

10 Fixed asset investments

Subsidiary undertakings

The only undertaking in which the company has an interest is as follows:

Name	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
Ongo Recruitment Limited	England and Wales	100%	Recruitment consultancy

Ongo Recruitment Limited has a wholly owned subsidiary, which gives Ongo Communities Limited an indirect interest in:

Crosby Brokerage Limited	England and Wales	100%	Business services
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11 Debtors

	2020	2019
	£	£
Trade debtors	32,795	22,107
Amounts owed by group undertakings	2	56,606
Prepayments and accrued income	51,866	43,935
Other debtors	120	5,020
Total	84,783	127,668
	84,783	127,668

Ongo Communities Limited
Notes forming part of the financial statements
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12 Creditors: amounts falling due within one year	2020	2019
	£	£
Trade creditors	6,170	11,272
Other creditors	1,844	1,055
Taxation and social security	13,277	-
Accruals and deferred income	67,526	78,066
Amounts owed to group undertakings	23,863	6,150
	<hr/>	<hr/>
Total	112,680	96,543
	<hr/> <hr/>	<hr/> <hr/>
<i>Deferred income</i>		
Brought forward	32,225	-
Released in the period	(32,225)	-
Deferred in the period	-	32,225
	<hr/>	<hr/>
Carried forward	-	32,225
	<hr/> <hr/>	<hr/> <hr/>

Income is deferred where a grant received in the year is subject to performance-related conditions received in advance of delivering the services required by that condition, or is subject to unmet conditions wholly outside of the charity's control.

13 Corporation tax

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

14 Share capital

Being limited by guarantee, the company does not issue shares.

Ongo Communities Limited
Notes forming part of the financial statements
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15 Analysis of movement in funds

	Balance at 1 April 2019	Income	Expenditure	Transfers between funds	Balance at 31 March 2020
Restricted funds					
European Social Fund	-	83,767	(130,549)	46,782	-
DWP	-	118,190	(164,190)	46,000	-
Humber Learning Consortium	-	87,887	(122,093)	34,206	-
North Lincolnshire Council	-	94,574	(182,930)	88,356	-
Other grants	-	93,305	(296,018)	210,098	7,385
	-	477,723	(895,780)	425,442	7,385
Unrestricted funds	122,415	1,217,324	(669,789)	(425,442)	244,508
Total funds	122,415	1,695,047	(1,565,569)	-	251,893

Analysis of movement in funds - previous year

	Balance at 1 April 2018	Income	Expenditure	Transfers between funds	Balance at 31 March 2019
Restricted funds					
European Social Fund	-	123,346	(123,346)	-	-
DWP	-	96,839	(96,839)	-	-
Humber Learning Consortium	-	54,729	(54,729)	-	-
Other grants	-	55,051	(55,051)	-	-
	-	329,965	(329,965)	-	-
Unrestricted funds	179,657	1,165,432	(1,222,674)	-	122,415
Total funds	179,657	1,495,397	(1,552,639)	-	122,415

Restricted funds relate to grants receivable used for charitable purposes.

Ongo Communities Limited
Notes forming part of the financial statements
for the year ended 31 March 2020

16 Analysis of net assets between funds

Fund balances at 31 March 2020 are represented by:

	Unrestricted funds	Restricted funds	Total funds
Debtors	84,783	-	84,783
Cash at bank and in hand	272,405	7,385	279,790
Creditors: amounts falling due within one year	(112,680)	-	(112,680)
	<u>244,508</u>	<u>7,385</u>	<u>251,893</u>

Comparative information in respect of the preceding period is as follows:

	Unrestricted funds	Restricted funds	Total funds
Debtors	127,668	-	127,668
Cash at bank and in hand	91,290	-	91,290
Creditors: amounts falling due within one year	(96,543)	-	(96,543)
	<u>122,415</u>	<u>-</u>	<u>122,415</u>

17 Related party disclosures

Ongo Homes Limited is the controlling party of Ongo Communities Limited. Ongo Homes Limited, a Community Benefit Society. Its accounts are available to the public at <https://www.ongo.co.uk/corporate-information/financial-statements/>

Ongo Homes Limited's primary purpose is to provide social housing in North Lincolnshire.

The ultimate controlling party, by virtue of its control of Ongo Homes Limited, is Ongo Partnership Limited, a company incorporated in England and Wales under registration number 08048224. Its consolidated accounts are available to the public from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

Ongo Partnership Limited's primary purpose is to oversee the strategic direction of and provide corporate services to its subsidiaries, allowing them to focus on delivery and enhancement of their core services.

Other than transactions between the group and other group companies, the directors do not consider that the company has any related party transactions

18 Operating leases

The company had minimum lease payables under non-cancellable operating leases as set out below:

	Land and buildings 2020	Land and buildings 2019
Not later than 1 year	8,766	-
Later than 1 year and not later than 5 years	26,298	-
	<u>35,064</u>	<u>-</u>