

Company number: 4151312

Charity number: 1089987

Groundswell Network Support UK

(Operating as Groundswell)

Report and financial statements
For the year ended 31 March 2018

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For the year ended 31 March 2018

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Groundswell Network Support UK

Reference and administrative information

For the year ended 31 March 2018

Company number 4151312

Charity number 1089987

Registered office and operational address 6th Floor St Matthews
Brixton Hill, London
London, England
SW2 1JF

Country of registration England & Wales, Scotland or Northern Ireland

Country of incorporation United Kingdom

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:

Terry Hitchcock	Chair
Steve Wyler OBE	Treasurer
Jenny Yates	(appointed 31 st January 2018)
Martyn Robson	(resigned 1 st August 2017)
Lynn Young	
Laura Austin Croft	
Andrew Campbell	(resigned 30 th July 2018)
Matthew Harrison	
Dr Alistair Story	
Jose Mavromatis	(appointed 31 st July 2018)
Susan Harrison	(appointed 31 st July 2018)

Key management personnel

Athol Halle	Chief Executive (resigned 29 th September 2017)
Frances Mapstone	Interim Chief Executive (2 nd October – 20 th December 2017)
Steven Platts	Chief Executive (appointed 2 nd January 2018)
Kate Bowgett	Director of Advocacy
Martin Burrows	Director of Research & Campaigns
Adam Marshall	Progression Manager

Bankers

Unity Trust Bank
4 Oozells Square
Birmingham B1 2HB

CAF Bank Ltd.
25 Kings Hill Avenue
West Malling
Kent ME19 4JQ

Groundswell Network Support UK

Reference and administrative information

For the year ended 31 March 2018

Solicitors	Bates Wells & Braithwaite Cheapside House 138 Cheapside London EC2V 6BB
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane LONDON EC1Y 0TL

Trustees' annual report

For the year ended 31 March 2018

The trustees present their report and the audited financial statements for the year ended 31 March 2018.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association 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

Our strategic vision

Health First. For Groundswell to create peer-led solutions to homelessness, with health at the heart of our work. With three strategic priorities:

- To develop further Groundswell's Peer Support Programme to address the health inequalities faced by people experiencing homelessness.
- To develop further our Insight & Action Programme of participatory research to generate a new understanding of homelessness and make positive social change.
- To develop Groundswell as a healthier and more sustainable organisation.

Our mission

Groundswell exists to enable homeless and vulnerable people to take more control of their lives, have a greater influence on services and to play a fuller role in our community.

Our Core Beliefs

- The whole community benefits when we effectively tackle homelessness and social exclusion.
- We believe in people. People are society's most valuable resource, and everyone has the capacity to make a contribution.
- Inclusive solutions! The only way to genuinely tackle homelessness and social exclusion is by utilising the knowledge and expertise of people affected by these issues.
- There is no Them & Us — only Us. Groundswell brings everyone together to create effective solutions.
- Involvement works! When everyone is involved, the process creates more effective services and enables people to regain their independence.

Our activities and achievements

Homeless Health Peer Advocacy: Our award-winning advocacy service trains up volunteers with experience of homelessness to support vulnerable homeless people to attend health appointments; deliver health information sessions in hostels and other settings; work to improve

Trustees' annual report

For the year ended 31 March 2018

services for homeless people; support homeless people's mental health needs and develop strategies to build resilience.

In 2017/18 we received funding for a National Expansion Manager to take HHPA nationwide, alongside our plans to work in more London boroughs. Groundswell aims to work in towns and cities where homelessness is on the rise by partnering with local homelessness and health services to identify peers who have local knowledge of the needs and support services available. Over 2017/18, the service had over 2000 referrals from 101 different referral partners. There were 42 active volunteers in the year who supported 339 homeless people.

Insight & Action: Last year 29 individuals volunteered as peer researchers or peer journalists for Groundswell, taking the lead on our frontline research which included 708 participants, 91% of them who had lived experience of homelessness. Recent projects included:

- Articles, podcasts and videos in partnership with The Pavement, the UK's free magazine for homeless people.
- Three national peer-led research projects for the homelessness charity Crisis – including supporting their 'Plan to end homelessness' launching in June 2018 through consultations with homeless people across UK.
- Commissioned by Hammersmith & Fulham (H&F) council to conduct research with homeless people, informing their strategy to end rough sleeping.

Progression Programme: Volunteering for Groundswell has a positive impact on our peers. Peers feel part of society, use their knowledge and experience to benefit others and have increased self-esteem. Practically, peers learn to manage their time and budgets and improve their employability through training and front-line experience.

We are committed to ensuring that our peers, as a disadvantaged group in society, can accomplish their goals and overcome the challenges they are facing that may be preventing them from achieving their potential. Groundswell's progression coaches help peers to focus on where they were, where they are now and where they want to be.

During 2017/18:

- Our progression coaches supported **69** peers over **1,105** sessions.
- Over **25%** of our peers started paid work last year, **5** of them with Groundswell.

Plans for future periods

Homeless Health Peer Advocacy

- Maintain existing contracts and grow the service in London by developing partnerships in new boroughs.
- Take HHPA nationwide by working in major towns and cities where homelessness is also on the rise.

Insight & Action

- A stronger focus on campaigning, using our insights to create action and change improving the lives of people who are homeless.
- Develop our consultancy service. This is already growing: we have been commissioned by Crisis to lead a three-year evaluation of the 'Homelessness Reduction Act'.
- Delivering two pilot projects with King's College around the roll out of Universal Credit and its impact on the health of homeless people.

Progression Programme

- Expand the progression programme to support clients and former volunteers with the recent addition of a second progression coach.
- Based on the identified need through our peers, we have recently secured funding so we can support peers with legal barriers (e.g. debt, benefit discrepancies). Our peer advocates and caseworkers are undertaking legal capabilities training so they can offer basic advice and signposting to their clients.

Financial review

Income

Groundswell's income was £998,184 during the year, our largest ever income and a 19% increase on the previous year (£837,772). Expenditure, at £933,101, was 14% up on the previous year (£815,406). This resulted in a surplus of £65,083 for the year (2017: £22,366).

Reserves

The Trustees, after a careful assessment of the Charity's risks, have determined that the reserves policy should be to hold a contingency for unexpected expenditure and to allow time in the event of a sudden cessation of key funding to source alternatives. In the light of this, Groundswell's reserve target is four months running costs, £330,000.

At 31 March 2018 the total reserves carried forward were £203,747 (2017: £138,664) of which £190,193 related to unrestricted reserves and £13,554 to restricted reserves. The figure of £203,747 represents 62% of our reserves target, which is an improvement on the 2017 figure.

Thanks to our supporters

Big Lottery Fund, Bupa UK Foundation, City Of London, Comic Relief, Crisis, Drapers' Charitable Fund, Fore Trust, Garfield Weston Foundation, Gilead Sciences Limited, Greater London Authority, Grosvenor Chapel, Guys & St Thomas Foundation Trust, Halcrow Foundation Ltd, Hyde Park Place Estate Charity, Kingsley Napley, Legal Education Foundation, London Borough Hammersmith & Fulham, London Borough of Camden CCG, Marsh Christian Trust, Merchant Taylors' Company, Mrs Smith & Mount Trust, NHS Central London (Westminster) CCG, NHS Hammersmith & Fulham CCG, NHS TOWER HAMLETS CCG, NHS West London (K&C & QPP) CCG, Social Engine, Stavros Niarchos

Foundation, StreetSmart, The Albert Hunt Trust, The Henry Smith Charity, Trust for London, Tudor Trust, University College London, UCLH, University of Plymouth, Westminster Foundation

Principal risks and uncertainties

Groundswell operates a robust risk management and control framework, including the preparation of a detailed annual risk register. Key ongoing and emerging risks are reviewed quarterly by both the Finance Committee and the Senior Management Team. Additionally, the Charity operates a thorough system of incident reporting, which is managed by the Senior Management Team and overseen by the People Committee.

The Groundswell Trustees fully acknowledge the risk that is inherent in the Charity's work. We take these risks consciously and conscientiously, applying our thorough risk framework to our work – as we believe that empowering people experiencing homelessness to be at the heart of delivering solutions to homelessness is the most effective way to address the growing societal concern of homelessness.

Structure, governance and management

Governance

The management of the Company is the responsibility of the Board Members who are appointed under the terms of the Articles of Association. The Board Members perform the role of Directors in company law and of Trustees in charity law. The minimum number of Trustees is four, with a maximum of 12. Those who served during the period are listed on page one.

There are two routes to becoming a Groundswell Board Member. Firstly, the Forum elects two representatives. The Forum comprises current and former Groundswell Volunteers, all with personal experience of homelessness, and is a central feature of governance at Groundswell, with each Board Meeting commencing with feedback from the Forum to the Board and concluding with feedback from the Board back to the Forum. Secondly, the remaining Trustees are recruited openly. 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.

Board Meetings are held quarterly to ensure that the charity is operating effectively and within its aims. Additionally, the Board operates two standing sub-committees: A Finance Committee, which maintains a consistent framework for financial and risk control in Groundswell, and a People Committee, which supports Groundswell to be a healthy, safe and enabling organisation for its staff and Volunteers.

Remuneration Policy

Groundswell's People Committee oversees remuneration, with responsibility for external benchmarking, salary recommendations, recruitment processes and cost of living increases. Groundswell aims to ensure that all staff are appropriately remunerated for their work. We achieve a fair balance which takes into account: the aim of attracting suitably qualified and dedicated staff,

the external environment, the organisation's financial position and considerations of our beneficiaries.

Management

Groundswell operates a Senior Management Team to oversee the successful delivery of activities. The members of that team who served during the year are listed on page 1. The total amount of salary costs associated with this group in 2017–18 was £183,771 (2016: £205,964), of which £16,157 were Employer National Insurance Contributions.

Achievements and Performance in the Delivery of Public Benefit

The Groundswell Trustees have taken account of Section 17 (5) of the Charities Act and the Charities (Accounts and Reports) Regulations 2008, which require us to have regard to the guidance on public benefit issued by the Charity Commission when exercising their duties. We state that the activities delivered by Groundswell during 2017–18, described in this report, directly further Groundswell's charitable objects and that these activities have been undertaken for the public benefit.

Statement of Responsibilities of Trustees

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

Company law requires the 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; and
- 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.

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

Trustees' annual report

For the year ended 31 March 2018

governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The Trustees have no beneficial interest in the charity.

Auditor

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

The trustees' annual report has been approved by the trustees on 7 November 2018 and signed on their behalf by

Jenny Yates
Treasurer

Terry Hitchcock
Chair

Independent auditor's report

To the members of

Groundswell Network Support UK

Opinion

We have audited the financial statements of Groundswell (the 'charitable company') for the year ended 31 March 2018 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 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

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

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

Other information

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

Independent auditor's report

To the members of

Groundswell Network Support UK

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

We have nothing to report in this regard.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual 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.

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; or

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

Groundswell Network Support UK

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report

To the members of

Groundswell Network Support UK

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.

Other matter

The financial statements of Groundswell for the year ended 31 March 2017 were not audited. They were independently examined by Joanna Pittman of Sayer Vincent LLP.

Joanna Pittman (Senior statutory auditor)

28 November 2018

for and on behalf of Sayer Vincent LLP, Statutory Auditor

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

Groundswell Network Support UK

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

For the year ended 31 March 2018

	Note	Unrestricted £	Restricted £	2018 Total £	Unrestricted £	Restricted £	2017 Total £
Income from:							
Donations and legacies	2	219,569	–	219,569	140,200	–	140,200
Charitable activities	3						
Homeless Health Peer Advocacy		411,221	158,286	569,507	393,979	131,683	525,662
Insight & Action		57,418	77,087	134,505	20,003	70,576	90,579
Volunteer Progression		–	62,850	62,850	–	20,000	20,000
Supported Core Projects		10,000	1,750	11,750	–	59,520	59,520
Other trading activities	4	–	–	–	1,785	–	1,785
Investments		3	–	3	26	–	26
Total income		698,211	299,973	998,184	555,993	281,779	837,772
Expenditure on:							
Raising funds	5	95,290	–	95,290	42,754	–	42,754
Charitable activities	5						
Homeless Health Peer Advocacy		439,031	153,684	592,715	463,691	131,683	595,374
Insight & Action		58,834	77,087	135,921	34,706	70,576	105,282
Volunteer Progression		35,892	53,898	89,790	10,111	20,000	30,111
Supported Core Projects		–	19,385	19,385	–	41,885	41,885
Total expenditure		629,047	304,054	933,101	551,262	264,144	815,406
Net income / (expenditure) for the year and net movement in funds	6	69,164	(4,081)	65,083	4,731	17,635	22,366
Reconciliation of funds:							
Total funds brought forward		121,029	17,635	138,664	116,298	–	116,298
Total funds carried forward		190,193	13,554	203,747	121,029	17,635	138,664

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 16 to the financial statements.

Balance sheet

Company no. 4151312

As at 31 March 2018

	Note	£	2018 £	£	2017 £
Fixed assets:					
Tangible assets	11		<u>9,889</u>		<u>16,585</u>
			9,889		16,585
Current assets:					
Debtors	12	68,242		87,601	
Cash at bank and in hand		<u>278,621</u>		<u>94,123</u>	
		346,863		181,724	
Liabilities:					
Creditors: amounts falling due within one year	13	<u>(153,005)</u>		<u>(59,645)</u>	
Net current assets			193,858		122,079
Total net assets			<u>203,747</u>		<u>138,664</u>
The funds of the charity:	15				
Restricted income funds			13,554		17,635
Unrestricted income funds:					
General funds		<u>190,193</u>		<u>121,029</u>	
Total unrestricted funds			190,193		121,029
Total charity funds	16		<u>203,747</u>		<u>138,664</u>

Approved by the trustees on 7 November 2018 and signed on their behalf by

Terry Hitchcock
ChairJenny Yates
Treasurer

Statement of cash flows

For the year ended 31 March 2018

	Note	2018 £	£	2017 £	£
Cash flows from operating activities	17				
Net cash provided by / (used in) operating activities			186,815		42,709
Cash flows from investing activities:					
Dividends, interest and rents from investments		3		26	
Purchase of fixed assets		(2,320)		(9,638)	
Net cash provided by / (used in) investing activities			(2,317)		(9,612)
Change in cash and cash equivalents in the year			184,498		33,097
Cash and cash equivalents at the beginning of the year			94,123		61,026
Cash and cash equivalents at the end of the year			278,621		94,123

1 Accounting policies

a) Statutory information

Groundswell Network Support UK is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is Level 6, St Matthew's Church, Brixton, London, SW2 1JF.

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) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) 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.

c) Public benefit entity

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

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

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.

1 Accounting policies (continued)

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.

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 charitable company in inducing third parties 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 and conducting research 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 cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

● HHPA Contracts	50%
● HHPA Projects	15%
● Insight & Action	15%
● Progression	10%
● Fundraising	10%

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 £500. 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:

● Computer Equipment	4 years
● Furniture, fixtures and fittings	4 years

1 Accounting policies (continued)**m) 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.

n) 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.

o) 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.

p) 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

q) Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Gift aid	40,095	–	40,095	10,034
Personal donations	155,349	–	155,349	53,259
Donations from foundations, trusts and other corporate bodies	24,125	–	24,125	76,907
	<u>219,569</u>	<u>–</u>	<u>219,569</u>	<u>140,200</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Homeless Health Peer Advocacy:				
Bupa UK Foundation	–	31,944	31,944	25,556
City of London – City Bridge Trust	–	35,833	35,833	11,667
Greater London Authority	–	62,509	62,509	50,000
Guy's & St Thomas' NHS Foundation Trust	37,500	–	37,500	36,458
Hyde Park Place Estate Charity	–	5,000	5,000	4,980
Imperial College Healthcare Charity	–	–	–	18,000
London Borough of Hammersmith and Fulham	40,000	–	40,000	40,000
London Borough of Wandsworth	–	–	–	7,500
London Clinical Commissioning Groups	247,972	–	247,972	233,207
SEGRO	–	–	–	3,980
The Rayne Foundation	–	–	–	10,000
University College London	–	–	–	26,166
University College London Hospital	85,749	–	85,749	58,148
Gilead Sciences Ltd	–	15,000	15,000	–
Merchant Taylors' Company	–	3,000	3,000	–
Drapers' Charitable Fund	–	5,000	5,000	–
Sub-total for Homeless Health Peer Advocacy	411,221	158,286	569,507	525,662
Insight & Action:				
Comic Relief	–	38,187	38,187	32,676
Crisis	20,000	–	20,000	5,000
London Borough of Hammersmith and Fulham	11,820	–	11,820	–
London Clinical Commissioning Groups	13,337	–	13,337	15,003
University College London	2,967	–	2,967	–
Trust for London	–	38,900	38,900	37,900
University of Plymouth	2,800	–	2,800	–
Social Engine	6,494	–	6,494	–
Sub-total for Insight & Action	57,418	77,087	134,505	90,579
Volunteer Progression:				
StreetSmart	–	20,000	20,000	20,000
Mrs. Smith & Mount	–	5,000	5,000	–
Halcrow Foundation Ltd	–	23,850	23,850	–
Legal Aid Foundation	–	14,000	14,000	–
Sub-total for Volunteer Progression	–	62,850	62,850	20,000
Supported Core Projects:				
Big Lottery – Local Sustainability Fund	–	500	500	49,520
Clore Leadership Programme	–	–	–	10,000
Fore (Bulldog) Trust	–	1,250	1,250	–
Evolve	–	–	–	90
Weston Family Trustee	10,000	–	10,000	–
Sub-total for Supported Core Projects	10,000	1,750	11,750	59,610
Total income from charitable activities	478,639	299,973	778,612	695,851

4 Income from other trading activities

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Room hire	-	-	-	1,785
	-	-	-	1,785

5 Analysis of expenditure

	Charitable activities						2018 Total £	2017 Total £
	Raising funds £	Homeless Health Peer Advocacy £	Insight and Action £	Volunteer Progression £	Supported Core Projects £	Governance costs £		
Staff costs (Note 7)	68,489	324,902	57,151	55,228	–	573	105,701	529,207
Project costs	18	97,268	38,512	7,922	18,498	454	20,253	172,820
Accommodation expenses	–	–	–	–	–	–	92,195	74,539
Office expenses	186	379	571	43	–	–	13,193	13,695
IT and system expenses	417	–	418	418	1,710	–	10,021	12,333
External professional expenses	–	–	–	–	–	13	–	13
Depreciation and loss on disposal	–	–	–	–	–	–	9,016	5,753
Finance charges	–	–	–	–	–	–	434	400
Trustee expenses (incl. insurance)	–	–	–	–	–	913	–	1,550
Strategic development	–	–	–	–	–	–	–	1,380
Audit costs	–	–	–	–	–	8,205	–	3,716
Bad debts written off	–	–	–	–	–	–	–	–
	69,110	422,549	96,652	63,611	20,208	10,158	250,813	815,406
Support costs	25,164	163,564	37,745	25,163	(824)	–	(250,813)	–
Governance costs	1,016	6,602	1,524	1,016	–	(10,158)	–	–
Total expenditure 2018	95,290	592,715	135,921	89,790	19,384	–	–	815,406
Total expenditure 2017	42,754	595,374	105,282	30,111	41,885	–	–	815,406

Of the total expenditure, £629,047 was unrestricted (2017: £551,262) and £304,054 was restricted (2017: £264,144).

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2018 £	2017 £
Depreciation	6,233	5,753
Loss or profit on disposal of fixed assets	2,783	–
Operating lease rentals:		
Property	56,444	44,035
Equipment	1,939	1,372
Auditor's remuneration (excluding VAT):		
Audit	6,750	–
Independent examination		3,060
	<u> </u>	<u> </u>

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

Staff costs were as follows:

	2018 £	2017 £
Salaries and wages	516,915	449,217
Redundancy and termination costs	–	930
Social security costs	43,553	37,425
Employer's contribution to defined contribution pension schemes	21,632	19,604
Staff welfare	7,083	10,156
Recruitment costs	16,690	6,366
Other (including training)	6,171	5,509
	<u>612,044</u>	<u>529,207</u>

No employee earned more than £60,000 during the year (2017: nil).

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £183,771 (2017: £205,964).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2017: £nil). No charity trustee received payment for professional or other services supplied to the charity (2017: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £Nil (2017: £717) incurred by Nil (2017: 2) 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 20.4 (2017: 18.5).

Staff are split across the activities of the charitable company as follows (head count basis):

	2018 No.	2017 No.
Homeless Health Peer Advocacy	12.5	10.6
Insight & Action	2.3	3.0
Volunteer Progression	1.4	1.0
Fundraising	1.1	0.6
Support	3.1	3.3
	<u>20.4</u>	<u>18.5</u>

9 Related party transactions

There are no related party transactions to disclose for 2018 (2017: none).

Aggregate donations from related parties were £70,000 (2017: £50,000).

10 Taxation

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

11 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At the start of the year	3,566	32,072	35,638
Additions in year	1,140	1,180	2,320
Disposals in year	(3,566)	–	(3,566)
At the end of the year	<u>1,140</u>	<u>33,252</u>	<u>34,392</u>
Depreciation			
At the start of the year	783	18,270	19,053
Charge for the year	–	6,233	6,233
Eliminated on disposal	(783)	–	(783)
At the end of the year	<u>–</u>	<u>24,503</u>	<u>24,503</u>
Net book value			
At the end of the year	<u>1,140</u>	<u>8,749</u>	<u>9,889</u>
At the start of the year	<u>2,783</u>	<u>13,802</u>	<u>16,585</u>

All of the above assets are used for charitable purposes.

12 Debtors

	2018 £	2017 £
Trade debtors	54,117	48,215
Other debtors	375	480
Prepayments	–	4,573
Accrued income	13,750	34,333
	<u>68,242</u>	<u>87,601</u>

All of the charity's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in note 13 below.

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	1,947	708
Taxation and social security	13,715	12,057
Other creditors	4,738	4,512
Accruals	10,255	10,424
Deferred income	122,350	31,944
	<u>153,005</u>	<u>59,645</u>

14 Deferred income

Deferred income comprises income received before the period to which it relates.

	2018 £	2017 £
Balance at the beginning of the year	31,944	1,000
Amount released to income in the year	(31,944)	(1,000)
Amount deferred in the year	122,350	31,944
Balance at the end of the year	<u>122,350</u>	<u>31,944</u>

15a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	9,889	–	–	9,889
Net current assets	180,304	–	13,554	193,858
Net assets at 31 March 2018	<u>190,193</u>	<u>–</u>	<u>13,554</u>	<u>203,747</u>

15b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	16,585	–	–	16,585
Net current assets	104,444	–	17,635	122,079
Net assets at 31 March 2017	<u>121,029</u>	<u>–</u>	<u>17,635</u>	<u>138,664</u>

16a Movements in funds (current year)

	At 1 April 2017 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2018 £
Restricted funds:					
Homeless Health Peer Advocacy	–	158,286	(153,684)	–	4,602
Insight & Action	–	77,087	(77,087)	–	–
Volunteer Progression		62,850	(53,898)		8,952
Supported Core Projects	17,635	1,750	(19,385)	–	–
Total restricted funds	17,635	299,973	(304,054)	–	13,554
Unrestricted funds:					
General funds	121,029	698,211	(629,047)	–	190,193
Total unrestricted funds	121,029	698,211	(629,047)	–	190,193
Total funds	138,664	998,184	(933,101)	–	203,747

The narrative to explain the purpose of each fund is given at the foot of the note below.

16b Movements in funds (prior year)

	At 31 March 2016 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2017 £
Restricted funds:					
Homeless Health Peer Advocacy	–	131,683	(131,683)	–	–
Insight & Action	–	70,576	(70,576)	–	–
Volunteer Progression		20,000	(20,000)		
Supported Core Projects	–	59,520	(41,885)	–	17,635
Total restricted funds	–	281,779	(264,144)	–	17,635
Unrestricted funds:					
General funds	116,298	555,993	(551,262)	–	121,029
Total unrestricted funds	116,298	555,993	(551,262)	–	121,029
Total funds	116,298	837,772	(815,406)	–	138,664

Purposes of restricted funds

Homeless Health Peer Advocacy: This service provides practical support for homeless people to access healthcare.

Insight and Action: Groundswell's participatory action research work investigating and providing insight into health related issues which affect people experiencing homelessness.

Volunteer Progression: This programme provides support and coaching to Groundswell volunteers to enable them to progress – with a focus on securing paid employment.

Supported Core Projects: Various projects to support the long term sustainability of Groundswell as an organisation.

17 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2018 £	2017 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	65,083	22,366
Depreciation charges	6,233	5,753
Dividends, interest and rent from investments	(3)	(26)
(Profit)/loss on the disposal of fixed assets	2,783	–
(Increase)/decrease in debtors	19,359	(17,604)
Increase/(decrease) in creditors	93,360	32,220
Net cash provided by / (used in) operating activities	186,815	42,709

18 Operating lease commitments

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

	Property		Equipment	
	2018 £	2017 £	2018 £	2017 £
Less than one year	40,000	46,000	1,939	1,372
One to five years	150,000	–	–	1,705
Over five years	–	–	–	–
	190,000	46,000	1,939	3,077

19 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.