

Company Number: 2020165
Charity Number: 294555

HESTIA HOUSING AND SUPPORT
(a company limited by guarantee and
not having a share capital)

Consolidated Financial Statements
31 March 2019

Consolidated financial statements for the year ended 31 March 2019

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HESTIA HOUSING AND SUPPORT

Reference and administrative details

Trustees	Committee Membership			
	Governance	Finance and Fundraising	Performance Review	Approved Premises
Terrie Alafat – Chair (Co-opted 25 September 2018 / formally appointed 4 December 2018)	X			
Malcolm Jenkin – Vice Chair	X			Chair
Martin Cheeseman – (End of term 4 December 2018)	X	X	X	X
David Jobbins	X		Chair	
Anil Shenoy	X	Chair		
Charles Fraser – (Resigned 25 September 2018)	X		X	
Vic Rayner				
Alex Hyde-Smith		X		
Michael Trup (co-opted 20 March 2018 / formally appointed 4 December 2018)		X		
Christina Marriot (co-opted 4 December 2018)				X
Elizabeth Zacharias (co-opted 4 December 2018)			X	

The Governance Committee is chaired by Joanna Mark-Richards, a non-Trustee member. Other non-Trustee members during the year were Greg Solomon (Performance Review Committee), and Narvind Johal (Finance and Fundraising Sub Committee).

Key management personnel

Secretary and Chief Executive	Patrick Ryan
Director of Finance	Christopher Clarke
Human Resources Director	Melanie Cox
Regional Director of Operations	Gayle Lowery-Jones
Regional Director of Operations	Abigail Ampofo
Director of Performance and Development	Paula Murphy
Director of Fundraising and Communications	Jo Tilley-Riley

Auditor

BDO LLP
Chartered Accountants
55 Baker Street
London
W1U 7EU

Principal Bankers

Barclays Bank plc
74 Shepherds Bush Green
London
W12 8QB

Registered office

Maya House
134-136 Borough High Street
London
SE1 1LB

Solicitors

Russell-Cooke
2 Putney Hill
London
SW15 6AB

Company number: 2020165

Charity number: 294555

HESTIA HOUSING AND SUPPORT

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2019

The Trustees, being the Directors of the charitable company, present their report and the audited consolidated financial statements for the year ended 31 March 2019 of Hestia Housing and Support (Hestia).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

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

At 31 March 2018, Hestia acted as Corporate Trustee for Healthwatch Central West London which operated through its own Board of Trustees. Healthwatch Central West London became an independent organisation on 1st April 2018 at which point it ceased to be a subsidiary of Hestia. On 1st April 2018, Hestia became the Corporate Trustee of the Corporate Alliance Against Domestic Violence which became a subsidiary of Hestia from that date.

Governance and Management

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

Terrie Alafat was appointed as Chair of the Charity in December 2019 following the retirement of Martin Cheeseman. Until recently, Terrie was Chief Executive of the Chartered Institute of Housing and has had a long career in housing policy and research at both local and national government levels.

Martin Cheeseman retired from the position of Chair in December and also stood down as a Trustee, having joined the Board in 2013. We are grateful for the leadership that Martin brought to Hestia over the last 6 years and Martin remains involved with the Group in his role as Chair of Corporate Alliance Against Domestic Violence.

Charles Fraser resigned from the Board in September and thank him for the assistance he provided as a member of the Board, the Governance Sub Committee and the Performance Review Committee.

During the year, Christina Marriot and Elizabeth Zacharias were co-opted to the Board: Christina is Chief Executive of the Revolving Doors Agency and Elizabeth is a Senior Consultant with Campbell Tickell. Both Christina and Elizabeth bring a range of strengths to the Board, including experience of the health services, criminal justice, business consultancy and public policy. New Trustees are recruited based on an evaluation of the balance of diverse skills and experience needed to govern Hestia. They receive an induction pack which contains information about Hestia, its structure and operations, the Board and sub-committee structures, Trustee duties and responsibilities and the organisation's key policies. Regular scheme visits are arranged to enable Trustees to obtain a better understanding of Hestia's services and operating environment. Trustees can take part in scheme inspections. Training is provided to the Board as a need is identified and Trustees schedule away days to consider the environment and plan strategic direction.

The full board of Trustees meets five times a year to discuss strategy, to formulate policy and to oversee operational matters. The Board is supported by four standing committees which consider specific areas of activity in greater detail on behalf of the Trustees and to report to Trustees on key issues. The four committees cover the areas of: Governance; Finance and Fundraising; Performance Review (including Information Technology); and Approved Premises.

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

- Joanna Mark-Richards, a former Trustee of Hestia, who chairs the Governance Committee
- Narvind Johal, who sits on the Finance and Fundraising Sub Committee
- Greg Solomon, a former Trustee of Hestia sits on the Performance Review Committee.

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance and Management (continued)

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

The Corporate Alliance Against Domestic Violence operates through its own articles of association and Board of Trustees. Trustees were selected based on the range of skills required. In addition, Hestia, as Corporate Trustee, had the right to nominate Trustees to the Board and nominated Patrick Ryan and Jo-Tilley Riley, to the Board. Martin Cheeseman, formerly Chair of the Board of Trustees at Hestia, has been appointed as Chair of the Board at the Corporate Alliance Against Domestic Violence.

Pay Policy for Senior Staff

The pay of senior staff is reviewed by Trustees 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.

Statement of Trustees' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

HESTIA HOUSING AND SUPPORT

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Statement of Trustees' Responsibilities (continued)

In so far as the Trustees are aware:

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

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

OBJECTIVES AND ACTIVITIES

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

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

Hestia's mission is 'Together we will deliver high quality and empowering services through our core values'. Our core values were refreshed following consultation with staff and service users during the year and restated as: Respectful, Collaborative, Genuine, Dedicated and Courageous. Our aim is to support vulnerable adults and children in crisis to realise their aspirations and fulfil their potential and to have a life beyond crisis.

The support we offer varies depending on the needs and aspirations of the individuals. In the year to 31st March 2019, Hestia provided support for 10,391 individuals who passed through our services during the year, covering a range of client groups.

The breakdown of service users by client group is:

Client Group	At 31 March 2019	At 31 March 2018
Domestic Abuse (including children)	1,774	1,902
Mental Health	1,257	2,200
Modern Slavery	1,337	899
Offenders, Ex-offenders and Mentally Disordered Offenders	179	219
Young People at Risk	511	70
Older People	583	662
Generic	3,383	2,696
Personal Budget Holders	702	1,002
Substance Misuse	20	19

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2019

OBJECTIVES AND ACTIVITIES (continued)

We work in partnership with local authorities, health commissioners, Registered Providers, the National Probation Directorate, London Probation Area, the Department of Health, the Ministry of Justice, the Home Office and the Department of Culture, Media and Sport to develop appropriate schemes which meet the needs of vulnerable adults and children in crisis. From April 2019, we operate across 22 London Boroughs as well as in Kent and Berkshire.

Our contract with the Salvation Army (and the Home Office) sees us provide services to victims of Modern Slavery across London and Kent which has been augmented by our Phoenix Project supported by the Red Cross and our contract with Croydon Council, both of which provide longer term support to those who have experienced the trauma of modern slavery.

As an extension to our UK Says No More campaign we were successful in attracting Home Office funding to work with employers to provide targeted support to employees experiencing Domestic Abuse under the "Everyone's Business" initiative. This has been strengthened by Hestia becoming the Corporate Trustee of the Corporate Alliance Against Domestic Violence which is a key partner in delivery of this programme. Both these campaigns are UK wide expanding awareness of Hestia beyond its traditional London base.

OUTCOMES

During 2018-19, most of our services were commissioned to achieve the Communities and Local Government outcomes. Under the five domains listed below we achieved a number of positive outcomes. The figures quoted below show the percentage of people requiring support in a given area who achieved an outcome.

Maximise economic wellbeing

90% of people across our services who needed support to maximise their income by applying for the correct benefits achieved positive outcomes.

Enjoy and achieve

In 2018-19, our services achieved very positive outcomes in connecting people with their community:

93% of people needing support to make links with other support services and community groups were enabled to do so.

93% of our service users who needed support to establish contact with their family and friends achieved this.

92% of respondents the annual satisfaction survey felt their service was good at linking them into other services, with 87% responding that they felt they have as much social contact as they would like with people they like.

Being healthy

89% of those needing support to better manage their physical health were successful in achieving this.

85% of those with a need to better manage their mental health were supported to do so.

Staying safe

89% of our clients needing to minimise the risk of harm from others were able to improve this.

87% of those needing to better manage their self-harm were supported towards recovery. In young peoples' services the rate was 100%.

94% of survey respondents felt safe and secure while receiving the service.

HESTIA HOUSING AND SUPPORT

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2019

OUTCOMES (continued)

Making a positive contribution

92% of people needing help to have more choice, involvement or control were supported towards achieving this goal.

92% of satisfaction survey respondents felt they could access information about their service when needed, felt they were in control of their support and felt that they know how their service works and what their entitlements are. 86% of respondents agreed they have a say in how their service is run.

ACHIEVEMENTS AND PERFORMANCE

In 2018-19 we implemented the Mental Health Recovery and Rehabilitation Service in Wandsworth providing services to over 60 residents across 10 sites. The service was previously run by the NHS and involved the transfer of 30 staff from the NHS to Hestia. Funding is provided jointly by Wandsworth Borough Council and South West London and St George's Mental Health Trust. We believe that this award is an endorsement of our approach to long term recovery and can provide a model for future service development as the benefits of improved integration of health and social care are recognised

Following on from the work we did in 2017-18, we continued to support victims of the Grenfell Disaster, through counselling and support, including working with families who spoke at the public enquiry. Our day services in the Borough continue to provide a safe and secure space where people affected by the tragedy can access a range of support and guidance and with funding providing by the Methodist Church, we provide group support activities to those affected.

We continued to expand the work we do with the Salvation Army and Home Office under their Modern Slavery Response contract. We manage four safe houses in London and two in Kent, as well as providing a major outreach programme with more than 70 advocates working with people who have experienced complex trauma. We are now the largest provider of such services in London and the south-east. We continued to deliver the Phoenix Project providing volunteer-led long-term support to victims of modern slavery in partnership with the British Red Cross. In Croydon we are working in partnership with the local authority to enable members of the community to come together to support victims of modern slavery to enable survivors to develop independence and create appropriate links in the community.

During the year we were awarded the contract to deliver a range of Domestic Abuse Services in Newham firstly through the MARAC service and then to a wider borough wide contract starting in June 2019.

In 2018-19, supported by the Home Office and Comic Relief, we continued to campaign under the UK SAYS NO MORE initiative to extend our reach across the UK and expanded our ground-breaking Bright Sky Application to support victims of Domestic Abuse by improving content and adding additional languages. In 2019-20, the Vodaphone Foundation has expanded Bright Sky internationally with launches in Ireland, Romania and the Czech Republic.

In 2018-19 we launched the Everyone's Business programme with £2 million of funding over two years from the Home Office via the Tampon Tax initiative. Our programme seeks to raise awareness of the impact of Domestic Abuse in the workplace and has been already been adopted by forward thinking employers including financial institutions, local authorities, housing providers, police services, hotels and charities. Engagement has ranged from having an initial assessment of current practice and policy, to embracing the full range of Everyone's Business services, such as training, Independent Domestic Violence Advocate (IDVA) support, counselling and the Employer's Portal. We work with specialist partners across England, Wales and Northern Ireland, including the Employer's Initiative on Domestic Abuse, Surviving Economic Abuse, Women's Trust and Cardiff Women's Aid. Latimer and TecSos provided the technical support to develop the on-line portal.

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2019

ACHIEVEMENTS AND PERFORMANCE (continued)

2018-19 in detail:

- We provided support to a total of 10,391 adults and children in crisis across London;
- 1,241 adults were supported in our accommodation services, many of whom had previously been in hospital, prison, had been sleeping rough or living in an abusive relationship. These individuals were able to benefit from a safe home and get the support they needed to develop the confidence and skills to make a fresh start;
- We supported 7,225 service users in their own homes through our outreach and floating support services, supporting their recovery, helping them to maintain their tenancies and avoid homelessness and to take an active part in their local communities;
- We had 1,005 service users attending across our four day services. At the Kensington and Chelsea Community Day and Outreach Mental Health Service and the Hounslow Mental Health Community Resource Service we provide a range of support, befriending, social activities and meals to help recovery and reduce isolation, as well as attaining practical skills aimed at improving access to services and employment opportunities. At the Wandsworth Age Activity Centre and the Lewisham Older Adults Day Service, we provide a range of services to older people, including skills development, social activities and communal meals;
- 560 children were accommodated in our domestic abuse refuge services. On any one day in our refuges we can provide support to up to 200 children;
- The Independent Domestic Violence Advocate services supported 672 adults in Ealing Slough and Harrow. These services provide support in risk reduction, safety planning, police reporting, legal advice and support, housing advice and general signposting to other specialist agencies. A specialist worker delivers a programme for children to support them to understand and deal with the impact of domestic abuse.
- 1,337 service users were provided with accommodation and/or outreach services to help them escape the trauma of modern slavery.
- 124 offenders were accommodated and supported to re-integrate into the community and address their offending behaviours in our two Approved Premise services;
- The Tower Hamlets Volunteer Co-ordination service provided support and guidance in best practice to a wider consortium of mental health agencies helping them to involve over 39 volunteers in a number of roles across the Borough;
- The Brent Mental Health service was commissioned last year to support people who use mental health services in the Borough. The GP networks element of the service places staff and volunteers with experience of using mental health services within GP surgeries to improve the experience of patients with mental health issues and provide an interface between primary and secondary care. The Employment Support element facilitates co-produced activities which offer opportunities for service users to build self-esteem; confidence to build personal capacity, for instance through volunteering or work experience. Befriending and Mentoring is also offered to support people in recovery via one to one support or mutual support groups. The service also delivers awareness raising events throughout Brent to increase understanding of mental health issues and services. This year the service supported 376 people towards employment, provided mentoring support to 305 people, supported 606 people through the health service and reached out to 563 people through community engagement events and forums; and
- We developed our Self-Directed Support Services provision including Information and Advice, Support Planning, Brokerage and Third-Party Payroll Management and Support in Newham, Richmond and Wandsworth. These services are available to children with disabilities and impairments and adults of all ages to help them navigate the process of self-directed support and enable them to achieve greater choice and control over their care and support. Over the year we supported 702 individuals managed their personal budgets through these services;

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2019

ACHIEVEMENTS AND PERFORMANCE (continued)

Adding Value

In addition to our contracted services, we also aim to offer added value through a range of activities to enhance the support we provide to service users. We aim to do this with the support of our commissioning bodies (by successfully making the case for the benefits of such activities) and through our fundraising programme.

In 2018-19, these included:

- Ensuring that all children who were accommodated in our domestic abuse refuges received additional support to recognise the impact that fleeing domestic abuse has on them as well as their mothers. We provided a range of services, through dedicated children's workers, play groups Summer Play Schemes and other social activities. Of the children surveyed, 97% of children reported feeling safer and more secure whilst in the service. 93% of children showed improved behaviour, as well as 93% exhibiting improved maternal relationships. Of note was the award of £375,000 from Sport England which seeks to work to increase physical activities among the families who are accommodated in our refuges and accessing our modern slavery services. Using sport as a tool as part of their journey in recovery from trauma, the aim is not only to improve their physical and mental wellbeing but it also providing opportunities for families socialise, improve their relationships and have fun together as a family. The project also funds opportunities for service users to get qualifications as sports coaches and to volunteer on the project. This award was to be allocated over a three-year period from April 2018, and £75,089 of this award was spent in 2018-19.
- The Hounslow Hospital Discharge service provides practical support to people with no fixed abode with the aim of preventing re admission to A&E and support for mental health patients through A&E. Our accommodation and community-based interventions have resulted in a saving of £138,726 to health services. The Ealing Older People Hospital Discharge service supports people to resettle into their homes upon discharge resulting in annual savings to the health service of £49,200 p.a.
- UK SAYS MORE is our national campaign, launched in 2016 to raise awareness of and to end domestic abuse and sexual violence. Facilitated by Hestia and delivered in partnership with over 400 partners, Members of Parliament and Peer Champions, the campaign unites and strengthens a diverse community of members of the public and organisations nationwide to actively take a stand against domestic abuse and sexual violence under one powerful, visual symbol.

UK SAYS NO MORE provides open-source tools and resources for individuals and organisations to take action and get involved in ending domestic abuse and sexual violence. Together we are challenging the myths and misconceptions around these issues, sharing resources and information, and ultimately working together to make real positive change.

This year we have worked extensively on the Draft Domestic Abuse Bill providing evidence and being called to pre-legislative committee, released two research papers On the Sidelines and In Conversations with men and will hold it's first community event, 'In conversation with Rose McGowan in October 2019.

- In 2018 Hestia launched version 2 of the Bright Sky App in partnership with the Vodafone Foundation. Version 2 covers new content on sexual consent, stalking and harassment alongside the existing tools which offer information and support to help identify abuse in your own relationship or a friend or family member; log incidents of abuse; find specialist support and access further resources. Since its launch in September 2016, the Bright Sky app has been used almost 30,000 times, and is being used by police forces, local authorities and support providers nationwide to support those experiencing domestic abuse.

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2019

FINANCIAL REVIEW

The results for the year ended 31 March 2019 are set out in the Statement of Financial Activities on page 23. The assets and liabilities of the Group as at 31 March 2019 are given in the Balance Sheet on page 24. The financial statements should be read in conjunction with their related notes which appear on pages 26 to 42.

Income and funding

In 2018-19 total income was £30.2 million compared with £26.9 million in 2017-18, an increase of 12.4%. Excluding the income from Healthwatch last year, the year on year increase was 14.3%.

The biggest source of income is contractual in the form of grants and supporting people – these increased from £16.325 million in 2017-18 to £19.194 million in 2018-19, an increase of 17.5%. This represents 63.6% of total income. Most of the increase arose from the increased activity around the Grenfell tragedy and volume increases in the Modern Slavery Response contract. The contract sums from the Ministry of Justice to provide our two independent Approved Premises rose from £1.329 million to £1.880 million following renegotiation of the underlying contract provision.

Income from charges to residents fell slightly from £8.209 million in 2017-18 to £8.060 million in 2018-19 reflecting the ongoing annual 1% rent reduction applied by the managing Registered Social Landlords and a reduction in the number of properties under management over the year.

Investment income increased over the year as the portfolio settled down after the switch of investment focus in 2017-18 into the UBS Sustainable Investment Portfolio. Realised gains on our portfolio over the year were £137,120 and there was a small unrealised loss on the value of the portfolio at 31 March 2019 of £4,375 which has subsequently been reversed.

Voluntary Income

Hestia is grateful to the voluntary supporters whose help enables us to significantly enrich the lives and life chances of vulnerable people and our fundraising team works closely with charitable trusts, community groups and individuals to bring about the financial support which enables us to enhance our services. As much of our core work is seen as supply of statutory services, the money we raise via fundraising can make a significant difference to the services we provide.

In 2018-19 we worked with a number of funders who supported a range of activities, including:

- Comic Relief who funded the next iteration of Bright Sky and our new App aimed at professionals supporting potential perpetrators of Domestic Abuse
- Red Cross who provided funding for the Phoenix project to support victims of modern slavery
- Department for Culture Media and Sport who through the Tampon Tax supported UKSNM and Everyone's Business
- Sport England who provide funding to support children in our Domestic Abuse refugees access a range of sports activities
- The City Bridge who funded Children's Worker position in our Domestic Abuse services.
- Trust for London
- Parish of St Mary's
- Charity Walk for Peace
- UBER
- HSBC who provided funds to support the refurbishment of the Recovery Café in Tooting
- Vodafone
- Sperry Marine
- Mishcon De Reya
- COS who provided a designated Westminster Children & Families worker

In addition, Hogan Lovells has been our biggest corporate donor with staff raising funds through sponsored events and complementing this through direct company donations. Hogan Lovells staff have run a programme of workshops for Hestia service users and volunteers, helping them develop practical skills to assist them to return to work, as well as offering a range of pro bono legal advice to Hestia and our service users.

HESTIA HOUSING AND SUPPORT

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2019

FINANCIAL REVIEW (continued)

Expenditure

Total expenditure in 2018-19 was £29.97 million compared with £26.8 million in 2017-18, an increase of 11.8%. Excluding expenditure on Healthwatch the increase was 13.7%.

Charitable expenditure for 2018-19 increased by 11.2% to £29.6 million compared with £26.6 million in the previous year.

- Expenditure on the provision of care and support increased by £3.169 million (an increase of 12.8% compared with the previous year) reflecting the increased number of projects in management and individuals supported, notably under the Modern Slavery Response Contract and the support provided to the victims of the Grenfell disaster.
- Expenditure relating to the operation of our Approved Premises increased from £1.463 million to £1.806 million due to changes in staffing models following the contract renegotiation.

Fundraising costs were £307,128 (2017-18: £231,566) reflecting a change in approach and focus linked to our long-term strategic planning. This represents investment in staff and systems aimed at targeted fundraising to support the organisation's aims and objectives.

Reserves

In 2018-19, a review of the revaluation reserve was undertaken in consultation with the auditors leading to a restatement of the opening revaluation reserve, which reduced from £2.008 million to £681,000. At the same time the operating fund increased from £6.985 million to £8.053 million. The adjustment arose from a revision to the treatment of realised gains on investments.

Total funds at 31 March 2019 are £12.96 million (2018 £12.78 million) of which £1.91 million is restricted to specific projects and £1.497 million has been designated by the Trustees in relation to planned strategic developments, including support for the Hestia Digital Strategy and the continued development, maintenance and refurbishment of existing projects.

The Trustees have adopted a reserves policy which they consider appropriate to safeguard the organisation's operations and to ensure stability taking into account the risks and uncertainties faced by Hestia and their probability and impact on Hestia's ability to meet its financial obligations or reduce expenditure in the short term because of any decline in income.

The Board has reviewed the reserves level and considers that, in light of the difficult funding environment in which Hestia operates reflecting the ongoing reduction in income available to our commissioners, the charity requires a reserve level of £7.3 million. Hestia's operating reserve at 31 March 2019 is £8.68 million, comfortably exceeding the level required.

In January 2019, the Trustees approved a three-year strategy that will require Hestia to utilise a proportion of its operating reserves as forward investment to support our transformation and diversification aims. We will continue to monitor reserves to ensure that they remain adequate and appropriate to meet the ongoing requirements of the organisation.

Investments

Hestia's investment policy is to maximise its total return from a portfolio of suitably diversified assets whilst minimising risk and taking into account the cash flow and reserves requirements of the organisation.

At 31st March 2019, UBS AG, Hestia's investment managers, had placed £6.825 million in fixed interest securities, equities and property investments, aiming to improve investment returns within an agreed risk management profile. The investment is made into the UBS Sustainable Investment Portfolio which adopts a positive screening approach to investing, taking into account a range of factors including corporate governance, environmental and social impact. The Board had previously required that our investments exclude any exposure to alcohol, tobacco, armaments and pornography and these are automatically excluded under the Sustainable Investment Approach adopted by UBS.

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2019

FINANCIAL REVIEW (Continued)

Investments (continued)

A further £2.357 million was invested in a common investment fund managed by Ruffer plc.

Hestia has approved an investment policy which aims to: (a) to 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 then (c) a long-term return, net of all charges of 1% p.a. in real terms. As a result of the relatively positive trading environment experienced over the year, the net gains on investments over the year (both realised and unrealised) were £132,745. Investments remain £0.678 million ahead of historic cost – equating to an uplift of 7.9%.

Pensions

Most Hestia staff are in a defined contribution scheme operated by Legal and General and all new members of staff are automatically enrolled in this scheme. Hestia will match employee contributions up to a maximum of 5%. Employees have the option to opt out but less than 5% have done so, therefore more than 95% of Hestia staff are contributing to their retirement funds.

Minimum contributions have been applied from April 2019 in line with auto enrolment regulations.

During the year, we continued to operate a defined benefit scheme with the Royal Borough of Kensington and Chelsea for employees who were previously transferred under TUPE. The scheme operates as a closed scheme in that it is open only to staff who transferred under TUPE and for the duration of the contract of their employment with Hestia. The FRS102 liability on this scheme decreased from £258,000 to £197,000 in the year, largely because of actuarial adjustments to the discount rate applied to future liabilities. The employer's contribution rate payable by Hestia remains at 21.5%. Details of the Royal Borough of Kensington and Chelsea scheme are included in the notes to the accounts on pages 39 – 41.

In May 2018 we entered into a direction's agreement with the NHS as part of the contract to provide mental health services in Wandsworth. This involved the transfer of 30 staff who were entitled to have their pension arrangements protected. Through restructuring and retirement, 10 staff remain in place at 31 March 2019 and for whom the employer contribution is fixed at 14.38%.

Our Fundraising Practices

Most of the work of our fundraising team is focused on raising money from trusts and foundations, central and local government grants and corporate partnerships. We organise fundraising events and co-ordinate the activities of our supporters who raise money on behalf of Hestia. We monitor the good practice demonstrated by our supporters in their fundraising by regularly reviewing their online fundraising pages, fundraising related social media content and by attending and stewarding fundraising events including challenge events.

Hestia does not use any third-party fundraising agencies or involve commercial participators, nor do we carry out street fundraising, telephone fundraising or conduct mass mailing fundraising campaigns.

There have been no complaints about fundraising activity in the past year.

We have reviewed the Fundraising Regulator's Code of Fundraising Practice, coming into effect in October 2019. Most of the code applies to activities targeting individual donors which Hestia does not partake in to any significant extent. Where the code is relevant, in particular the section on Trust and Foundation funding (section 13), we always seek to abide by the good practice identified.

The e-mailing list used by Hestia was updated during the 2017/18 financial year to ensure that only people who opted in to receive relevant communication were retained on the mailing list in line with legal requirements. All emails from the emailing list contain clear instructions on how a person can remove themselves or ask to be removed.

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2019

PLANNING FOR FUTURE PERIODS

Strategic Review

During the year, following a review involving service users, staff and Trustees, Strategic Aims were restated under 3 headings

- Transforming existing services
- Growing with a diverse income portfolio
- Building our influence and profile.

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

Transforming Existing Services

Hestia recognises that demand for the services that we provide will remain high – and increase – yet many of the services we provide are not statutorily funded. We appreciate that all the agencies that we work with are under significant financial pressures and the challenge of providing more support and targeted interventions with less resources is a constant conversation. At the same time, we have restated our commitment to delivering the best outcomes for our service users.

In 2019-20 we will:

- a) Improve performance of our current services through a quality strategy:
 - We will co-produce a quality strategy outlining the standards that we expect to attain and implement systems and processes to monitor those achievements;
 - We will update our safeguarding strategy and policies to ensure these meet best practice and are fully disseminated across the organisation;
 - We will invest in senior resources across our services (mental health, domestic abuse, modern slavery and offender services) aimed at delivering new and enhanced models of care across our services that support service users' recovery journeys;
 - We will ensure our service users can participate across the organisation in a range of ways to maximise their input and provide opportunities for personal development, including participation in the Better Lives Forum and volunteering opportunities.
- b) Continue to invest in The Hestia Approach, our in-house psychologically informed approach based on recovery and co-production. The Hestia Approach aims to improve outcomes for our service users by working with them collaboratively to build their resilience by focusing on their strengths and resources in order to secure sustainable recovery:
 - We will complete the development of the InForm case management system to align with the Hestia Approach and transfer all services to InForm
 - We will develop and deliver Phase 2 of the Hestia Approach focussing on coaching and trauma informed recovery and integrate that into the Inform training programme.
 - We will provide all staff with updated training on the Hestia approach and InForm case management.
- c) Develop a property strategy – access to secure housing is a priority for many of our service users and is a key part of their recovery journey. Move on accommodation is particularly difficult to access.
 - We will explore and gain understanding of the options available to us which provide new alternatives to access property for our service users and or to access property to enhance our tender offers;
 - We will develop a 5 – 10-year property strategy.

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2019

PLANNING FOR FUTURE PERIODS (continued)

Transforming Existing Services (continued)

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

Growing with a diverse income portfolio

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

At the same time the Care Act and the NHS long term plan recognise the benefit of further integration in the health and social care sectors which provides us with an opportunity to build on the expertise that we have developed in building in health related aspects to a number of our contracts, including the Wandsworth -the Recovery Café, the Rehabilitation and Recovery accommodation-based service and the Brent contract covering liaison with local GPs.

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

In 2019-20 we will:

- a) Develop an offer for health partners
 - We will finalise the Clinical Governance Arrangements necessary to ensure compliance with NHS commissioning requirements;
 - Undertake evaluation of our three existing projects to provide the evidence base around our ability to successfully manage health related contracts; and
 - Fully implement our health strategy to attract new income from health contracts with salaries that attract and retain more skilled and experienced staff allowing us to make more effective interventions

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2019

PLANNING FOR FUTURE PERIODS (Continued)

Growing with a diverse income portfolio (Continued)

- b) Innovate and add value through increased fundraising building on our track record of delivering more than agreed contract terms, e.g. developing and supporting children's services, encouraging healthy living activities and providing support to victims of modern slavery after their case has been determined:
 - We will review the fundraising strategy to expand beyond the traditional target areas to maximise the added value potential;
 - We will provide ongoing support victims of Modern Slavery after they have received their decision and remain in the country through the Phoenix Project and the Croydon Modern Slavery Pilot; and
 - We will continue to support our national anti-domestic abuse and sexual assault campaign – UK Says No More which aims to raise public awareness about the responsibility of everyone to tackle domestic abuse and sexual assault.
 - We will implement the second year of the Everyone's Business Campaign, a project funded by the Home Office 'Tampon Tax' Programme to support employees experiencing domestic abuse across England, Wales and Northern Ireland.

Building our influence and profile

Hestia has campaigned and undertaken research in the areas of Domestic Abuse and Modern Slavery aligned to country wide programmes including UK Says No More and Everyone's Business. We recognise that this can give our service users the voice they don't have and bring lived experience to the arena of policy development.

Hestia has developed the Bright Sky app and has funding to develop this and a Perpetrator App. Bright Sky is only one of the 10% of charity apps which directly is used by beneficiaries. Our partners now increasingly look to us as a leader in this field and there are significant opportunities to be gained from extending our digital offer – both directly to service users and to enhance the flexibility and efficiency of current service delivery.

In 2019-20 we will:

- a) Develop our annual Communications and Advocacy Strategy
- b) Develop our reputation as the leading agency in domestic abuse and modern slavery
- c) Develop our reputation as the leading agency in terms of digital solutions
 - We will revise our digital strategy to be seen as a leader and able to develop new ways of achieving successful interventions
 - Invest in digital innovation resources aimed at increasing internal capacity and outward looking / horizon scanning capacity.

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2019

Monitoring and reviewing the strategy

We review our strategy on an annual basis, updating both our twelve month and five-year plans, and prepare the annual budget and five-year forecast.

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

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

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

HESTIA HOUSING AND SUPPORT

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2019

PRINCIPAL RISKS AND UNCERTAINTIES

The External Environment

Most of Hestia's income comes from contracts with a range of public sector commissioners, all of whom are facing reductions in their centrally provided government funding. To date this has been passed on to providers like Hestia who have been able to deliver the cost savings that have been required. For Hestia this has meant restructuring services to meet the funding available.

We expect commissioners to require additional savings over the next 2 to 3 years, however we believe that we have reduced the delivery cost of our contracts as much we can, given our commitment that we will not pay staff less than the London Living Wage. Accordingly, we believe that further efficiencies can only realistically be delivered by consolidating and reducing existing services. Whilst we will continue to make the case to retain as many of the services that we currently provide, we must recognise the financial pressures that our commissioner partners are under and seek, wherever possible, to design and implement flexible models of care and support. This was a key rationale behind our development of The Hestia Approach and our agreement to investment in management and development resources to help us design effective ways of working to meet the requirements of all our stakeholders. For example, our experience at our day services will prove invaluable to us as we seek to deliver more tailored services to a greater number of people more cost effectively, as well as the work we have done through our personalisation team which works closely with service users to maximise use of their individual budgets.

We believe that we speak for many people who don't have the opportunity to put their points of view forward, so part of our strategy over the next 2 – 3 years is to develop further our policy and communications framework to ensure the valuable services that we provide are not lost merely because of changing funding priorities.

We have recognised that, to maintain our contract base in the medium term, we will need to be flexible about client groups and our geographical area and as such we will be looking to expand both, providing we remain confident that we can deliver high quality services to those groups and in those areas and that our existing bases remain unaffected. During the year we opened our second set of services outside London, in our Slough Domestic Abuse service.

We know that we need to consider how we might reduce our reliance on our traditional funding models – accepting that we will never be able to eliminate this to any significant degree. This may involve looking at other, related activities, including known changing priorities around health commissioning linked to the types of services we already deliver. We also remain open to delivering other services – via social enterprise and commercial activity – that can support underlying services. Any new area of activity requires detailed management of the different risk profiles they will face and any investment in these always requires approval by Trustees following detailed analysis.

Our fundraising strategy outlines our commitment to invest in fundraising activities focussing on Trusts, and corporate and major donor giving and to resource the activity accordingly. By doing this we hope to raise our profile and to improve the amount of unrestricted income that we can generate to support the added value that we believe provides our service users with a range of other opportunities they may not have always had.

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.

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2019

PRINCIPAL RISKS AND UNCERTAINTIES (Continued)

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

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

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

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

Restrictions on Distribution

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

Tax Status

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

Auditor

On 1 February 2019 Moore Stephens LLP merged its business with BDO LLP. As a result, Moore Stephens LLP has resigned as auditor and the Trustees have appointed BDO LLP as auditor in their place. BDO LLP has indicated its willingness to continue in office for the year ended 31 March 2020.

Approved by the Board of Trustees on 8 October 2019



Terrie Alafat
Chair/Trustee

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

Opinion

We have audited the financial statements of Hestia Housing and Support ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2019 which comprise the consolidated statement of financial activities, the balance sheets, the consolidated cash flow statement 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 Group's and of the Parent Charitable Company's affairs as at 31 March 2019 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements 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 related 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 Group or the Parent 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 Annual Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for 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.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Board of Trustees, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Report of the Board of Trustees, have 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 Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept by the Group and Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Group and Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent 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 Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Julia Poulter (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
55 Baker Street
London
W1U 7EU

Date: 4th November 2019

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

HESTIA HOUSING AND SUPPORT

Consolidated statement of financial activities for the year ended 31 March 2019 (including a Consolidated Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Income and endowments from:					
Donations and legacies	2	768,230	50,237	818,467	356,565
Charitable activities	3	25,064,737	4,070,692	29,135,429	26,350,424
Investments	4	258,039	-	258,039	178,400
Total		26,091,006	4,120,929	30,211,935	26,885,389
Expenditure on:					
Raising funds		307,128	-	307,128	231,566
Charitable activities	5	25,548,674	4,072,188	29,620,862	26,557,099
Investment management		48,461	-	48,461	26,528
Total		25,904,263	4,072,188	29,976,451	26,815,193
Net income before gains / (losses) on investments		186,743	48,741	235,484	70,196
Realised net gains on investments	11	137,120	-	137,120	594,121
Unrealised net (losses) / gains on investments	11	(4,375)	-	(4,375)	(504,954)
Reserves transferred(in) / out	1 (b), 16	214,740	(499,148)	(284,408)	-
Net income		534,228	(450,407)	83,821	159,363
Actuarial gains / (losses) on defined benefit pension schemes	20	91,000	-	91,000	102,000
Net movement in funds		625,228	(450,407)	174,821	261,363
Reconciliation of funds:					
Total funds brought forward		10,426,110	2,360,698	12,786,808	12,525,445
Total funds carried forward		11,051,338	1,910,291	12,961,629	12,786,808

All amounts relate to continuing activities of the group.

The notes on pages 26 to 42 form part of these financial statements.

HESTIA HOUSING AND SUPPORT

Balance sheets as at 31 March 2019

	Notes	Group		Company	
		2019	2018 (restated)	2019	2018 (restated)
		£	£	£	£
Fixed assets					
Tangible assets	10	2,600,766	2,643,529	2,600,075	2,643,529
Investments	11	9,182,357	8,827,435	9,182,357	8,827,435
		<u>11,783,123</u>	<u>11,470,964</u>	<u>11,782,432</u>	<u>11,470,964</u>
Current assets					
Debtors	12	3,959,833	3,980,541	3,964,348	3,872,369
Short term deposits		431,643	448,673	431,643	448,673
Cash at bank and in hand		4,194,072	2,717,434	4,183,973	2,717,434
		<u>8,585,548</u>	<u>7,146,648</u>	<u>8,579,964</u>	<u>7,038,476</u>
Creditors: amounts falling due within one year	13	(7,210,042)	(5,572,804)	(7,207,123)	(5,748,068)
Net current assets		<u>1,375,506</u>	<u>1,573,844</u>	<u>1,372,841</u>	<u>1,290,408</u>
Total assets less current liabilities		<u>13,158,629</u>	<u>13,044,808</u>	<u>13,155,273</u>	<u>12,761,372</u>
Defined benefit pension scheme liabilities	20	(197,000)	(258,000)	(197,000)	(258,000)
Net assets including pension liabilities		<u><u>12,961,629</u></u>	<u><u>12,786,808</u></u>	<u><u>12,958,273</u></u>	<u><u>12,503,372</u></u>
Represented by:					
Unrestricted funds:					
Operating fund	14	8,679,827	8,053,899	8,676,471	8,269,611
Designated funds	14	1,497,066	1,432,391	1,497,066	1,432,391
Revaluation reserve	14	677,445	681,820	677,445	681,820
Pensions reserve	14	197,000	258,000	197,000	258,000
		<u>11,051,338</u>	<u>10,426,110</u>	<u>11,047,982</u>	<u>10,641,822</u>
Restricted funds	15	1,910,291	2,360,698	1,910,291	1,861,550
Total funds		<u><u>12,961,629</u></u>	<u><u>12,786,808</u></u>	<u><u>12,958,273</u></u>	<u><u>12,503,372</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 8 October 2019 and signed on its behalf by:



Terrie Alafat
Chair of the Board of Trustees

Company Number: 2020165

The notes on pages 26 to 42 form part of these financial statements.

HESTIA HOUSING AND SUPPORT

Consolidated statement of cash flows for the year ended 31 March 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Cash flows provided / (used in) by operating activities	(b)	1,469,430	437,747
Cash flows from investment activities			
Investment income received		258,039	178,400
Purchase of investments		(1,567,138)	(5,430,901)
Proceeds from sale of investments		1,344,961	5,289,743
Purchase of tangible fixed assets		(44,630)	(59,175)
Transfer in of fixed Assets – CAADV	1 (b), 16	(1,054)	-
Net cash (used in) / provided by investing activities		(9,822)	(21,933)
Change in cash and cash equivalents in the reporting period		1,459,608	415,814
Cash and cash equivalents at 1 April 2018		3,166,107	2,750,293
Cash and cash equivalents at 31 March 2019	(a)	4,625,715	3,166,107
(a) Analysis of cash and cash equivalents			
Short term deposits		431,643	448,673
Cash at bank and in hand		4,194,072	2,717,434
		4,625,715	3,166,107
(b) Reconciliation of net income / (expenditure) to net cash flow from operating activities			
Net income for the year		83,821	159,363
(Gain) on sale of investments		(132,745)	(89,167)
FRS 102 adjustment		91,000	102,000
Investment income received		(258,039)	(178,400)
Depreciation		88,447	86,338
(Increase) in debtors		20,708	(325,139)
Increase in creditors		1,576,238	682,752
Net cash provided by / (used in) operating activities		1,469,430	437,747

The notes on pages 26 to 42 form part of these financial statements.

HESTIA HOUSING AND SUPPORT

Notes to the financial statements for the year ended 31 March 2019

1. Accounting Policies

a) Basis of accounting and assessment of going concern

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Hestia Housing and Support meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Trustees consider that there are no material uncertainties around Hestia's ability to continue as a going concern.

b) Basis of consolidation

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

On 1st April 2018 Hestia ceased to act as the Corporate Trustee of Healthwatch CWL at which point £283,436 of reserves relating to projects commissioned to Healthwatch CWL were transferred to the successor organisation.

A separate statement of financial activities and income and expenditure account is not presented for the charity itself following the exemption afforded by section 408 of the Companies Act. The Charity's gross income was £30.127 million, and the result was £231,000 surplus.

c) Restatement of reserves

Following a review of the revaluation reserve, the basis for the calculation was revised to include only those amounts linked to the amount by which the listed investments exceed their historic cost. A separate pensions reserve has also been created to reflect the liability under the defined benefit pension scheme. As a result, the Group and Company opening reserves were restated as follows:

	Group		Company	
	Reserves Previously Reported	Reserves Restated	Reserves Previously Reported	Reserves Restated
	£	£	£	£
Operating Fund	6,985,305	8,053,899	7,201,017	8,269,611
Designated Funds	1,432,391	1,432,391	1,432,391	1,432,391
Revaluation Reserve	2,008,414	681,820	2,008,414	681,820
Pension Reserve	-	258,000	-	258,000
Total	10,426,110	10,426,110	10,641,822	10,641,822

Notes to the financial statements for the year ended 31 March 2019

1. Accounting Policies (continued)

d) Income and expenditure recognition

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

e) Allocation of costs

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

f) Leasing

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

g) Designated funds

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

h) Restricted funds

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

i) Investments

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

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

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

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

Notes to the financial statements for the year ended 31 March 2019

1. Accounting Policies (continued)

j) Depreciation

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

Freehold land:	Nil
Freehold buildings – residential	2% straight line
Freehold Buildings – no residential	1% straight line
Leasehold improvements	Over the anticipated term of the lease
Fixtures, Fittings and Equipment	25% straight line
Computer Equipment	33.33% straight line
Motor Vehicles	25% straight line.

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

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

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

k) Pensions

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

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

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

l) Critical accounting judgements and estimates

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

Housing property depreciation is calculated on a component by component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge.

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

Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expenses (as analysed in Note 20).

HESTIA HOUSING AND SUPPORT

Notes to the financial statements for the year ended 31 March 2019

2. Income from donations and legacies

	2019 £	2018 £
Donations	321,258	118,210
Grants: -		
from local authorities	112,000	65,334
from other organisations and individuals	385,209	173,021
	<u>818,467</u>	<u>356,565</u>

In 2019, £768,230 (2018: £254,008) of donations and legacy income was attributable to unrestricted funds and £50,237 (2018: £102,557) to restricted funds.

3. Income from charitable activities

	2019 £	2018 £
Provision of care and support		
Income from support contracts	9,276,581	9,306,033
Income from other grants and fees	9,917,843	7,019,472
Residents fees and charges	8,028,551	8,171,261
	<u>27,222,975</u>	<u>24,496,766</u>
Operation of Approved Premises		
Grants	1,880,591	1,329,007
Residents charges	31,863	38,251
	<u>1,912,454</u>	<u>1,367,258</u>
Provision of Healthwatch contracts		
Grants	-	486,400
	<u>29,135,429</u>	<u>26,350,424</u>

In 2019, £25,064,737 (2018: £22,072,485) of income from charitable activities was attributable to unrestricted funds and £4,070,692 (2018: £4,277,939) to restricted funds.

4. Income from investments

	2019 £	2018 £
Interest receivable	10,479	2,842
Dividends from equity shares	253,560	184,558
Deduct: interest payable on defined pension schemes	(6,000)	(9,000)
	<u>258,039</u>	<u>178,400</u>

In 2019, all income from investments was attributable to unrestricted funds (2018: £178,400 - unrestricted).

HESTIA HOUSING AND SUPPORT

Notes to the financial statements for the year ended 31 March 2019

5. Analysis of expenditure on charitable activities

	Provision of care and support £	Operation of Approved Premises £	Total 2019 £
Staff costs	15,913,964	868,819	16,782,783
Premises running costs	4,227,377	411,448	4,638,825
Residents expenditure	1,961,431	52,117	2,013,548
Governance costs	103,197	7,251	110,448
Support costs	5,608,827	466,431	6,075,258
	27,814,796	1,806,066	29,620,862

Expenditure on charitable activities was £29,620,862 (2018: £26,557,099) of which £25,548,674 was unrestricted (2018: £22,184,700) and £4,072,188 was restricted (2018: £4,372,399).

6. Summary analysis of expenditure and related income for charitable activities

	Provision of care and support £	Operation of Approved Premises £	Total 2019 £
Costs	(27,814,796)	(1,806,066)	(29,620,862)
Recharges to residents	8,028,551	31,863	8,060,414
Direct grant support	19,194,424	1,880,591	21,075,015
Contribution to operations	(591,821)	106,388	(485,433)

7. Analysis of Governance and Support Costs

	General Support £	Governance Function £	Total £	Basis of apportionment
Salaries, wages and related costs	2,395,974	59,166	2,455,140	Allocated on time
Office running costs	3,679,284	4,713	3,683,997	Staff numbers / offices and equipment
Audit fees	-	26,785	26,785	Governance
Legal and professional fees	-	18,071	18,071	Governance
Trustee expenses	-	1,713	1,713	Governance
Total	6,075,258	110,448	6,185,706	

HESTIA HOUSING AND SUPPORT

Notes to the financial statements for the year ended 31 March 2019

8. Net income for the year

Net income is stated after charging:	2019	2018
	£	£
Operating lease rentals	692,166	714,293
Depreciation	88,447	86,338
Auditor's remuneration - audit services - Parent	28,225	25,162
Subsidiaries	-	5,880
Non-audit services	-	-

9. Staff and Trustees

	2019	2018
	£	£
Staff Costs:		
Wages and salaries	13,657,160	12,002,811
Agency staff costs	3,711,057	3,565,235
Social security costs	1,168,918	1,044,204
Pension costs	454,862	297,153
	18,991,997	16,909,403

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

Two employees earned between £80,000 - £90,000 in the year (2018: one).
Three employees earned between £70,000 - £80,000 in the year (2018: three).
Two employees earned between £60,000 - £70,000 in the year (2018: one).

Pension contributions in respect of the above higher paid employees totalled £25,088 for the year (2018: £23,162)

The average number of employees during the year was as follows:	2019	2018
	Number	Number
Project staff	496	460
Support staff	64	63
	560	523

No Trustee received any remuneration for services during the year (2018: nil). One Trustee claimed expenses of £1,426 to reimburse travel and subsistence costs during the year (2018: One trustee claimed expenses of £464 to reimburse travel costs). No Trustee had any beneficial interest in any contract with Hestia.

Indemnity insurance was arranged on behalf of the Trustees of Hestia for the 12 months commencing 1 July 2018 at no additional cost to the organisation (2018: £nil).

HESTIA HOUSING AND SUPPORT

Notes to the financial statements for the year ended 31 March 2019

9. Staff and Trustees (continued)

The key management personnel of the parent Charity, Hestia, comprise the Trustees, the Chief Executive and the Senior Management Team. The total employee benefits of the key management personnel of Hestia were £527,757 (2018: £569,057).

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

10. Tangible fixed assets	Freehold Land and Buildings £	Fittings and Equipment £	Computer Equipment £	Total £
Cost				
At 1 April 2018	2,988,118	226,325	329,914	3,544,357
Assets transferred in	-	-	2,500	2,500
Additions	-	33,861	10,769	44,630
Disposals	-	(41,294)	(132,377)	(173,671)
At 31 March 2019	2,988,118	218,892	210,806	3,417,816
Depreciation				
At 1 April 2018	413,993	171,402	315,433	900,828
Accumulated depreciation on assets transferred in	-	-	1,446	1,446
Charge for the year	37,381	39,078	11,988	88,447
Eliminated on disposals	-	(41,294)	(132,377)	(173,671)
At 31 March 2019	451,374	169,186	196,490	817,050
Net Book Value				
At 31 March 2019	2,536,744	49,706	14,316	2,600,766
At 31 March 2018	2,574,125	54,923	14,481	2,643,529

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

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

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

HESTIA HOUSING AND SUPPORT

Notes to the financial statements for the year ended 31 March 2019

11	Investments	2019 £	2018 £
	Listed investments:		
	Market value at 1 April 2018	8,827,435	8,597,110
	Additions at cost	1,567,138	5,430,901
	Disposal proceeds	(1,344,961)	(5,289,743)
	Gains on disposal	137,120	594,121
	(Losses) / Gains on revaluation	(4,375)	(504,954)
	Market Value at 31 March 2019	<u>9,182,357</u>	<u>8,827,435</u>
	 Historic cost at 31 March 2019	 <u>8,504,912</u>	 <u>8,162,179</u>
	 Listed investments are represented by:		
	Fixed interest securities	1,072,578	785,437
	Equity shares	5,284,907	5,200,602
	Money market deposits	63,916	63,916
	Real estate funds	403,637	397,204
	Common investment funds	2,357,319	2,380,276
		<u>9,182,357</u>	<u>8,827,435</u>

HESTIA HOUSING AND SUPPORT

Notes to the financial statements for the year ended 31 March 2019

12.	Debtors	Group		Company	
		2019 £	2018 £	2019 £	2018 £
	Grants receivable	3,220,290	2,796,302	3,220,290	2,698,079
	Rents and charges in arrears	60,272	333,302	60,272	333,302
	Other debtors	455,479	474,124	455,479	464,175
	Due from subsidiary undertakings	-	-	4,515	-
	Prepayments	223,792	376,813	223,792	376,813
		3,959,833	3,980,541	3,964,348	3,872,369

13.	Creditors: amounts falling due within one year	Group		Company	
		2019 £	2018 £	2019 £	2018 £
	Trade creditors	1,531,353	1,102,785	1,531,353	1,102,785
	Income received in advance	1,252,457	1,355,095	1,252,457	1,355,095
	Accruals and deferred income	1,446,688	1,485,235	1,446,688	1,465,525
	Taxes and social security	323,887	240,001	322,408	240,001
	Due to subsidiary undertakings	-	-	-	194,974
	Other creditors	2,655,657	1,389,688	2,654,217	1,389,688
		7,210,042	5,572,804	7,207,123	5,748,068

Included within other creditors is £38,902 (2018: £31,237) held on behalf of Hestia service users and £2,541,912 (2018: £1,304,653) held on behalf of individual budget holders for London Borough of Newham and London Borough of Richmond's managed accounts.

HESTIA HOUSING AND SUPPORT

Notes to the financial statements for the year ended 31 March 2019

14. Unrestricted funds: Group

	1 April 2018 (restated) £	Transferred In (Note 16) £	Income £	Expenditure £	31 March 2019 £
Operating fund	8,053,899	214,740	25,963,336	(25,552,148)	8,679,827
Designated funds: -					
Development, maintenance and refurbishment of existing projects	552,777	-	64,790	(118,971)	498,596
Infrastructure and new project development	879,614	-	200,000	(81,144)	998,470
Total designated funds	1,432,391	-	264,790	(200,115)	1,497,066
Revaluation reserve	681,820	-	(4,375)	-	677,445
Pension reserve	258,000	-	-	(61,000)	197,000
Total unrestricted funds	10,426,110	214,740	26,223,751	(25,813,263)	11,051,338

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

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

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

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

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

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

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

HESTIA HOUSING AND SUPPORT

Notes to the financial statements for the year ended 31 March 2019

15. Restricted funds: Group

	1 April 2018	Trans- ferred Out (Note 16)	Income	Expenditure	31 March 2019
	£	£	£	£	£
Donations	143,199	-	50,237	(40,625)	152,811
Property Expenditure:					
i. Purchase of Lynton Terrace	401,341	-	-	(5,420)	395,921
ii. Purchase of Hestia Streatham	238,842	-	-	(3,078)	235,764
iii. Improvements to Hestia Streatham	329,356	-	-	(4,243)	325,113
iv. Improvements to Hestia Battersea	12,145	-	-	(155)	11,990
v. Purchase of Chatsworth Crescent	221,644	-	-	(3,964)	217,680
Home Office Refurbishment Grants	43,530	-	-	-	43,530
Other Home Office/ Ministry of Justice Grants	4,068	-	-	(1,920)	2,148
Mercers Fund	1,014	-	-	(379)	635
Outreach services	130,246	-	3,030,121	(3,038,656)	121,711
Children and Family services	65,740	-	166,276	(133,045)	98,971
Women Without Recourse Fund	31,627	-	-	(6,411)	25,216
Healthwatch and Community Engagement Funds	589,001	(499,148)	48,750	(63,889)	74,714
Safer families project	19,553	-	-	(19,553)	-
Interconnect project	18,798	-	-	(18,798)	-
Southwark mental health innovation fund	8,438	-	-	(8,438)	-
Southwark learning disabilities innovation fund	7,385	-	-	(7,385)	-
InForm Client Management System	72,000	-	-	-	72,000
The Hestia Approach	22,771	-	-	(22,771)	-
UK Says No more	-	-	250,147	(184,261)	65,886
Everyone's Business	-	-	393,005	(392,817)	188
The Phoenix Project	-	-	61,719	(58,745)	2,974
Sport England	-	-	58,050	(57,635)	415
Hestia Counselling Service	-	-	62,624	-	62,624
	2,360,698	(499,148)	4,120,929	(4,072,188)	1,910,291

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

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

Home Office refurbishment grants represent grants made by the Home Office to fund refurbishment of Hestia's approved premises. The restricted grant represents the unspent portion of these grants and will be carried forward to fund future refurbishment of these properties.

Other Home Office/ Ministry of Justice grants comprise various sundry grants for drugs testing, security training and scheme development / relocation in connection with Hestia's approved premises.

HESTIA HOUSING AND SUPPORT

Notes to the financial statements for the year ended 31 March 2019

15. Restricted funds (continued)

The Mercers' grant funds art therapy at Hestia Streatham.

Outreach funding comprises various restricted grants to fund the provision of outreach services in the community by the women's services and anti-human trafficking projects.

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

The Women without recourse fund was set up in 2008/09 for women without recourse to public funds and includes donations from the Henry Smith Charity. £72,000 was pledged from the charity for the years 2014-15 and 2015-16.

Healthwatch and community engagement income represents funds made available across the Healthwatch and other community engagement contracts (Tower Hamlets and Newham) to carry out contracted activities: any under spends are carried over at the end of the financial year to meet future expenditure commitments. During the year, Healthwatch Central West London became independent and £499,148 relating to projects managed by that company was transferred to the new independent company.

The Safer Families Fund was the balance of the donation provided by the Porticus Trust to provide specialist parenting support groups and "Stay and Play" sessions for 400 women and children each year living in Hestia's network of domestic abuse refuges across London.

The Interconnect project was the balance of the grant from Comic Relief which aims to provide volunteering opportunities for older people to work with mothers and children in our domestic abuse refuges.

The Southwark Mental Health and Learning Disabilities innovation projects sought to maximise the buying power of service users in Southwark by pooling their individual budgets.

InForm Client Management System represents a grant from the Fidelity Trust towards the development and implementation of the Charity's new client management system, focussing on increased direct access by service users

The Hestia Approach represents the balance of a grant from the Oak Foundation looking at supporting the development of an outcomes framework to measure the impact our approach has on service users.

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

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

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

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

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

HESTIA HOUSING AND SUPPORT

Notes to the financial statements for the year ended 31 March 2019

16. Subsidiary transfers

On 1st April 2018, the Group transferred out the following assets and liabilities relating to Healthwatch Central West London:

	£
Current Assets	303,146
Current Liabilities	(19,710)
Net Assets	<u>283,436</u>
Represented By:	
Unrestricted reserves	(215,712)
Restricted Reserves	<u>499,148</u>
	<u>283,436</u>

1st April 2018, the Group transferred in the following assets and liabilities relating to the Corporate Alliance Against Domestic Violence:

	£
Fixed Assets	1,054
Current Assets	10,525
Current Liabilities	(12,551)
Net Liabilities	<u>(972)</u>
Represented By:	
Unrestricted reserves	<u>(972)</u>

17. Analysis of net assets between funds

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

	Investments	Tangible Fixed Assets	Net Current Assets Less Long-Term Liabilities	Total Funds 2018
	£	£	£	£
Unrestricted funds	8,827,435	1,440,201	158,474	10,426,110
Restricted funds	-	1,203,328	1,157,370	2,360,698
	<u>8,827,435</u>	<u>2,643,529</u>	<u>1,315,844</u>	<u>12,786,808</u>

HESTIA HOUSING AND SUPPORT

Notes to the financial statements for the year ended 31 March 2019

18. Operating Lease Commitments

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

	Land and Buildings		Other	
	2019	2018	2019	2018
	£	£	£	£
Amounts due;				
In less than one year	377,915	767,533	90,582	111,097
Between one and five years	176,040	932,958	420,790	373,244
In more than five years	-	-	-	-
Total	553,955	1,700,491	511,372	484,341

19. Capital commitments and capital grants

There were no capital commitments outstanding at the year end, nor any capital grants receivable (2018: £nil).

20. Pension

During the year, Hestia operated both defined contribution and defined benefit pension schemes which require contributions to be made separately to administered funds for the benefit of the employees. Contributions payable by Hestia in respect of the defined contribution schemes totalled £237,809 for the year (2018: £237,809).

Final salary pension scheme

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

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

The RBKCPF defined benefit scheme has been reported under Section 28 of FRS 102, "Employee benefits". The figures included in the financial statements in respect of this scheme are based on an actuarial valuation carried out on 31 March 2019.

The employer's contribution, relating to current employees, to the RBKCPF by the organisation for the year ended 31 March 2019 was £29,840 (2018: £28,593) and the employer contribution rate was fixed at 21.5% of pensionable pay up to 31 March 2019.

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

	31 March 2019	31 March 2018
Assumptions		
Inflation rate (RPI)	3.4%	3.3%
Inflation rate (CPI)	2.4%	2.3%
Rate of increase in salaries	3.9%	3.8%
Rate of increase of pensions in payment	2.4%	2.3%
Discount rate	2.45%	2.6%

HESTIA HOUSING AND SUPPORT

Notes to the financial statements for the year ended 31 March 2019

20. Pension (cntd.)

The fair value of the assets of the Scheme and expected rates of return were:

	31 March 2019 £	31 March 2018 £
Equities	963,000	935,000
Property	51,000	48,000
Cash (including cash plus funds)	208,000	86,000
Alternative assets	117,000	109,000
Total market value of assets	1,339,000	1,178,000
Present value of Scheme liabilities	(1,536,000)	(1,436,000)
Net pension liability	(197,000)	(258,000)

Analysis of the amount charged to Statement of Financial Activities

	Total 2019 £	Total 2018 £
Current service cost	54,000	54,000
Total service cost	54,000	54,000
Other finance income:		
Net interest on the defined liability	(6,000)	9,000
	(6,000)	9,000
Administration expenses	-	-
Total pension costs charged to the SOFA	48,000	63,000

Analysis of the actuarial gain / (loss) recognised in the Statement of Financial Activities (Other Comprehensive Income – STRGL)

	Total 2019 £	Total 2018 £
Actual return less expected return on pension scheme assets	94,000	30,000
Changes in assumptions underlying the present value of scheme liabilities	(3,000)	72,000
Total gain recognised in the SOFA	91,000	102,000

HESTIA HOUSING AND SUPPORT

Notes to the financial statements for the year ended 31 March 2019

20. Pension (cntd.)

	Total 2019 £	Total 2018 £
Movement in deficit in year		
(Deficit) in scheme at start of the year	(258,000)	(325,000)
Movement in year:		
Current service cost	(54,000)	(54,000)
Contributions	30,000	28,000
Past service costs		
Other finance income	(6,000)	(9,000)
Administrative expenses		
Actuarial gain / (loss)	91,000	102,000
(Deficit) in scheme at end of year	(197,000)	(258,000)

The employee numbers in the scheme as at 31 March 2019 were:

	Total 2019	Total 2018
Active employees	5	5
Deferred pensioners	8	8
Pensioners	1	1

	Total 2019 £	Total 2018 £
Actual return less expected return on Funds assets	57,000	57,000
Contributions by Scheme participants	9,000	8,000
Expected employer's contributions for year ended 31 March 2019	27,000	27,000

RBKCPF	2019	2018	2017	2016	2015
History of experience gains and losses	£	£	£	£	£
Defined benefit obligation	(1,536,000)	(1,436,000)	(1,409,000)	(1,146,000)	(1,205,000)
Scheme assets	1,339,000	1,178,000	1,084,000	851,000	796,000
Surplus/(Deficit)	(258,000)	(258,000)	(325,000)	(295,000)	(409,000)
Experience adjustments on Scheme liabilities	-		(154,000)	(9,000)	-
Percentage of liabilities	-		(10.9%)	(0.8%)	-
Experience adjustments on Funds assets	-	-	-	-	67,000
Percentage of assets	-	-	-	-	8.4%

HESTIA HOUSING AND SUPPORT

Notes to the financial statements for the year ended 31 March 2019

20. Subsidiary company results

At 31 March 2019 the Charity controlled one other small charitable company (limited by guarantee) the Corporate Alliance Against Domestic Violence.

Corporate Alliance Against Domestic Violence

Included in the consolidated financial statements are the results of the subsidiary Corporate Alliance Against Domestic Violence. The results for the 15 months to 31 March 2019 were as follows:

	15 months to 31 March 2019	2018
	£	£
Total income	84,833	-
Total expenditure	80,505	-
Net income for the year	4,328	-
Funds brought forward	(972)	-
Funds carried forward	3,356	-

The aggregate of the assets, liabilities and funds was:

Assets	10,790	-
Liabilities	(7,434)	-
Total funds	3,356	-*

Healthwatch Central West London

Included in the consolidated financial statements for the year to 31 March 2018 are the results of the subsidiary Healthwatch Central West London. The results were as follows:

	2019	2018
	£	£
Total income	-	486,400
Total expenditure	-	481,902
Net income for the year	-	4,498
Funds brought forward	-	278,938
Funds carried forward	-	283,436

The aggregate of the assets, liabilities and funds was:

Assets	-	303,146
Liabilities	-	(19,710)
Total funds	-	283,436

21. Related party transactions

During the year Hestia charged Corporate Alliance Against Domestic Violence £71,402 to cover a range of corporate services provided under service level agreements. At 31 March 2019, the amount due by Corporate Alliance Against Domestic Violence to Hestia was £4,515.