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# HESTIA HOUSING AND SUPPORT

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## CONSOLIDATED FINANCIAL STATEMENTS

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For the year ended 31 March 2020

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Company Number: 2020165

Charity Number: 294555



<b>Consolidated financial statements for the year ended 31 March 2020</b>
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## HESTIA HOUSING AND SUPPORT

### Reference and administrative details

Trustees	Committee Membership				
	Governance and Remuneration	Finance and Fundraising	Performance Review	Approved Premises	Digital and I.T.
Terrie Alafat – Chair	X				
Malcolm Jenkin – Vice Chair	X			Chair	
Anil Shenoy - Treasurer	X	Chair			
David Jobbins (end of term 3 <sup>rd</sup> December 2019)	X		Chair – to 3 <sup>rd</sup> December 2019		
Elizabeth Zacharias (appointed 3 <sup>rd</sup> December 2019)	X		Chair – from 3 <sup>rd</sup> December 2019		
Vic Rayner					
Alex Hyde-Smith		X			
Michael Trup		X			Chair
Christina Marriot (appointed 3 <sup>rd</sup> December 2019)				X	
Aisling Thompson (co-opted 3 <sup>rd</sup> December 2019)			X		
Rebecca Pritchard (appointed 3 <sup>rd</sup> December 2019)			X		
Lauren Bowes (co-opted 24 <sup>th</sup> March 2020)				X	X

The Governance Committee is chaired by Joanna Mark-Richards, a non-Trustee member. Other non-Trustee members during the year were Narvind Johal who sits on the Finance and Fundraising Sub Committee) and Greg Solomon, Catalina Cernica and Tori Ellaway who sit on the Digital & IT Sub Committee).

### Key management personnel

Secretary and Chief Executive

Patrick Ryan

Director of Finance

Christopher Clarke

Human Resources Director

Melanie Cox

Regional Director of Operations

Gayle Lowery-Jones

Regional Director of Operations

Abigail Ampofo

Director of Performance and Development

Paula Murphy

Director of Fundraising and Communications

Jo Tilley-Riley

## HESTIA HOUSING AND SUPPORT

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### Reference and administrative details (continued)

**Auditor**

BDO LLP  
Chartered Accountants  
55 Baker Street  
London  
W1U 7EU

**Principal Bankers**

Barclays Bank plc  
74 Shepherds Bush Green  
London  
W12 8QB

**Registered office**

Maya House  
134-138 Borough High Street  
London  
SE1 1LB

**Solicitors**

Russell-Cooke  
2 Putney Hill  
London  
SW15 6AB

**Company number:** 2020165

**Charity number:** 294555

# HESTIA HOUSING AND SUPPORT

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## **Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2020**

The Trustees, being the Directors of the charitable company, present their report and the audited consolidated financial statements for the year ended 31 March 2020 of Hestia Housing and Support (Hestia).

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Structure**

Hestia is a registered charity and is incorporated as a company limited by guarantee and its governing document is its Memorandum and Articles of Association. Every member of the company undertakes to contribute to its assets in the event of winding up such amount, as may be required, not exceeding one pound.

Hestia has been appointed as Corporate Trustee for the Corporate Alliance Against Domestic Violence (CAADV). CAADV operates via its own Board of Trustees which include Patrick Ryan (CEO – Hestia) and Jo Tilly-Riley (Director of Fundraising and Communications – Hestia).

#### **Governance and Management**

The Trustees constitute the Directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of the Charities Act 2011 and provide leadership, direction and control in pursuit of the organisation's charitable objectives. Trustees serve for a term of three years with a possible appointment for a second term of another three years.

Terrie Alafat has been Chair of the Charity since December 2018. Terrie was Chief Executive of the Chartered Institute of Housing until 2019 and has had a long career in housing policy and research at both local and national government levels.

David Jobbins retired from the Board in December at the end of his term of office and we wish to record our thanks to him for his contribution to the Board and his chairmanship of the Performance Review Committee.

During the year, Christina Marriot and Elizabeth Zacharias who had previously been co-opted were formally appointed to the Board. Rebecca Pritchard joined the Board in December 2019: Rebecca is Director of Services for Crisis leading their direct services for homeless people across England, Wales and Scotland and has worked in the voluntary sector, private sector, local and central government, providing, developing and commissioning supported housing and social care services.

Aisling Thompson was co-opted to the Board in December 2019. Aisling is a senior manager with over 20 years of experience in healthcare including clinical, operational and commissioning roles. She is Deputy Chief Operating Officer at Whittington Health and leads on the provision of adult community services in Haringey and Islington.

Lauren Bowes was co-opted to the Board in the year and is a senior strategist within the Home Office where she is responsible for supporting Ministers to develop and deliver the Department's strategy: prior to that appointment she worked at the Cabinet Office and the Ministry of Justice.

Committee membership may include members of Hestia who are not Trustees and the following have kindly agreed to contribute in the following roles:

- Joanna Mark-Richards, a former Trustee of Hestia, who chairs the Governance and Remuneration Committee;
- Narvind Johal, who sits on the Finance and Fundraising Sub Committee; and
- Greg Solomon, Catalina Cernica and Tori Ellaway who sit on the Digital and I.T. Sub Committee.

New Trustees are recruited based on an evaluation of the balance of diverse skills and experience needed to govern Hestia. They receive an induction pack which contains information about Hestia, its structure and operations, the Board and sub-committee structures, Trustee duties and responsibilities and the organisation's key policies. Regular scheme visits are arranged to enable Trustees to obtain a better understanding of Hestia's services and operating environment.

## HESTIA HOUSING AND SUPPORT

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### **Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2020 (continued)**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

##### **Governance and Management (continued)**

Trustees can take part in scheme inspections. Regular contact with Hestia's service users takes place via social events, recruitment, scheme inspections and visits and other operational activities as well as attendance at Board meetings. Training is provided to the Board in line with identified needs. All Trustees undertake safe guarding training as this is a core responsibility of the Board. Trustees schedule away days to consider the operating environment and plan strategic direction.

The full Board of Trustees meets five times a year to discuss strategy, to formulate policy and to oversee operational matters. The Board recently decided to move to meeting six times a year from 2021 in recognition of the increased organisational complexity, provide greater support to the executive team and to meet their duties to oversee the strategy. The Board is supported by four standing committees covering Governance; Finance and Fundraising; Performance Review; and Approved Premises. During the year the Board agreed to transfer the oversight and performance responsibilities for Hestia's two Approved Premises to the Performance review Committee and to recruit a member with expertise in this area. In addition, during the year, Trustees agreed the creation of an additional time limited Sub Committee to oversee the Digital and I.T. Strategies. Sub Committees consider specific areas of activity in detail on behalf of the Trustees and to report to Trustees on key issues.

In November 2019 the Board met for an away day which focused on service transformation and service quality which forms a key part of the 2019-2024 strategic plan. A new quality strategy was developed which will enable Trustees to have improved oversight on the quality of service delivery across Hestia. As well as an annual report to Trustees on quality, the Performance Review Committee will review performance against the quality strategy on a quarterly basis. Strategy outcome measures will focus on service user outcomes, service user experience and staff experience as the key indicators of quality service delivery.

All Trustees receive an annual Governance update from the charity's Solicitors. During 2020 Trustees received legal advice with recommendations to adopt the Charity Governance Code and to review Hestia's practices against the seven key areas which make up the code. The Governance & Remuneration Committee considered the legal advice in detail this year and agreed to propose to the main Board of Trustees that they initially review the "Diversity" element of the code. The review of Diversity will dovetail with an additional organisational wide project (currently under development) which will examine organisational practices and challenge unconscious and institutional bias in response to the Black Lives Matter movement. When carried out, the review of the individual elements of the Charity Governance Code will undertake to assess the various aspects of Hestia's compliance against each element and to update policies and procedures as appropriate.

Day to day management of the organisation is delegated to the Chief Executive and senior management team. The Chief Executive is not a member of the company and has no legal status as Director although he acts as executive within the authority delegated by the Trustees.

The Corporate Alliance Against Domestic Violence operates through its own articles of association and Board of Trustees. Trustees were selected based on the range of skills required.

##### **Pay Policy for Senior Staff**

The pay of senior staff is reviewed by the Governance and Remuneration Sub Committee considering market conditions and pay rates in comparable organisations. A detailed market comparison is sought at the time any senior recruitment takes place.

##### **Public Benefit**

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

## HESTIA HOUSING AND SUPPORT

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### Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2020 (continued)

#### STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

##### Energy and Carbon Reporting

As part of the obligations set out under the Energy and Carbon Report Regulations 2018, we are required to disclose the energy and carbon created as an organisation over the year to 31 March 2020. The majority of our usage comes from the accommodation units provided to our service users but also office accommodation used by staff.

In completing this analysis, we have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Usage: 1<sup>st</sup> April 2019 - 31 March 2020

<b>Energy consumption used to calculate emissions (kWh)</b>	<b>7,185,005.00</b>
Scope 1 emissions in metric tonnes CO2e Gas Emissions	1091.01
Scope 2 emissions in metric tonnes CO2e Purchased Electricity	291.75
Scope 2 emissions in metric tonnes CO2e Business Travel	-
<b>Total gross emissions in metric tonnes CO2e</b>	<b>1,382.76</b>
Intensity ratio Tonnes CO2e per occupant <sup>1</sup>	2.252

Note 1: The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per occupant.

##### Measures taken to improve energy efficiency

Gas and Electricity meter reads are taken regularly every month and saved into a meter read website which reports accurate consumption for billing and budgeting purposes. This helps control energy use and ensures energy bills are accurate and excessive consumption can be immediately targeted for investigation.

##### Strategic Review

The Trustees Report also incorporates the Strategic review with specific consideration of i) Review of Business on pages 9 to 16 ii) Key performance indicators on pages 11 to 12 and iii) and risks and uncertainties on pages 23 to 24.

### **Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2020 (continued)**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

##### **Statement of Trustees' Responsibilities**

The Trustees (who are also directors for the purposes of company law) are responsible for preparing the Report of the Board of Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare the financial statements 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 charitable company and the group and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and 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 charitable company will continue in business.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



## HESTIA HOUSING AND SUPPORT

### Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2020 (continued)

#### OBJECTIVES

Hestia's objects as outlined in the Memorandum and Articles of Association are for the public benefit:

- To relieve hardship and distress by providing support and care for individuals who suffer mental or physical infirmity, are affected by domestic violence, are offenders or at risk of offending, are in need due to age or youth, are homeless, suffer substance abuse or are otherwise in need of assistance;
- To provide housing, housing related support or care for the Beneficiaries so that they can live more independent lives and fulfil their potential in the community; and
- To further such other exclusively charitable purposes according to the law of England and Wales as the Trustees in their absolute discretion from time to time determine.

Hestia's mission is "Together we will deliver high quality and empowering services through our core values". Our core values are: Respectful, Collaborative, Genuine, Dedicated and Courageous. Our aim is to support vulnerable adults and children in crisis to realise their aspirations and fulfil their potential and to have a life beyond crisis.

The support we offer varies depending on the needs and aspirations of the individuals. In the year to 31<sup>st</sup> March 2020, Hestia supported 15,238 individuals who accessed our services during the year, across a range of client groups broken down as follows:

Client Group	At 31 March 2020	At 31 March 2019
Domestic Abuse (including children)	2,830	1,774
Mental Health	3,720	1,257
Modern Slavery	3,308	1,337
Offenders, Ex-offenders and Mentally Disordered Offenders	388	179
Young People at Risk	72	511
Older People	713	583
Generic	3,450	3,383
Personal Budget Holders	803	702
Substance Misuse	24	20

#### Partnership Working

To meet the increasing and varied needs of vulnerable adults and children in crisis we work in partnership with a range of national and local government agencies, including 21 local authorities across London and the South East, Health Boards, Her Majesty's Prison and Probation Service, the Mayor's Office for Policing and Crime, the Department of Health, the Ministry of Justice, the Home Office and the Department of Culture, Media and Sport.

We work closely with a number of Registered Provider partners who provide most of the property which accommodates our service users.

We also work with a range of third sector partners on project based work, including the Salvation Army, the Red Cross and the Pilgrim Trust to work with people who have experienced Modern Slavery and the Employers Initiative on Domestic Abuse on providing guidance to employers to support employees at risk of domestic abuse.

### **Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2020 (continued)**

#### **ACHIEVEMENTS AND PERFORMANCE**

In 2019-20 in line with our new 5-year organisational strategy, we focused on:

- Service quality;
- Expanding our service offer; and
- Strengthening our advocacy for our service users.

From March 2020, we moved quickly to adapt all our service offers to the new reality of lockdown and the Covid-19 pandemic.

#### **Objective 1: Service Quality**

- Agreed a new quality strategy with a focus on service user experience and outcomes and staff experience. This will report annually to Trustees and quarterly to the Performance and Review Committee. New KPI measure are in development and will be in place during the 21/22 year.
- Transferred the majority of services across to InForm, our Client Management System. This was accompanied by refresher training for staff on the Hestia Approach, our recovery focussed approach to working with service users. InForm will also provide us with a range of data to help up implement and monitor the quality strategy.
- Made additional investment available in the year to support service quality with new senior specialist roles to lead innovation and service quality across our mental health, criminal justice, digital , domestic abuse and modern slavery services.  
We recruited to all these new roles in the year and while we have had to refocus our priorities under Covid, bespoke plans for each area are at various stages of development.
- We agreed to develop a new property strategy with the support of external experts so that we can better meet service user needs. This is will be developed in 2020/21.
- Currently the majority of Hestia's services are commissioned to achieve Communities and Local Government outcomes and in 19/20 to achieve a range of positive outcomes against the five domains.

## HESTIA HOUSING AND SUPPORT

### Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2020 (continued)

#### ACHIEVEMENTS AND PERFORMANCE (continued)

Each year we conduct an annual service user survey to assess service user experience and the survey in 2019/20 had the largest number of responses to date. The percentage of people requiring support in a given area who achieved an outcome was:

Domain	Indicator	%
<b>Maximise economic well being</b>	Achieve positive outcomes for those needing support to maximise their income by applying for the correct benefits	84%
<b>Enjoy and achieve</b>	Service users seeking to improve the quality of life for children	98%
	Service users requiring support to participate in activities	85%
	Reported in our annual satisfaction survey, service users agreeing the service enabled them to develop independence and linked them into other services	95%
	Reported in our annual satisfaction survey, service users confirming they have as much social contact as they would like	88%
<b>Being Healthy</b>	Received support to better manage physical health	86%
	Received support to better manage mental health	84%
<b>Staying Safe</b>	Reduce the risk of harm from others	94%
	Received support to maintain accommodation	83%
	Reported in our annual satisfaction survey, service users confirming they felt safe and secure in the service	96%
<b>Making a positive contribution</b>	Received support to be more confident in accessing services	96%
	Reported in our annual satisfaction survey, service users confirming they could access information about their service when needed; agreeing they were in control of their support; understanding how the service delivered the support they need and understanding their entitlements.	89%

Amongst the data collected are the Adult Social Care Outcomes Framework (ASCOF) which measure how well care and support services achieve the outcomes that matter most to people. The ASCOF is used both locally and nationally to set priorities for care and support, measure progress and strengthen transparency and accountability. We are pleased to see positively how service users rate their experience at Hestia against comparative London wide measures:

## HESTIA HOUSING AND SUPPORT

### Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2020 (continued)

#### ACHIEVEMENTS AND PERFORMANCE (continued)

Question	Overall Positive Response rate 2019	ASCOF <sup>1</sup> positive response rate London 2018-19
I am satisfied with my service / client satisfaction with care and support	96%	58.6%
I know how the service works and what I am entitled to / I find it easy to get information	89%	67%
I can control the kind of support I receive / Proportion of people who feel they have control over their daily life.	93%	71.4%
I feel safe and secure in the service. / Proportion of people whose service help them to feel safe	96%	82.2%
I am able to have as much social contact as I want with people I like. / Proportion of people who have as much social contact as they would like.	88%	41.3%

#### Objective 2: Expanding our Service Offer

In 2019/20:

- Building on the success of the Wandsworth Recovery Café in Tooting, which we opened a number of years ago, we were awarded six new services to provide safe spaces for individuals suffering mental health crises to meet outside a clinical environment. They offer those in mental health crisis a supportive alternative to presenting at Accident and Emergency, which focus on recovery and reduce pressure on NHS. One service opened in Folkestone, Kent with the others are located across London. Many were due to open late March / April 2020 and we were able to switch the provision to telephone support augmented by visit and drop services where necessary following the COVID-19 lockdown in March 2020. All services are now operational and supporting those in mental health crisis to access the support they need while avoiding hospital during the pandemic.
- We opened two new mental health services in Tower Hamlets and Bromley providing a range of floating support services across both boroughs.
- We opened new domestic abuse services in Newham, Merton and Sutton and retained our Croydon domestic abuse service following a competitive tender. We opened 24 additional refuge beds in May 2020 in response to requests from MOPAC and MHCLG to address the increase in domestic abuse cases following the COVID-19 lockdown.
- We re-opened our Approved Premise in Battersea as a women only facility – the only one of its kind in London.
- We were awarded the contract for the support and management of Latch House in Lambeth on 1<sup>st</sup> April – this service provides 15 units of accommodation for ex-offenders with substance misuse issues.
- We secured a number of contract extensions for services in Ealing, Kensington and Chelsea, Hackney and Harrow.
- We continued our partnership with the Salvation Army to deliver the Victim Care contract for victims of human trafficking. We increased the number of safe houses in London to five as well as existing two houses in Kent. Our outreach programme expanded and we now have more than 140 advocates employed - each supporting upwards of 15 clients at any one point in time.

## HESTIA HOUSING AND SUPPORT

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### Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2020 (continued)

#### ACHIEVEMENTS AND PERFORMANCE (continued)

##### Objective 2: Expanding our Service Offer (continued)

In 2019/20:

- In addition to our Victim Care Contract work we
  - Provide longer term volunteer support to victims of modern slavery through our Phoenix Project supported by funding via The Rayne Foundation and the Home Office;
  - We offer bespoke modern slavery and homelessness training funded by MHCLG and the Home Office to statutory and voluntary sector organisations
  - In partnership with Crisis, BAWSO and Belfast & Lisburn Women's Aid, we have developed a database to improve national understanding of modern slavery across England, Wales and Northern Ireland.

##### Objective 3: Strengthening our advocacy for our service users.

In 2019/20:

- Everyone's Business, our programme of work with employers committed to tackling domestic abuse, expanded with the launch of a new employee's portal and the inaugural Everyone's Business Award.
- The second year of our #ArtIsFreedom exhibition show-cased photography by survivors of modern slavery to thousands of commuters in London Bridge station.
- Our Underground Lives report *Homelessness & Modern Slavery in London* found that nearly 1 in 10 people sleeping rough in London have been exploited in modern slavery.
- Through our campaign UK SAYS NO MORE, we continued our work to ensure the forthcoming Domestic Abuse Bill reflects the impact on children, engaging with parliamentary champions from across the political spectrum.
- The expansion of Bright Sky into other countries began with the launch of Bright Sky Ireland in partnership with Vodafone Ireland Foundation, Women's Aid Ireland and An Garda Síochána.
- Hestia became the first UK charity to give its employees 10 days paid leave in the event that they personally experience domestic abuse.

### Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2020 (continued)

#### ACHIEVEMENTS AND PERFORMANCE (continued)

##### Covid-19 Response

When the UK went into lockdown in March 2020, Hestia's main priority was to continue to provide the vital support that our service users across all our services rely on. We kept all our services open and in addition opened nine new services between March and September. These new services are for people in mental health crisis, women and children fleeing domestic abuse, victims and survivors of modern slavery and for those with a history of offending and substance abuse. We were reassured that we had no major outbreaks of Covid-19 in any of our services and that we were able to maintain agreed levels of support. We undertook a number steps including:

- Supported all staff who needed to shield, self-isolate or socially distance to do so while continuing to work as appropriate
- Acquired Personal Protective Equipment (PPE) from a range of suppliers to ensure our staff and service users were secure and protected
- Insisted on testing for service users being discharged from hospital
- Moved to protect our high support accommodation services to ensure that these remained fully staffed (including 24- hour services where appropriate) by changing rota patterns to optimise infection control and increasing our bank worker rate to reward staff from across the organisation who work in these services.
- Enabling staff to work from home wherever possible using existing I.T. infrastructure but providing additional equipment where required.
- The introduction of a RAG rating system for all service users living in their own homes or the community to assess how best to support them in the face-to-face support: from telephone / video support to visit and drop services, supported by charitable donations.
- Worked closely with our Registered Provider partners to secure move on from our emergency accommodation so that we could ensure emergency beds were available for those in need.
- Launching an emergency appeal to allow us to better support our service users for example by delivering emergency food supplies or purchasing IT equipment for children in our refuges so they could continue to engage at school.
- Recruiting an additional 170 volunteers to support isolated service users through telephone befriending or delivering emergency supplies.
- Engaged with a range of statutory partners to inform them of the emerging needs due to the pandemic including the publication of a weekly newsletter for commissioners.
- Approached a range of sources – local authorities, national government and Trusts and Foundations as well as individuals, to seek funding to meet additional costs and provide value added services where possible to ensure that our service users were not disadvantaged or further at risk as a result of the pandemic.
- Increased emotional support to our staff via increased communications from Trustees and senior managers as well as emotional support via our partners at the Listening Place.
- A strong focus on wellbeing and supporting resilience for staff and service users.
- Launched our Hestia Heroes scheme to recognise the extraordinary work of staff, volunteers and other stakeholders
- Secured support from external funders to ensure our digital offer could support service users who were isolated and who needed bespoke skills training to use the available technology
- The launch of the Safe Spaces scheme across the UK with The Royal Pharmaceutical Society and member companies such as Boots, Superdrug and Morrison's. This scheme recognised that lockdown had resulted in increased reports of domestic abuse and pharmacies were one of the few places that a victim might be able to access to get support. The scheme continues.
- Surveyed our service users to understand their experience of our response and see that else we could do. Over 3,200 service users were surveyed and 93% of respondents confirmed that they were happy with the support they received from us during the pandemic.

## HESTIA HOUSING AND SUPPORT

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### Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2020 (continued)

#### ACHIEVEMENTS AND PERFORMANCE (continued)

##### 2019-20 in detail:

- We provided support to a total of 15,238 adults and children in crisis across London, Kent and Berkshire.
- 1,605 adults were supported in our accommodation services, many of whom had previously been in hospital, prison, sleeping rough or living in an abusive relationship. Our accommodation gave them a safe place with the support to enable them to develop the skills and confidence they needed for a fresh start.
- 12,801 service users were supported in their own homes through outreach and floating support services, supporting their recovery, helping them to maintain their tenancies, avoid homelessness and actively participate in their local communities.
- Prior to lockdown due to COVID-19 978 service users attended our mental health day centres in Kensington and Hounslow, and our older peoples' day centres in Wandsworth and Lewisham. These provided opportunities to engage in a range of social activities, reducing isolation and attaining practical skills aimed at improving access to services and employment prospects. Meals were also provided at Wandsworth and Lewisham. Following lockdown we developed communication models to maintain contact with our day centre service users to provide much needed ongoing social contact.
- 361 children were accommodated in our Domestic Abuse refuges.
- Our Independent Domestic Violence Advocate (IDVA) Services supported 804 adults in Ealing, Slough and Harrow, aimed at reducing risk, safety planning, police reporting, gaining legal advice and housing support and signposting to other specialist agencies.
- 3,308 service users were provided with accommodation and / or outreach services to help them escape the trauma of modern slavery. This included 22 children who received support in our modern slavery safe houses.
- 141 offenders were accommodated and supported to re-integrate into the community and address their offending behaviours in our two Approved Premises services.
- Our Brent Mental Health Service provides a range of services, including facilitation of a peer review network for users of local GP services, assistance with employment support and befriending and mentoring services. This year we supported 462 people towards employment, provided mentoring support to 153 people, supported 644 people through the health service and reached out to 343 people through community engagement events and forums.
- We continued to provide Self Directed Support Services to 803 service users in Newham and Richmond, supporting with direct payments and payroll services. Following a strategic review of the service in 2019-20 we agreed to withdraw from the service in March 2020 and all service users were transferred out to other providers.
- The South West London Recovery Café received 6,533 visits across 2019-20 with 383 being first time attendees. 76% of attendees reported improved quality of life in the three months following their first visit. In 2020-21 we will expand this provision with new services opening in Brent, Hillingdon, Kensington & Chelsea, Newham and Tower Hamlets.
- The Ealing Single Homeless Prevention Service supported 321 service users in the year: the service aims to prevent and relieve homelessness in the Borough through interventions which aim to create personal housing plans.

### **Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2020 (continued)**

#### **ACHIEVEMENTS AND PERFORMANCE (continued)**

##### **Added Value**

In addition to our contracted services, we aim to offer added value through a range of activities to enhance the support we provide – either with the support of our commissioners but also through fundraising activities. These included:

- Providing support to children in our Domestic Abuse refuges with dedicated Children's Workers, summer play schemes and our fitness programme supported via our Sport England Grant.
- Working with Universities across the country to provide Social Work Student Placements across our services.
- Introducing an in-house counselling programme, matching trainee counsellors with our service users.
- Funding a specific referral line aimed at ensuring women escaping domestic violence have access to a refuge space.
- Supporting women without recourse to public funds to access refuge accommodation, providing short term financial support whilst working with them to stabilise their longer term financial future.
- Providing post referral support programmes for victims of modern slavery, including carrying out a number of key research pieces on the effects of modern slavery on victims and hosting our Second Art is Freedom exhibition to provide victims with voices.
- Continuing to develop our Bright Sky App to support victims of Domestic Abuse across the UK (including the introduction of a Welsh language version).
- Introducing a range of initiatives aimed at helping employers support victims of domestic abuse in their organisations.
- Developing our Respond to Abuse App to support HR professionals to respond to employees affected by domestic abuse.

Post COVID-19 lockdown we were also able to provide support to our service users in a number of direct ways, including food drops for those unable to leave home and buying additional equipment in our accommodation services (including laptops and tablets for children in refuges to support their ongoing education).



### Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2020 (continued)

#### FINANCIAL REVIEW

The results for the year are set out in Statement of Financial Activities on page 28. The assets and liabilities of the Group at 31 March 2020 are shown in the Balance Sheet on page 29. The financial statements should be read in conjunction with their related notes which appear on pages 32 to 51.

#### Income and funding

Total income increased by 5% from £30.212 million in 2018-19 to £31.719 million in 2019-20.

Income from charitable activities – from contracts, grants and associated charges to residents for rents – continue to form the largest element of our income (97%) – up slightly from 96.5% in 2018-19. In total these rose by £1.6 million to £30.757 million in 2019-20 as a result of additional contracts and grants that we were successful in attracting over the year.

Income from donations and legacies fell to £726,000 from £818,000 in 2018-19 as some of our longer term funding arrangements came to an end in the year. However, the Fundraising Team work closely with colleagues across the organisation to support grant and contract bids.

Investment income fell to £225,000 from £258,000 in 2018-19 due to the changing focus of our investment portfolio and the general stock market performance.

#### Voluntary income

Hestia is grateful to our voluntary supporters whose help enables us to go beyond our contractual duties to improve the life chances of our service users. Over the year we worked with a range of government agencies, charitable trusts, community groups, corporate donors and individuals on a wide range of activities: in particular we want to express our thanks to:

- Hogan Lovells who had previously nominated Hestia as their Charity partner and raised significant funds over three years to support our Domestic Abuse services and our counselling service. In addition, they ran programmes of workshops for service users and volunteers helping them to develop practical skills to assist them to return to work, as well as offering a range of pro bono legal advice to Hestia and our service users;
- Comic Relief who continued to fund digital innovations to support victims of domestic abuse and those who may perpetrate it as well as funding our Children's Worker in our Tower Hamlets refuge.
- Department for Culture, Media and Sport who through the Tampon Tax support a number of Domestic Abuse and modern slavery initiatives;
- Sport England who provide funding to support children in our refuges access a range of sports activities;
- Vodafone plc who provided grants to support the ongoing development of our Bright Sky Domestic Abuse app;
- The Rayne Foundation who fund our Phoenix Project to support victims of modern slavery;
- The City Bridge Trust and the Postcode Lottery who provide children and family workers in our refuges;
- HSBC who provided funds to refurbish our Kent safe houses for victims of modern slavery;
- The Childhood Trust who supported children's summer play activities in our refuges;
- Ennismore Foundation;
- Eric Smellie;
- J Conliffe;
- Aviva Global; and
- The Morrisons Foundation

## HESTIA HOUSING AND SUPPORT

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### Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2020 (continued)

#### FINANCIAL REVIEW (continued)

##### Expenditure

Total expenditure in 2019-20 was £31.589 million, a rise of 5.4% on 2018-19.

The increase in expenditure on charitable activities was in line with the increase in income: In total these rose by 4.9% to £31,089 million in 2019-20 reflecting commitments under contracts and grants.

Staff costs continue to be the largest element of expenditure, accounting for 63.4% of costs (2018-19: 63.3%). No across the board increase in salaries was made during the year: instead salaries are benchmarked across the sector. Hestia is committed to paying the London Living Wage and in 2019-20 no salaries – direct or indirect – fell below this level.

Support and Governance costs at £5.556 million represented 17.6% of expenditure (2018-19: 20.7%) as we undertook an exercise to re-allocate direct expenditure against contracts and grants.

##### Reserves

Hestia's Trustees have adopted a reserves policy which they consider appropriate to safeguard the organisation's operations and to ensure stability, taking into account future strategic plans and their associated risks and uncertainties. The main aim is to ensure that Hestia can meet all future financial obligations during any period when the charity needs to implement any required restructuring.

At 31 March 2020, Hestia's total reserves totalled £12.781 million – down from £12.958 million at 31 March 2019. The main reason for the decrease arose from the elimination of the revaluation reserve following the devaluation of the investment portfolio as a result of stock market falls in March 2020.

Hestia's restricted reserves – those related to specific projects – rose to £2.002 million from £1.910 million reflecting the increase in grant income which carried restrictions on future uses.

Hestia's Trustees have approved designated reserves to cover planned strategic developments, including the development of our Digital, Health and Quality Strategies, as well as to provide for the ongoing development, maintenance and refurbishment of Hestia owned and leased property. At 31 March 2020, total designated funds were £1.469 million (31 March 2019: £1.497 million).

After taking into account restricted and designated reserves, the Operating Fund of Hestia rose from £8.676 million at 31 March 2019 to £9.310 million at 31 March 2020 as a result of: the surplus for the year (£129,257); realised gains on investments (£207,550) and the actuarial gain on the revaluation of the defined benefits pension scheme (£237,000). Trustees have reviewed the reserves level and considers that, in the light of existing challenges in the funding environment, exacerbated by the potential impact Covid-19 on public funds, Hestia requires a reserve level of £8.020 million. Hestia's operating of fund of £9.310 million equates to 116% of this requirement.

In January 2020, Trustees re-affirmed the organisational strategy which will see Hestia utilise a proportion of its reserves as forward investment to support transformation and diversification aims. The Trustees are continuing to monitor reserves to ensure that they remain adequate and at an appropriate level to meet the ongoing requirements of the charity.

##### Investments

Hestia's investment policy aims are to: (a) preserve the real capital value of the funds held over a 5 year period; (b) provide an income stream of 2% with low volatility; and (c) procure a long term return, net of all charges, of 1% p.a. in real terms.

Hestia currently divides its investments between two managers:

- UBS AG – who manage a Sustainable Investment Portfolio of fixed interest securities, equities and property. The portfolio is managed on the basis of positive inclusion of stocks taking into account environmental, social and governance impacts. At 31 March 2020 the value of the portfolio had dropped to £6.257 million from £6.825 million – a fall of 16%. This compared favourably with the fall of 25% in the FTSE100. By 30 June the value of the portfolio had recovered to £6.917 million in line with the general upward trend in world stock markets.

### **Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2020 (continued)**

#### **FINANCIAL REVIEW (continued)**

##### **Investments (continued)**

- Ruffer PLC – Hestia's investment is in a common investment fund which has an absolute return approach. The fund aims to invest in complementary stocks which provide a counter balance against market swings and over the year the value of the fund increased from £2.357 million to £2.461 million despite the market down turn.

The Finance and Fundraising Sub Committee meet the fund managers at least annually and receive performance reports quarterly.

##### **Pensions**

The majority of Hestia staff are in a defined contribution scheme operated by Legal and General and all new members of staff are automatically enrolled on joining. Hestia will match any employee contributions up to 5% subject to maintaining minimum contribution levels under pensions legislation.

Employees are entitled to opt out but to date less than 5% of staff have done so.

There are 4 employees who retain membership of the Royal Borough of Kensington & Chelsea's defined benefits scheme. This scheme is linked to the contract to provide day centre services and the contract is due for renewal in 2020-21.

The FRS102 position as reported by the actuaries changed from a liability of £197,000 at 31 March 2019 to an asset of £25,000 at 31 March 2020 as a result of changes in actuarial assumptions around salary and pension increases and the discount rate). Due to the inherent uncertainties arising from the calculation of this asset, the charity has chosen not to recognise this as an asset in its accounts.

Contributions to the scheme for 2020-21 were reduced from 21.5% to 21.1%.

Hestia also contributes into the NHS pension scheme for two employees linked to the Wandsworth Recovery & Rehabilitation service and employer contributions on this scheme are fixed at 14.38% p.a.

##### **Our Fundraising Practices**

Most of the work of our fundraising team is focused on raising money from trusts and foundations, central and local government grants and corporate partnerships. Hestia does not use any third-party fundraising agencies or involve commercial participators. There have been no complaints about fundraising activity in the past year. Our Fundraising Policy was updated in March 2020 and confirms that we adhere to the Fundraising Regulator's Code of Fundraising Practice and that all data we handle is compliant with GDPR regulations.

### Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2020 (continued)

#### PLANNING FOR FUTURE PERIODS

Hestia's strategic plan for 2019-2024 was developed in consultation with service users, staff and Trustees, with three overarching strategic aims:

- Service quality;
- Expanding our service offer; and
- Strengthening our advocacy for our service users.

Underpinning the delivery of these are a number of sub strategies focussed on delivering the different strands of these aims.

#### Service Quality

Hestia recognises that demand for the services that we provide will remain high. We appreciate that all the agencies that we work with are under significant financial pressures and the challenge of providing more support and targeted interventions with less resources is a constant conversation. At the same time, we have restated our commitment to delivering the best outcomes for our service users.

In 2020-21, we will:

- a) Improve performance of our current services through a quality strategy:
  - Implement systems and processes to monitor and report against our approved Quality Strategy which outlines the standards that we expect to attain;
  - Ensure our safeguarding strategy and policies meet best practice and are fully disseminated across the organisation;
  - We will continue our investment in senior resources across our services (mental health, domestic abuse, digital, modern slavery and offender services) aimed at delivering new and enhanced models of support across our services that support service users' recovery journeys;
  - Link our Digital Strategy into the development of these alternative models of support as well as introducing service user access self management options; and
  - We will ensure our service users can participate across the organisation in a range of ways to maximise their input and provide opportunities for personal development, including participation in the Better Lives Forum and volunteering opportunities.
- b) Continue to invest in The Hestia Approach, our in-house psychologically informed approach based on recovery and co-production. The Hestia Approach aims to improve outcomes for our service users by working with them collaboratively to build their resilience by focusing on their strengths and resources in order to secure sustainable recovery:
  - All projects will be operational on the InForm case management system to align with the Hestia Approach;
  - Provide all staff with updated training on the Hestia approach and InForm case management; and
  - Seek to develop increased access to Hestia systems by service users, enabling them to review and interact with recovery plans on line and gain access to a range of support services.
  - Review and improve the physical environments from which we deliver services to support our psychologically informed approach and support recovery.
- c) Develop a property strategy – access to secure housing is a priority for many of our service users and is a key part of their recovery journey. Move on accommodation is particularly difficult to access:
  - We have commissioned an external consultancy to assist us to explore and gain understanding of the options available to us which provide new alternatives to access property for our service users and or to access property to enhance our tender offers, leading to the development of a 5-10 year property strategy.

### Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2020 (continued)

#### PLANNING FOR FUTURE PERIODS (continued)

##### Service quality (continued)

- d) Attract and retain a high-quality workforce through our People Strategy:
  - o We will put measures in place to increase candidate and employee quality.
  - o We will seek to attract from alternative/ better skilled & wider candidate populations.
  - o We will establish higher paid entry roles and more specialist positions as we influence and pursue joint commissioning and health funded contracts.
  - o We will support our employees to maintain their health and wellbeing.
  - o We will provide opportunities for outstanding professional development and career opportunities.
  - o We will create a performance culture, which supports the delivery of high-quality services.
  - o We will establish resource planning into the management DNA.

##### Expand our Service Offer

Hestia believes that we need to grow in order to achieve the economies that will support the delivery of the high-quality services that we aspire to. This recognises the costs pressures that the organisation, our staff and our service users face living and working in high costs areas of the country

The Care Act and the NHS long term plan recognise the benefit of further integration in the health and social care sectors which provides us with an opportunity to build on the expertise that we have developed in building in health related aspects to a number of our current services

With many of our services attracting minimum levels of investment, we believe it is incumbent on us to augment the services we deliver wherever possible through value added activities including fundraising and through expanding our support base

In 2020-21, we will:

- a) Continue to implement our Health Strategy to build on the successes in 19/20.:
  - o Aim to attract new income from health contracts with salaries that attract and retain more skilled and experienced staff allowing us to make interventions that are more effective.
- b) Innovate and add value through increased fundraising building on our track-record for innovative and added value activities which support recovery
  - o Implement the Fundraising Strategy to expand our existing supporter base to maximise the offer we can make to our service users
  - o Develop a wrap around offer incorporating Social Work Students, Counselling Students, Mental Health Nurse Students and Occupational Health Students to provide learning opportunities and additional specific support to our service users;
  - o We will provide ongoing support victims of Modern Slavery after they have received their decision and remain in the country through the Phoenix Project; and
  - o We will continue to support our national anti-domestic abuse and sexual assault campaign – UK Says No More that aims to raise public awareness about the responsibility of everyone to tackle domestic abuse and sexual assault as well as maintaining other initiatives including our Domestic Abuse Referral Line and supporting women without recourse to public funds.
  - o Continue to explore what digital tools we can make available to our staff and service users to complement existing service delivery models and to build on the learning during Covid and lockdown when there was a greater use of digital support
  - o Continue to work closely with our 950 volunteers to enhance our service delivery offer.

### **Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2020 (continued)**

#### **PLANNING FOR FUTURE PERIODS (continued)**

##### **Strengthening our advocacy for our Service Users.**

Building on our work to-date we will continue to ensure that the lived experiences of the people we work with influence policy development and result in better service design. We will have two key areas of focus: domestic abuse, where we believe we can have an significant impact on the Domestic Abuse Bill and on the wider role of businesses to respond; and modern slavery, where we will continue to showcase the talents of survivors and publish our Underground Lives series of reports.

Our new digital strategy will seek to ensure we are at the forefront of relational approaches in the digital world, enabling us to complement our work in-person with appropriate digital tools and support. We will be developing these approaches across the whole organisation, but with an initial focus in our community-based mental health services.

##### **Monitoring and reviewing the strategy**

Trustees reviewed and reaffirmed the Strategy in January 2020. Following the outbreak of COVID-19 in March 2020, Trustees requested and received an update in June 2020. At that point in time Trustees agreed to maintain the strategy subject to further reviews at each subsequent Board meeting. The main concerns remains our growth assumptions – in terms of both contracts and fundraising – and we have developed indicators to point us in the likelihood of our growth forecasts holding up – and what that means for our overhead base if those forecasts are not achieved.

We continue to prepare monthly management accounts and operational work plan reports which enable managers and staff to monitor progress against their planned objectives and to assess how this relates to achieving Hestia's overall aims and objectives. This approach is underpinned by monitoring and reporting of key performance indicators from the in-house dashboard performance management system.

The Charity has a robust set of delegated authorities which outlines a detailed division of responsibilities between Trustees and Staff and the relationship between the Board and its sub committees.

Trustees review strategic risks on a quarterly basis, linking these to strategic plans and ensuring that an outward looking focus is incorporated. This approach is supported by detailed action plans at organisational, departmental and individual project level to ensure the successful delivery of both operational and strategic objectives.

## HESTIA HOUSING AND SUPPORT

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### Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2020 (continued)

#### PRINCIPAL RISKS AND UNCERTAINTIES

As Hestia's income is largely derived from contracts which are subject to regular re-tendering, the main risk to Hestia is around (a) the commissioning intentions of our partners and (b) our ability to retain and expand our contract base in a competitive environment.

Prior to the COVID-19 pandemic there were some signs that the future for public sector funding may have looked more positive than it had for a number of years, however the cost to the UK government of the various measures taken during the pandemic – and the wider economic impact – suggest that a further round of austerity may be more likely than not.

At the same time there is much evidence to suggest that demand for crisis services will increase. Hestia speaks for many people who don't have the opportunity to put their points of view forward, so part of our strategy is to use our policy and communications framework to ensure the valuable services that we provide are not lost merely because of funding challenges.

Hestia has always worked with our commissioners to ensure that the services we deliver are protected as much as possible and we have restructured services to deliver outcomes within funding constraints. One of our biggest challenges is our commitment to pay at least the London Living Wage and we believe that remains essential for Hestia if we want to recruit and retain a quality workforce to deliver our essential services.

One of the unintended benefits of the COVID-19 pandemic was to force Hestia – along with others providing similar services – to look to deliver models of care and support differently. We believe this offers an opportunity for Hestia if we are able to harness those lessons and develop alternative delivery models that remain attractive – and cost effective – for commissioning partners.

In 2019 Hestia's Board of Trustees approved a Health Strategy where we have sought to build upon our experience of delivering health related services to develop models of care and support which deliver real savings. These models are focussed on two areas: prevent alternatives to presentation at acute services – using our examples of our older people's floating support services and our crisis cafes – and providing short term accommodation that reduces bed blocking in hospitals – based on our Hounslow Hospital Discharge Scheme. We have undertaken research on our service and proved that these services can produce net savings to the public purse.

We have also invested in a Digital Strategy which seeks to build upon the success of our Bright Sky App to look at how we maximise the use of digital tools in our delivery model – increasing our ability to reach service users in different ways – whilst making our offer to commissioners more attractive.

Our Fundraising Strategy developed an approach to focus on Trusts, and corporate and major donor giving and to resource the activity accordingly. By doing this we hoped to raise our profile and to improve the amount of unrestricted income that we can generate to support the added value that we believe provides our service users with a range of other opportunities they may not have always had.

New areas of activity require detailed assessment of the different risk profiles they will face and any investment in these requires prior approval by Trustees following robust analysis and challenge.

In June 2020, Trustees re-affirmed Hestia's strategy which included growth ambitions, whilst recognising that these may not be achievable. Hestia's Directorate have produced a number of indicators around commissioning and fundraising which are constantly measured to produce views on the likelihood of those forecasts. Linked to this are proposals about how we manage our cost base to ensure that we remain a financially viable organisation and do not draw unnecessarily on our reserves.

## HESTIA HOUSING AND SUPPORT

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### Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2020 (continued)

#### PRINCIPAL RISKS AND UNCERTAINTIES (continued)

##### Management of Risk

The Board of Trustees is responsible for ensuring that Hestia has in place systems of internal control that are appropriate to the various business contexts in which it operates. These enable the organisation to manage rather than eliminate risks and so provide a reasonable but not necessarily absolute degree of assurance.

The Trustees have in place a formal risk management process to assess risks and implement risk management strategies. This process includes a review by Trustees, senior management and staff and identifies the types of risk faced by the organisation, prioritises the risks in terms of likelihood of occurrence and potential impact and identifies the means of managing or mitigating them.

Risk management is embedded in the day-to-day processes of the organisation and the monitoring of controls in place to manage risk is reviewed by the appropriate board committees.

The Board of Trustees has reviewed the operation and effectiveness of Hestia's system of internal controls. Key elements in Hestia's internal control systems are:

- an organisational set of values and commitment to manage the organisation's affairs with integrity;
- risk assessments embedded in a comprehensive business planning process;
- clear and regularly reviewed delegated authorities;
- a robust budget and quarterly review and reporting of financial performance;
- appropriate authorisation levels and segregation of accounting duties; and
- clear staff roles, responsibilities and accountabilities.

The Finance and Fundraising Sub Committee undertakes a detailed review of Hestia's quarterly management accounts reporting and oversees external audit activity.

##### Restrictions on Distribution

The Memorandum of Association prohibits the distribution of income and property of the charitable company to the members. Upon dissolution or winding up of the charitable company the assets shall be given or transferred to some similar institution or institutions having objects similar to the charitable company.

##### Going Concern

The Trustees receive and review three-year financial plans which assess the impact of various scenarios on the organisational free reserves. As the majority of Hestia's income arises from contracts and grants this review focusses on the likelihood of these being retained at the end of the contract term as well as taking into account historical growth experience. The likelihood of retention is measured against a number of internal (performance, viability and deliverability) and external indicators (economic, social and political).

Trustees consider the expenditure implication of reductions in income. Most contracts and grants are linked to the provision of services, which if Hestia is unsuccessful at re-tender, require staff and other resources to be transferred to the successful tenderer leaving Hestia with little or no residual liability linked to that contract. However, Trustees endeavour to ensure that non project expenditure is commensurate with income from projects and grants, supported by fundraising if appropriate.

Organisational free reserves are reviewed annually to ensure that these remain at an adequate level over a three year period to support the charity's strategy and to manage risks.

Having undertaken the review, Trustees have agreed that the accounts be prepared on a going concern basis.

##### Tax Status

Hestia Housing and Support is a registered charity and is therefore potentially exempt from taxation of its income and gains as it falls within the definition of a charitable company as defined in Part 1, Schedule 6 of the Finance Act 2010. No tax charge has arisen in the year.



## HESTIA HOUSING AND SUPPORT

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### **Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2020 (continued)**

#### **Auditor**

BDO LLP has indicated its willingness to be re-appointed as auditor in accordance with section 487 (2) of the Companies Act 2006.

The Report of the Board of Trustees, incorporating the Directors' Report and Strategic Report was approved by the Board of Trustees on 1<sup>st</sup> December 2020



Terrie Alafat  
Chair/Trustee

## Independent Auditor's Report to the Members of Hestia Housing and Support

### Opinion

We have audited the financial statements of Hestia Housing and Support (the 'charitable company') for the year ended 31 March 2020 which comprise the Consolidated statement of financial activities, Balance sheets, Consolidated statement of cash flows and 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 FRS 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, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 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 audit opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in 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 trustees are responsible for the other information. 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.

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.

### 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 Board of Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board of Trustees have been prepared in accordance with applicable legal requirements.

### Independent Auditor's Report to the Members of Hestia Housing and Support (continued)

#### 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 trustees' report.

We have nothing to report in respect of the following matters where 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of trustees

As explained more fully in the trustees' responsibilities Statement set out on page 8, the trustees 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 Councils website at: [www.frc.org.uk/auditorsresponsibilities](http://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 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

Laurence Elliott, *Senior Statutory Auditor*  
For and on behalf of BDO LLP, Statutory Auditor  
55 Baker Street  
London  
W1U 7EU

Date: 22 January 2021

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

## HESTIA HOUSING AND SUPPORT

### Consolidated Statement of Financial Activities for the year ended 31 March 2020 (including a Consolidated Income and Expenditure Account)

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
<b>Income and endowments from:</b>		£	£	£	£
Donations	2	666,107	59,982	726,089	818,467
Charitable activities	3	28,968,842	1,798,635	30,767,477	29,135,429
Investments	4	225,048	-	225,048	258,039
<b>Total income</b>		<b>29,859,997</b>	<b>1,858,617</b>	<b>31,718,614</b>	<b>30,211,935</b>
<b>Expenditure on:</b>					
Raising funds:		287,998	-	287,998	307,128
Charitable activities	5	29,322,808	1,767,113	31,089,921	29,620,862
Investment management		51,055	-	51,055	48,461
Impairment of investments	11	160,383	-	160,383	-
<b>Total expenditure</b>		<b>29,822,244</b>	<b>1,767,113</b>	<b>31,589,357</b>	<b>29,976,451</b>
<b>Net income before gains / (losses) on investments</b>		<b>37,753</b>	<b>91,504</b>	<b>129,257</b>	<b>235,484</b>
Realised net gains on investments	11	207,550	-	207,550	137,120
Unrealised net (losses) on investments	11	(753,777)	-	(753,777)	(4,375)
Reserves transferred (out)		-	-	-	(284,408)
<b>Net Income</b>		<b>(508,474)</b>	<b>91,504</b>	<b>(416,970)</b>	<b>83,821</b>
Actuarial gains on defined benefit pension schemes	19	237,000	-	237,000	91,000
<b>Net movement in funds</b>		<b>(271,474)</b>	<b>91,504</b>	<b>(179,970)</b>	<b>174,821</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		<b>11,051,338</b>	<b>1,910,291</b>	<b>12,961,629</b>	12,786,808
<b>Total funds carried forward</b>		<b>10,779,864</b>	<b>2,001,795</b>	<b>12,781,659</b>	12,961,629

All amounts relate to continuing activities of the Group.


The notes on pages 32 - 51 form part of these financial statements.

## HESTIA HOUSING AND SUPPORT

### Balance Sheets at 31 March 2020

		Group		Company	
	Notes	2020	2019	2020	2019
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10	2,540,298	2,600,766	2,540,298	2,600,075
Investments	11	8,717,708	9,182,357	8,717,708	9,182,357
		<b>11,258,006</b>	<b>11,783,123</b>	<b>11,258,006</b>	<b>11,782,432</b>
<b>Current assets</b>					
Debtors	12	4,452,606	3,959,833	4,460,310	3,964,348
Short term deposits		357,281	431,643	357,281	431,643
Cash at bank and in hand		2,111,174	4,194,072	2,101,075	4,183,973
		<b>6,921,061</b>	<b>8,585,548</b>	<b>6,918,666</b>	<b>8,579,964</b>
<b>Creditors: amounts falling due within one year</b>	13	(5,397,408)	(7,210,042)	(5,395,968)	(7,207,123)
<b>Net current assets</b>		<b>1,523,653</b>	<b>1,375,506</b>	<b>1,522,698</b>	<b>1,372,841</b>
<b>Total assets less current liabilities</b>		<b>12,781,659</b>	<b>13,158,629</b>	<b>12,780,704</b>	<b>13,155,273</b>
Defined benefit pension scheme liabilities	19	-	(197,000)	-	(197,000)
<b>Net assets including pension liabilities</b>		<b>12,781,659</b>	<b>12,961,629</b>	<b>12,780,704</b>	<b>12,958,273</b>
<b>Represented by:</b>					
Unrestricted funds:					
Operating fund	14	9,310,510	8,679,827	9,309,555	8,676,471
Designated funds	14	1,469,354	1,497,066	1,469,354	1,497,066
Revaluation reserve	14	-	677,445	-	677,445
Pensions reserve	14	-	197,000	-	197,000
		<b>10,779,864</b>	<b>11,051,338</b>	<b>10,778,909</b>	<b>11,047,982</b>
Restricted funds	15	2,001,795	1,910,291	2,001,795	1,910,291
<b>Total funds</b>		<b>12,781,659</b>	<b>12,961,629</b>	<b>12,780,704</b>	<b>12,958,273</b>

The financial statements were approved by the Board of Trustees and authorised for issue on 1<sup>st</sup> December 2020 and signed on its behalf by:



Terrie Alafat  
Chair of the Board of Trustees

Company Number: 2020165

The notes on pages 32 - 51 form part of these financial statements.

## HESTIA HOUSING AND SUPPORT

### Consolidated statement of cash flows for the year ended 31 March 2020

	Notes	2020 £	2019 £
<b>Cash flows from operating activities:</b>			
<b>Cash flows (used in) / provided by operating activities</b>	<b>(c)</b>	<b>(2,122,711)</b>	<b>1,469,430</b>
<b>Cash flows from investment activities</b>			
Investment income received		225,048	258,039
Purchase of investments		(4,854,679)	(1,567,138)
Proceeds from sale of investments		4,612,718	1,344,961
Purchase of tangible fixed assets		(17,636)	(44,630)
Transfer in of fixed Assets – CAADV		-	(1,054)
<b>Net cash (used in) investing activities</b>		<b>(34,549)</b>	<b>(9,822)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(2,157,260)</b>	<b>1,459,608</b>
Cash and cash equivalents at 1 April 2019		4,625,715	3,166,107
<b>Cash and cash equivalents at 31 March 2020</b>	<b>(a)</b>	<b>2,468,455</b>	<b>4,625,715</b>

<b>(a) Analysis of cash and cash equivalents</b>	<b>2020 £</b>	<b>2019 £</b>
Short term deposits	357,281	431,643
Cash at bank and in hand	2,111,174	4,194,072
	<b>2,468,455</b>	<b>4,625,715</b>

<b>(b) Analysis of changes in net debt</b>	<b>At 1 April 2019 £</b>	<b>Cash Flows £</b>	<b>At 31 March 2020 £</b>
Short term deposits	431,643	(74,362)	375,281
Cash at bank and in hand	4,194,072	(2,082,898)	2,111,174
	<b>4,625,715</b>	<b>(2,157,260)</b>	<b>2,468,455</b>

The notes on pages 32 - 51 form part of these financial statements

## HESTIA HOUSING AND SUPPORT

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### Consolidated statement of cash flows for the year ended 31 March 2020 (continued)

(c) Reconciliation of net income / (expenditure) to net cash flow from operating activities	2020 £	2019 £
Net (expenditure) / income for the year	(416,970)	83,821
Loss / (Gain) on sale of investments	706,610	(132,745)
Loss on sale of fixed assets	2,112	-
FRS 102 adjustment	237,000	91,000
Investment income received	(225,048)	(258,039)
Depreciation	75,992	88,447
(Increase) / decrease in debtors	(492,773)	20,708
(Decrease) / Increase in creditors	(2,009,634)	1,576,238
<b>Net cash (used in) / provided by operating activities</b>	<b>(2,122,711)</b>	<b>1,469,430</b>

The notes on pages 32 - 51 form part of these financial statements.

## Notes to the financial statements for the year ended 31 March 2020

### 1. Accounting Policies

#### (a) Basis of accounting and assessment of going concern

The financial statements have been prepared in accordance with 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 (FRS102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Hestia Housing and Support meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Trustees consider that there are no material uncertainties around Hestia's ability to continue as a going concern: they receive and review three-year financial plans, and which assess the impact of various scenarios on the organisational free reserves. As the majority of Hestia's income arises from contracts and grants this review focusses on the likelihood of these being retained at the end of the contract term as well as taking into account historical growth experience. The likelihood of retention is measured against a number of internal (performance, viability and deliverability) and external indicators (economic, social and political).

Trustees consider the expenditure implication of reductions in income. Most contracts and grants are linked to the provision of services, which if Hestia is unsuccessful at re-tender, require staff and other resources to be transferred to the successful tenderer leaving Hestia with little or no residual liability linked to that contract. However, Trustees endeavour to ensure that non project expenditure is commensurate with income from projects and grants, supported by fundraising if appropriate.

Organisational free reserves are reviewed annually to ensure that these remain at an adequate level over a three year period to support the charity's strategy and to manage risks.

#### (b) Basis of consolidation

The group financial statements consolidate the financial statements of the charity and its subsidiary, the Corporate Alliance Against Domestic Violence, on a line by line basis.

A separate statement of financial activities and income and expenditure account is not presented for the charity itself following the exemption afforded by section 408 of the Companies Act. The Charity's gross income was £31.718 million, and the result was £292,000 surplus.

#### (c) Income and expenditure recognition

- i) Charges to residents, interest from deposit accounts and tax refunds are included in the Statement of Financial Activities in the year in which they are receivable.
- ii) Voluntary income received by way of donations and gifts is included in the Statement of Financial Activities when received.
- iii) Grants are credited to the Statement of Financial Activities when receivable unless they related to a specified future period, in which case they are deferred. Grants are only recognised when the charity is satisfied that it has successfully met all contractual conditions.
- iv) Expenditure is stated inclusive of VAT as the organisation is not able to reclaim VAT on non-taxable activities.



### Notes to the financial statements for the year ended 31 March 2020 (continued)

#### 1. Accounting Policies (continued)

##### (d) Allocation of costs

The costs of functions which support more than one of Hestia's activities have been allocated to those activities based on time spent. Further information is set out in note 3. Costs classified as "governance" relate to the general running of Hestia and include the operations of the Trustee Board and addressing constitutional, audit and other statutory matters. Costs classified as "raising funds" comprise fundraising costs. Costs classified as "investment management" represent fees paid to investment managers.

##### (e) Leasing

Rentals payable under operating leases are taken to the Statement of Financial Activities on a straight-line basis over the lease term.

##### (f) Designated Funds

Designated funds are unrestricted funds allocated by the Trustees for particular purposes.

##### (g) Restricted funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund. Grants for the purchase of fixed assets are credited to a restricted fund when received. Depreciation on the related assets is charged against the fund. The exceptions to this are grants received for normal running expenses of the organisation's projects which are treated as unrestricted.

##### (h) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The investment portfolio does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 1. Accounting Policies (continued)

#### (i) Depreciation

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:

Freehold land	Nil
Freehold buildings – residential	2% straight line
Freehold buildings – non residential	1% straight line
Leasehold improvements	Over the anticipated term of the lease
Fixtures, fittings and equipment	25% straight line
Computer equipment	33.33% straight line
Motor vehicles	25% straight line

Items are capitalised where the purchase price exceeds £1,000.

In the case of land and buildings the capital cost includes the purchase price and alterations, but not associated professional fees which are written off to expenditure.

Capital expenditure within and for project premises not owned by the organisation is written off immediately, after allowing for grants receivable. Depreciation costs are allocated to projects based on the use of the related assets.

#### (j) Pensions

Hestia operates one group personal pension plan. Contributions are also made to pension schemes of certain employees in accordance with their rights under TUPE. Employer contributions are charged to the Statement of Financial Activities in the year to which the contributions relate.

Hestia also participated in one multi-employer defined benefit scheme – the Royal Borough of Kensington & Chelsea Pension Fund.

For this scheme, the operating costs of providing retirement benefits to participating employees are recognised in the accounting periods to which the benefits are earned. The related finance costs, expected return on assets and any other changes in fair value of the assets and liabilities, are recognised in the accounting period in which they arise. The operating costs, finance costs, expected return on assets and any other changes in fair value of assets and liabilities are recognised in the statement of financial activities.

#### (k) Critical accounting judgements and estimates

In preparing these financial statements, management has made following judgements, estimates and assumptions that affect the application of the charities accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements.

Housing property depreciation is calculated on an estimated economic life basis. The charity has undertaken a review of depreciation on a component by component basis and considered the difference between approaches to be immaterial.

Depreciation of assets is calculated based on the cost and the estimated useful lives of the assets. The expected useful lives for housing property components are estimated based on the expected replacement frequency used for asset management purposes.

Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expenses (as analysed in Note 19).

## HESTIA HOUSING AND SUPPORT

### Notes to the financial statements for the year ended 31 March 2020 (continued)

2. Income from donations	2020	2019
	£	£
Donations	291,963	321,258
Grants:		
From local authorities	233,380	112,000
From other organisations and individuals	200,746	385,209
	<b>726,089</b>	<b>818,467</b>

In 2020, £666,107 (2019: £768,230) of donations income was attributable to unrestricted funds and £59,982 (2019: £50,237) to restricted funds.

3. Income from charitable activities	2020	2019
	£	£
<b>Provision of care and support</b>		
Income from support contracts	10,710,996	9,276,581
Income from other grants and fees	10,658,336	9,917,843
Residents' fees and charges	7,593,379	8,028,551
	<b>28,962,711</b>	<b>27,222,975</b>
<b>Operation of Approved Premises</b>		
Grants	1,791,815	1,880,591
Residents' charges	12,951	31,863
	<b>1,804,766</b>	<b>1,912,454</b>
	<b>30,767,477</b>	<b>29,135,429</b>

In 2020, £28,968,842 (2019: £25,064,737) of income from charitable activities was attributable to unrestricted funds and £1,798,635 (2019: £4,070,692) to restricted funds.

4. Income from investments	2020	2019
	£	£
Interest receivable	12,080	10,479
Dividends from equity shares	217,968	253,560
Deduct: interest payable on defined benefit pension schemes	(5,000)	(6,000)
	<b>225,048</b>	<b>258,039</b>

In 2020 all income from investments was attributable to unrestricted funds (2019: £258,039 – unrestricted).

## HESTIA HOUSING AND SUPPORT

### Notes to the financial statements for the year ended 31 March 2020 (continued)

5. Analysis of expenditure on charitable activities	Provision of care and support	Operation of Approved Premises	Total 2020
	£	£	£
Staff costs	16,553,071	983,886	17,536,957
Premises running costs	4,981,040	263,244	5,244,284
Residents' expenditure	2,708,895	43,464	2,752,359
Governance costs	107,891	7,791	115,682
Support costs	5,230,319	210,320	5,440,639
	<b>29,581,216</b>	<b>1,508,705</b>	<b>31,089,921</b>
	Provision of care and support	Operation of Approved Premises	Total 2019
	£	£	£
Staff costs	15,913,964	868,819	16,782,783
Premises running costs	4,227,377	411,448	4,638,825
Residents' expenditure	1,961,431	52,117	2,013,548
Governance costs	103,197	7,251	110,448
Support costs	5,608,827	466,431	6,075,258
	<b>27,814,796</b>	<b>1,806,066</b>	<b>29,620,862</b>

Expenditure on charitable activities was £31,089,921 (2019: £29,620,862) of which £29,322,808 (2019: £25,548,674) was unrestricted and £1,787,113 (2019: £4,072,188) was restricted.

6. Summary analysis of expenditure and related income for charitable purposes	Provision of care and support	Operation of Approved Premises	Total 2020
	£	£	£
Costs	(29,581,216)	(1,508,705)	(31,089,921)
Recharges to residents	7,593,379	12,951	7,606,330
	(21,987,837)	(1,495,754)	(23,483,591)
Direct grant support	21,369,332	1,791,815	23,161,147
Contribution to operations	<b>(618,505)</b>	<b>296,061</b>	<b>(322,444)</b>
	Provision of care and support	Operation of Approved Premises	Total 2019
	£	£	£
Costs	(27,814,796)	(1,806,066)	(29,620,862)
Recharges to residents	8,028,551	31,863	8,060,414
	(19,786,245)	(1,774,203)	(21,560,448)
Direct grant support	19,194,424	1,880,591	21,075,015
Contribution to operations	<b>(591,821)</b>	<b>106,338</b>	<b>(485,483)</b>

## HESTIA HOUSING AND SUPPORT

### Notes to the financial statements for the year ended 31 March 2020 (continued)

#### 7. Analysis of governance and support costs

	General Support	Governance Function	Total 2020	Basis of apportionment
	£	£	£	
Salaries, wages and related costs	2,099,668	86,989	2,186,657	Time spent
Office running costs	3,221,249	-	3,221,249	Staff nos. / no. of offices
Audit Fees	-	23,065	23,065	Governance
Legal and professional	119,722	4,944	124,666	Governance
Trustee expenses	-	684	684	Governance
	<b>5,440,639</b>	<b>115,682</b>	<b>5,556,321</b>	

	General Support	Governance Function	Total 2019	Basis of apportionment
	£	£	£	
Salaries, wages and related costs	2,395,974	59,166	2,455,140	Time spent
Office running costs	3,679,284	4,713	3,683,997	Staff nos. / no. of offices
Audit Fees	-	26,785	26,785	Governance
Legal and professional	-	18,071	18,071	Governance
Trustee expenses	-	1,713	1,713	Governance
	<b>6,075,258</b>	<b>110,448</b>	<b>6,185,706</b>	

#### 8. Net income for the year

Net income is stated after charging:	2020	2019
	£	£
Operating lease rentals	746,280	692,166
Depreciation	75,992	88,447
Auditor's remuneration - Parent	21,625	28,225
- Subsidiaries	1,440	-

## HESTIA HOUSING AND SUPPORT

### Notes to the financial statements for the year ended 31 March 2020 (continued)

9. Staff and Trustees	2020	2019
	£	£
Wages and salaries	14,587,647	13,657,160
Agency staff costs	3,411,053	3,711,057
Social security costs	1,336,373	1,168,918
Pension costs	616,212	454,862
	<b>19,951,285</b>	<b>18,991,997</b>

Staff in receipt of total employee benefits (excluding pension contributions) exceeding £60,000 in the year were as follows:

One employee earned between £90,000 and £100,000 (2019: none)

One employee earned between £80,000 and £90,000 (2019: two)

Four employees earned between £70,000 and £80,000 (2019: three)

One employee earned between £60,000 and £70,000 (2019: two)

Pension contributions in respect of the above higher paid employees totalled £21,377 in the year (2019: £25,088).

The average number of employees during the year was as follows:	2020	2019
	Number	Number
Project staff	537	496
Support staff	68	64
	<b>605</b>	<b>560</b>

No Trustee received any remuneration for services during the year (2019: nil). One Trustee claimed expenses of £684 to reimburse travel and subsistence costs during the year (2019: One trustee claimed expenses of £1,426 to reimburse travel costs). No Trustee had any beneficial interest in any contract with Hestia.

Indemnity insurance was arranged on behalf of the Trustees of Hestia for the 12 months commencing 1 July 2019 at no additional cost to the organisation (2019: £nil).

The key management personnel of the parent Charity, Hestia, comprise the Trustees, the Chief Executive and the Senior Management Team. The total employee benefits of the key management personnel of Hestia were £558,749 (2019: £527,757).

The key management personnel of the Group comprise those of Hestia and the key management personnel of the Corporate Alliance Against Domestic Violence. The key management personnel of the Corporate Alliance Against Domestic Violence are the Trustees who do not receive any remuneration or other benefits.

## HESTIA HOUSING AND SUPPORT

### Notes to the financial statements for the year ended 31 March 2020 (continued)

10. Group tangible fixed assets	Freehold Land and Buildings £	Fittings and Equipment £	Computer Equipment £	Total £
<b>Cost</b>				
At 1 April 2019	2,988,118	218,892	210,806	3,417,816
Additions	-	17,636	-	17,636
Disposals	-	(2,816)	-	(2,816)
<b>At 31 March 2020</b>	<b>2,988,118</b>	<b>233,712</b>	<b>210,806</b>	<b>3,432,636</b>
<b>Depreciation</b>				
At 1 April 2019	451,374	169,186	196,490	817,050
Charge for the year	37,381	27,884	10,727	75,992
Eliminated on disposals	-	(704)	-	(704)
<b>At 31 March 2020</b>	<b>488,755</b>	<b>196,366</b>	<b>207,217</b>	<b>892,338</b>
<b>Net Book Value</b>				
<b>At 31 March 2020</b>	<b>2,499,363</b>	<b>37,346</b>	<b>3,589</b>	<b>2,540,298</b>
At 31 March 2019	2,536,742	49,706	14,316	2,600,766

Ealing, Hammersmith and Hounslow Health Authority has a charge over the freehold property at Lynton Terrace which would require the property to be transferred back to the authority if it were to cease to provide qualifying services.

Hestia is also the registered owner of the freehold property in Streatham. Full funding was received from the Home Office for the purchase of this property and the organisation has entered an undertaking to pass the proceeds of any sale on this property to the Home Office.

The properties in Battersea, Hounslow, Wandsworth and Kent are owned outright by the Charity and are not subject to any charges.

## HESTIA HOUSING AND SUPPORT

### Notes to the financial statements for the year ended 31 March 2020 (continued)

11. Group and company Investments	2020 £	2019 £
<b>Listed investments</b>		
Market value at 1 April 2019	9,182,357	8,827,435
Additions at cost	4,854,679	1,567,138
Disposal proceeds	(4,612,718)	(1,344,961)
Gains on disposal	207,550	137,120
Impairment of investments	(160,383)	-
(Losses) on revaluation	(753,777)	(4,375)
Market value at 31 March 2020	<b>8,717,708</b>	<b>9,182,357</b>
Historic cost at 31 March 2020	<b>8,878,091</b>	<b>8,504,912</b>
<b>Listed investments are represented by:</b>		
Fixed interest securities	926,483	1,072,578
Equity shares	4,935,018	5,284,907
Money market deposits	-	63,916
Real estate funds	395,432	403,637
Common investment funds	2,460,775	2,357,319
	<b>8,717,708</b>	<b>9,182,357</b>



## HESTIA HOUSING AND SUPPORT

### Notes to the financial statements for the year ended 31 March 2020 (continued)

12. Debtors	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Grants receivable	2,977,558	3,220,290	2,977,558	3,220,290
Rents and charges in arrears	4,756	60,272	4,756	60,272
Other debtors	1,161,620	455,479	1,161,620	455,479
Due from subsidiary undertakings	-	-	7,704	4,515
Prepayments	308,672	223,792	308,672	223,792
	<b>4,452,606</b>	<b>3,959,833</b>	<b>4,460,310</b>	<b>3,964,348</b>

13. Creditors: amounts falling due within one year	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	1,242,346	1,531,353	1,242,346	1,531,353
Income received in advance	991,964	1,252,457	991,964	1,252,457
Accruals and deferred income	976,195	1,446,688	974,755	1,446,688
Taxes and social security	331,397	323,887	331,397	322,408
Other creditors	1,855,506	2,655,657	1,855,506	2,654,217
	<b>5,397,408</b>	<b>7,210,042</b>	<b>5,395,968</b>	<b>7,207,123</b>

## HESTIA HOUSING AND SUPPORT

### Notes to the financial statements for the year ended 31 March 2020 (continued)

14. Unrestricted funds: Group	1 April 2019 £	Income £	Expenditure £	31 March 2020 £
<b>Operating fund</b>	<b>8,679,827</b>	<b>30,444,743</b>	<b>(29,814,060)</b>	<b>9,310,510</b>
Designated funds: -				
Development, maintenance and refurbishment of existing projects	498,596	56,804	(45,118)	<b>510,282</b>
Infrastructure and new project development	998,470	-	(39,398)	<b>959,072</b>
<b>Total designated funds</b>	<b>1,497,066</b>	<b>56,804</b>	<b>(84,516)</b>	<b>1,469,354</b>
Revaluation reserve	677,445	-	(677,445)	-
Pension reserve	197,000	(197,000)	-	-
<b>Total unrestricted funds</b>	<b>11,051,338</b>	<b>30,304,547</b>	<b>(30,576,021)</b>	<b>10,779,864</b>

	1 April 2018 £	Income £	Expenditure £	31 March 2019 £
<b>Operating fund</b>	<b>8,053,899</b>	<b>26,178,076</b>	<b>(25,552,148)</b>	<b>8,679,827</b>
Designated funds: -				
Development, maintenance and refurbishment of existing projects	552,777	64,790	(118,971)	<b>498,596</b>
Infrastructure and new project development	879,614	200,000	(81,144)	<b>998,470</b>
<b>Total designated funds</b>	<b>1,431,391</b>	<b>264,790</b>	<b>(200,115)</b>	<b>1,497,066</b>
Revaluation reserve	681,820	(4,375)	-	<b>677,445</b>
Pension reserve	258,000	-	(61,000)	<b>197,000</b>
<b>Total unrestricted funds</b>	<b>10,426,110</b>	<b>26,438,491</b>	<b>(25,813,263)</b>	<b>11,051,228</b>

The operating fund is a general reserve, which is the amount deemed prudent by the Trustees to hold in reserve to ensure stability and to safeguard Hestia's operations.

The designated fund for the development, maintenance and refurbishment of existing projects includes:

- Cyclical maintenance – funds required for regular maintenance and decoration of buildings for which responsibility is not assumed by the owning landlord.
- Sinking funds – funds required for long-term major repairs of buildings including the potential for costs associated with decant of residents during any refurbishment works for which responsibility is not assumed by the owning landlord. The Charity prepares five yearly maintenance plans for all owned properties and the funds set aside are compared to these estimated commitments.
- Furniture fund – funds for replacement of furniture on a three-year cycle which cannot be funded from the annual revenue budget.

### Notes to the financial statements for the year ended 31 March 2020 (continued)

#### 14. Unrestricted funds: Group (continued)

The funds for infrastructure and new project development have been designated in relation to planned strategic developments which assist the organisation to respond to the external operating environment. These include:

- Funding to meet the costs of organisational development, including bidding for new/replacement contracts, merger activities and requirements necessary to adapt internal frameworks to meet external requirements. Current approved projects include: The Hestia Approach (three years); the Fundraising Strategy (five years); and the Digital Strategy (two years).
- Project Assistance Funds to support upfront running costs of developed projects which cannot be funded from the annual revenue budget. These are reviewed on an annual basis linked to strategic plans.

A revaluation reserve, as required by the Companies Act 2006, is disclosed on the face of the balance sheet. The revaluation reserve represents the amount by which fixed investment assets exceed their historical cost.

A pensions reserve has been created to recognise any pensions liability arising from the defined benefit pension scheme with the Royal Borough of Kensington and Chelsea.

## HESTIA HOUSING AND SUPPORT

### Notes to the financial statements for the year ended 31 March 2020 (continued)

15. Restricted funds: Group	1 April 2019 £	Income £	Expenditure £	31 March 2020 £
Donations	152,811	59,982	(55,533)	157,260
Property Expenditure				
i. Purchase of Lynton Terrace	395,921	-	(5,420)	390,501
ii. Purchase of Hestia Streatham	235,764	-	(3,078)	232,686
iii. Improvements to Hestia Streatham	325,113	-	(4,243)	320,870
iv. Improvements to Hestia Battersea	11,990	-	(155)	11,835
v. Purchase of Chatsworth Crescent	217,680	-	(3,964)	213,716
Home Office Refurbishment Grants	43,530	-	-	43,530
Other Home Office Grants	2,148	-	-	2,148
Mercers Fund	635	-	(635)	-
Outreach services	121,711	238,570	(229,447)	130,834
Children and Family Funds	98,971	148,465	(100,562)	146,874
Women Without Recourse Funds	25,216	-	(4,915)	20,301
Community Engagement Funds	74,714	-	(74,714)	-
InForm Client Management System	72,000	-	-	72,000
UK Says No More	65,886	354,231	(356,684)	63,433
Everyone's Business	188	409,715	(408,565)	1,338
The Phoenix Project	2,974	32,500	(2,974)	32,500
Sport England	415	158,706	(126,235)	32,886
Hestia Counselling Service	62,624	25,667	(54,849)	33,442
Project TILI Fund	-	330,781	(330,781)	-
Bright Sky Development	-	100,000	(4,359)	95,641
	1,910,291	1,858,617	(1,767,113)	2,001,795

## HESTIA HOUSING AND SUPPORT

### Notes to the financial statements for the year ended 31 March 2020 (continued)

#### 15. Restricted funds: Group (continued)

	1 April 2018 £	Income £	Expenditure £	31 March 2019 £
Donations	143,199	50,237	(40,625)	152,811
Property Expenditure				
i. Purchase of Lynton Terrace	401,341	-	(5,420)	395,921
ii. Purchase of Hestia Streatham	238,842	-	(3,078)	235,764
iii. Improvements to Hestia Streatham	329,356	-	(4,243)	325,113
iv. Improvements to Hestia Battersea	12,145	-	(155)	11,990
v. Purchase of Chatsworth Crescent	221,644	-	(3,964)	217,680
Home Office Refurbishment Grants	43,530	-	-	43,530
Other Home Office Grants	4,068	-	(1,920)	2,148
Mercers Fund	1,014	-	(379)	635
Outreach services	130,246	3,030,121	(3,038,656)	121,711
Children and Family Funds	65,740	166,276	(133,045)	98,971
Women Without Recourse Funds	31,627	-	(6,411)	25,216
Healthwatch and Community Engagement Funds	589,001	(450,398)	(63,889)	74,714
Safer families project	19,553	-	(19,553)	-
Interconnect project	18,798	-	(18,798)	-
Southwark MH innovation fund	8,438	-	(8,438)	-
Southwark LD innovation fund	7,385	-	(7,385)	-
InForm Client Management System	72,000	-	-	72,000
The Hestia Approach	22,771	-	(22,771)	-
UK Says No More	-	250,147	(184,261)	65,886
Everyone's Business	-	393,005	(392,817)	188
The Phoenix Project	-	61,719	(58,745)	2,974
Sport England	-	58,050	(57,635)	415
Hestia Counselling Service	-	62,624	-	62,624
	2,360,698	3,621,781	(4,072,188)	1,910,291

Restricted donations and grants comprise those funds used for specified purposes as laid down by the donor.

Restricted property funds comprise funding received for the purchase and improvement of the properties stated. The properties at Lynton Terrace, Hestia Streatham and Chatsworth Crescent are recorded in fixed assets. Depreciation of these properties and other specified property costs are charged against these funds.

### Notes to the financial statements for the year ended 31 March 2020 (continued)

#### 15. Restricted funds: Group (continued)

Home Office refurbishment grants represent grants made by the Home Office to fund refurbishment of Hestia's Approved Premises. The restricted grant represents the unspent portion of these grants and will be carried forward to fund future refurbishment of these properties. Other Home Office/ Ministry of Justice grants comprise various sundry grants for drugs testing, security training and scheme development / relocation in connection with Hestia's approved premises.

The Mercers' grant funded art therapy at Hestia Streatham.

Outreach funding comprises various restricted grants to fund the provision of outreach services in Hestia's women's services projects.

Children & family funds are provided at each of Hestia's refuges and funded by a combination of Supporting People grants, other external grants and Hestia's own reserves.

The Women without recourse fund was set up in 2008/09 for women without recourse to public funds and includes donations from the Henry Smith Charity.

Community engagement income represented funds made available across community engagement contracts in Tower Hamlets and Newham. Both contracts came to an end in 2019-20. In 2018-20 the opening balance included funds relating to Healthwatch Central West London, a former subsidiary of Hestia – reserves totalling £499,148 were transferred to the new independent organisation on 1<sup>st</sup> April 2018.

The Safer Family funds (supporting stay and play sessions in refuges), the Interconnect Project (connecting cross generational volunteers with children in refuges) and the two Southwark Innovation Funds (Mental Health and Learning Difficulties) were fully utilised and the reserves closed in 2018-19.

InForm Client Management System represents a grant from the Fidelity Trust towards the development and implementation of the Charity's new client management system, focussing on increased direct access by service users. A project to progress this is underway in 2020-21.

The Hestia Approach was the balance of a grant from the Oak Foundation to support the development of an outcomes framework and this was used and the reserve closed in 2018-19.

UK Says No More – the income represents grants from the Department of Culture, Media and Sport and Comic Relief to support our national anti Domestic Violence campaign and the ongoing development of our Bright Sky app.

Everyone's Business is funded by the Department of Culture Media and Sport via the Tampon Tax initiative to provide employers with toolkits and access to information on how to support employees who may be experiencing Domestic Abuse.

The Phoenix Project is funded by the Red Cross and seeks to support victims of Modern Slavery once they have been granted leave to remain.

The Sport England initiative is funded by the Department of Culture Media and Sport and seeks to encourage children in our refuges to engage in sports related activities.

The Hestia Counselling Service is funded via various corporate donations and is intended to provide access to service users across Hestia services with access to internally Hestia run counselling as part of their recovery journey.

Project TILI (Train, Identify, Learn, Intelligence) is a partnership programme to tackle homelessness and modern slavery funded by the Department of Digital, Culture, Media and Sport. It covers England, Wales and Northern Ireland and is in partnership with Crisis UK and the women's organisations BAWSO and Belfast Women's Aid, and the UK network for shared living Share Lives Plus.

Vodafone Bright Sky – this donation was provided by Vodafone to support the development of the Bright Sky App, including translation into multiple languages.

## HESTIA HOUSING AND SUPPORT

### Notes to the financial statements for the year ended 31 March 2020 (continued)

#### 16. Analysis of net assets between funds

	Investments	Tangible Fixed Assets	Net Current Assets Less Current Liabilities	Total Funds 2020
	£	£	£	£
Unrestricted Funds	8,717,708	1,370,690	691,466	10,779,864
Restricted Funds	-	1,169,608	832,187	2,001,795
	8,717,708	2,540,298	1,523,653	12,781,659

	Investments	Tangible Fixed Assets	Net Current Assets Less Current Liabilities	Total Funds 2019
	£	£	£	£
Unrestricted Funds	9,182,357	1,414,298	454,683	11,051,338
Restricted Funds	-	1,186,468	723,823	1,910,291
	9,182,357	2,600,766	1,178,506	12,961,629

#### 17. Operating Lease Commitments

The total amounts payable by Hestia in respect of operating leases are shown below:

	Land and Buildings		Other	
	2020	2019	2020	2019
	£	£	£	£
Amounts due:				
In less than one year:	337,555	377,915	134,552	90,582
Between one and five years	209,539	176,040	488,518	420,790
In more than five years	-	-	-	-
Total	547,094	553,955	623,070	511,372

#### 18. Capital commitments and capital grants

There were no capital commitments outstanding at the year end, nor any capital grants receivable.

## HESTIA HOUSING AND SUPPORT

### Notes to the financial statements for the year ended 31 March 2020 (continued)

#### 19. Pensions

During the year, Hestia operated both defined contribution and defined benefit pension schemes which require contributions to be made separately to administered funds for the benefit of the employees. Contributions payable by Hestia in respect of the defined contribution schemes totalled £560,787 for the year (2019: £401,021).

##### *Final salary pension scheme*

During the year, Hestia was an admitted body of one defined benefit pension scheme with The Royal Borough of Kensington and Chelsea Pension Fund (RBKCPF).

The RBKCPF is a multi-employer scheme administered by the Royal Borough of Kensington and Chelsea under the regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme.

The RBKCPF defined benefit scheme has been reported under Section 28 of FRS 102, "Employee benefits". The figures included in the financial statements in respect of this scheme are based on an actuarial valuation carried out on 31 March 2020.

The employer's contribution, relating to current employees, to the RBKCPF by the organisation for the year ended 31 March 2020 was £21,424 (2019: £29,840) and the employer contribution rate was fixed at 21.1% of pensionable pay up to 31 March 2021.

The financial assumptions used by the actuary to calculate the Scheme liabilities under FRS102 for the RBKCPF were as follows:

<b>Assumptions</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Inflation rate (RPI)	2.65%	3.4%
Inflation rate (CPI)	1.85%	2.4%
Rate of increase in salaries	2.85%	3.9%
Rate of increase in pensions in payment	1.85%	2.4%
Discount rate	2.35%	2.45%
The fair value of the assets of the Scheme and the expected return were:	31 March 2020 £	31 March 2019 £
Equities	946,000	963,000
Property	79,000	51,000
Cash (including cash plus funds)	187,000	208,000
Alternative assets	119,000	117,000
Total market value of assets	1,331,000	1,339,000
Present value of Scheme liabilities	(1,331,000)	(1,536,000)
Net pension liability	-	(197,000)



## HESTIA HOUSING AND SUPPORT

### Notes to the financial statements for the year ended 31 March 2020 (continued)

#### 19. Pensions (continued)

<b>Analysis of the amount charged to the Statement of Financial activities</b>	<b>2020</b>	<b>2019</b>
	£	£
Current service cost	39,000	54,000
Past service costs	16,000	-
Total service cost	55,000	54,000
Net interest on defined liability	5,000	6,000
Administration expenses	1,000	-
Total pension costs charged to the SOFA	<b>61,000</b>	<b>60,000</b>
 <b>Analysis of the actuarial gain / (loss) recognised in the Statement of Financial Activities (Other Comprehensive Income – STRGL)</b>	 <b>2020</b>	 <b>2019</b>
	£	£
Actual return less expected return on pension scheme assets	41,000	94,000
Changes in assumptions underlying the present value of scheme liabilities	196,000	(3,000)
Total gain recognised in the SOFA	<b>237,000</b>	<b>91,000</b>
 <b>Movement in defined benefit obligation in the year</b>	 <b>31 March</b>	 <b>31 March</b>
	<b>2020</b>	<b>2019</b>
	£	£
<b>Opening defined benefit obligation</b>	<b>1,536,000</b>	<b>1,436,000</b>
Current service cost	39,000	54,000
Interest cost	38,000	37,000
Changes in finance assumptions	(154,000)	90,000
Changes in demographic assumptions	(42,000)	(87,000)
Experience (loss) on defined benefit obligations	(130,000)	-
Estimated benefits paid net of transfers in	(4,000)	(3,000)
Past service costs including curtailments	16,000	-
Contributions by scheme participants and other employers	6,000	9,000
<b>Closing defined benefit obligation</b>	<b>1,305,000</b>	<b>1,536,000</b>

## HESTIA HOUSING AND SUPPORT

### Notes to the financial statements for the year ended 31 March 2020 (continued)

#### 19. Pensions (continued)

<b>Movement in fair value of fund assets in the year</b>	<b>31 March 2020 £</b>	<b>31 March 2019 £</b>
<b>Opening fair value of fund assets</b>	<b>1,339,000</b>	<b>1,178,000</b>
Interest on assets	33,000	31,000
Return on assets less interest	(84,000)	94,000
Other actuarial gains	21,000	-
Administration expenses	(1,000)	-
Contributions by employers including unfunded	21,000	30,000
Contributions by scheme participants and other employers	6,000	9,000
Estimated benefits paid net of transfers in	(4,000)	(3,000)
<b>Closing fair value of fund assets</b>	<b>1,331,000</b>	<b>1,339,000</b>
<b>The employee numbers in the Scheme at 31 March 2020 were:</b>	<b>2020</b>	<b>2019</b>
Active employees	5	5
Deferred pensioners	7	8
Pensioners	1	1
	<b>2020 £</b>	<b>2019 £</b>
Actual return less expected return on Fund assets		57,000
Contributions by scheme participants	6,000	9,000
Expected employer's contributions for the year ended 31 March 2020	21,000	27,000

	<b>2020 £</b>	<b>2019 £</b>	<b>2018 £</b>	<b>2017 £</b>	<b>2016 £</b>
<b>History of experience gains and losses</b>					
Defined benefit obligation	(1,331,000)	(1,536,000)	(1,436,000)	(1,409,000)	(1,146,000)
Scheme assets	1,331,000	1,339,000	1,178,000	1,084,000	851,000
Surplus/(Deficit)	-	(258,000)	(258,000)	(325,000)	(295,000)
Experience adjustments on Scheme liabilities	-	-	-	(154,000)	(9,000)
Percentage of liabilities	-	-	-	(10.9%)	(0.8%)
Experience adjustments on Funds assets	-	-	-	-	-
Percentage of assets	-	-	-	-	-

## HESTIA HOUSING AND SUPPORT

### Notes to the financial statements for the year ended 31 March 2020 (continued)

#### 20. Subsidiary company results

At 31 March 2020, the Charity controlled one other small charitable company (limited by guarantee), the Corporate Alliance Against Domestic Violence and their results are included in the consolidated financial statements. The results for the year to 31 March 2020 were as follows:

	2020	15 Months to 31 March 2019
	£	£
Total income	74,693	84,833
Total expenditure	(77,094)	(80,505)
Net (expenditure) / income for the year	(2,401)	4,328
Funds brought forward	3,356	(972)
Funds carried forward	<b>955</b>	<b>3,356</b>
The aggregate of the assets, liabilities and funds was:		
Assets	10,099	10,790
Liabilities	(9,144)	(7,434)
Total funds	<b>955</b>	<b>3,356</b>

#### 21. Related party transactions

During the year Hestia charged the Corporate Alliance Against Domestic Violence £70,591 (15 months to 31 March 2019: £71,402) to cover a range of services provided under service level agreements. At 31 March 2020, the amount due by the Corporate Alliance Against Domestic Violence was £7,704 (31 March 2019: £4,515).

#### 22. Subsequent Events

Following the UK lockdown in March 2020 as a result of the COVID-19 pandemic, Hestia continued to deliver all contracted services subject to changes delivery methods (with commissioner agreement) necessitated by government requirements. A detailed review of the budget for 2020-21 highlighted no significant financial impacts.

For investments the effects of the drop in valuation have been reflected in the accounts to 31 March 2020: values have subsequently recovered in line with world stock markets. The longer term view from the charity's investment manager's is that this recovery will be sustainable in the longer term but may be subject to short and medium term fluctuations.

The impact on the defined benefit pension scheme are unclear being dependent upon the actuarial view of the assumptions: as noted in the Directors Report the charity has not recognised the notional asset value of £25,000 recommended in the actuarial valuation at 31 March due to the uncertainty around being able to recover that.