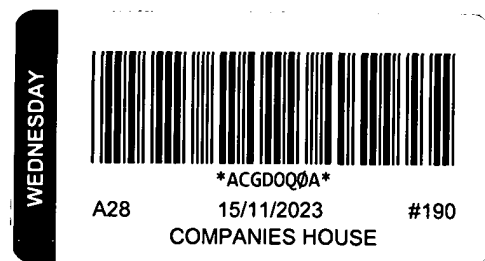


Company number: 02020165  
Charity number: 294555

# HESTIA HOUSING AND SUPPORT

Report and financial statements  
For the year ended 31 March 2023



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## HESTIA HOUSING AND SUPPORT

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For the year ended 31 March 2023

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## HESTIA HOUSING AND SUPPORT

### Reference and administrative information

For the year ended 31 March 2023

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<b>Company number</b>	02020165
<b>Country of incorporation</b>	United Kingdom
<b>Charity number</b>	294555
<b>Country of registration</b>	England & Wales

**Registered office and operational address** Fourth Floor, Beaufort House, 15 St Botolph Street,  
London EC3A 7DT

### Trustees

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Terrie Alafat	Chair (term of office ended 25/09/23)
Dame Moira Gibb	Chair (appointed 25/09/23)
Joanna Mark-Richards	Vice Chair
Anil Shenoy	Vice Chair (term of office ended 14/02/23)
Brendan Sarsfield	Treasurer
Elizabeth Zacharias	
Vic Rayner (term of office ended 14/02/23)	
Michael Trup (resigned 29/03/23)	
Helen Christina Marriott	
Rebecca Pritchard	
Lauren Bowes	
Elizabeth Meek	
Sonal Shah	
Aisling Thompson (co-opted 25/07/23)	
Catalina Cernica (co-opted 13/09/23)	

<b>Key management personnel</b>	Patrick Ryan	Chief Executive and Secretary
	Christopher Clarke	Executive Director – Finance
	Mel Cox	Executive Director – People, Technology and Change
	Gayle Lowery-Jones	Executive Director of Services
	Nahar Choudhury	Regional Director of Operations (until 28/02/23)
	Jo Tilley-Riley	Executive Director of Fundraising and Communications (until 23/06/23)

<b>Bankers</b>	Barclays Bank PLC
	74 Shepherds Bush Green
	LONDON
	W12 8QB

## HESTIA HOUSING AND SUPPORT

### Reference and administrative information

For the year ended 31 March 2023

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**Solicitors** Russell Cooke  
2 Putney Hill  
LONDON  
SW15 6AB

**Auditor** Sayer Vincent LLP  
Chartered Accountants and Statutory Auditor  
Invicta House  
108-114 Golden Lane  
LONDON  
EC1Y 0TL

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## **HESTIA HOUSING AND SUPPORT**

### **Trustees' annual report (including the strategic report)**

#### **For the year ended 31 March 2023**

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The Trustees present their report and the audited financial statements for the year ended 31 March 2023.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## **Objectives and activities**

### **Purposes and aims**

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.
- 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.

### **Vision and Mission**

Hestia's vision is "Empowering People, Changing Lives" and our 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.

### **Strategic Objectives**

In 2019, the Trustees agreed a 5-year strategy with 3 overarching aims:

- Service transformation.
- Growing with a diverse income portfolio.
- Building our profile and influence.

During 2023–24, with support from Social Business Trust, Trustees and staff across the Charity will be working together to develop and set the next strategy to be approved by Trustees in March 2024.

### **Public benefit**

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

## HESTIA HOUSING AND SUPPORT

Trustees' annual report (including the strategic report)

For the year ended 31 March 2023

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### Hestia's year in numbers:

OUR SERVICE USERS	2022-23	2021-22
Total number of service users supported across the year	19,346	18,519
Number of accommodation units managed across our service groups	741	660
% of clients satisfied with their care and support	95%	95%
% of clients feeling safe and secure in our services	95%	95%
% of stated service user outcomes achieved	69%	55%

- Further information on our service users is outlined in our strategic review on pages 10 to 13

OUR PEOPLE	2022-23	2021-22
No. of staff directly employed by Hestia	742	734
Staff retention rate	71%	71%
Staff sickness rate	3.6%	4.4%
Staff wellbeing and engagement	78%	78%

- Further information on our people is outlined in our strategic review on pages 14 to 17

OUR FINANCES	2022-23	2021-22
Total Income for the year	£48.243m	£42,337m
Fundraised income in the year	£593k	£555k
Annual Surplus for the year	£1.332m	£910k
Net current assets	£5.336m	£4.519m
Total unrestricted reserves	£15.658m	£14.087

- Further information on our finances is outlined in our financial review on pages 25 to 26

## Strategic Report

The analysis below considers, under each of our strategic objectives, what we achieved in 2022–23, where we faced challenges and our ambitions for 2023–24.

### Strategic Objective 1 – Service Transformation

<b>In 2022–23 we:</b>	<ul style="list-style-type: none"><li>• Implemented a new specialist operational management structure.</li><li>• Funded a digital inclusion and mentoring programme for service users, supporting hybrid delivery and developing our in-house recovery college (RISE).</li><li>• Provided up to one year's free in-house counselling to 183 service users.</li><li>• Developed our integrated student model, providing work-based placements for 40 mental health nurses and 140 social work students.</li><li>• Established auditable standards to improve the physical environments across our accommodation to support service user recovery journeys.</li><li>• Provided longer term post contract support for survivors of modern slavery through our Phoenix Project and the VCC Reach In contract, reaching 210 service users (with 90 dependents).</li><li>• Expanded our national Safe Spaces programme into 7,500 pharmacies and bank branches as well as online with 70 corporate partners. Over the year we achieved 4.5 million visits in person / online.</li><li>• Offered Counselling Support to individuals across 4 public enquiries, continuing to support survivors of the Grenfell disaster. We also supported witnesses at the Angiolini (Sarah Everard) enquiry, the Post Office Enquiry and the COVID enquiry.</li><li>• Followed up the 2022 independent review into Black Lives Matter, holding workshops across the organisation and undertaking a data review to understand EDI issues across Hestia. From that, work has begun to develop a co-produced revised EDI strategy.</li><li>• Retained our Good CQC rating across our 3 registered care homes. Our Modern Slavery Houses also had positive CQC outcomes following inspection.</li><li>• 628 volunteers contributed 24,800 hours of volunteering support with a financial value estimated at £1.3 million. 86 of our volunteers were service users and 39 volunteers moved into paid employment.</li><li>• Reviewed staffing models across our services which resulted in 60% of front-line staff being designated as specialist workers – up from 30% 3 years ago. We also chose to adopt the London Living Wage recommendations 6 months early to support front line staff facing personal cost of living crises.</li></ul>
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## HESTIA HOUSING AND SUPPORT

### Trustees' annual report (including the strategic report)

For the year ended 31 March 2023

<b>Our challenges</b>	<ul style="list-style-type: none"><li>• Recruitment and retention in the buoyant UK employment market – however, we were able to maintain our retention rate at 71% which is comparable to the sector average.</li><li>• Increased union focus on the social care workforce and the first strike activity in Hestia's history.</li><li>• Addressing the increasing complexity of needs presented by service users being referred to us / visiting our self-referral services.</li><li>• Reduction in the availability of supporting / complementary external services which are available to support service users – many of these are being cut or scaled back due to the challenging public / philanthropic funding environments.</li><li>• Having to use numerous commissioner-based and internal systems to record service users' journeys makes using data to drive and demonstrate improvements and outcomes for our service users is more complex.</li><li>• Post COVID we are only seeing 63% of our service users face to face – often at the service user's request.</li><li>• Only 52% of service users tell us they feel they have sufficient opportunities to become involved in the way their services are delivered.</li></ul>
<b>In 2023–24 we will:</b>	<ul style="list-style-type: none"><li>• Follow up our specialist management restructure with service transformation plans for domestic abuse, mental health, and criminal justice.</li><li>• Strengthen our organisational culture through implementation of the Hestia Approach Phase 2, our internal support planning method based on relational approaches to trauma informed recovery.</li><li>• Complete our Black Lives Matter Review with a refreshed, co-produced EDI strategy.</li><li>• Refocus efforts on KPI delivery – delivering improvements in:<ul style="list-style-type: none"><li>○ Voids – currently 8.6% compared to 7% target.</li><li>○ Assessment completion – currently 83% compared to 95% target.</li><li>○ SU Satisfaction with involvement opportunities – currently 52% compared to the target of 90%.</li></ul></li><li>• Deliver at least 70% of our client contact face to face.</li><li>• Further develop the digital and IT strategy, our approach to hybrid working and our virtual recovery college (RISE).</li><li>• Strengthen our support for victims of Modern Slavery.</li><li>• Implement our new recruitment system, targeting a 12-week period from vacancy notification to start of employment.</li><li>• Streamline and improve the quality, understanding and use of data from the disparate sources, supported by the appointment of a Director of Data in part funded by Social Business Trust.</li></ul>



**Strategic Objective 2 – Growing with a Diverse Income Portfolio**

<p><b>In 2022–23 we:</b></p>	<ul style="list-style-type: none"> <li>• Increased the percentage of health funded contracts to 8.2% of total income, including: <ul style="list-style-type: none"> <li>○ Opening of 7 new bedspaces in Bexley to support people experiencing short term mental health crisis – a valuable alternative to presenting at accident and emergency.</li> <li>○ Opening a crisis drop in café in Camden making us the biggest provider of these services in London (9 in total).</li> <li>○ Retaining the 4 Crisis Cafes in Central North–West London following re-tender.</li> <li>○ Expansion of our work with Haringey which support local adults to access mental health services where and when they need it.</li> </ul> </li> <li>• Opened the only new Approved Premise in London for 40 years, supporting up to 15 women leaving prison.</li> <li>• In Brent, we transferred in 100 units of accommodation to support people with mental health issues, 32 units for women and children escaping domestic violence and a further 6 units for people with complex needs. Services provided are a mix of 24/7 on site service support and floating or visiting support.</li> <li>• In Croydon we opened our mental health service, delivering 750 hours per week to service users across accommodation and floating support services.</li> <li>• Expanded our Everyone's Business service using social enterprise principles, providing Domestic Abuse Support to 3 external organisations.</li> </ul>
<p><b>Our challenges:</b></p>	<ul style="list-style-type: none"> <li>• Addressing the return of inflation and its impact on our cost bases – in an environment where many contracts historically were let on a fixed price.</li> <li>• Facing an increase in the London Living Wage of 8.1% and supporting our staff and their personal cost of living crises.</li> <li>• Losing two services on re-tender in the year. We reluctantly declined to bid for one contract where the funding available had remained unchanged since last tendered in 2012 which we considered unsustainable. This is indicative of the lack of resource availability to fund the quality of support our service users require.</li> <li>• Despite being successful in winning / retaining health related business, these contracts are more short-term in nature which increases risk in medium to long term planning.</li> <li>• Increasing challenges in attracting fundraised income – as some traditional sources (trust and foundation) reduces post COVID.</li> </ul>

## HESTIA HOUSING AND SUPPORT

### Trustees' annual report (including the strategic report)

For the year ended 31 March 2023

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	<p>During the year, Trustees approved £200k as an innovation fund to be drawn from our designated reserves for infrastructure and development to support research and development into alternative fundraising sources.</p> <ul style="list-style-type: none"><li>• Little progress on our property strategy which we see as a route into other service delivery models.</li></ul>
<b>In 2023-24 we will:</b>	<ul style="list-style-type: none"><li>• Continue to address the cost-of-living challenge by seeking increases in contract funding or implement restructures to match service delivery with funding available.</li><li>• Focus retention activity on contracts which are deemed to be viable.</li><li>• Address the tender due in 2024-25 for our Victim Care Contract (Modern Slavery) which accounts for 25% of our income.</li><li>• Temporarily reduce the fundraising target whilst we scope and test new fundraising initiatives.</li><li>• Expand our Everyone's Business services to other external agencies.</li><li>• Review social investment opportunities to support the property strategy.</li></ul>

### Strategic Objective 3 – Building Our Profile and Influence

<p><b>In 2022–23 we:</b></p>	<ul style="list-style-type: none"> <li>• Invested in developing our relationships with Health Commissioners, opening the crisis house in Bexley, retention of our CNWL crisis cafes and the expansion of the Haringey contract.</li> <li>• Used our experience from our domestic abuse services to lobby for changes to the Victims Bill to help child survivors of domestic abuse.</li> <li>• Expanded the provision of the Safe Spaces programme across the UK, working with the Home Office on the Ask for Ani programme and widening the service into an on-line platform.</li> <li>• Continued to advocate for survivors of modern slavery by publishing our eighth Underground Lives research and hosting our sixth Art is Freedom Display which achieved over 4.5 million visits to our physical and virtual displays.</li> <li>• Sought to influence the Nationality and Borders Bill to protect the rights of victims of Modern Slavery through lobbying with sector partners and parliamentarians using our experience as the largest provider of outreach services to victims and our research programme.</li> </ul>
<p><b>Our challenges:</b></p>	<ul style="list-style-type: none"> <li>• Obtaining sufficiently robust data which demonstrates evidence and impact to support system change.</li> <li>• Decreasing resources for domestic abuse programmes, bringing their viability into question.</li> <li>• An increasingly hostile environment for victims of modern slavery.</li> <li>• Reduced ability to challenge injustices due to onerous contract terms.</li> </ul>
<p><b>In 2023–24 we will:</b></p>	<ul style="list-style-type: none"> <li>• Nurture relationships with key stakeholders, including health commissioners, local authorities and registered providers.</li> <li>• Continue to advocate for the needs of victims of modern slavery in response to enacted legislation.</li> <li>• Consider how to use our mental health crisis experience to innovate services in the non-clinical space, particularly to address the shortfall wrap around services.</li> </ul>

## HESTIA HOUSING AND SUPPORT

### Trustees' annual report (including the strategic report)

For the year ended 31 March 2023

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### Strategic Report: – Our Performance

Hestia's aim is to support vulnerable adults and children in crisis to realise their aspirations, fulfil their potential and to have a life beyond crisis.

The support we offer varies depending on the services that we are commissioned to deliver but irrespective of how individuals come into Hestia, we aim to recognise and work with their unique needs and aspirations.

During 2022–23 Hestia supported 19,134 men, women and children who accessed our services during the year – an increase of 615 from the previous year. Support was delivered across a range of client groups:

Client Group	31 March 2023	31 March 2022
Domestic Abuse (including children)	4,218	3,651
Mental Health	7,991	6,304
Modern Slavery	2,712	5,669
Criminal Justice	217	224
Young People at Risk	70	62
Older People	550	438
Generic	3,334	2,108
Substance Misuse	42	63
<b>TOTAL</b>	<b>19,134</b>	<b>18,519</b>

### Partnership Working

Partnership working is at the heart of what we do, and our work is commissioned by a wide range of public and private sector organisations:

- Central and Regional Government – the Home Office, Ministry of Justice, Ministry of Housing, Communities and Local Government (MHCLG), Mayor's Office for Policing and Crime.
- Local Authorities – currently we have contracts with 23 London Local Authorities.
- NHS Trusts and Integrated Commissioning Boards across London and the South-East.

To deliver our services we work with a wide range of other agencies including:

- Registered Providers and private landlords, who make available property for our accommodation-based services.
- Charitable foundations, businesses and private donors who provide funding for key programmes.
- Statutory Health Services who provide clinical and other support to our service users.

## **Service Quality**

We measure service quality in two ways:

- A set of Quality KPI's, measured quarterly and reported to the Trustees.
- Our annual satisfaction survey of service users to understand their views on the quality of services that we deliver.

## **KPI Reporting**

We introduced quality KPIs in 2022 for both service users and staff indicators by combining data sets across systems.

<b>Indicator</b>		<b>Target</b>	<b>March 2023 Result</b>	<b>March 2022 Result</b>
<b>User Experience:</b>	<b>Satisfaction</b>	90%	95%	95%
	<b>Independence</b>	90%	79%	88%
	<b>Involvement</b>	90%	52%	60%
<b>User Outcomes</b>		75%	69%	55%
<b>Staff Wellbeing and Engagement</b>		75%	78%	76%

The dip in satisfaction is disappointing in the year – but is contrary to the figure that we achieve in our satisfaction surveys (see below). We believe this may be a data recording issue which we are exploring further as part of 2023–24 business plan. We are also working on introducing new co-produced initiatives to improve our involvement rating.

## **Service User Satisfaction Survey**

We surveyed our Service Users in November 2022 and achieved 1,000 responses (16,284 feedback items) – a 28% increase from last year's figure of 784 responses. This represents a 14% response rate for all service users.

Responses were received from 148 out of the 262 (approx. 56%) active services – a 30% increase in the number of services that responded compared to last year, where only 114 services participated in the survey.

This year, 73.4% of responses were positive and 15.2% were negative. The rest of the responses were neutral as they were either skipped questions, or not applicable questions.

## HESTIA HOUSING AND SUPPORT

### Trustees' annual report (including the strategic report)

For the year ended 31 March 2023

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### External Benchmarking

We are able to compare our results with the Adult Social Care Outcomes Framework (ASCOF).

ASCOF measures 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 how service users consistently rate their experience at Hestia above comparative London wide measures (last reported in 2021):

Question	ASCOF Positive Response rate 2021	Hestia Positive Response rate 2022	Hestia Positive Response rate 2021
I am satisfied with my service / client satisfaction with care and support	58%	95%	95%
I know how the service works and what I am entitled to / I find it easy to get information	63%	89%	87%
I can control the kind of support I receive / Proportion of people who feel they have control over their daily life.	72%	89%	89%
I feel safe and secure in the service. / Proportion of people whose service help them to feel safe	82%	95%	95%
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.	38%	84%	84%

## HESTIA HOUSING AND SUPPORT

### Trustees' annual report (including the strategic report)

For the year ended 31 March 2023

## Comparison with the Communities and Local Government Outcomes Framework

We also report outcomes against the five domains from the Communities and Local Government outcomes framework. The following table outlines those respondents who replied that their outcome was achieved either fully or in part:

Domain	Indicator	Target	2022-2023	2021-2022
<b>Maximise economic well being</b>	Achieve positive outcomes for those needing support to maximise their income	95%	93%	94%
<b>Enjoy and achieve</b>	Service users seeking to improve the quality of life for children	95%	98%	99%
	Service users requiring support to participate in activities	90%	84%	84%
	Service users agreeing the service enabled them to develop independence and linked them into other services	95%	89%	92%
	Service users confirming they have as much social contact as they would like	90%	84%	84%
<b>Being Healthy</b>	Received support to better manage physical health	95%	95%	94%
	Received support to better manage mental health	95%	94%	94%
<b>Staying Safe</b>	Reduce the risk of harm from others	95%	97%	99%
	Received support to maintain accommodation	95%	93%	92%
	Service users confirming they felt safe and secure in the service	100%	95%	95%
<b>Making a positive contribution</b>	Received support to be more confident in accessing services	95%	96%	93%
	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.	90%	91%	91%

Our results show performance to be consistent year on year and around target. The results of the survey continue to drive improvements in service delivery with one major focus for 2023-24 being increasing service user involvement opportunities.

## HESTIA HOUSING AND SUPPORT

### Trustees' annual report (including the strategic report)

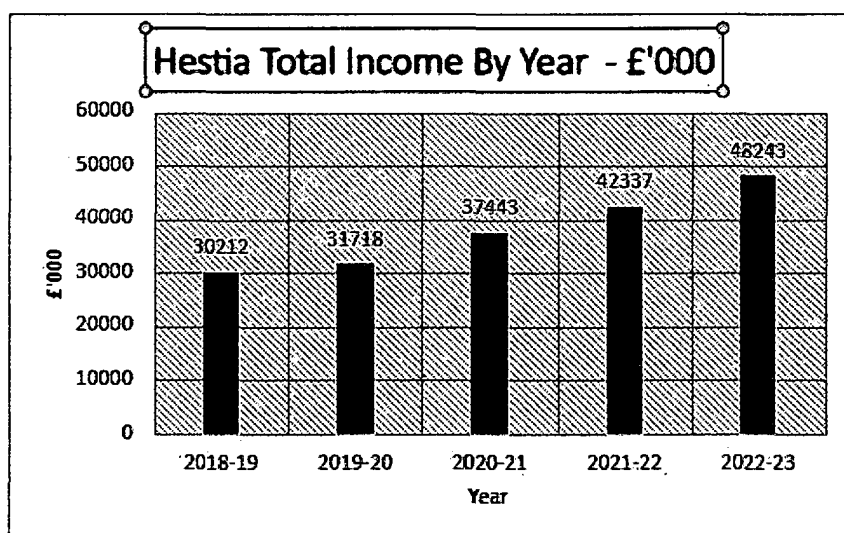
For the year ended 31 March 2023

## Financial review

The results for the year are set out in Statement of Financial Activities. The assets and liabilities of the Charity at 31 March 2023 are shown in the Balance Sheet. The financial statements should be read in conjunction with their related notes.

### Income

Since 2018-19, income has grown steadily from £30.212 million in 2019-19 to £48.243 million – an increase of 60% (£18.022 million):



The 5-year growth in income has been achieved largely through the addition of contracts – few of Hestia's contracts attract annual increases. Annual increases are applied to rents and service charges, where rents are linked to the Government rent increase limits and service charges are set to achieve full cost recovery.

### Income Breakdown – 2022-23

Income Area	2022-23 £m	2021-22 £m	Change %
Unrestricted Supporting People and Other Grants	£28.612	£24.997	+15%
Restricted Grants	£4.686	£5.497	-15%
Rents and Service Charges	£11.530	£9.065	+27%
Approved Premises Grant	£2.585	£2.045	+26%
Donations and Legacies	£0.593	£0.555	+7%
Investment Income	£0.237	£0.178	+33%
<b>Total</b>	<b>£48.243</b>	<b>£42.337</b>	<b>+14%</b>



## HESTIA HOUSING AND SUPPORT

### Trustees' annual report (including the strategic report)

For the year ended 31 March 2023

#### Income Breakdown – 2022–23 (continued)

- Income from Unrestricted Supporting People and Other Grants continue to form most Hestia's income – the 15% year on year increase was largely due to new contracts in the year (Brent and Croydon) and inflation increases awarded to the Victim Care Contract with the Salvation Army.
- Income from Restricted Grants fell as some grant programmes with the Home Office came to an end.
- Rents and Service charges increased due to the rent increase applied in April 2022 (4.1%), increased recovery from service charges and the increase in accommodation units under management.
- The Approved Premises Grant increased with the opening of the new project in Highbury.

#### Annual Surplus

Hestia continues to deliver operational surpluses (defined as net income before gains / losses on investments and pensions):

Year	Net Income – Unrestricted	Net Income – Restricted	Total	Net Income as a % of Total Income
2018–19	£187k	£49k	£236k	0.78%
2019–20	£38k	£92k	£130k	0.41%
2020–21	£503k	£416k	£919k	2.45%
2021–22	£494k	£416k	£910k	2.16%
2022–23	£1.487k	(£155k)	£1,332k	2.76%

The increase in the surplus was achieved through increasing income while continuing to control costs, managing the inflationary environment whilst continuing to meet all contracted outcomes.

The surplus this year was delivered after incurring the following additional expenditure:

- Completion of the refurbishment of the Bexley Crisis House.
- Up-front investment in the opening of the Highbury Approved Premise.
- Continuing to support the digital programme through designated reserves.
- Adopting the increase in the London Living Wage early in October 2022.
- Making an additional non-consolidated payment to staff (excluding executive directors) of £500 per person in December 2022.

Hestia's aim is to continue to generate surpluses on unrestricted funds that add to reserves, ensuring funds are available to support our work with service users.

#### Balance Sheet

Hestia's balance sheet remains strong with total assets increasing from £16.921 million at 31 March 2022 to £18.337 million at 31 March 2023 mainly through the retained surplus for the year.

## HESTIA HOUSING AND SUPPORT

### Trustees' annual report (including the strategic report)

For the year ended 31 March 2023

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### Key financial indicators

Trustees consider 3 financial performance indicators which are those traditionally used by our commissioners as part of their financial monitoring analysis, and we have comfortably met or exceeded these over the last 2 years:

Indicator	Target	Hestia 2022-23	Hestia 2021-22
Annual Surplus	>£0	£1,332k	£910k
Current Assets: Current Liabilities	>1:1	1.67	1.69
Gearing (Debt / Equity)	<40%	0%	0%

### 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.

Although one capital withdrawal was made in the year, this was repaid before the end of the financial year meaning Hestia's net investment was unchanged. Changes in the value of investments are a result of:

- Re-investment of dividend income.
- Management fees deducted by the fund managers.
- Net Investment gains and losses on stock disposals, reinvested in the portfolio.
- Net decreases in portfolio valuations at 31 March 2023.

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 2023, the value of the portfolio had increased to £7.601 million from £7.009 million.  
By September 2023, the value of the portfolio had fallen by £100k to £7.5 million in line with changes in the Stock Market.
- Ruffer LLP - 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 counterbalance against market swings and over the year the value of the fund increased from £1.985 million to £2.005 million.  
By September 2023 the value of the investment had fallen back to £1.84 million.

The Finance and Fundraising Sub Committee monitor performance quarterly and meet with both fund managers annually. During the year Trustees reaffirmed their intention to remain invested in the medium to long term irrespective of short-term market fluctuations.

## Pensions

All staff are entitled to join Hestia's defined contribution scheme operated by Legal and General and new employees 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.

The FRS102 valuation position as reported by the actuaries increased the pension asset of £374k at 31 March 2023 to £654k. Whilst the value of assets decreased, the present value of liabilities also decreased due to an increase in the discount rate from 2.75% to 4.75%. Whilst we have recognised the asset in the financial statements, we believe it is unlikely that this would be realised if our participation in the scheme were to cease if the contract were to be re-tendered.

Contributions to the scheme for 2023–24 have remained unchanged at 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.

## Principal risks and uncertainties

The Board of Trustees is responsible for ensuring that Hestia has in place systems of internal control that are appropriate to the various business environments 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.

Hestia's operating model predominantly relies on income generated from contracts awarded by commissioning partners. Many of these are for a fixed number of years and subject to retendering at various intervals. In previous years, Hestia was able to manage these fixed price contracts due to the low inflation environment. Rents and service charge income is also linked to commissioned contracts – Hestia owns very few properties in our own right.

The commissioning environment provides opportunities for Hestia as contracts currently provided by others are also put out of tender which provides potential to increase the contract base.

Traditionally, the main aim of our fundraising activity has been linked to added value initiatives to support the contracts that we deliver rather than achieving core unrestricted income.

The majority of income risk, lies therefore with our contract base.

## Approach to Risk Management

Hestia operates both a bottom-up and top-down approach to risk management: operational services each develop their own local risk management plans, and this informs the strategic risk register. The strategic risk register defines the risks that have the potential to seriously affect Hestia's ability to continue to operate as an independent organisation delivering services to our beneficiaries. Risks can be added or deleted depending on the environmental assessment which is considered as part of each Board meeting.

For 2022–23 the following were agreed as the top risks:

- Delivering service user outcomes / safeguarding
- Internal performance management
- Compliance – health and safety / information governance / business continuity planning
- Workforce management
- Contract retention / Victim Care Contract
- Cost control
- Fundraising
- External reputation

## **Top Strategic Risks**

In 2022–23 Trustees identified that the two biggest risks facing Hestia are contract retention (with a focus on the Victim Care Contract which represents 25% of Hestia's income and is due for retender in 2025) and workforce management given the buoyant job market, the impact of inflation on salary requests and workforce burnout.

Trustees received detailed updates on both these areas at each of their Board meetings, including a review of internal / external challenges, relevant KPIs, any independent third-party information and management activities. This ensures the Board is sighted on those major risk areas likely to affect Hestia.

## **Controls**

The Board of Trustees have put in place appropriate procedures and controls to adequately mitigate against the various risks Hestia faces including:

- An organisational set of values which commits us to managing the Charity's affairs with integrity.
- Operational services having clear local plans to manage risk, linked to annual business plans.
- The risk assessment process embedded in a comprehensive business planning process.
- An agreed quality strategy which is monitored as part of regular KPI reporting.
- Robust budgeting and quarterly review and reporting of financial performance.
- Clear and regularly reviewed delegated authorities.
- Appropriate authorisation levels and segregation of accounting duties.
- Clear staff roles, responsibilities and accountabilities.

The Board delegates authority to Hestia's Sub Committees to monitor the review and outcome of the application of controls through regular reporting and deeper analysis of issues of concern. During 2022–23 the Board received reports on Fundraising, Void Management and Assessment reviews.

## Reserves policy and going concern

### Reserves

Hestia's reserves policy is designed to reflect the underlying risk facing us and ensure we have an appropriate level of reserves to safeguard our operations and provide services to our beneficiaries. We hold restricted funds to meet commissioner and donor requirements around unspent income. Restricted reserves include amounts associated with fixed asset investments to reflect where property may be charged to external agencies.

Trustees have also agreed to hold designated reserves to meet non-operational activities, linked to property management requirements and organisational development. Funds held at 31 March 2023 totalled £1.386 million broken down as follows:

	£'000
Property upkeep / maintenance	376
Service delivery improvements	210
Service design improvements	470
Digital / I.T. Infrastructure improvements	282
Head Office Relocation Fund	48
<b>TOTAL</b>	<b>1,386</b>

During the year expenditure from reserves was incurred on property upgrades, our Head Office move the implementation of the development strategy and to support the fundraising strategy. For 2023-24, the main areas of expenditure to be incurred are linked to the digital and fundraising strategies.

In addition, £654k has been set aside to reflect the FRS17 pension asset which is not expected to be realised.

The Trustees consider the minimum level of free reserves annually - excluding restricted and designated reserves - required to support our operations. Relevant factors include projected financial performance with an assessment of risk to our income streams and cash flow requirements. Hestia's income is largely contract linked which provides a degree of certainty in terms of understanding future income but also incorporates risks of contracts being cancelled or lost on re-tender. Our risk assessment considers the impact of potential contract losses taking account of the impact of contract cancellations (which have larger impact on staff and beneficiaries) compared to contracts which are transferred to alternative organisations to continue delivery.

Having undertaken a review of projected cash flows and contract end dates, Trustees have determined that Hestia requires 3 months' worth of operating costs to manage short term cash flow variations and the potential loss of contracts. This must be held in liquid assets.

## **Reserves (continued)**

Following this review, Trustees have determined that the minimum level of free reserves is £11.6 million at 31 March 2023. The actual level of free reserves is £11.7 million (excluding the value of fixed assets). The Trustees review this amount annually and as such this minimum amount will change from time to time. Liquid assets (cash / short term investments and long-term investments all of which are accessible at short notice) are £13.3 million.

## **Forecast and Budgets / Going Concern**

The forecast for 2023–24 predicts, that, we will make a small deficit as we draw down on restricted reserves. Unrestricted reserves are forecast to grow slightly. As a result, we expect overall reserves to be largely unchanged subject to any changes in our investments and pensions.

Projecting forward into 2024–25, Trustees have also considered an initial “no growth” budget which assumes:

- 5% inflation on salaries. 3% inflation on other costs (salaries account for 65% of expenditure).
- Contract inflation is restricted to 3%.
- 4 major contracts due for retender are not retained.
- The Victim Care Contract reduces by 50% over the year as referrals drop off.

Without taking corrective in year action, the deficit for 2024–25 would be £1.4 million: general funds would decrease to £12.9 million and net current assets would remain positive at £3 million.

## **Fundraising**

Hestia's fundraising strategy seeks to ensure we can deliver holistic and high impact support that complements our core services.

The fundraising team works with a range of government agencies, charitable trusts, community groups, corporate donors and individuals on a wide range of activities. During the year the team raised £0.593 from donations and legacies and a further £1.127 million in other grants.

We would like to thank all of those who have supported programmes and made donations to help us to improve the life chances of our service users and to innovate new responses to urgent social needs:

- Our Domestic Abuse Prevention Programmes, including UK Says No More and Everyone's Business have been supported by Uber along with grants from the Home Office as well as by a range of corporate partners purchasing (Independent Domestic Violence Advocate (IDVA) services. Our Safe Spaces initiative in pharmacies and banks has been generously supported by the Postcode Innovation Trust's Dream Fund. Our digital innovation to support more survivors of domestic abuse – including the Bright Sky domestic abuse app and Online Safe Spaces – has expanded with the support of the Home Office, the Permira Foundation/Social Business Trust's Digital Impact Fund, Vodafone, and the Royal Mail Group.
- Our Children and Family Programmes – aimed at providing children and family workers and for activities in all our Domestic Abuse Refuges – continue to be supported by the John Lyon's Charity, the Permira Foundation, Ikano Insight, Hasbro, City Bridge Trust, City of Westminster Charitable Trust, Croydon Relief in Need, Merton Giving Fund, Wimbledon Community Foundation, L&Q Place Makers Fund, Swire Charitable Trust, KKR & Co., the Childhood Trust, Kingfisher Plc, Uber, PZ Cussons Beauty, Wunderman Thompson, HSBC Private Bank, the Barratt Foundation, and BBC Children in Need.
- Our wrap-around support for survivors in our Domestic Abuse Refuges across London – including our dedicated refuge referral helpline, our empowerment, well-being and counselling support, and resettlement and move-on support – has been made possible by grants and donations from MOPAC, the Tower Hamlets Local Community Fund, the Hobson Charity, Hampstead Parish Church, Keystream, Kindred Nannies, Kingfisher Plc, and HSBC Branch Network.



## **HESTIA HOUSING AND SUPPORT**

### **Trustees' annual report (including the strategic report)**

**For the year ended 31 March 2023**

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#### **Fundraising (continued)**

- Our Phoenix Project – which provides ongoing support to victims of Modern Slavery after they have left our services – has been made possible through grants from the David and Ruth Lewis Family Charitable Trust, the Rayne Foundation, the Austin and Hope Pilkington Trust, and the Highway One Trust, and corporate donations from Hasbro, Great Portland Estates, Anthony Gold and WE Soda. Additional perinatal support for pregnant survivors has been made possible by funding from Department for Health and Social Care's Starting Well Fund, and support for children of survivors through the Garfield Weston Foundation.

#### **Our Fundraising Practices**

Hestia's 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.

Our Fundraising Policy was updated in March 2022 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. There have been no complaints about fundraising activity in the past year and there have been no failures to comply with the Code of Fundraising Practice. Our adherence to the Code of Fundraising Practice sets out the main ways we ensure that we protect vulnerable people and members of the public from unreasonable or unwanted behaviour.

## Structure, governance and management

### Structure

Hestia Housing and Support ("Hestia") is a registered charity and is incorporated as a company limited by guarantee governed by 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.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

### Governance

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 Charity's charitable objectives. Trustees serve for a term of three years with a possible appointment for a second term of another three years.

Trustees are recruited based on an evaluation of the range of skills and experience needed to govern Hestia covering strategic and operational experience as well as a range of business and commercial experience, including financial and HR knowledge.

Terrie Alafat has chaired the Board since 2018 and will retire as her term of office comes to an end in November 2023. Following an external recruitment process, Dame Moira Gibb has been appointed as Chair of the Board following Terrie's retirement. Dame Moira is a qualified social worker and was Director of Social Services at the Royal Borough of Kensington and Chelsea and Chief Executive of Camden Council. She has held a number of Board and Trustee appointments, including at NHS England and she was Chair of Skills for Care from 2014 – 2022.

Anil Shenoy also retired from the Board and stood down as Vice Chair in November 2022. Anil joined the Board in 2015 and chaired the Finance and Fundraising Sub Committee until April 2022. Joanna Mark Richards was appointed as Vice Chair in November 2022.

During the year Vic Raynor and Michael Trup also resigned from the Board. Vic resigned when her term of office ended and Michael resigned mid term due to other personal commitments.

We are extremely grateful to Terrie, Anil, Vic and Michael for their support over their periods on the Board and their help in guiding the Charity. In particular, Terrie in her role as Chair has overseen the implementation of the 5-year strategy and the development of the next strategic plan.

We are also pleased to note that Aisling Thompson who previously resigned from the Board has agreed to rejoin the Board bringing valuable experience of health commissioning and Catalina Cernica who was previously co-opted onto the Digital and I.T. Sub Committee also agreed to join the full Board.

## **HESTIA HOUSING AND SUPPORT**

### **Trustees' annual report (including the strategic report)**

**For the year ended 31 March 2023**

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#### **Trustee Induction / Training / Involvement**

Trustees 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. Trustees are encouraged to participate in visits to Hestia projects to provide first hand exposure to the services delivered and the operating environment. Trustees also get the opportunity to meet Hestia's service users at social events, on recruitment panels, and at planned scheme inspections and visits. Over the course of the year, service users are also invited to attend Board meetings to provide direct and personal updates on their experiences at Hestia.

Training is provided to the Board aligned to identified needs. All Trustees undertake safeguarding training and the Board has appointed Rebecca Pritchard who has more than 30 years' experience in the homelessness and social care sector as the Board safeguarding lead. Trustees also receive training on modern slavery annually reflecting the importance of this to Hestia's overall operations. Trustees also attend annual away days to consider the operating environment and plan strategic direction.

The full Board of Trustees meets six times a year to discuss strategy, to formulate policy and to oversee operational matters. The Board is supported by four standing committees who review specific areas in detail and report back to the full Board:

- Governance
- Finance and Fundraising
- Performance Review
- Digital and I.T.

Sub Committees may co-opt non-Trustee members to bring wider experience to specialist areas and the following individuals are currently co-opted to Hestia Sub Committees:

- Claudette Majomi sits on the Finance and Fundraising Sub Committee.
- Tori Ellaway sits on the Digital and I.T. Sub Committee: Catalina Cernica who was previously co-opted onto this Committee joined the full Board in September 2023.
- Matthew Kelly and Chris Fry sit on the Performance Review Committee.

During the year, Greg Solomon who was co-opted onto the Digital and I.T. Sub Committee, resigned as his term of office came to an end. Greg has been a long-term supporter of Hestia and has provided us with valuable assistance across both I.T. and investment management.

Hestia's Trustees have agreed to work towards full compliance with the Charity Governance Code and to review Hestia's practices against the seven key areas which make up the code. Trustees agreed to review the "Diversity" element of the code and, following an external review of organisational practices and application, the Board created the Black Lives Matter Steering Group with Joanna Mark Richard and Christiana Marriott from the Board to oversee the implementation of the review recommendation. This has been supported by Hestia's Equality and Diversity lead. To date the Steering Group has worked to strengthen internal networks, co-develop courageous conversations and develop inclusive leadership alongside our Learning and Development and external EDI partners. We have also completed further cultural inquiry conversations and data improvement plans to help support the areas of enquiry for a cross organisational consultation to enable us to co-produce our EDI strategy for delivery in 2023.

## **HESTIA HOUSING AND SUPPORT**

### **Trustees' annual report (including the strategic report)**

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## **Management**

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 Chief Executive and Senior Management Team attend Trustee Board Meetings, Sub Committee meetings and Trustee Away Days, presenting reports and analyses for discussion and to support decision making.

## **Pay Policy for Senior Staff**

The pay of senior staff is reviewed by the Governance 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.

## **Trustees' duty to promote the success of Hestia Housing and Support – section 172 statement**

Trustees have a duty to promote the success of Hestia Housing and Support, and in doing so, are required by section 172(1) of the Companies Act 2006 to have regard to the following specific factors:

- The likely consequences of any decision in the long term  
Trustees work to an approved 5-year strategy and are in the process of developing a new strategy for 2024–25 onward. This includes an assessment of the external environment and how that is likely to impact on the organisation. Trustees agree an annual operation plan which includes an assessment of the longer-term impacts and ensures appropriate monitoring arrangements are in place. The Board may choose to delegate Sub Committees to undertake detailed analysis of plans and report back on their findings.
- The interest of Hestia's employees  
The impact on staff of decisions to be taken are discussed by Trustees, who also receive an annual people update covering staff remuneration, retention, wellbeing, health and safety, and safeguarding. Hestia has a Trade Union recognition agreement in place with Unison, and also works closely with the Employee Forum, the internal staff consultative body.
- The need to foster Hestia's business relationships with suppliers, customers and others  
Trustees have approved a Quality Strategy which outlines the standards of how we wish to work with our stakeholders – commissioners of our services, our service users and other interested parties. Quality KPIs have been developed which are reported to the Board on a quarterly basis, along with an annual review of the Quality Strategy.

## HESTIA HOUSING AND SUPPORT

### Trustees' annual report (including the strategic report)

For the year ended 31 March 2023

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One of Hestia's core values is Collaborative and Co-production underpins our work wherever possible to ensure that our service users participate in the development of policies and procedures as well as the strategic direction of the Charity.

As the largest single provider of services to victims of human trafficking we have worked with suppliers to support them in the development and implementation of their Modern Slavery Statements, providing support, guidance and training on the subject.

- The impact of Hestia's operations on the community and the environment

Our services are rooted in community provision and key to the success of our service delivery is the harnessing of community support. All projects are required to produce an annual business plan that looks at community assets and resources and how these might be utilised in supporting our service users.

As part of the annual Quality Strategy review, the Board receives regular quality updates on the services provided to ensure contracts are delivered efficiently and effectively with particular attention paid to CQC reviews and our own internal audit reviews.

- The desirability of Hestia a reputation for high standards of business conduct

As a charity, the maintenance of Hestia's reputation for keeping high standards of particular importance. Appropriate systems and processes are in place to ensure the highest standards in business conduct. The Senior Management Team will also update the board with any matters that may have given rise to a reputational risk including any mitigating actions being taken.

- The need to act fairly between members of Hestia

As a registered charity Hestia does not have shareholders. The Trustees, who are members of the company, ensure that any surpluses are invested back into the business for the benefit of those for whom we provide care and support.

## **Policy for employment of disabled persons and Employee Information**

Hestia is committed to promoting equality, preventing discrimination and valuing diversity in all our services and across our workforce.

Following the independent Black Lives Matter review commenced in 2021 we continue to build positive practice and identify areas that will support us to develop a more inclusive culture to ensure equality and fairness for all people who use our services, employees and job applicants. We have held inclusive leadership development workshops and workshops supporting colleagues to have courageous conversations.

A major element of this work was improving our Equality, Diversity and Inclusion data to support strategic decision making. By encouraging people to self-report and automate data collection into easily accessible platforms we will be able to improve the robustness and quality of our data. Disability data is a key area where self-reporting will support us to enhance the experience of employees who have a disability and enable us to focus activity in areas of greatest need.

Employee wellbeing has been a key focus for us which started pre COVID but was heightened during the pandemic. We work in partnership with two external organisations to offer our employees a very broad range of support and information which includes helplines on legal, financial and personal issues, webinars, live zoom sessions, face to face support and access to information to meet their individual wellbeing needs. We provide clinical supervision for staff groups every 4 weeks across our services and have responded to the cost-of-living crisis by developing a dedicated site for staff to access support, advice and information from trusted sources.

Hestia is committed to the continuing development of all employees. We have an established learning platform through which all staff can access dedicated induction and personal development opportunities whether face to face or virtual workshops, e learning modules or through our knowledge hub.

All staff have 6 weekly supervisions, annual appraisals which include 360-degree feedback about how they reflect our values, objectives development which flow from the organisational strategic plan and the creation of a personal development plan.

We have outsourced our Learning and Development provision to a specialist Social Care provider who can meet all our specialist subject development needs and have just developed and piloted our first Leadership Excellence Programme. We now have 5 employees undertaking the fully funded social work degree apprenticeship and have identified 4 candidates about to start training via our Health and Social Care academy.

Hestia has supported 200 student placements from a range of universities and professional development institutions which enable our staff to gain line management experience and enhance the professional knowledge in our services from interactions and working with Social Work and Mental Health Nurse students and trainee counsellors.

## **Policy for employment of disabled persons and Employee Information (continued)**

Hestia's Gender Pay Gap was 5.19% in 2021/22 which has increased slightly from 3.66% the previous year.

Trustees agree our Modern Slavery Statement each year and this is publicly available on our website.

## **Relationships with stakeholders**

### **Service Users**

Hestia aims to put service users at the heart of everything that we do – and the Hestia Approach, our in-house recovery model has co-production at its heart. We focus on building on service users' capacity through our Strengths and Aspirations review which is one of the main elements of every key working session. An review and update to the Hestia Approach is planned for 2023–24.

Service users are encouraged to participate at all levels of the organisation, from leading and directing house meetings and contributing to service business plans, to joining the Better Lives Forum, Hestia's service user liaison group which undertakes service reviews, interviewing from staff and engaging with Senior Management and Trustees.

We survey our service users every year to better understand their view of the services we provide, and this is reported to Trustees along with annual actions plans to address areas of poor performance.

We are actively considering how we engage with those service who only access Hestia' service for a short time, including those who access our IDVA services and anyone who presents at our drop-in crisis centres.

### **Commissioners and Funders**

As well as meeting with our commissioners and funders regularly via contract monitoring meetings, we seek to engage with this group on a less formal basis via monthly newsletters and invitation to events such as our "Art is Freedom" exhibition which showcases artworks created by survivors of Modern Slavery.

We offer commissioners and funders direct support to increase awareness of Domestic Abuse and Modern Slavery in the workplace, with access to some of the tools we have developed, including our Bright Sky and Respond to Abuse Apps and help with Modern Slavery Statements.

We encourage funders to visit projects and participate in events: in the year, funders have built play equipment in refuges, painted rooms, and planted gardens. This provides a direct opportunity for funders to meet service users first hand to and to see the real benefits of the contributions that they make.

## **HESTIA HOUSING AND SUPPORT**

### **Trustees' annual report (including the strategic report)**

**For the year ended 31 March 2023**

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#### **Workforce**

Hestia seeks to engage with our staff in a number of ways: we have a Hestia Intranet hub which acts as a single information and news hub for all staff to gain awareness of what is happening across Hestia. This is supported by a fortnightly Newsletter called Keep Connected.

Key messages and information are also cascaded through organisational reporting line.

We actively engage with staff via our Employee Forum, Hestia Voice made up of 10 elected staff representatives covering the whole organisation. This forum provides for a two-way dialogue between senior management and staff where representatives key concerns and organisational challenges and information are tabled both all parties. The Forum actively participated in discussions around the April 2023 pay award as well as supporting the development of an upfront expenses policy aimed at preventing staff from being out of pocket awaiting re-imbursement.

Hestia has entered into a recognition agreement with the trade union, UNISON to further support intelligence gathering and staff engagement. 15% of staff joined the union since the agreement was announced.

Biannual employee engagement surveys and quarterly wellbeing and engagement questionnaires feed into our internal Quality Dashboard, the findings are shared with Trustees and staff groups for transparency and to encourage involvement.

#### **Suppliers**

Hestia aims to work positively with our suppliers and is committed to paying suppliers earlier than their payment terms. In the year to 31 March 2023, 92% of suppliers received payments early or on time.

As part of Hestia's Modern Slavery Statement, we aim to work with our major suppliers to support them develop their own Modern Slavery Statements and to understand the signs of modern slavery. Our aim is to develop a toolkit which we can make available to all suppliers to help them spot the risk of modern slavery in their own supply chains.

During 2023-24 we aim to review our approach to procurement, driven in part, by our aim to improve the quality of accommodation and improve working relationships with suppliers by opening up dialogue channels.



## 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 2023.

Most 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 2022 UK Government's Conversion Factors for Company Reporting.

### Energy Usage

	01 April 2022 – 31 March 2023	01 April 2021 – 31 March 2022
<b>Energy consumption used to calculate emissions (kWh)</b>	<b>7,584,032</b>	<b>7,592,742</b>
Scope 1 emissions in metric tonnes CO <sub>2</sub> e Gas Emissions	1,110.75	1,137.85
Scope 2 emissions in metric tonnes CO <sub>2</sub> e Purchased Electricity	268.50	270.57
Scope 2 emissions in metric tonnes CO <sub>2</sub> e Business Travel	26.46	25.66
<b>Total gross emissions in metric tonnes CO<sub>2</sub>e</b>	<b>1,405.70</b>	<b>1,434.08</b>
Intensity ratio Tonnes CO <sub>2</sub> e per occupant <sup>1</sup>	2.086	2,266

Note 1: The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per occupant.

### Measures taken to improve energy efficiency

Hestia is in the process of implementing SMETS2 smart metering across all its sites. Once completed, this will lay the foundation for energy management and reporting. Additionally, Hestia runs a programme for reading meters for both gas and electricity across all managed supplies.

## **Statement of responsibilities of the trustees**

The trustees (who are also directors of Hestia Housing and Support for the purposes of company law) are responsible for preparing the Trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the 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 SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company 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
- 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 the 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2023 was 9 (2022: 12). The Trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

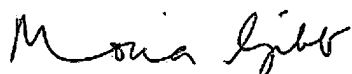
## Post Balance Sheet Event

In August 2023, the Board agreed a merger with Twining Enterprise to take effect from 1<sup>st</sup> December 2023 when Twining will become a wholly owned subsidiary of Hestia. Twining support people who have experienced mental health issues into employment.

## Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report which includes the strategic report has been approved by the Trustees on 24<sup>th</sup> October 2023 and signed on their behalf by



Dame Moira Gibb  
Chair – Board of Trustees

## Independent auditor's report

To the members of

**Hestia Housing and Support**

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### Opinion

We have audited the financial statements of Hestia Housing and Support (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2023 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The

## **Independent auditor's report**

**To the members of**

**Hestia Housing and Support**

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trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **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 trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, 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 statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Independent auditor's report**

### **To the members of**

#### **Hestia Housing and Support**

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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.

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

#### **Capability of the audit in detecting irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance and fundraising committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.

## Independent auditor's report

To the members of

### Hestia Housing and Support

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- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's 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.

Fleur Holden (Senior statutory auditor)

Date: 09 November, 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

## Hestia Housing and Support

### Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2023

	Note	Unrestricted £'000	Restricted £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	2022 Total £'000
<b>Income from:</b>							
Donations and legacies	2	325	268	593	455	100	555
Charitable activities							
Provision of care and support	3	40,036	4,770	44,806	34,061	5,497	39,558
Operation of Approved Premises	3	2,607	-	2,607	2,046	-	2,046
Investments	4	237	-	237	178	-	178
<b>Total income</b>		<b>43,205</b>	<b>5,038</b>	<b>48,243</b>	<b>36,740</b>	<b>5,597</b>	<b>42,337</b>
<b>Expenditure on:</b>							
Raising funds	5	184	22	206	286	90	376
Charitable activities							
Provision of care and support	5	38,904	5,171	44,075	33,939	5,091	39,030
Operation of Approved Premises	5	2,630	-	2,630	2,021	-	2,021
<b>Total expenditure</b>		<b>41,718</b>	<b>5,193</b>	<b>46,911</b>	<b>36,246</b>	<b>5,181</b>	<b>41,427</b>
<b>Net income before net (losses) / gains on investments</b>		<b>1,487</b>	<b>(155)</b>	<b>1,332</b>	<b>494</b>	<b>416</b>	<b>910</b>
Net (losses) / gains on investments		(196)	-	(196)	746	-	746
<b>Net income before other recognised gains and losses</b>		<b>1,291</b>	<b>(155)</b>	<b>1,136</b>	<b>1,240</b>	<b>416</b>	<b>1,656</b>
Actuarial gains on defined benefit pension schemes		280	-	280	167	-	167
<b>Net movement in funds</b>		<b>1,571</b>	<b>(155)</b>	<b>1,416</b>	<b>1,407</b>	<b>416</b>	<b>1,823</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		14,087	2,834	16,921	12,680	2,418	15,098
<b>Total funds carried forward</b>		<b>15,658</b>	<b>2,679</b>	<b>18,337</b>	<b>14,087</b>	<b>2,834</b>	<b>16,921</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18a to the financial statements.



# Hestia Housing and Support

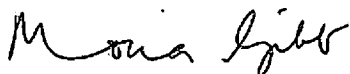
## Balance sheet

Company no. 2020165

As at 31 March 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
<b>Fixed assets:</b>					
Tangible assets	11		2,995		3,033
Investments	12		9,352		8,995
			<u>12,347</u>		<u>12,028</u>
<b>Current assets:</b>					
Debtors	13	7,565		6,561	
Short term deposits		513		931	
Cash at bank and in hand		5,250		3,569	
		<u>13,328</u>		<u>11,061</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	14	(7,992)		(6,542)	
<b>Net current assets</b>			<u>5,336</u>		<u>4,519</u>
<b>Total assets less current liabilities</b>			<u>17,683</u>		<u>16,547</u>
 Defined benefit pension scheme asset	 16		 <u>654</u>		 <u>374</u>
<b>Total net assets</b>			<u><u>18,337</u></u>		<u><u>16,921</u></u>
 <b>The funds of the charity:</b>	 18a				
Restricted income funds			2,679		2,834
Unrestricted income funds:					
Designated funds		1,386		1,427	
General funds		13,618		12,286	
Pension reserve		654		374	
		<u></u>		<u></u>	
<b>Total unrestricted funds</b>			<u>15,658</u>		<u>14,087</u>
<b>Total charity funds</b>			<u><u>18,337</u></u>		<u><u>16,921</u></u>

Approved by the trustees on 24 October 2023 and signed on their behalf by



Dame Moira Gibb  
Chair - Board of Trustees



Brendan Sarsfield  
Board Member

## Hestia Housing and Support

### Statement of cash flows

For the year ended 31 March 2023

	2023 £'000	£'000	2022 £'000	£'000
<b>Cash flows from operating activities</b>				
Net income for the reporting period (as per the statement of financial activities)	1,136		1,656	
Depreciation charges	68		68	
Losses / (Gains) on investments	196		(746)	
FRS 102 Adjustment	-		(243)	
Dividends, interest and rent from investments	(237)		(178)	
(Increase)in debtors	(1,004)		(1,042)	
Increase in creditors	1,450		1,304	
<b>Net cash provided by operating activities</b>		<b>1,609</b>		<b>819</b>
<b>Cash flows from investing activities:</b>				
Dividends, interest and rents from investments	237		178	
Purchase of fixed assets	(30)		(602)	
Proceeds from sale of investments	1,961		2,460	
Purchase of investments	(2,514)		(1,999)	
<b>Net cash provided by investing activities</b>		<b>(346)</b>		<b>37</b>
<b>Change in cash and cash equivalents in the year</b>		<b>1,263</b>		<b>856</b>
Cash and cash equivalents at the beginning of the year		<b>4,500</b>		<b>3,644</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>5,763</b>		<b>4,500</b>
<b>Analysis of cash and cash equivalents</b>				
	At 1 April 2022 £'000	Cash flows £'000	Other non- cash changes £'000	At 31 March 2023 £'000
Short Term deposits	931	(418)	-	513
Cash at bank and in hand	3,569	1,681	-	5,250
<b>Total cash and cash equivalents</b>	<b>4,500</b>	<b>1,263</b>	<b>-</b>	<b>5,763</b>

## Hestia Housing and Support

### Notes to the financial statements

**For the year ended 31 March 2023**

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#### **1 Accounting policies**

##### **a) Statutory information**

Hestia Housing and Support is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 4th Floor, 165 St Botolph Street, London, EC3A 7DT.

##### **b) Basis of preparation**

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 (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

##### **c) Public benefit entity**

The charity meets the definition of a public benefit entity under FRS 102.

Key judgements that the charity has made which have a significant effect on the accounts include the carrying value of fixed assets, the market valuation of investments, the recoverability of debtors and the pension scheme asset or liability.

##### **d) Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Trustees agree a 5 year strategic plan and annual business plans with associated budgets. Reports consider the risk to contract and fundraising income based on contract end dates, likelihood of retention and growth based on historic performance.

Trustees also consider the impact on expenditure of reduction in income: the majority of contracts are linked to the provision of services which would require staff and other resources to be transferred to alternative providers leaving Hestia with limited residual liabilities.

Various scenarios are tested within budgets to look at the impact on free reserves and these are compared to minimum reserve requirements.

**1 Accounting policies (continued)**

**e) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**f) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**g) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**h) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

## Hestia Housing and Support

### Notes to the financial statements

For the year ended 31 March 2023

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#### 1 Accounting policies (continued)

##### i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

##### j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the costs of overall direction and administration of central support services (salary and overhead costs), are apportioned on the estimates of direct costs.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

##### k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

##### l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £5,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- |  |                 |
|--|-----------------|
| • Freehold land                        | Not depreciated |
| • Freehold buildings – residential     | 50 years        |
| • Freehold buildings – non residential | 50 years        |
| • Fixtures, Fittings and Equipment     | 4 years         |
| • Computer Equipment                   | 3 years         |

##### m) Listed 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. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

##### n) Debtors

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

## Hestia Housing and Support

### Notes to the financial statements

#### For the year ended 31 March 2023

##### 1 Accounting policies (continued)

###### o) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

###### p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash held on behalf of service users under appointee ship programmes at 31 March 2023 was £35k (at 31 March 2022: £78k)

###### q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

###### r) Financial instruments

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

###### s) 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 has two members of staff who are members of the NHS Pension Schemes. Although these are defined benefit schemes, they are accounted for as defined contribution schemes, as assets/liabilities for each employer in the schemes cannot be reliably identified.

Hestia also participated in one multi-employer defined benefit scheme with 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

##### 2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	2022 Total £'000
Donations	291	268	559	159	100	259
Grants from Local Authorities	28	-	28	21	-	21
Legacies	6	-	6	275	-	275
	<u>325</u>	<u>268</u>	<u>593</u>	<u>455</u>	<u>100</u>	<u>555</u>

# Hestia Housing and Support

## Notes to the financial statements

For the year ended 31 March 2023

### 3 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	2022 Total £'000
Income from support contracts	10,023	84	10,107	8,508	-	8,508
Income from other grants and fees	18,505	4,686	23,191	16,489	5,497	21,986
Residents fees and charges	11,508	-	11,508	9,064	-	9,064
Sub-total for provision of care and support	40,036	4,770	44,806	34,061	5,497	39,558
Approved Premises Grants	2,585	-	2,585	2,045	-	2,045
Residents charges	22	-	22	1	-	1
Sub-total for operation of Approved Premises	2,607	-	2,607	2,046	-	2,046
Total income from charitable activities	42,643	4,770	47,413	36,107	5,497	41,604

### 4 Income from investments

	2023 Total £'000	2022 Total £'000
Interest Receivable	18	-
Dividends from equity shares	219	178
	237	178

All income from investments is unrestricted.

## Hestia Housing and Support

### Notes to the financial statements

For the year ended 31 March 2023

#### 5a Analysis of expenditure (current year)

	Charitable activities						
	Raising funds £'000	Provision of Care and Support £'000	Operation of Approved Premises £'000	Governance costs £'000	Support costs £'000	2023 Total £'000	2022 Total £'000
Staff costs (Note 7)	111	18,957	1,309	86	2,538	23,001	21,484
Agency Staff Costs	3	4,129	125	-	332	4,589	2,866
Investment managers' fees	-	53	-	-	-	53	52
Premises Running Costs	-	7,213	713	-	-	7,926	6,149
Project administration costs	29	2,882	9	-	-	2,920	2,844
Service users costs / welfare	1	5,094	131	-	-	5,226	4,775
Office running costs	-	-	-	28	3,088	3,116	3,158
Audit Fees	-	-	-	40	-	40	29
Legal and professional fees	-	3	-	-	37	40	70
Trustee Expenses	-	-	-	-	-	-	-
	144	38,331	2,287	154	5,995	46,911	41,427
Support costs	60	5,601	334	-	(5,995)	-	-
Governance costs	2	143	9	(154)	-	-	-
<b>Total expenditure 2023</b>	<b>206</b>	<b>44,075</b>	<b>2,630</b>	<b>-</b>	<b>-</b>	<b>46,911</b>	
<b>Total expenditure 2022</b>	<b>376</b>	<b>39,030</b>	<b>2,021</b>	<b>-</b>	<b>-</b>		<b>41,427</b>



## Hestia Housing and Support

### Notes to the financial statements

For the year ended 31 March 2023

#### 5b Analysis of expenditure (Prior year)

	Charitable activities					
	Raising funds £'000	Provision of Care and Support £'000	Operation of Approved Premises £'000	Governance costs £'000	Support costs £'000	2022 Total £'000
Staff costs (Note 7)	280	17,447	1,021	84	2,652	21,484
Agency Staff Costs	-	2,641	124	1	100	2,866
Investment managers' fees	52	-	-	-	-	52
Premises Running Costs	-	5,703	446	-	-	6,149
Project administration costs	-	2,793	51	-	-	2,844
Service users costs / welfare	-	4,694	81	-	-	4,775
Office running costs	44	-	-	33	3,081	3,158
Audit Fees	-	-	-	29	-	29
Legal and professional fees	-	2	-	7	61	70
Trustee Expenses	-	-	-	-	-	-
	376	33,280	1,723	154	5,894	41,427
Support costs	-	5,604	290	-	(5,894)	-
Governance costs	-	146	8	(154)	-	-
Total expenditure 2022	376	39,030	2,021	-	-	41,427

## Hestia Housing and Support

### Notes to the financial statements

#### For the year ended 31 March 2023

#### 6 Net income for the year

This is stated after charging :

	2023 £'000	2022 £'000
Depreciation	68	68
Operating lease rentals payable:		
Property	662	937
Other	150	214
Auditor's remuneration (excluding VAT):		
Audit	33	29
Over accrual in prior year	-	(5)

#### 7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023 £'000	2022 £'000
Salaries and wages	19,739	19,085
Redundancy and termination costs	-	62
Social security costs	2,089	1,855
Employer's contribution to defined contribution pension schemes	1,037	708
Operating costs / (income) of defined benefit pension schemes (note 16)	136	(226)
	<b>23,001</b>	<b>21,484</b>

The redundancy and termination costs were settled and paid at the balance sheet date.

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2023 No.	2022 No.
£60,000 – £69,999	5	4
£70,000 – £79,999	1	3
£80,000 – £89,999	3	1
£90,000 – £99,999	1	-
£100,000 – £109,999	-	-
£110,000 – £119,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £596,232 (2022: £624,020).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

No Trustees' received expenses in the year to 31 March 2023 (2022: £153 paid to 1 member relating to attendance at meetings of the trustees).

#### 8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 742 (2022: 734).

## Hestia Housing and Support

### Notes to the financial statements

#### For the year ended 31 March 2023

#### 9 Related party transactions

There are no related party transactions to disclose for this financial year (2022: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

#### 10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

#### 11 Tangible fixed assets

	Freehold property £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
<b>Cost</b>				
At the start of the year	3,570	268	16	3,854
Additions in year	-	22	8	30
Disposals in year	-	(23)	-	(23)
At the end of the year	3,570	267	24	3,861
<b>Depreciation</b>				
At the start of the year	569	238	14	821
Charge for the year	43	21	4	68
Eliminated on disposal	-	(23)	-	(23)
At the end of the year	612	236	18	866
<b>Net book value</b>				
At the end of the year	2,958	31	6	2,995
At the start of the year	3,001	30	2	3,033

Land with a value of £1,785,000 (2022: £1,785,000) is included within freehold property and not depreciated.

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 Charity has entered an undertaking to pass the proceeds of any sale on this property to the Home Office.

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

All of the above assets are used for charitable purposes.

## Hestia Housing and Support

### Notes to the financial statements

#### For the year ended 31 March 2023

#### 12 Listed investments

	2023 £'000	2022 £'000
Fair value at the start of the year	8,995	8,710
Additions at cost	2,514	1,999
Disposal proceeds	(1,961)	(2,460)
Net (loss) / gain on change in fair value	(196)	746
Fair value at the end of the year	9,352	8,995

Investments comprise:

	2023 £'000	2022 £'000
UK Common investment funds	2,005	1,985
Shares listed on the London Stock Exchange	7,347	7,010
	9,352	8,995

#### 13 Debtors

	2023 £'000	2022 £'000
Trade debtors	1,436	738
Other debtors	1,351	629
Prepayments	344	345
Accrued income	4,434	4,849
	7,565	6,561

#### 14 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	1,467	1,482
Taxation and social security	663	511
Other creditors	136	130
Accruals	2,993	1,822
Deferred income (note 15)	2,733	2,597
	7,992	6,542

#### 15 Deferred income

Deferred income comprises contract income for services received in advance

	2023 £'000	2022 £'000
Balance at the beginning of the year	2,597	1,329
Amount released to income in the year	(2,597)	(1,329)
Amount deferred in the year	2,733	2,597
Balance at the end of the year	2,733	2,597

# 16 Pension schemes

During the year, Hestia operated both defined contribution and a defined benefit pension schemes which required additional 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 £1,023,048 for the year (2022: £709,255), including those contributed to the NHS Pension Schemes.

## 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 FRS102 '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 2023.

The employer's B260, relating to current employees, to the RBKCPF by the Charity for the year ended 31 March 2023 was fixed at 21.1% of pensionable pay up to 31 March 2024.

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

Assumptions	At 31 March 2023	At 31 March 2022
Inflation Rate (CPI)	2.95%	3.15%
Rate of increase in salaries	3.95%	4.15%
Rate of increase in pensions in payment	2.95%	3.15%
Discount rate	4.75%	2.75%
The Fair Value of the Assets of the Scheme and the Expected Return were:	At 31 March 2023	At 31 March 2022
	£'000	£'000
Equities	1,590	1,574
Property	153	124
Cash (including cash plus funds)	172	373
Total market value of assets	1,915	2,071
Present Value of Scheme Liabilities	(1,261)	(1,697)
Net pension asset	654	374
Analysis of the amount charged to the Statement of Financial Activities:	2023	2022
	£'000	£'000
Current service costs	29	37
Net interest on defined liability	(10)	1
Administration expenses	-	-
	19	38

## 16 Pension schemes (continued)

	At 31 March 2023 £'000	At 31 March 2022 £'000
<b>Movement in defined benefit obligation in the year</b>		
Opening defined benefit obligation	1,697	1,790
Current service cost	29	37
Interest cost	47	36
Changes in finance assumptions	(708)	(173)
Changes in demographic assumptions	(109)	4
Experience gain / (loss) on defined benefit obligations	305	2
Estimated benefits paid net of transfers in	(4)	(4)
Contributions by scheme participants and other employers	4	5
<b>Closing defined benefit obligation</b>	<b>1,261</b>	<b>1,697</b>

	At 31 March 2023 £'000	At 31 March 2022 £'000
<b>Movement in fair value of fund assets in the year</b>		
Opening fair value of fund assets	2,071	1,754
Interest on assets	57	35
Return on assets less interest	(117)	264
Administration expenses	-	-
Contributions by employers including unfunded	14	17
Contributions by scheme participants and other employers	4	5
Benefits paid	(4)	(4)
Other experience	(110)	-
<b>Closing fair value of fund assets</b>	<b>1,915</b>	<b>2,071</b>

	2023	2022
The employee numbers in the Scheme at 31 March were:		
Active employees	3	5
Deferred pensioners	10	7
Pensioners	1	1

	2023 £'000	2022 £'000
Actuarial return less expected return on fund assets	-	-
Contributions from scheme participants	4	5
Expected employer's contribution for the year ended 31 March	12	16

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
<b>History of experience gains and losses</b>					
Defined benefit obligations	(1,261)	(1,697)	(1,790)	(1,331)	(1,536)
Scheme assets	1,915	2,071	1,754	1,331	1,339
<b>Surplus / (Deficit)</b>	<b>654</b>	<b>374</b>	<b>(36)</b>	<b>-</b>	<b>(197)</b>

**16 Pension schemes (continued)**

NHS Pension Schemes

Past and present employees are covered by the provisions of the NHS Pension Scheme(s) relevant to their membership. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at: [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).

Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the Financial Reporting Manual (FRM) requires that 'the period between formal valuations shall be four years, with approximate assessments in intervening years'. An outline of these follows:

**a) Accounting valuation**

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FRM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

**b) Full actuarial (funding) valuation**

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account its recent demographic experience), and to recommend the contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

# Hestia Housing and Support

## Notes to the financial statements

### For the year ended 31 March 2023

#### 17a Analysis of net assets between funds (current year)

	General unrestricted £'000	Designated £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	1,873	–	1,122	2,995
Investments	9,352	–	–	9,352
Net current assets	2,393	1,386	1,557	5,336
Defined benefit pension asset	654	–	–	654
<b>Net assets at 31 March 2023</b>	<b>14,272</b>	<b>1,386</b>	<b>2,679</b>	<b>18,337</b>

#### 17b Analysis of net assets between funds (prior year)

	General unrestricted £'000	Designated £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	1,895	–	1,138	3,033
Investments	8,995	–	–	8,995
Net current assets	1,396	1,427	1,696	4,519
Defined benefit pension liabilities	374	–	–	374
<b>Net assets at 31 March 2022</b>	<b>12,660</b>	<b>1,427</b>	<b>2,834</b>	<b>16,921</b>



# Hestia Housing and Support

## Notes to the financial statements

For the year ended 31 March 2023

### 18a Movements in funds (current year)

	At 1 April 2022 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2023 £'000
<b>Restricted funds:</b>					
<u>Capital</u>					
Property expenditure:					
Purchase of Lynton Terrace	380	-	(5)	-	375
Purchase of Leigham Court Road	227	-	(3)	-	224
Improvements to:					
Leigham Court Road	313	-	(4)	-	309
Cologne Road	12	-	-	-	12
DOH – property purchase grant	206	-	(4)	-	202
<u>Revenue</u>					
Donations	324	90	(97)	-	317
Outreach services	187	195	(196)	-	186
Children & family services	255	317	(270)	-	302
Women without recourse fund	-	-	-	-	-
Community Engagement	520	3,189	(3,133)	-	576
Digital Transformation	57	-	(57)	-	-
Domestic Abuse Prevention	288	597	(771)	-	114
The Phoenix Project	51	108	(97)	-	62
Sport England	-	-	-	-	-
People's Postcode Lottery	7	327	(334)	-	-
Starting Well Grant	7	215	(222)	-	-
Vodafone – Bright Sky development	-	-	-	-	-
Infection Control Funds	-	-	-	-	-
<b>Total restricted funds</b>	<b>2,834</b>	<b>5,038</b>	<b>(5,193)</b>	<b>-</b>	<b>2,679</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Development, maintenance and refurbishment of existing projects	551	84	(49)	-	586
Infrastructure and new project developments	876	-	(76)	-	800
<b>Total designated funds</b>	<b>1,427</b>	<b>84</b>	<b>(125)</b>	<b>-</b>	<b>1,386</b>
<b>General funds</b>	<b>12,286</b>	<b>42,925</b>	<b>(41,593)</b>	<b>-</b>	<b>13,618</b>
<b>Total unrestricted funds</b>	<b>13,713</b>	<b>43,009</b>	<b>(41,718)</b>	<b>-</b>	<b>15,004</b>
<b>Pension reserve</b>	<b>374</b>	<b>280</b>	<b>-</b>	<b>-</b>	<b>654</b>
<b>Total funds</b>	<b>16,921</b>	<b>48,327</b>	<b>(46,911)</b>	<b>-</b>	<b>18,337</b>

# Hestia Housing and Support

## Notes to the financial statements

For the year ended 31 March 2023

### 18b Movements in funds (prior year)

	At 1 April 2021 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2022 £'000
<b>Restricted funds:</b>					
<u>Capital</u>					
Property expenditure:					
Purchase of Lynton Terrace	385	-	(5)	-	380
Purchase of Leigham Court Road	230	-	(3)	-	227
Improvements to:					
Leigham Court Road	317	-	(4)	-	313
Cologne Road	12	-	-	-	12
DOH – property purchase grant	210	-	(4)	-	206
<u>Revenue</u>					
Donations	276	100	(52)	-	324
Outreach services	154	298	(265)	-	187
Children & family services	220	333	(298)	-	255
Women without recourse fund	20	-	(20)	-	-
Community Engagement	227	2,979	(2,686)	-	520
Digital Transformation	139	49	(131)	-	57
Domestic Abuse Prevention	129	489	(330)	-	288
The Phoenix Project	43	107	(99)	-	51
Sport England	39	14	(53)	-	-
People's Postcode Lottery	-	328	(321)	-	-
Starting Well Grant	-	280	(273)	-	7
Vodafone – Bright Sky development	17	-	(17)	-	7
Infection Control Funds	-	620	(620)	-	-
<b>Total restricted funds</b>	<b>2,418</b>	<b>5,597</b>	<b>(5,181)</b>	<b>-</b>	<b>2,834</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Development, maintenance and refurbishment of existing projects	530	67	(46)	-	551
Infrastructure and new project developments	959	2	(85)	-	876
<b>Total designated funds</b>	<b>1,489</b>	<b>69</b>	<b>(131)</b>	<b>-</b>	<b>1,427</b>
<b>General funds</b>	<b>11,155</b>	<b>37,417</b>	<b>(36,341)</b>	<b>55</b>	<b>12,286</b>
<b>Total unrestricted funds</b>	<b>12,644</b>	<b>37,486</b>	<b>(36,472)</b>	<b>55</b>	<b>13,713</b>
<b>Pension reserve</b>	<b>36</b>	<b>167</b>	<b>226</b>	<b>(55)</b>	<b>374</b>
<b>Total funds</b>	<b>15,098</b>	<b>43,250</b>	<b>(41,427)</b>	<b>-</b>	<b>16,921</b>

**18 Movements in funds (continued)**

**Purposes of restricted funds**

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.

Home Office refurbishment grants represented grants made by the Home Office to fund refurbishment of Hestia's Approved Premises which were spent in 2021 refurbishing the Hestia Streatham premises.

Other Home Office/ Ministry of Justice grants comprised various sundry grants for drugs testing, security training and scheme development / relocation across Hestia's Approved Premises. All funds were utilised in 2021.

The Home Office funds (£50.5k) the Provision of ask for ANI codeword scheme rollout with stakeholders, specifically pharmacies.

The Home Office has provided a grant (£80k) for the national prevention and awareness raising campaign around domestic violence, to continue speaking to victims via the UK Says No More campaigning and maintenance of Bright Sky, support for employers and respond to abuse advice line

Outreach funding comprises various restricted grants to fund the provision of outreach services in Hestia's women's services in Ealing, Slough and Harrow and Thames Valley and performance related awards in the Kingston Integrated Mental Health Service.

Children & family funds support children in Hestia's Domestic Abuse refuges, funded by a combination of Supporting People grants, other external grants and charitable donations.

The Women Without Recourse fund was set up in 2008 to support women in Hestia's Domestic Abuse Refuges until such time as they become eligible for UK benefits. The fund has been largely supported by the Henry Smith Charity.

Community Engagement funds are provided by various health trusts across London and the South East to provide accommodation and out of hours crisis services for individuals experiencing mental health trauma – the provision is made as a complement and alternative to acute hospital services.

Digital transformation funds include grants from the Fidelity Trust to support the development of the InForm Client Management System focussing on increased direct access by service users as well as funds from the National Lottery and Barclays Bank plc to support staff and service user digital and training initiatives.

Domestic Abuse prevention funds support a range of Hestia programmes – UKSNM, Everyone's Business, Safe Spaces and Ask For ANI aimed at providing information and guidance as well as practical support to victims of domestic abuse, funded by grants from the Home Office, the Julia and Hans Rausing Trust as well as contract income from purchasers of our Everyone's Business IDVA services.

The Phoenix Project provides in reach support to survivors of Modern Slavery after they have received their positive CG decision – funding has been made available from the David and Ruth Lewis Foundation and the Rayne Foundation.

The Sport England Initiative was funded by the Department of Culture, Media and Sport aimed at encouraging children in our refuges to participate in sport: the programme was extended up until 30th September 2022 when it closed.

The People's Postcode Lottery project is funded by a grant from the Postcode Innovation Trust brings together partners across England, Wales and Scotland to scale up a new model of support for victims of domestic abuse created through Hestia's Safe Spaces initiative and so provide additional community-based support for victims.

## Hestia Housing and Support

### Notes to the financial statements

#### For the year ended 31 March 2023

#### 18 Movements in funds (continued)

##### Purposes of restricted funds (continued)

Starting Well Grant is part of the VCSE (Voluntary, Community & Social Enterprise) Health and Wellbeing Fund with the theme of Starting Well. The aim is improving health outcomes for children from preconception to two and a half years old. Hestia work in partnership with the Happy Baby Community's community-based model of perinatal support to highly disadvantaged pregnant women who have suffered multiple traumas.

The Vodafone Bright Sky fund was a donation from Vodafone to support the ongoing development of the Bright Sky app available to people experiencing domestic abuse – the balance of the donation was utilised in the year to upgrade the app including multi language options.

Infection controls funds were provided by commissioning partners to reduce the risk of COVID infection across Hestia's services including staffing support, workforce retention, provision of PPE, additional cleaning and testing. All funds were utilised in the year.

##### Purposes of designated funds

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 organisation has prepared 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.

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.

#### 19 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property		Equipment	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Less than one year	744	1,030	149	120
One to five years	1,011	926	149	259
More than five years	133	–	–	–
	<b>1,888</b>	<b>1,956</b>	<b>298</b>	<b>379</b>

**20 Capital commitments**

At 31 March 2023, the charity had no capital commitments outstanding (31 March 2022: £143,000).

**21 Post Balance Sheet Event**

On 16th September 2023, the charity concluded acquisition discussions with Twining Enterprise, a charity registered in 1995 (charity number 1048191).

Under the terms of the agreement Twining Enterprise will become a fully owned subsidiary of Hestia, pending full integration in the future.

**22 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.