

Company number: 02020165

Charity number: 294555

HESTIA HOUSING AND SUPPORT

Report and financial statements

For the year ended 31 March 2022

HESTIA HOUSING AND SUPPORT

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Reference and administrative information

For the year ended 31 March 2022

Company number 02020165
Country of incorporation United Kingdom

Charity number 294555
Country of registration 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
Anil Shenoy	Vice Chair
Brendan Sarsfield	Treasurer
Elizabeth Zacharias	
Vic Rayner	
Michael Trup	
Helen Christina Marriott	
Aisling Thompson (resigned 07/12/2021)	
Rebecca Pritchard	
Lauren Bowes	
Elizabeth Meek	
Joanna Mark-Richards (appointed 08/02/2022)	
Sonal Shah (appointed 08/02/2022)	

Key management personnel	Patrick Ryan	Chief Executive and Secretary
	Christopher Clarke	Director of Finance
	Mel Cox	Director of Human Resources
	Jo Tilley-Riley	Director of Fundraising and Communications
	Gayle Lowery-Jones	Director of Services
	Nahar Choudhury	Regional Director of Operations
	Paula Murphy	Director of Performance and Development (until 31/10/2021)

Bankers Barclays Bank PLC
74 Shepherds Bush Green
LONDON
W12 8QB

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For the year ended 31 March 2022

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

Trustees' annual report (including the strategic report)

For the year ended 31 March 2022

The Trustees present their report and the audited financial statements for the year ended 31 March 2022.

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.

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Our Work

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 2021–22, Hestia supported 18,519 men, women and children who accessed our services during the year – an increase of 4,512 from the previous year. Support was delivered across a range of client groups:

Client Group	31 March 2022	31 March 2021
Domestic Abuse (including children)	3,651	3,877
Mental Health	6,304	4,078
Modern Slavery	5,669	2,599
Criminal Justice	224	111
Young People at Risk	62	62
Older People	438	490
Generic	2,108	2,764
Substance Misuse	63	26
TOTAL	18,519	14,007

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 Government – the Home Office and Ministry of Justice
- Regional Agencies – MHCLG, Mayor's Office for Policing and Crime
- Local Authorities – currently we have contracts with 22 London Local Authorities
- NHS Trusts and Integrated Commissioning Boards across London and the South

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.

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To support their recovery journey, we aim to offer our service users access to the widest range of community-based assets and support as possible. The offers are tailored to our clients' preferences and aspirations, and contribute a vital element to their development, independence, resilience and wellbeing. From yoga, gardening initiatives, and language teaching to peer support, money and financial management, training, education and employability activities and structured mental health support.

Review

The Trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

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.

Strategic report

Achievements and performance

Service Users

In 2021–22 the number of people that we supported rose from 14,007 to 18,519 across our client groups. In our annual satisfaction survey carried out in November 2021, 95% of service users who replied said they were satisfied with the service they receive, whilst 95% also reported that they felt safe and secure in our services.

Some 2021–22 Highlights

1. Our Mental Health Crisis Response

- We expanded our Mental Health Crisis Alternative Model of out of hours Cafes, Coves, Havens and Sanctuaries and opened our ninth service in Camden. These critical community-based services provide open access and referral support for people experiencing mental health issues as an alternative to presentation at Accident & Emergency. In these centres we provide de-escalation interventions, safety planning, therapeutic and peer support as well as signposting and referrals onto other provision or community resources.
- We opened our temporary 5 bed Recovery House in the London Borough of Greenwich to provide short stays for people facing mental health crises, whilst we purchased and

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renovated a permanent facility in Bexley. The Bexley Recovery House supports up to 7 residents with short stays of 5 days to avert hospital admission and co-produce an individualised recovery and safety plan with the residents. This opened in July 2022.

2. Safe Spaces

Safe Spaces provide somewhere for anyone experiencing domestic abuse to safely call a helpline, support service or loved one and receive the support to escape their situation. Launched during COVID and they are now available at over 6,000 locations across the UK including HSBC and TSB Banks, Boots, Superdrug, Morrisons and Well pharmacies.

Safe Spaces is supported by the players of People's Postcode Lottery Recovery Fund and operates through Hestia's national domestic abuse and sexual violence campaign, UK SAYS NO MORE.

In September 2020 we launched Online Safe Spaces in partnership with the Royal Mail Group. The service provides support, advice, and helpful contact numbers for those at risk of domestic abuse and is now available on over 65 websites including Network Rail, Post Office, and Thames Water. Between November 2020 and September 2022, there were approximately 1.5 million visits across all Online Safe Spaces.

In 2021, the government launched the Ask for ANI (Action Needed Immediately) codeword scheme, which operates in conjunction with the Safe Spaces scheme. When a victim of domestic abuse 'Asks For ANI' at their local pharmacy, they are taken to a Safe Space, where they can access immediate help from the police or other support services. It provides a way for victims to discreetly tell pharmacy staff that they need urgent help in phoning the police or another specialist service. The service is now operated by Hestia and our UK SAYS NO MORE campaign

2. Independent Approved Premise (IAP) Provision

In partnership with Home Group, we are pleased to be part of the Ministry of Justice's APEX expansion programme who have commissioned Hestia to provide a new female only AP in London – one of only 3 new APs commissioned in England and Wales in the last 40 years. We are very proud to treble the number of Approved Premises bed spaces available to women in London.

3. Modern Slavery

We increased our work with victims and survivors of modern slavery through our Victim Care Contract with the Salvation Army – supporting more than 1,700 men and women in the community at any one point in time and opening a further 22 units of accommodation in partnership with Network Homes.

Hestia has a 96.6% success rate in securing positive Conclusive Grounds for our service users compared to the national average of 89%.

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We also expanded our post service provision through our Reach In programme and our Phoenix Project supported by the Rayne Foundation. Pilgrim Trust and the David and Ruth Lewis Family Charitable Trust,

We also continued to provide survivors with a voice, with our fifth "Art is Freedom" Exhibition in October 2021 and publication of our seventh Underground Lives Report.

4. Back in Brent

Following successful tenders, we were successful in re-establishing accommodation services in Brent being contracted to provide support to more than 100 service users experiencing mental health issues, and 40 women and children escaping Domestic Abuse. The Domestic Abuse brings services back into Hestia that were previously managed up until 2012.

2021–22 In Detail

Service Quality

We measure service quality in two ways:

- We have built in a set of Quality KPI's which we measure quarterly and report to the Trustees.
- We undertake an annual satisfaction survey of service users to understand their views on the quality of services that we deliver.

KPI Reporting

We commenced reporting against service users and staff indicators in the year involving a combination of data sets across systems. We are still embedding the system but can report the results at both March 2022 and an update for September 2022.

Indicator		Target	March 2022 Result	September 2022 Result
User Experience:	Satisfaction	90%	95%	94%
	Independence	90%	88%	82%
	Involvement	90%	60%	56%
User Outcomes		75%	55%	72%
Staff Wellbeing and Engagement		75%	76%	78%

Within User Experience, both satisfaction and safety remain high, but involvement is consistently around 60%: we will follow this up with a review of co-production activity across Hestia and report that to the Board during 2022–23.

Service User Satisfaction Survey

In November 2021 we surveyed our service users and 784 responded to our surveys.

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Comparison With Adult Social Care Outcomes Framework (ASCOF)

We use our annual service user satisfaction survey to report against the ASCOF which 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 against comparative London wide measures (last reported in 2020):

Question	ASCOF Positive response rate London 2020	Hestia Positive Response rate 2021	Hestia Positive Response rate 2020
I am satisfied with my service / client satisfaction with care and support	59%	95%	95%
I know how the service works and what I am entitled to / I find it easy to get information	66%	87%	89%
I can control the kind of support I receive / Proportion of people who feel they have control over their daily life.	71%	89%	93%
I feel safe and secure in the service. / Proportion of people whose service help them to feel safe	83%	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.	43%	84%	84%

Comparison with the Communities and Local Government Outcomes Framework

Most Hestia's services are commissioned to achieve positive outcomes against the five domains from the Communities and Local Government outcomes framework.

Domain	Indicator	Target	2021 reporting achieved and partly achieved	2020 reporting achieved and partly achieved
Maximise economic well being	Achieve positive outcomes for those needing support to maximise their income by applying for the correct benefits	95%	94%	94%
Enjoy and achieve	Service users seeking to improve the quality of life for children	95%	99%	100%
	Service users requiring support to participate in activities	90%	84%	83%

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Domain	Indicator	Target	2021 reporting achieved and partly achieved	2020 reporting achieved and partly achieved
	Service users agreeing the service enabled them to develop independence and linked them into other services	95%	93%	96%
	Service users confirming they have as much social contact as they would like	90%	84%	84%
Being Healthy	Received support to better manage physical health	95%	94%	95%
	Received support to better manage mental health	95%	94%	93%
Staying Safe	Reduce the risk of harm from others	95%	99%	94%
	Received support to maintain accommodation	95%	92%	91%
	Service users confirming they felt safe and secure in the service	100%	95%	95%
Making positive contribution	Received support to be more confident in accessing services	95%	93%	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%	89%	89%

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 2022 are shown in the Balance Sheet. The financial statements should be read in conjunction with their related notes.

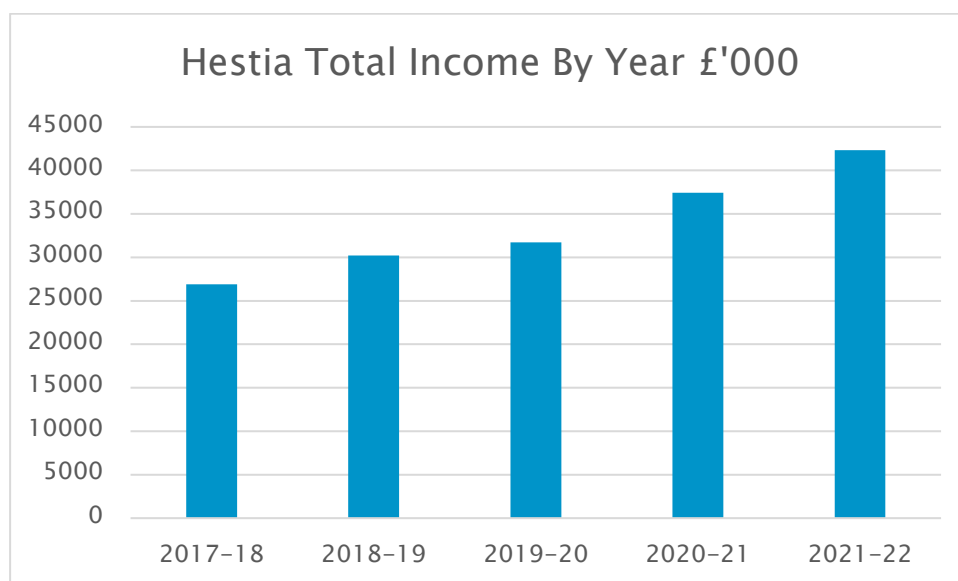
Income

Since 2017–18, income has grown steadily from £26.885 million in 2017–18 to £42.337 million – an increase of 57% (£15.451 million):

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The 5-year growth in income has been achieved largely through the addition of contracts – few of Hestia's contracts attract annual increases. The only annual increases are in 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 – 2021–22

Income Area	2021–22 £m	2020–21 £m	Change %
Unrestricted SP and Other Grants	£24.997	£22.569	+11%
Restricted Grants	£5.497	£3.594	+53%
Rents and Service Charges	£9.065	£8.353	+9%
Approved Premises Grant	£2.045	£1.694	+21%
Donations and Legacies	£0.555	£1.026	–46%
Investment Income	£0.178	£0.207	–14%
Total	£42.337	£37.443	+13%

- Income from Unrestricted Supporting People and Other Grants continue to form most Hestia's income – the 11% year on year increase was largely due to new contracts in the year and the impact of the re-negotiated Victim Care Contract with the Salvation Army which started in January 2020.
- Income from Restricted Grants grew as Hestia's health portfolio increased with the increase in crisis services.
- Rents and Service charges increased due to the rent increase applied in April 2021 (1.5%) and increased recovery from service charges.

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- The Approved Premises Grant increased year on year as the Approved Premise at Streatham was closed for major works in 2020-21 for major works.
- Donations and Legacy income fell year on year after the successful COVID related appeals in 2020-21.

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
2017-18	£62k	£8k	£70k	0.26%
2018-19	£187k	£49k	£236k	0.78%
2019-20	£38k	£92k	£130k	0.41%
2020-21 ¹	£503k	£416k	£919k	2.45%
2021-22 ¹	£494k	£416k	£910k	2.16%

Note 1 – in 2020-21 and 2021-22 the accounting statement of the defined benefits pension scheme was changed to reflect in year changes in the pension fund. This brings accounting treatment into line with required accounting practice however as the resulting increase in the value of value is unlikely to be accessible, we believe this treatment overstates the result for the year. Excluding the pension adjustment, the comparative figures would be:

Year	Net Income – Unrestricted	Net Income – Restricted	Total – £'000	Net Income as a % of Total Income
2020-21	£101k	£416k	£517k	1.38%
2021-22	£213k	£416k	£629k	1.49%

On an annual basis Trustees consider the forecast results for the year and have been able to make one off non-consolidated staff awards of around £250k shared equally across all staff. The unrestricted surplus is stated net of that provision.

Hestia's aim is to continue to generate surpluses on unrestricted funds that add to reserves, ensuring funds are spent on supporting our service users.

Balance Sheet

Hestia's balance sheet remains strong with total assets increasing from £15.098 million at 31 March 2021 to £16.921 million at 31 March 2022.

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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 2021-22	Hestia 2020-21
Annual Surplus	> £0	£910k	£919k
Current Assets: Current Liabilities	>1:1	1.68	1.71
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.

No capital additions or withdrawals were made in 2021-22, so 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 increases in stock valuations at 31 March 2022.

Hestia currently divides its investments between two managers. In line with capital market performance since 31 March 2022, Hestia's investments have increased in value since then.

The Finance and Fundraising Sub Committee monitor performance quarterly and meet with 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.

The two investment managers are:

- 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 2022 the value of the portfolio had increased to £7.009 million from £6.872 million.
At 18th November 2022 the value of the portfolio had increased to £7.437 million.
- 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 £1.838 million to £1.985 million.
At 30th September the value of the fund had increased to £2.014 million.

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 and the Commissioners have signalled their intention to retender the service in 2023.

The FRS102 valuation position as reported by the actuaries changed from a liability of £36k at 31 March 2021 to an asset of £374k at 31 March 2022 because of an increase in the valuation of assets and a reduction in the present value of liabilities due to changes in actuarial assumptions around salary and pension increases and the discount rate. Whilst we have recognised the asset in the financial statements, we believe it is unlikely that this would be realised if our participation were to cease in 2023.

Contributions to the scheme for 2021–22 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

Hestia's Operating Model

Most of Hestia's income arises from contracts awarded by commissioning partners. The majority of these are fixed for a number of years and subject to retendering at various intervals. This also provides opportunities for Hestia as contracts currently provided by others are also put out of tender which gives the potential to increase the contract base.

Our rents and service charges are also linked to commissioned contracts – Hestia owns very few properties in our own right.

Most of our fundraising activity has been linked to added value initiatives to support the contracts that we deliver.

Historically contracts have been awarded with no index linking and Hestia has been able to manage these in the recent low inflation environment.

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The current economic environment provides a number of challenges for Hestia:

- (a) The return of inflation puts pressure on costs which are challenging to recover against fixed price contracts.
- (b) The biggest cost pressure will be on salaries which account for 65% of Hestia's costs.
- (c) As the government struggles to balance the books, a second round of austerity is likely. This will affect our commissioning partners who will have less funding available and will be looking for efficiencies either through price reductions, increased outputs for fixed prices, or, in worst case scenarios, potentially cancelling services outright.

Increasing Demand

At the same time, we can only see an increase in the demand for Hestia's services, i.e.

- The cost of living crisis places strain on people, affecting their mental health, exacerbated by the ongoing and continuing effects of COVID.
- There is evidence that cost of living pressures within families can increase domestic abuse.
- The UK prison population remains at an all time high therefore community provision will be essential as a cost-effective alternative to imprisonment.
- The number of victims of modern slavery we support has remained consistently high for Hestia over the last two years and whether it is increased awareness and/ or more exploitation or both, we see the need and the level of the trauma experienced growing.

Hestia's Response

- Hestia has a history of working with Commissions to protect the services that we deliver and restructuring services to deliver positive outcome within both funding constraints and rising costs. We are committed to paying our staff, as a minimum, the London Living Wage (LLW) and following on from the work we did in 2021–23, seek to create further opportunities for salary enhancements to recruit and retain a quality workforce.
- We will be ready to say no to opportunities which we do not believe will be sufficiently funded.
- We need to be creative in looking at how we deliver services and to support that Trustees have agreed an updated Digital and I.T. strategy which looks at how we can deliver services differently and more cost effectively.
- We will continue to promote our Health Strategy, building on models of care and support which deliver real savings – focussing on the prevention of presentation at acute services (e.g., our older people's floating support services, our crisis cafes and our crisis home in Bexley) and providing short term accommodation that reduces bed blocking in hospitals – based on our Hounslow Hospital Discharge Scheme.
- We have fixed our gas and electricity for a period of 3 years from October 2022 and will continue to work to minimise the impact of rising energy costs on both the organisation and our service users.
- We will continue to speak for those who don't have the opportunity to put their points of view forward and will use our policy and communications framework to ensure the valuable services that we provide are not lost merely because of funding challenges.

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- Our refreshed Fundraising Strategy focusses on Trusts, and corporate and major donor giving. Trustees have also agreed to provide funding to review new fundraising opportunities. For Hestia, fundraising raises our profile and increases the amount of unrestricted income that we can generate to provide service users with a range of additional support opportunities.

Monitoring

New areas of activity require detailed assessment of the different risk profiles they will face and any investment in these requires prior approval by Trustees following robust analysis and challenge. Trustees formally review the strategy on an annual basis and have re-affirmed Hestia's strategy which included growth ambitions. Hestia's Directorate subsequently produced a number of indicators for Trustees around commissioning and fundraising which are constantly monitored to produce views on the likelihood of forecasts. Linked to this are proposals about how we manage our cost base to ensure that we remain a financially viable organisation and do not draw unnecessarily on our reserves.

Management of Risk

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

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

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

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

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

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

Reserves policy and going concern

Reserves

Hestia's Trustees have adopted a reserves policy which they consider appropriate to safeguard the organisation's operations and to ensure stability, taking into account future strategic plans and their associated risks and uncertainties. The main aim is to ensure that Hestia can meet all future financial obligations during periods of financial uncertainty and to cover any restructuring costs that may be required depending on external circumstances. Trustees also wish to ensure that the Charity's reserves are sufficient to meet obligations to all stakeholders in the event that the decision was taken to cease operations entirely.

Restricted reserves are set up where the commissioner or funder has a requirement that unused funds are carried forward to future years to support project initiatives or are repayable if unspent. At 31 March 2022, total restricted funds were £2.834 million (31 March 2021: £2.418 million).

Hestia's Trustees have approved designated reserves to cover planned strategic developments, including the development of our Digital, Health and Quality Strategies, as well as to provide for the ongoing development, maintenance and refurbishment of Hestia owned and leased property. At 31 March 2022, total designated funds were £1.427 million (31 March 2021: £1.489 million).

After taking into account restricted and designated reserves, the General Fund of Hestia rose from £11.155 million at 31 March 2021 to £12.286 million at 31 March 2022.

Trustees have considered the level of reserves on an annual basis taking onto the external environment and at 31 March 2022 consider that Hestia requires a reserve level of £10.639 million – up from £8.874 million at 31 March 2021. The increase reflects the increasingly uncertain external environment currently faced by the Charity.

Hestia's free reserves – defined as investments plus net current assets less restricted funds – stand at £10.68 million, hence these equate to 100% of the reserve requirement. Hestia's tangible fixed assets include £3 million of freehold property assets (valued at historic cost) which could be disposed of or used to raise finance if required.

Forecast and Budgets / Going Concern

The forecast for 2022–23 suggests that overall, the Charity will make a surplus over the year, after allowing for up to £600k of expenditure approved by Trustees to cover a range of development initiatives, including property refurbishment, Digital transformation and Fundraising investment. As a result, we expect overall reserves to be largely unchanged.

Projecting forward into 2023–24, Trustees have also considered an initial “no growth” budget which takes into account increased inflation on salaries, energy and other costs, limited in year contract

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uplifts and reduced fundraising. Without taking corrective in year action, General Funds would decrease to £9.610 million and net current assets would remain positive at £841k. As a result of that analysis, Trustees have agreed that it is appropriate to prepare the accounts on a going concern basis.

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 £0.555 million from donations and legacies and a further £1.442 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 by a range of corporate partners purchasing (Independent Domestic Violence Advocate (IDVA) services. Our Safe Spaces initiative in pharmacies and banks has been supported by the Postcode Innovation Trust's Dream Fund.
- 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, City Bridge Trust, City of Westminster Charitable Trust, The Carmela and Ronnie Pignatelli Foundation, The Scriveners' Company Sexcentenary Charity, Arnold Clark Community Fund, London and Quadrant Housing Trust, Swire Charitable Trust, KKR & Co.'s COVID Resilience Fund, the Childhood Trust, Uber, and BBC Children in Need.
- Our response to high levels of demand for our Domestic Abuse Refuges and community-based support during the ongoing COVID pandemic has been supported by grants and donations from MOPAC, the Tower Hamlets Local Community Fund, the Berkshire Community Foundation and the Safer Slough Partnership, Playtech's Recovery and Resilience Fund in partnership with the Charities Aid Foundation (CAF), Ikano Insight, HSBC Branch Network, the Hobson Charity and the Permira Foundation.
- Our digital innovation of hybrid support – including providing digital inclusion champions and a range of online support and activities with the support of the Fidelity Foundation, Barclays 100x100 UK COVID-19 Community Relief Funding, and the Permira Foundation/Social Business Trust's Digital Impact Fund.
- Our Phoenix Project – which provides ongoing support to victims of Modern Slavery after they have left our services – has been supported by corporate donations from Great Portland Estates, Hasbro, PZ Cussons, and Anthony Gold, and grants from the Rayne Foundation, Pilgrim Trust, the Albert Hunt Trust, the Austin and Hope Pilkington Trust, the Highway One Trust, and the David and Ruth Lewis Family Charitable Trust. Additional perinatal support for

Trustees' annual report (including the strategic report)

For the year ended 31 March 2022

pregnant survivors has been made possible by funding from Department for Health and Social Care's Starting Well Fund.

We are hugely grateful for the legacy left to Hestia by the late J. Mayers.

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.

Plans for the future

Hestia's strategic plan for 2019–2024 was developed in consultation with service users, staff and Trustees, with three key objectives linked to Hestia's strategic aims:

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

In March each year, Trustees agree an annual operational plan under each strategic aim and progress is monitored throughout the year. This gives Trustees the opportunity to review progress and to address any internal or external factors which arise and therefore ensure the plan is interactive and dynamic.

Trustees also meet once a year for a full day as a group with the main executive directors to review sector developments, how they affect Hestia and how we should respond. In 2022 Trustees will begin their review as we look to renew our strategic plan for 2024 onwards.

Underpinning the delivery of these are several sub strategies focussed on delivering the different strands of these aims, including:

- Quality Strategy
- People Strategy
- Fundraising Strategy
- Digital and IT Strategy
- Property Strategy

Service Quality

Hestia believes that demand for the services that we provide will continue to grow. The agencies that we work with are under increasing financial pressures and the challenge of providing more support and targeted interventions with less resources is already a constant conversation. The challenge for us is to that whilst delivering the best outcomes for our service users.

In 2022–23, we will:

1. Focus resources on the successful implementation, delivery and transformation of new services, including Brent Mental Health, Brent Domestic Abuse and the Lewisham Calabash Day Centre.
2. Identify and renegotiate contracts where quality / viability is a concern. This will include refusing to bid for contracts – even ones currently managed by Hestia – where we believe these are underfunded and therefore unsafe.
3. Ensure a return to minimum levels of face-to-face contact with our service users.
4. Implement the Digital and IT strategy and build upon the experience gained during COVID to develop a co-produced effective approach to hybrid working.
5. Refine our new quality KPI and implement plans to respond to issues that arise.
6. Develop phase 2 of '*The Hestia Approach*', Hestia's unique inhouse approach to supporting our service users.
7. Review our understanding of outcomes data with analysis of our CRM, InForm, as well as considering how to understand and audit service quality source information from services where data is held outside InForm (Modern Slavery, Ministry of Justice, Health Contract).
8. Seek to increase front-line entry level salaries combined with a refresh of our approach to recruitment as part of our People Strategy.
9. Implement the next stage of our Black Lives Matter Review.

Expanding our Service Offer

Hestia believes that we need to grow in order to achieve the economies that will support the delivery of the high-quality services that we aspire to. This is particularly challenging in the current economic environment with the return of inflation and the cost pressures that we as an organisation face but are also faced daily by our staff and our service users. However, we are conscious of the need to balance our ambitions for the organisation, for staff and for service users with the need to remain competitive.

The Care Act and the NHS long term plan recognise the benefit of further integration in the health and social care sectors, and in response we have expanded our health-related services with our short-term crisis provision and hospital discharge programmes.

With many of our services attracting minimum levels of investment, we have increased our focus on augmenting the services we deliver wherever possible through value added activities including fundraising and through expanding our support base.

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For the year ended 31 March 2022

In 2022–23, we will:

1. Retain / replace 100% of existing Health commissioned work, which enables us to attract and retain more skilled and experienced staff allowing us to make interventions that are more effective.
2. Grow our net business by £2 million by April 2023.
3. Following a refresh of the Fundraising Strategy, we will aim to secure £2 million of fundraised income in 2022–23, whilst scoping and testing new fundraising approaches.
4. Continue to invest in Hestia's property strategy with a focus on replacing / increasing Hestia's registered care provision.
5. Continue to offer Social Work Students, Counselling Students, Mental Health Nurse Students and Occupational Health Students to provide learning opportunities and additional specific support to our service users.
6. Continue to support our Domestic Abuse Prevention programmes – UK Says No More, Safe Spaces and Everyone's Business, seeking to raise public awareness about the responsibility of everyone to tackle domestic abuse and sexual assault and to support businesses in their response to domestic abuse. We will also continue to provide our Domestic Abuse Referral Line and assist women without recourse to public funds.
7. Continue to promote opportunities for survivors of Modern Slavery to rebuild their lives – through creative activities (e.g., Art is Freedom) and by fundraising to fund the post NRM support project, the Phoenix Project.
8. Implement a new management structure across our operations directorate to create more subject expert service directors with fewer direct reports so that we can better assure service quality.
9. Pilot and evaluate the use of EMDR in a supported housing setting (NICE recognised trauma treatment) both for child victims of domestic abuse and adults with more complex needs.
10. Expand Safe Spaces.

Strengthening our advocacy for our Service Users

Our aim is to ensure that the lived experiences of the people we work with influence policy development and result in better service design. Where we believe we have opportunities to do this, we will apply our resources to getting the voices of our service users heard. We will commission relevant research and undertake appropriate advocacy activity and participate in national campaigns.

In 2022–23 we will:

1. Continue to build our profile and influence in the modern slavery and domestic abuse spaces.
2. Research the experience of those presenting at our crisis alternative services across London.
3. Research the employment skills, qualifications and aspirations of adult victims of Modern Slavery within the Victim Care Contract.
4. Seek to influence the Nationality and Borders Bill and the Victim's Bill and the new Modern Slavery Strategy.
5. Undertake value for money / effectiveness evaluation on Crisis Alternatives.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2022

6. Advocate through the Victims Bill currently in parliament to provide improved support for victims of domestic abuse with a particular on supporting children affected by Domestic Abuse.

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.

Terrie Alafat has chaired the Board since her appointment in 2018. Terrie was Chief Executive of Chartered Institute of Housing and has a long career in the development of national housing policy and research. Anil Shenoy was appointed as Vice Chair in November 2021 having joined the Board of Hestia in 2015. Anil is currently Head of UK Institutional Investing at a global investment manager having previously worked in audit for PWC. He also chaired the Finance and Fundraising Sub Committee until April 2022.

During the year, Joanna Mark Richards and Sonal Shah joined the Board. Joanna is an experienced HR professional and previously served on the Board and was co-opted to the Governance Sub Committee. Sonal brings experience of fundraising to the Board having worked across a range of philanthropic organisations. Aisling Thompson resigned from the Board, and we are extremely grateful to Aisling for her contribution particularly in the development and implementation of Hestia's health strategy. Trustees are recruited based on an evaluation of the range of skills and experience needed to govern Hestia. They receive an induction pack which contains information about Hestia, its structure and operations, the Board and sub-committee structures, Trustee duties and responsibilities and the organisation's key policies. 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.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2022

Training is provided to the Board in line with identified needs. All Trustees undertake safeguarding training as this is a core responsibility of the Board. The Board have also appointed Rebecca Pritchard who has more than 30 years' experience in the homelessness and social care sector as the Board safeguarding lead. Trustees recently also received training on modern slavery. 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.
- Greg Solomon, Catalina Cernica and Tori Ellaway sit on the Digital and I.T. Sub Committee.
- Matthew Kelly and Chris Fry sit on the Performance Review Committee.

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 the appointment of an 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.

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.

Public Benefit

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

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 an independent Black Lives Matter review in 2021 we are embarking on building on the positives in our practices and identifying 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 inclusive leadership development workshops planned for 2023 and workshops supporting colleagues to have courageous conversations. A key element of this work is 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. Recently we have embarked on our application to achieve Disability Confident level 3, greater awareness and support on neuro diversity and the development of a co-produced Reasonable Adjustments policy.

Employee wellbeing has been a key focus for us for the last 4 years which included 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. More recently we have been rolling out clinical supervision for staff groups every 4 weeks across all 90 of 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.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2022

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 have also offered another 3 employees the opportunity to engage in a fully funded social work degree apprenticeship and are soon to commence our Health and Social Care academy.

Hestia has supported over 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

Hestia's Gender Pay Gap was 0.74% in 2020/21 reducing from 2.9% in 2019. In the coming 12 months we aspire to publishing our Ethnicity Pay Gap data also.

Our Trustees agree our Modern Slavery Statement each year and this is placed 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.

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.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2022

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.

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 have launched an 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.

Hestia has also recently negotiated a recognition agreement with a trade union to further support intelligence gathering and staff engagement. 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 2022, 90% 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.

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 2022.

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 2020 UK Government's Conversion Factors for Company Reporting.

Energy Usage

	01 April 2021 – 31 March 2022	01 April 2020 – 31 March 2021
Energy consumption used to calculate emissions (kWh)	7,592,742	7,469,636
Scope 1 emissions in metric tonnes CO ₂ e Gas Emissions	1,137.85	1,119.96
Scope 2 emissions in metric tonnes CO ₂ e Purchased Electricity	270.57	343.28
Scope 2 emissions in metric tonnes CO ₂ e Business Travel	25.66	13.47
Total gross emissions in metric tonnes CO₂e	1,434.08	1,476.71
Intensity ratio Tonnes CO ₂ e per occupant ¹	2,266	2,666

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

Measures taken to improve energy efficiency

Gas and Electricity meter reads are taken regularly every month and saved into a meter read website which reports accurate consumption for billing and budgeting purposes. This helps control energy use and ensures energy bills are accurate and excessive consumption can be immediately targeted for investigation. We also have AMR metering installed on a significant number of sites which helps to manage energy use.

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 2022 was 12 (2021: 11). The Trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was 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 6th December and signed on their behalf by

Terrie Alafat
Chair – Board of Trustees

Independent auditor's report

To the members of

Hestia Housing and Support

Opinion

We have audited the financial statements of Hestia Housing and Support (the 'charitable company') for the year ended 31 March 2022 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 2022 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

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

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

- 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. 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)

15 December 2022

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 2022

	Note	Unrestricted £'000	Restricted £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	2021 Total £'000
Income from:							
Donations and legacies	2	455	100	555	519	507	1,026
Charitable activities							
Provision of care and support	3	34,061	5,497	39,558	30,920	3,594	34,514
Operation of Approved Premises	3	2,046	–	2,046	1,696	–	1,696
Investments	4	178	–	178	207	–	207
Total income		36,740	5,597	42,337	33,342	4,101	37,443
Expenditure on:							
Raising funds	5	286	90	376	241	61	302
Charitable activities							
Provision of care and support	5	33,939	5,091	39,030	30,907	3,624	34,531
Operation of Approved Premises	5	2,021	–	2,021	1,691	–	1,691
Total expenditure		36,246	5,181	41,427	32,839	3,685	36,524
Net income before net gains / (losses) on investments		494	416	910	503	416	919
Net gains on investments		746	–	746	1,822	–	1,822
Net income before other recognised gains and losses		1,240	416	1,656	2,325	416	2,741
Actuarial gains / (losses) on defined benefit pension schemes		167	–	167	(425)	–	(425)
Net movement in funds		1,407	416	1,823	1,900	416	2,316
Reconciliation of funds:							
Total funds brought forward		12,680	2,418	15,098	10,780	2,002	12,782
Total funds carried forward		14,087	2,834	16,921	12,680	2,418	15,098

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 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Fixed assets:					
Tangible assets	11		3,033		2,499
Investments	12		8,995		8,710
			<u>12,028</u>		<u>11,209</u>
Current assets:					
Debtors	13	6,561		5,519	
Short term deposits		931		342	
Cash at bank and in hand		3,569		3,302	
		<u>11,061</u>		<u>9,163</u>	
Liabilities:					
Creditors: amounts falling due within one year	14	(6,542)		(5,238)	
Net current assets			<u>4,519</u>		<u>3,925</u>
Total assets less current liabilities			<u>16,547</u>		<u>15,134</u>
Defined benefit pension scheme asset / (liability)	16		374		(36)
Total net assets			<u>16,921</u>		<u>15,098</u>
The funds of the charity:	18a				
Restricted income funds			2,834		2,418
Unrestricted income funds:					
Designated funds		1,427		1,489	
General funds		12,286		11,155	
Pension reserve		374		36	
		<u></u>	<u>14,087</u>	<u></u>	<u>12,680</u>
Total unrestricted funds			<u>14,087</u>		<u>12,680</u>
Total charity funds			<u>16,921</u>		<u>15,098</u>

Approved by the trustees on 6th December 2022 and signed on their behalf by

Terrie Alafat
Chair – Board of Trustees

Brendan Sarsfield
Board Member

Hestia Housing and Support

Statement of cash flows

For the year ended 31 March 2022

	2022 £'000	£'000	2021 £'000	£'000
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	1,656		2,741	
Depreciation charges	68		69	
(Gains) on investments	(746)		(1,821)	
FRS 102 Adjustment	(243)		(425)	
Dividends, interest and rent from investments	(178)		(207)	
(Increase)in debtors	(1,042)		(1,067)	
Increase/(decrease) in creditors	1,304		(123)	
Net cash provided by / (used in) operating activities		819		(833)
Cash flows from investing activities:				
Dividends, interest and rents from investments	178		207	
Purchase of fixed assets	(602)		(28)	
Proceeds from sale of investments	2,460		5,019	
Purchase of investments	(1,999)		(3,189)	
Net cash provided by investing activities		37		2,009
Change in cash and cash equivalents in the year		856		1,176
Cash and cash equivalents at the beginning of the year		3,644		2,468
Cash and cash equivalents at the end of the year		4,500		3,644
Analysis of cash and cash equivalents				
	At 1 April 2021 £'000	Cash flows £'000	Other non- cash changes £'000	At 31 March 2022 £'000
Short Term deposits	342	589	–	931
Cash at bank and in hand	3,302	267	–	3,569
Total cash and cash equivalents	3,644	856	–	4,500

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 Maya House, 134 – 138 Borough High Street, London SE1 1LB.

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.

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 £1,000. 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 | 100 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.

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 appointeeship programmes at 31 March 2022 was £78k (at 31 March 2021: £64k)

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.

u) 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 activities.

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2022

2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	2021 Total £'000
Donations	159	100	259	327	507	834
Grants from Local Authorities	21	–	21	102	–	102
Legacies	275	–	275	–	–	–
Donated services	–	–	–	90	–	90
	455	100	555	519	507	1,026

3 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	2021 Total £'000
Income from support contracts	8,508	–	8,508	8,787	–	8,787
Income from other grants and fees	16,489	5,497	21,986	13,782	3,594	17,376
Residents fees and charges	9,064	–	9,064	8,351	–	8,351
Sub-total for provision of care and support	34,061	5,497	39,558	30,920	3,594	34,514
Approved Premises Grants	2,045	–	2,045	1,694	–	1,694
Residents charges	1	–	1	2	–	2
Sub-total for operation of Approved Premises	2,046	–	2,046	1,696	–	1,696
Total income from charitable activities	36,107	5,497	41,604	32,616	3,594	36,210

4 Income from investments

	2022 Total £'000	2021 Total £'000
Interest Receivable	–	2
Dividends from equity shares	178	205
	178	207

All income from investments is unrestricted.

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2022

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	2022 Total £'000	2021 Total £'000
Staff costs (Note 7)	280	17,447	1,021	84	2,652	21,484	20,025
Agency Staff Costs	–	2,641	124	1	100	2,866	2,994
Investment managers' fees	52	–	–	–	–	52	51
Premises Running Costs	–	5,703	446	–	–	6,149	4,944
Project administration costs	–	2,793	51	–	–	2,844	1,626
Service users costs / welfare	–	4,694	81	–	–	4,775	3,293
Office running costs	44	–	–	33	3,081	3,158	3,316
Audit Fees	–	–	–	29	–	29	36
Legal and professional fees	–	2	–	7	61	70	239
Trustee Expenses	–	–	–	–	–	–	–
	376	33,280	1,723	154	5,894	41,427	36,524
Support costs	–	5,604	290	–	(5,894)	–	–
Governance costs	–	146	8	(154)	–	–	–
Total expenditure 2022	376	39,030	2,021	–	–	41,427	
Total expenditure 2021	302	34,531	1,691	–	–		36,524

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2022

5b Analysis of expenditure (prior year)

	Charitable activities					2021 Total £'000
	Raising funds £'000	Provision of Care and Support £'000	Operation of Approved Premises £'000	Governance costs £'000	Support costs £'000	
Staff costs (Note 7)	251	16,520	932	87	2,235	20,025
Agency staff	–	2,994	–	–	–	2,994
Investment managers' fees	51	–	–	–	–	51
Premises Running Costs	–	4,375	569	–	–	4,944
Project Administration Costs	–	1,600	26	–	–	1,626
Residents Expenditure	–	3,280	13	–	–	3,293
Office running costs	–	–	–	–	3,316	3,316
Audit Fees	–	–	–	36	–	36
Legal and Professional Fees	–	–	–	15	224	239
	302	28,769	1,540	138	5,775	36,524
Support costs	–	5,632	143	–	(5,775)	–
Governance costs	–	130	8	(138)	–	–
Total expenditure 2021	302	34,531	1,691	–	–	36,524

6 Net income for the year

This is stated after charging :

	2022 £'000	2021 £'000
Depreciation	68	69
Operating lease rentals payable:		
Property	937	627
Other	214	147
Auditor's remuneration (excluding VAT):		
Audit	29	24
Over accrual in prior year	(5)	-
	21,484	20,025

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

Staff costs were as follows:

	2022 £'000	2021 £'000
Salaries and wages	19,085	17,952
Redundancy and termination costs	62	159
Social security costs	1,855	1,621
Employer's contribution to defined contribution pension schemes	708	610
Operating (income)/costs of defined benefit pension schemes (note 16)	(226)	(317)
	21,484	20,025

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:

	2022 No.	2021 No.
£60,000 – £69,999	4	1
£70,000 – £79,999	3	4
£80,000 – £89,999	1	1
£90,000 – £99,999	-	-
£100,000 – £109,999	-	1
£110,000 – £119,999	1	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £624,020 (2021: £649,691).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £153 (2021: £Nil) incurred by 1 (2021: 0) members 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 734 (2021: 680).

9 Related party transactions

There are no related party transactions to disclose for this financial year (2021: 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
Cost				
At the start of the year	2,988	249	47	3,284
Additions in year	582	19	1	602
Disposals in year	–	–	(32)	(32)
At the end of the year	3,570	268	16	3,854
Depreciation				
At the start of the year	526	215	44	785
Charge for the year	43	23	2	68
Eliminated on disposal	–	–	(32)	(32)
At the end of the year	569	238	14	821
Net book value				
At the end of the year	3,001	30	2	3,033
At the start of the year	2,462	34	3	2,499

Land with a value of £1,785,000 (2020: £1,494,000) 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 2022

12 Listed investments

	2022 £'000	2021 £'000
Fair value at the start of the year	8,710	8,718
Additions at cost	1,999	3,189
Disposal proceeds	(2,460)	(5,019)
Net gain on change in fair value	746	1,822
	<u>8,995</u>	<u>8,710</u>

Investments comprise:

	2022 £'000	2021 £'000
UK Common investment funds	1,985	1,838
Shares listed on the London Stock Exchange	7,010	6,872
	<u>8,995</u>	<u>8,710</u>

13 Debtors

	2022 £'000	2021 £'000
Trade debtors	738	135
Other debtors	629	804
Prepayments	345	335
Accrued income	4,849	4,245
	<u>6,561</u>	<u>5,519</u>

14 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	1,482	1,227
Taxation and social security	511	483
Other creditors	130	299
Accruals	1,822	1,900
Deferred income (note 15)	2,597	1,329
	<u>6,542</u>	<u>5,238</u>

15 Deferred income

Deferred income comprises grants for services received in advance

	2022 £'000	2021 £'000
Balance at the beginning of the year	1,329	992
Amount released to income in the year	(1,329)	(992)
Amount deferred in the year	2,597	1,329
	<u>2,597</u>	<u>1,329</u>

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 £709,255 for the year (2021: £666,955), 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 2022.

The employer's B260, relating to current employees, to the RBKCPF by the Charity for the year ended 31 March 2022 was fixed at 21.1% of pensionable pay up to 31 March 2023.

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

Assumptions	31 March 2022	31 March 2021
Inflation Rate (CPI)	3.15%	2.85%
Rate of increase in salaries	4.15%	3.85%
Rate of increase in pensions in payment	3.15%	2.85%
Discount rate	2.75%	2.00%
The Fair Value of the Assets of the Scheme and the Expected Return were:		
	31 March 2022	31 March 2021
	£'000	£'000
Equities	1,574	1,400
Property	124	90
Cash (including cash plus funds)	373	264
Total market value of assets	2,071	1,754
Present Value of Scheme Liabilities	(1,697)	(1,790)
Net pension asset / (liability)	374	(36)
Analysis of the amount charged to the Statement of Financial Activities:		
	2022	2021
	£'000	£'000
Current service costs	37	28
Net interest on defined liability	1	-
Administration expenses	-	1
	38	29

16 Pension schemes (continued)

	31 March	31 March			
	2022	2021			
	£'000	£'000			
Movement in defined benefit obligation in the year					
Opening defined benefit obligation	1,790	1,305			
Current service cost	37	28			
Interest cost	36	31			
Changes in finance assumptions	(173)	450			
Changes in demographic assumptions	4	(14)			
Experience gain / (loss) on defined benefit obligations	2	(11)			
Estimated benefits paid net of transfers in	(4)	(4)			
Contributions by scheme participants and other employers	5	5			
Closing defined benefit obligation	1,697	1,790			
	31 March	31 March			
	2022	2021			
	£'000	£'000			
Movement in fair value of fund assets in the year					
Opening fair value of fund assets	1,754	1,331			
Interest on assets	35	31			
Return on assets less interest	264	376			
Administration expenses	–	(1)			
Contributions by employers including unfunded	17	16			
Contributions by scheme participants and other employers	5	5			
Benefits paid	(4)	(4)			
Closing fair value of fund assets	2,071	1,754			
The employee numbers in the Scheme at 31 March were;	2022	2021			
Active employees	5	5			
Deferred pensioners	7	7			
Pensioners	1	1			
	2022	2021			
	£'000	£'000			
Actuarial return less expected return on fund assets	–	–			
Contributions from scheme participants	5	5			
Expected employer's contribution for the year ended 31 March	16	21			
	2022	2021	2020	2,019	2,018
History of experience gains and losses	£'000	£'000	£'000	£'000	£'000
Defined benefit obligations	(1,697)	(1,790)	(1,331)	(1,536)	(1,436)
Scheme assets	2,071	1,754	1,331	1,339	1,178
Surplus / (Deficit)	374	(36)	–	(197)	(258)

NHS Pension Schemes

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at 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 each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

16 Pension schemes (continued)

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 FReM 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 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM 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 recent demographic experience), and to recommend 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 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at <https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports>.

17a Analysis of net assets between funds (current 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 asset	374	–	–	374
Net assets at 31 March 2022	12,660	1,427	2,834	16,921

Hestia Housing and Support

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For the year ended 31 March 2022

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

	General unrestricted £'000	Designated £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	1,345	–	1,154	2,499
Investments	8,710	–	–	8,710
Net current assets	1,192	1,469	1,264	3,925
Defined benefit pension liabilities	(36)	–	–	(36)
Net assets at 31 March 2021	11,211	1,469	2,418	15,098

18a Movements in funds (current year)

	At 1 April 2021 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2022 £'000
Restricted funds:					
<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)	–	7
Starting Well Grant	–	280	(273)	–	7
Vodafone – Bright Sky development	17	–	(17)	–	–
Infection Control Funds	–	620	(620)	–	–
Total restricted funds	2,418	5,597	(5,181)	–	2,834
Unrestricted funds:					
Designated funds:					
Development, maintenance and refurbishment of existing projects	530	67	(46)	–	551
Infrastructure and new project developments	959	2	(85)	–	876
Total designated funds	1,489	69	(131)	–	1,427
General funds	11,155	37,417	(36,341)	55	12,286
Total unrestricted funds	12,644	37,486	(36,472)	55	13,713
Pension reserve	36	167	226	(55)	374
Total funds	15,098	43,250	(41,427)	–	16,921

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For the year ended 31 March 2022

18b Movements in funds (prior year)

	At 1 April 2020 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2021 £'000
Restricted funds:					
<u>Capital</u>					
Property expenditure:					
Purchase of Lynton Terrace	390	–	(5)	–	385
Purchase of Leigham Court Road	233	–	(3)	–	230
Improvements to:					
Leigham Court Road	321	–	(4)	–	317
Cologne Road	12	–	–	–	12
DOH – property purchase grant	214	–	(4)	–	210
<u>Revenue</u>					
Donations	157	507	(388)	–	276
Home Office – Refurbishment Grants	44	–	(44)	–	–
Other Home Office/ MOJ Grants	2	–	(2)	–	–
Outreach services	131	265	(242)	–	154
Children & family services	147	220	(147)	–	220
Women without recourse fund	20	–	–	–	20
Community Engagement	–	1,513	(1,286)	–	227
Digital Transformation	72	163	(96)	–	139
Domestic Abuse Prevention	63	250	(229)	–	84
Everyones' Business	1	638	(594)	–	45
The Phoenix Project	33	65	(55)	–	43
Sport England	33	160	(154)	–	39
Hestia Counselling Service	33	–	(33)	–	–
Vodafone – Bright Sky development	96	–	(79)	–	17
Infection Control Funds	–	319	(319)	–	–
Total restricted funds	2,002	4,100	(3,684)	–	2,418
Unrestricted funds:					
Designated funds:					
Development, maintenance and refurbishment of existing projects	510	67	(47)	–	530
Infrastructure and new project developments	959	–	–	–	959
Total designated funds	1,469	67	(47)	–	1,489
General funds	9,311	35,037	(33,193)	–	11,155
Total unrestricted funds	10,780	35,104	(33,240)	–	12,644
Pension reserve	–	36	–	–	36
Total funds	12,782	39,240	(36,924)	–	15,098

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.

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	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Less than one year	1,030	558	120	124
One to five years	926	129	259	365
	1,956	687	379	489

20 Capital commitments

At 31 March 2022, the charity had capital commitments of £143,000 outstanding (31 March 2021: £Nil).

21 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.