

Ongo Communities Limited

Report and Financial Statements

Year Ended 31 March 2023

Company Number 08619739 (England and Wales)

Charity Number 1156007

Ongo Communities Limited

Report and financial statements
for the year ended 31 March 2023

Contents

Page:

3	Directors, Trustees and Advisors
4	Chair's Statement
5	Report of the Trustees
17	Trustees' Responsibilities in Relation to the Financial Statements
18	Independent Auditor's Report
21	Statement of Financial Activities
23	Statement of Financial Position
24	Statement of Cash Flows
25	Index of notes
26	Notes forming part of the financial statements

Ongo Communities Limited

Directors, Trustees and Advisors for the year ended 31 March 2023

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:

H Lennon	J Williams
N Cresswell (resigned 1 November 2022)	K Merta (appointed 14 October 2022)
D Clegg (appointed 14 October 2022)	K Locking (appointed 14 October 2022)
H Phillips (appointed 14 October 2022)	

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 Customer Services	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

Auditor: Crowe U.K. LLP
3rd Floor
The Lexicon
Mount Street
Manchester
M2 5NT

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

Solicitors:		
Devonshires Solicitors	Forbes Solicitors	Knights Professional Services
Park House	Rutherford House	The Lexicon
Park Square	4 Wellington Street (St Johns)	Munt Street
Leeds	Blackburn	Manchester
LS1 2PW	BB1 8DD	M2 5FA

Bermans	Trowers and Hamblins	Wilkin Chapman LLP
Exchange Station	55 Princess Street	Cartergate House
Titheburn Street	Manchester	26 Chantry Lane
Liverpool	M2 4EW	Grimsby
L2 2QP		DN31 2LJ
Manchester		
M2 5FA		

Ongo Communities Limited

Chair's Statement for the year ended 31 March 2023

Ongo Communities Limited has been providing opportunities for local people and communities for close to nine years. Part of the Ongo group, 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. The statement of financial activities shows a total of £532k of funding in the year from a number of funders in addition to the funding from OH. These enable an increasing range of projects and services to be delivered; including self-employment support and mental health support.

With a four year strategy in place, and focus on the theme "Create Opportunities" which is part of the group's corporate plan, we have 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 areas.



H Lennon
Director

Date: 7 September 2023

Ongo Communities Limited

Report of the Trustees for the year ended 31 March 2023

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 2023, 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 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 charity, 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. To assist with this objective Ongo Communities has two wholly owned subsidiaries: Ongo Recruitment Limited, which is a social enterprise employment agency supplying temporary and permanent staff, particularly for local people within disadvantaged communities in order that they may develop their skills and re-engage with the labour market and Crosby Brokerage Limited, a company that provides managed services for clients in receipt of a personal allowance.

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). At the year end the Charity was a subsidiary of Ongo Partnership Limited, the ultimate parent undertaking. From 1 April 2023 the ultimate parent company became Ongo Homes Limited.

Key achievements and performance

During the current year Ongo Communities generated a surplus of £120k for the year (£7k surplus in the year ended 31 March 2022). The Trustees consider this to be an acceptable standard of performance.

Key achievements during the year were:

- We were successful in gaining a grant of £138k to deliver the Reconnect project, a short-term post pandemic programme to re-engage 250 members of the community with their pre-Covid energy, plans and ambitions. It was successful in achieving its aims to improve resilience, reduce fear of Covid, tackle digital and social isolation, mental and physical health and get people talking, accessing services and developing themselves again.

Ongo Communities Limited

Report of the Trustees for the year ended 31 March 2023

- Since 2019 we have focused our community regeneration development on one of our most disadvantaged estates through delivering the "Westcliff Plan". The long-term aim of the plan was to reduce the stigma associated with the area as well as empower the local community. The plan ran for four years and involved all Ongo departments, plus external partners who worked together to achieve specific targets based on six key themes which were:
 - Customer experience and tenancy services
 - Environment
 - Education, employment and entrepreneurship
 - Wellbeing
 - Families
 - Communications, partnerships and culture
- Our community building The Arc was built as part of the physical regeneration of the estate and has become the heart of the community, delivering service to meet the needs of the community including a post office, café, training and social activities for all ages.
- Our in-house social enterprise agency and wholly owned subsidiary, Ongo Recruitment, was successful in donating circa £100k of surplus funds that will be used to fund some of the skills and personal development team staff. The team support customers with coaching and counselling, volunteering, training and employment support.
- Using the HACT (Housing Associations' Charitable Trust) model, we calculate that for every £1 we invested in community projects, we achieved £15.54 worth of value in return. This is slightly higher than the previous year (£14.44), which was due to the outcomes achieved from supporting over 600 people furthest from the labour market with mental health counselling and employability skills and working with young people from our disadvantaged estates delivering mentoring and youth activities, and supporting them into apprenticeships.

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.

Recruitment and appointment of Trustees

Recruitment for charity trustees is overseen by the ultimate parent company 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 ultimate parent company.

Ongo Communities Limited

Report of the Trustees for the year ended 31 March 2023 (continued)

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. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes." 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.

In relation to the above 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 not received any 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.

Financial review

Incoming resources for the year totalled £1,909k (2022: £2,102k) of which £532k (2022: £876k) related to funding activities upon which restrictions were placed and £1,053k (2022: £1,085k) was received from Ongo Homes. Expenditure totalled £1,789k (2022: £2,095k) resulting in a surplus of £120k (2022 £7k surplus).

Reserves are needed to bridge the gap between the spending and receiving of income and to cover any unplanned expenditure. The Board has resolved to maintain sufficient reserves to cover short-term operational costs. The operating cash and reserves positions should not fall below a minimum level of £100,000, which is sufficient to cover three months fixed operating costs, other than in relation to fluctuations due to the short term operating cash cycle. Any such fall below the prescribed level will be identified as such by the cash control and forecasting process.

Ongo Communities Limited

Report of the Trustees for the year ended 31 March 2023 (continued)

We will ensure that sufficient reserves are held to be able to fund all forthcoming projects to which we are committed and any further opportunities that may present themselves. These include match funding opportunities that will maximise income through achieving external grant funding to deliver projects that meet the outcomes of our corporate plan, and proposing projects to be approved by the board as an appropriate use of reserves that respond to emerging issues that affect our tenants, their families, and the wider estates and communities. We will enter into no commitments which cannot be funded by available reserves plus budgeted surpluses to be generated up to the point or points at which the commitment crystallises.

At 31 March 2023 the charity's free reserves, excluding designated funds, stood at £452k (2022: £258k) with restricted funds carried forward of £nil (2022: £34k) and designated funds of £136k (2022: £175k). The business plan dictates that the free reserves will be retained for investment in the future development of the company. The designated funds relate to match funding for an approved project to support people into employment who have mental health issues, including older people, younger people and members of groups who may be disadvantaged.

Future plans

During the coming years it is expected that the activities of the Ongo Communities will expand:

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. However due to the ending of EU funding and the delay in UKSPF we anticipate that fewer opportunities will be available.
3. We continue to change the way we engage with our customers by offering a mix of face to face and telephone support and a digital only programme for customers in rural areas and who cannot easily access our premises. We also provide IT skills and re-designed the customer facing areas in our buildings to best meet the individual needs of our customers.
4. We want to support customers as much as possible with the cost of living crisis and are planning ways in which to re-use furniture and carpets to help our tenants in their homes, as well as delivering money management and budgeting support.

Ongo Communities Limited

Report of the Trustees for the year ended 31 March 2023 (continued)

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 31/03/2023	Balance at 31/03/2023 £	Rating at 31/03/2022	Balance at 31/03/2022 £
Barclays Bank PLC (Moody's long term rating)	A1	<u>526,522</u>	A1	<u>497,739</u>

Liquidity risk

Liquidity risk arises from the charity'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 charity 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 CBS 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 CBS is exposed and is consistent with good practice and regulatory requirements.

Ongo Communities Limited

Report of the Trustees for the year ended 31 March 2023 (continued)

The main area in which this is evidenced is as follows:

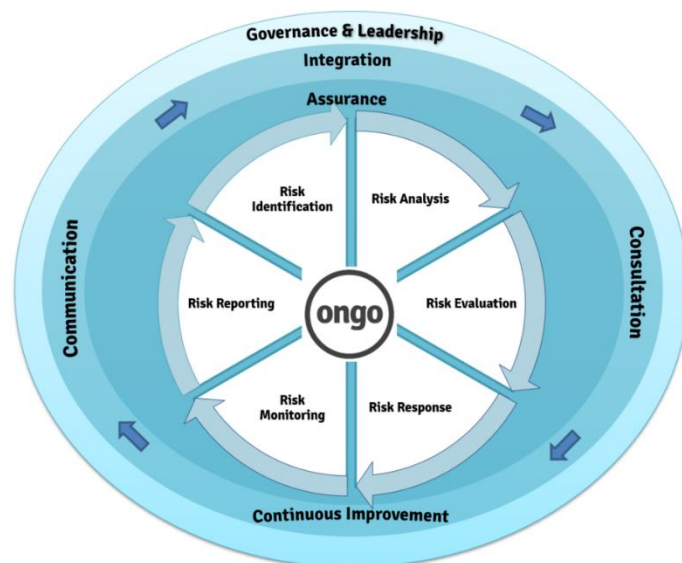
Risk Management

Our approach

Risk is the possibility of an event and the consequences it has on the achievement of objectives, at a strategic, operational and project level. Risk creates uncertainty which we must understand, control, and monitor to reduce the uncertainty to an acceptable level.

Risk is part of everyday life and linked directly the decisions we make. The management of risk is therefore essential in ensuring the CBS meets its strategic objectives and remains legally and regulatory compliant.

Our risk management framework provides a clear and robust approach to managing risk. It provides a structure to integrate risk management into all aspects of Ongo activity, with the aim of protecting our assets, complying with all relevant laws and regulation, successfully achieving our corporate plan and creating a truly vibrant and resilient organisation.



Our principles of risk management

The overarching principle of risk management is to add value, and to support the successful delivery of objectives.

At Ongo, we use **GUARDED** principles to set our approach to risk management:

- **Governed** – Risk management is integral to governance and leadership at Ongo, it is fundamental to how Ongo is directed and managed.
- **Understood** – Risks are comprehensive, well-articulated and understood by all.
- **Aligned** – Risk management is aligned with other business activities and is not a separate activity.
- **Relevant** – Risks are relevant to objectives and the management of risk is proportionate to the level of risk.
- **Discussed** – Risk is communicated and discussed with all interested parties.
- **Embedded** – Risk management is part of everyday life, activities and decision making at Ongo,
- **Dynamic** – The management and reporting of risk is responsive to change and can adapt and identify emerging risks quickly.

Ongo Communities Limited

Report of the Trustees for the year ended 31 March 2023 (continued)

Our risk appetite

Our risk appetite is reviewed and set by Board, as high-level statements which sets the tone for risk taking. Detailed statements are then provided as guide for decision making to ensure we do not take risks outside of our agreed boundaries. Our risk appetite was last reviewed by Board in March 2023.

- **Financial (medium risk appetite):** We ensure that we remain financially strong and not take risks outside of our golden rules. We will seek to take risk only where the benefits outweigh potential costs.
- **Compliance (low risk appetite):** We understand our compliance obligations and have a very low appetite for any action or decision that would result in a breach of our statutory or regulatory obligations.
- **People (high risk appetite):** We empower and trust our colleagues to make the right decisions and look to take risks where benefits can be justified and any potential risks are managed.
- **Reputation (medium risk appetite):** Being a great landlord, employer, partner, company is at the heart of our corporate plan. Although we recognise that we cannot control how others view us, we will work together to understand and manage the expectations of all stakeholders.
- **Infrastructure (low risk appetite):** We rely on our technological infrastructure and will look for innovative ways of working. However we have a low appetite for any risks resulting in security vulnerabilities, critical system downtime, data inaccuracies and loss of personal data.
- **Governance (low risk appetite):** We will ensure that our governance structures are strong and all decisions are risk based, we will not enter into any activity that puts our social assets at risk.
- **Growth (high risk appetite):** We are open to growth opportunities that align with our corporate objectives, and will look at innovative ways of working and new technologies. Where the benefits can be demonstrated and outweigh the potential costs we will manage the risk.

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 have a suite of key risk indicators (KRIs) which provide intelligence on the key areas of risk facing our business and act as early warning indicators. Our key financial ratios and stress testing indicators are monitored monthly in our management accounts. We also map the annual sector risk profile with our existing risk registers as a comparison aid.

Assurance framework

To ensure that risk management is effective and that we have a sound and effective system of internal control we have a control framework in place. As Boards have ultimate responsibility for Risk Management, it is essential that Board members understand the risks facing Ongo and receive assurance on the effectiveness of controls. Strategic and emerging risks are discussed at each Board meeting as a separate agenda item (alternate meetings), but also embedded within each report. The Group Common Board have delegated assurance reviews to the Group Audit and Risk Committee. This enables the committee to focus on key areas of risk and assurance.

Ongo Communities Limited

Report of the Trustees for the year ended 31 March 2023 (continued)

Assurance can come from many sources within an organisation. Developed from the three lines of defence, we have adopted four lines of assurance (FLA), which helps identify and understand where these different contributions arise:

- **First line of assurance**

This comes directly from our business operational areas. Various controls are in place, designed or directing processes and behaviours to ensure that operational objectives are achieved. The responsibility is to ensure procedures are followed, identify risks and improvement actions, implement controls and report on progress.

- **Second line of assurance**

This comes from corporate oversight. It is separate from those responsible for delivery, but not independent to the organisation. There are various teams that provide this assurance, including health and safety, finance, compliance, legal and audit and risk. The responsibility is to ensure that compliance obligations and commitments are understood and met.

- **Third line of assurance**

This comes from independent, objective and expert sources. It provides independent challenge. It places reliance upon assurance mechanisms in the first and second lines of defence, and request evidence to confirm assurance is in place. Assurance is gained from internal and external audit, regulators, and accreditations.

- **Fourth line of assurance**

Our customers provide a fourth assurance level. As they directly receive certain services, they are in the ideal position to assess and review service delivery. We have strong customer engagement arrangements, including a Resident Scrutiny Panel, Property Services Panel, and Complaints Monitoring Panel.

All assurance activities are co-ordinated centrally to provide assurance maps. The assurance map of the strategic risk register is used to inform the internal audit programme and assurance work for the next financial year.

Internal Audit

Our internal auditors are appointed by the Group Audit and Risk Committee to provide an objective evaluation and opinion on the overall adequacy and effectiveness of our risk management and internal control environment.

The annual internal audit plan is set using a risk-based approach and is approved by the Group Audit and Risk Committee. The plan includes a range of internal audits and assurance appraisals, which cover two types of corporate assurance risks – directed and delivery. Underpinning these two types of assurance risk are six root cause indicators (RCI):

Ongo Communities Limited

Report of the Trustees for the year ended 31 March 2023 (continued)



Directed Risk: Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Cause	Governance Framework	There is a documented process instruction which accords with the relevant regulatory guidance, financial instructions and scheme of delegation.
	Risk Mitigation	The documented process aligns with the mitigating arrangements set out in the strategic risk register.
Root Indicator	Compliance	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.



Delivery Risk: Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Cause	Performance Monitoring	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.
	Financial Constraint	The process operates within the agreed financial budget for the year.
Root Indicator	Resilience	Good practice to respond to business interruption events and to enhance economic, effective and efficient delivery is adopted.

The findings against these corporate assurance risks informs both an individual assurance assessment and also the annual assurance opinion statement, provided by the Head of Internal Audit.

The annual plan is subject to ongoing review and could change as the risks change throughout the year. Any changes are formally reviewed with the Executive Leadership Team and the Group Audit and Risk Committee should a significant issue arise.

Internal audit reports carried out are signed off at each Group Audit and Risk Committee, where members have the opportunity to discuss and challenge the findings. Progress on any recommendations made are monitored by the committee and once implemented are verified by internal audit for final sign off. The internal auditors have an opportunity at every committee meeting to discuss matters without the presence of executives.

Our internal auditors provide an annual report on the internal control environment at Ongo. The annual report summaries the outcomes of the reviews that have been carried out on the Ongo group's framework of governance, risk management and control. The Head of Internal Audit's annual opinion states that they are satisfied that, for the areas reviewed during the year, Ongo has reasonable and effective risk management, control and governance processes in place.

This opinion is based solely on the matters that came to the attention of internal audit during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by Ongo from its various sources of assurance.

Ongo Communities Limited

Report of the Trustees for the year ended 31 March 2023 (continued)

Our internal auditors carried out nine reviews, which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve Ongo's objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided.

The table below provides an overview of the assurance findings in 2022-23

Assurance Assessments	Number of Reviews	Previous Year
Substantial Assurance	4	8
Reasonable Assurance	5	5
Limited Assurance		
No Assurance		

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented. Progress with internal audit recommendations are monitored by the Group Audit and Risk Committee and implementation is verified by internal audit twice a year. All audit recommendations have been accepted and implemented.

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 CBS.

Reporting, review and corrective action

A process of regular management reporting on control issues provides assurance to the Executive Leadership 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 and 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 CBS. 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 2023 (continued)

Going concern

The Board have reviewed financial assumptions during the budget process to ensure the company remains a going concern. The budget is subject to sensitivity testing to assess the possible financial impacts of various scenarios and the resilience of the budget. In all scenarios the company remains financially viable.

Given the strength of the balance sheet and liquidity the Board believes that while some uncertainty remains in respect of COVID-19 and the effects of inflationary pressures these do not pose a material uncertainty that would cast doubt on the charity's ability to continue as a going concern. The charity's financial performance in 2022/23 proved resilient and on this basis, the Board has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Employment and equal opportunities

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

The charity is committed to the principles of equal opportunities.

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.

Following a tender process during 2021/22 Crowe UK LLP were appointed as auditors for three years. They are in the second year of their appointment to serve as auditors for the Company and the Group.

Ongo Communities Limited

Report of the Trustees
for the year ended 31 March 2023 (continued)

Signed on behalf of the Trustees.



H Lennon
Trustee
7 September 2023

Ongo Communities Limited

Trustees' responsibilities in relation to the financial statements for the year ended 31 March 2023

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 period.

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;
- 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.

Ongo Communities Limited

Independent auditor's report to the members of Ongo Communities Limited for the year ended 31 March 2023

Opinion

We have audited the financial statements of Ongo Communities Limited for the period ended 31 March 2023 which comprise the balance sheet as at 31 March 2023; the statement of financial activities, the statement of cash flows and notes to the financial statements, including 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 company's affairs as at 31 March 2023 and of its income resources and application of resources, including its income and expenditure 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 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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Ongo Communities Limited

Independent auditor's report to the members of Ongo Communities Limited for the year ended 31 March 2023

Matters on which we are required to report by exception

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

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 by the Company, 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 Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors report and from the requirement to prepare a strategic report.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 17, the Directors 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 Directors 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 Directors are responsible for assessing the 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 Directors either intend to liquidate the 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined the most significant are the appropriate accounting standards in conformity with the requirements of the Companies Act 2006 and the Financial Services legislation;

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience, through discussion with the Directors, and from inspection of the Company's board minutes and legal and regulatory correspondence. We discussed the policies and procedures regarding compliance with laws and regulations with the Chief Financial Officer;

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management from relevant parts of the business to understand where management considered there was a susceptibility to fraud. We also considered the potential for management to manage earnings and influence the perceptions of the financial statements.

Ongo Communities Limited

Independent auditor's report to the members of Ongo Communities Limited for the year ended 31 March 2023

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and the timing of recognition of income.

Audit procedures performed by the engagement team included:

- Evaluation of the design of controls established to address the risks related to material irregularities in the financial statements; Testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to non-routine transactions.
- Evaluation of income recognition policies and any judgements made around income recognition; reviewing the income system for significant deficiencies or susceptibility to fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Agreement of the financial statement disclosures to underlying supporting documentation;
- Making enquiries of management;
- Review of minutes of board meetings throughout the period;

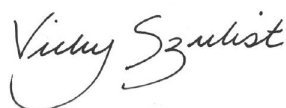
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

Owing to the inherent limitations of an audit there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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.

Use of our report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Vicky Szulist
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Manchester

13th September 2023

Ongo Communities Limited
Statement of financial activities
Incorporating an income and expenditure account
for the year ended 31 March 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Income					
Income from charitable activities	2	1,052,896	-	1,052,896	1,084,962
Income from donations		109,732	-	109,732	380
Income from trading activities	3	215,227	-	215,227	140,697
Grants receivable	4	-	531,524	531,524	875,605
Total income		<u>1,377,855</u>	<u>531,524</u>	<u>1,909,379</u>	<u>2,101,644</u>
Expenditure					
Expenditure on charitable activities		(903,856)	(614,980)	(1,518,836)	(1,828,303)
Expenditure on trading activities		(270,484)	-	(270,484)	(266,814)
Total expenditure	6	<u>(1,174,340)</u>	<u>(614,980)</u>	<u>(1,789,320)</u>	<u>(2,095,117)</u>
Net income / (expenditure) for the year	5	<u>203,515</u>	<u>(83,456)</u>	<u>120,059</u>	<u>6,527</u>
Transfers between funds	15	(49,370)	49,370	-	-
Net movement on funds		<u>154,145</u>	<u>(34,086)</u>	<u>120,059</u>	<u>6,527</u>
Reconciliation of funds					
Total funds brought forward		434,023	34,086	468,109	461,582
Total funds carried forward		<u><u>588,168</u></u>	<u><u>-</u></u>	<u><u>588,168</u></u>	<u><u>468,109</u></u>

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 25 to 32 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 2022

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Income				
Income from charitable activities	1,084,962	-	1,084,962	1,120,000
Income from donations	380	-	380	41,844
Income from trading activities	140,697	-	140,697	124,593
Grants receivable	-	875,605	875,605	531,805
Total income	1,226,039	875,605	2,101,644	1,818,242
Expenditure				
Expenditure on charitable activities	(699,327)	(1,128,976)	(1,828,303)	(1,415,846)
Expenditure on trading activities	(266,814)	-	(266,814)	(192,707)
Total expenditure	(966,141)	(1,128,976)	(2,095,117)	(1,608,553)
Net income / (expenditure) for the year and net movement on funds	259,898	(253,371)	6,527	209,689
Transfers between funds	(287,457)	287,457	-	-
Net movement on funds	(27,559)	34,086	6,527	209,689
Reconciliation of funds				
Total funds brought forward	461,582	-	461,582	251,893
Total funds carried forward	434,023	34,086	468,109	461,582

The notes on pages 25 to 32 form part of these financial statements.

Ongo Communities Limited

Statement of financial position at 31 March 2023

Company number 08619739	Note	2023 £	2023 £	2022 £	2022 £
Current assets					
Debtors	11	93,888		72,015	
Cash at bank and in hand		526,522		497,739	
		<u>620,410</u>		<u>569,754</u>	
Creditors: amounts falling due within one year	12	(32,242)		(101,645)	
		<u>620,410</u>		<u>569,754</u>	
Total assets less current liabilities			<u>588,168</u>		<u>468,109</u>
Total net assets			<u>588,168</u>		<u>468,109</u>
The funds of the charity					
Unrestricted funds			452,016		258,949
Designated unrestricted funds	15		136,152		175,074
Restricted funds	15		-		34,086
			<u>588,168</u>		<u>468,109</u>
Total funds	15		<u>588,168</u>		<u>468,109</u>

The financial statements were approved by the Board of Directors and authorised for issue on 7 September 2023



H Lennon
Trustee



S Hepworth
Chief Executive

The notes on pages 25 to 32 form part of these financial statements.

Ongo Communities Limited
Statement of cash flows
for the year ended 31 March 2023

	2023	2022
	£	£
Net cash inflow/(outflow) from operating activities	<u>28,783</u>	<u>29,801</u>
Increase / (decrease) in cash	<u>28,783</u>	<u>29,801</u>
 <u>Notes</u>		
Change in cash and cash equivalents	28,783	29,801
Cash and cash equivalents at 1 April 2022	<u>497,739</u>	<u>467,938</u>
Cash and cash equivalents at 31 March 2023	<u>526,522</u>	<u>497,739</u>
 Reconciliation of operating surpluses to net cash inflow / (outflow) from operating activities		
Net income/(expenditure) for the period	120,059	6,527
Decrease/(increase) in debtors	(21,873)	18,943
Increase/(decrease) in creditors	<u>(69,403)</u>	<u>4,331</u>
Net cash inflow / (outflow) from operating activities	<u>28,783</u>	<u>29,801</u>
 Analysis of cash and cash equivalents		
Cash in hand	1,164	1,133
Notice deposits (less than 3 months)	<u>525,358</u>	<u>496,606</u>
Cash and cash equivalents at 31 March 2023	<u>526,522</u>	<u>497,739</u>
 Analysis of changes in net debt (cash at bank only)		
Cash flows in the year	28,783	29,801
Net debt at 1 April 2022	<u>497,739</u>	<u>467,938</u>
Net debt at 31 March 2023	<u>526,522</u>	<u>497,739</u>

The notes on pages 25 to 32 form part of these financial statements.

Ongo Communities Limited
Notes forming part of the financial statements
for the year ended 31 March 2023

INDEX OF NOTES

General notes

- 1 Accounting policies

Income and expenditure related notes

- 2 Income from charitable activities
- 3 Income from trading activities
- 4 Grants received
- 5 Net expenditure
- 6 Analysis of expenditure
- 7 Support costs
- 8 Employees
- 9 Directors' remuneration

Statement of financial position related notes

- 10 Fixed asset investments
- 11 Debtors: amounts falling due within one year
- 12 Creditors: amounts falling due within one year
- 13 Corporation tax
- 14 Share capital
- 15 Analysis of movement in funds
- 16 Analysis of net assets between funds
- 17 Related party disclosures
- 18 Operating leases
- 19 Volunteers

Ongo Communities Limited
Notes forming part of the financial statements
for the year ended 31 March 2023

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 2023 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 and the Board are satisfied that the plans are affordable and that the financial statements should be prepared on a going concern basis.

The board revised the charity's financial forecasts, for the two years ended 31 March 2025, to reflect the risks and financial impacts as relevant and proportionate to our business, including the impact of inflation. This included an assessment of grant income and delivery of projects. In 2022 the Covid-19 had an effect on our ability to achieve the level of outcomes we had set for the previous financial year although we were able to change our ways of working to provide support by telephone and social media apps. We used the learning from this to determine the way forward for the current and future years: offering a mix of face to face and telephone support. Although Brexit and a reduction in EU funding means availability of some grants has been reduced external grant funding continues to be available. The charity will continue to receive the agreed long term support from within the Ongo Group.

The charity has effective controls and processes in place to manage and monitor cash flows. 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 charity's

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.

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.

Ongo Communities Limited
Notes forming part of the financial statements
for the year ended 31 March 2023

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.

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. £1.05m of this income (2022: £1.12m) relates to contributions from a group company, Ongo Homes Limited.

3 Trading income

	2023	2022
	Unrestricted	Unrestricted
	£	£
Income from café facilities	43,460	31,604
Rental income	93,342	89,536
Income from Post Office	17,429	17,350
Other income	60,996	2,207
	215,227	140,697
	215,227	140,697

Rental income includes gifts in kind in respect of properties leased at below market rent. The facilities have been valued in excess of rent paid at £86,816; this cost is also included within expenditure.

Ongo Communities Limited
Notes forming part of the financial statements
for the year ended 31 March 2023

4 Grants receivable		2023 Restricted £	2022 Restricted £
Kickstart	*	102,423	342,814
North Lincolnshire Council	*	136,955	194,472
Department for Work and Pension	*	127,556	152,082
Humber Learning Consortium		98,165	88,786
Urban Challenge		36,095	35,156
Police Crime Commissioner Fund	*	-	32,884
Others	* £23,577	30,330	29,411
		531,524	875,605
		531,524	875,605

All grants are classed an income from charitable activities. Those identified with an * are deemed to be grants receivable from government agencies

5 Net income/(expenditure):	2023 £	2022 £
This is stated after charging:		
Operating lease charges - land and buildings	9,229	9,063
Operating lease charges - others	9,313	7,935
	18,542	17,000
	18,542	17,000

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

6 Analysis of expenditure	Direct staff costs £	Other direct costs £	Support costs (note 7) £	Total 2023 £	Total 2022 £
Charitable activities					
Community benefit/improvement projects	867,410	271,460	379,966	1,518,836	1,828,303
Total charitable expenditure	867,410	271,460	379,966	1,518,836	1,828,303
Trading activities					
The Arc	119,861	42,361	-	162,222	171,567
Management expenditure	-	-	108,262	108,262	95,247
Total trading expenditure	119,861	42,361	108,262	270,484	266,814
Total resources expended	987,271	313,821	488,228	1,789,320	2,095,117

The Arc is a well-being hub based in the Westcliffe estate in Scunthorpe. It houses a café, post office, has rooms for hire as well as providing opportunities to offer other activities. Ongo Communities use this building as a hub for providing training and support to users of its services. All costs have been allocated to trading activities, as has any income generated from the use of the building.

Ongo Communities Limited
Notes forming part of the financial statements
for the year ended 31 March 2023

7 Support costs	Finance & Corporate £	IT £	Human Resources £	Property & Offices £	Total 2023 £	Total 2022 £
Charitable activities						
Community benefit/improvement projects	149,387	-	-	18,445	167,832	186,961
Management fee from parent company	74,442	26,255	111,437	-	212,134	251,994
Total charitable expenditure	223,829	26,255	111,437	18,445	379,966	438,955
Trading activities						
The Arc	-	-	-	-	-	68,844
Management expenditure	19,057	-	-	89,205	108,262	95,247
Total trading expenditure	19,057	-	-	89,205	108,262	164,091
Total resources expended	242,886	26,255	111,437	107,650	488,228	603,046

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

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

8 Employees	2023 £	2022 £
Staff costs (excluding directors who are paid by the group) consist of:		
Wages and salaries	977,365	1,007,813
Social security costs	87,189	82,025
Cost of defined benefit scheme	21,257	22,726
Cost of defined contribution scheme	73,234	76,034
	1,159,045	1,188,598

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. Contracts of employment are in the name of Ongo Communities Limited. The above costs represent the charge made to Ongo Communities Limited and is based on the following average number of employees (excluding directors) during the year:

	2023 Number	2022 Number
Charitable activities	22.8	28.1
Support staff	18.7	21.3
	41.5	49.4

As detailed above, whilst contracts of employment are in the name of Ongo Communities Limited employees are not paid directly by the charity. One of the trustees is an employee of the group and has a contract of employment with the charity. That individual received remuneration undertaking their role as a group employee and did not receive any remuneration or other benefits from their trusteeship.

Trustees did not receive any remuneration or benefits directly from Ongo Communities Limited during the year (2022: none). No trustee (2022: one) was paid expenses during the year (2022: £100).

A defined contribution pension scheme was 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 £73,234 (2022: £76,034). Contributions amounting to £nil (2022: £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 £21,257 (2022: £22,726). Contributions amounting to £nil (2022: £nil) were payable to the fund at year end.

Ongo Communities Limited
Notes forming part of the financial statements
for the year ended 31 March 2023

9 Directors' remuneration

Directors' costs are paid by Ongo Partnership Limited and the relevant portion was 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 interest in:

Crosby Brokerage Limited	England and Wales	100%	Business services
--------------------------	-------------------	------	-------------------

Ongo Communities Limited
Notes forming part of the financial statements
for the year ended 31 March 2023

11 Debtors

	2023	2022
	£	£
Trade debtors	12,829	765
Amounts owed by group undertakings	-	60
Prepayments and accrued income	81,059	71,190
Total	93,888	72,015

12 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	3,816	9,414
Other creditors	2,166	1,844
Taxation and social security	4,090	3,538
Accruals and deferred income	22,170	79,887
Amounts owed to group undertakings	-	6,962
Total	32,242	101,645
<i>Deferred income</i>		
Brought forward	37,768	40,334
Released in the period	(37,768)	(40,334)
Deferred in the period	-	37,768
Carried forward	-	37,768

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
for the year ended 31 March 2023

15 Analysis of movement in funds

	Balance at 1 April 2022	Income	Expenditure	Transfers between funds	Balance at 31 March 2023
Restricted funds					
Department for Work and Pension	-	127,556	(170,854)	43,298	-
Humber Learning Consortium	-	98,165	(99,329)	1,164	-
North Lincolnshire Council	-	136,955	(152,652)	15,697	-
Kickstart	34,086	102,423	(123,794)	(12,715)	-
Other grants	-	66,425	(68,351)	1,926	-
	<u>34,086</u>	<u>531,524</u>	<u>(614,980)</u>	<u>49,370</u>	<u>-</u>
Designated unrestricted funds	175,074	-	-	(38,922)	136,152
Unrestricted funds	258,949	1,377,855	(1,160,340)	(10,448)	452,016
	<u>434,023</u>	<u>1,377,855</u>	<u>(1,174,340)</u>	<u>(49,370)</u>	<u>588,168</u>
Total funds	<u>468,109</u>	<u>1,909,379</u>	<u>(1,789,320)</u>	<u>-</u>	<u>588,168</u>

Analysis of movement in funds - previous year

	Balance at 1 April 2021	Income	Expenditure	Transfers between funds	Balance at 31 March 2022
Restricted funds					
Department for Work and Pension	-	152,082	(265,808)	113,726	-
Humber Learning Consortium	-	88,786	(173,901)	85,115	-
North Lincolnshire Council	-	194,472	(249,385)	54,913	-
Kickstart	-	342,814	(308,728)	-	34,086
Other grants	-	97,451	(131,154)	33,703	-
	<u>-</u>	<u>875,605</u>	<u>(1,128,976)</u>	<u>287,457</u>	<u>34,086</u>
Designated unrestricted funds	197,000	-	-	(21,926)	175,074
Unrestricted funds	264,582	1,226,039	(966,141)	(265,531)	258,949
	<u>461,582</u>	<u>1,226,039</u>	<u>(966,141)</u>	<u>(287,457)</u>	<u>434,023</u>
Total funds	<u>461,582</u>	<u>2,101,644</u>	<u>(2,095,117)</u>	<u>-</u>	<u>468,109</u>

Restricted funds relate to grants receivable used for charitable purposes, including projects around employment, training, work with young people, ex-offenders, lone parents and other groups maximising their opportunities and prospects as well as self-employment and mental health support. The transfer from unrestricted to restricted funds represents the charity's contribution towards the costs of providing these projects.

During the previous year the charity successfully applied to be a gateway for the Government's Kickstart project which funded employers to create jobs for 16 to 24 year olds on Universal Credit. The charity receives funding in three elements: (a) to fund employee wages; this is immediately passed on to the employers or retained where staff are employed by Ongo Communities, (b) to provide support to the employees during the life of their employment contract, and (c) to enable the charity to administer the scheme. The first two elements have been classed as restricted funds, the latter as unrestricted. This funding came to an end during this financial year. Where employees left the scheme the amount received for providing them support during their contract was not repayable to the funder, hence a credit to unrestricted funds as disclosed in the note above

During a previous year the charity applied to the European Social Fund for grant funding for a project to support people into employment who have mental health issues, including older people, younger people and members of groups who may be disadvantaged. This project required the charity to provide match funding over a 30 month period of £197,000. This project commenced during the previous financial year and is treated as a designated reserve. Funding is received via North Lincolnshire Council and is included as such in the tables above.

Ongo Communities Limited
Notes forming part of the financial statements
for the year ended 31 March 2023

16 Analysis of net assets between funds

Fund balances at 31 March 2023 are represented by:

	Unrestricted funds	Restricted funds	Total funds
Debtors	19,211	74,677	93,888
Cash at bank and in hand	601,199	(74,677)	526,522
Creditors: amounts falling due within one year	(32,242)	-	(32,242)
	<u>588,168</u>	<u>-</u>	<u>588,168</u>

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

	Unrestricted funds	Restricted funds	Total funds
Debtors	5,079	66,936	72,015
Cash at bank and in hand	492,822	4,917	497,739
Creditors: amounts falling due within one year	(63,878)	(37,767)	(101,645)
	<u>434,023</u>	<u>34,086</u>	<u>468,109</u>

17 Related party disclosures

At 31 March 2023 Ongo Homes Limited was the controlling party of Ongo Communities Limited. Ongo Homes Limited is a Community Benefit Society and its primary purpose is to provide social housing in North Lincolnshire. Its accounts are available to the public at <https://www.ongo.co.uk/corporate-information/financial-statements>.

At 31 March 2023, the ultimate controlling party, by virtue of its control of Ongo Homes Limited, was 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 was 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.

On 1 April 2023 Ongo Homes Limited became the ultimate parent company of Ongo Communities Limited, via a transfer of engagements between Ongo Homes Limited and Ongo Partnership Limited.

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 2023	Land and buildings 2022
Not later than 1 year	10,958	9,229
Later than 1 year and not later than 5 years	4,844	14,202
	<u>15,802</u>	<u>23,431</u>

19 Volunteers

Our mental health support service utilises the opportunity for volunteer counsellors, those who are in their final year at university studying counselling, who are required to deliver 100 to 200 hours of counselling as part of the qualification. We have engaged 23 volunteers in the year, delivering over 3,000 hours of voluntary work for the organisation.