



Report and accounts

For the year ended 31 March 2018

Contents

About us	3
Our social pledges	3
Our Vision, Mission and Values	4
Chair’s statement	5
Chief executive’s statement	6
Achievements and performance	7
Employment, education and training	8
Community and preventative services	9
Homelessness services	10
Youth and family services	11
Fundraising	12
Our aims for 2018/19	13
Financial review	14
Structure, governance and management	15
Independent auditor’s report	18
Statement of financial activities	20
Balance sheet	21
Statement of cash flows	22
Notes to the accounts	23-31

About us

We’re proud of our 40 year reputation as Kent’s leading homelessness charity.

We help people who have nowhere to go and no-one to turn to; some are homeless, others are struggling to cope with the pressures in their lives and need our support to keep on track.

We help people with housing, education and employment, and their health and wellbeing.

We make a positive impact on adults, children, families and communities as a whole.

**We support
more than
5000 people
a year**

Our social pledges

Reduce demand on statutory services
We pledge to address people’s social and health issues and build their resilience in order to reduce pressure on statutory services such as GPs and social services.

Offer advice and signposting on local services
We pledge to increase awareness of, and referrals to local services, and provide tailored support, information, advice and guidance.

Build healthy relationships
We pledge to help people to build and strengthen relationships with families and communities, widen their social networks and reduce isolation.

Support people into employment and education
We pledge to improve people’s aspirations, attainment and career prospects and to move them closer to or into employment and education.

Promote sustainable housing
We pledge to help people in need to obtain and maintain secure accommodation and integrate into their community.

Improve physical and mental wellbeing
We pledge to help people to develop stability, coping strategies and resilience, enabling them to achieve and maintain physical and emotional health and happiness.



Our Vision, Mission and Values

Our Vision

We strive for a fairer society where vulnerable people find stability, the most excluded are included, and where homelessness and poverty are things of the past.

Our Values

- Inclusiveness
- Integrity
- Compassion
- Empowerment
- Passion
- Innovation

Our Mission

To change lives for the better, by:

- Preventing people from becoming homeless through the provision of timely and personalised support services
- Providing housing, education, employability and personal development support to the most vulnerable and isolated people in our communities
- Challenging negative attitudes towards people who are homeless, living with mental ill-health, or living in poverty

Trustees and administration

Chair of Trustees

Dr Sue Hornibrook Chair + @ \$

Trustees

Howard Cohn Deputy Chair # \$
Alan How Treasurer # (resigned 5 January 2018)
Pat Unwin * + @
Celia Glynn-Williams *
Glenn Miller * # (resigned 2 January 2018)
Colin Wright + @ \$
Bob Porter #
Hilary Edridge * +
Dr Joanne Ross \$ (resigned 23 April 2018)
Dominic Deeson * \$
Thomas Evans #
Jenny Bough (resigned 24 May 2017)

* Member of the Fundraising and Communications Sub-Committee
+ Member of the HR Sub-Committee
Member of the Finance & Risk Sub-Committee
\$ Member of the Performance & Quality Sub-Committee
@ Member of the Remuneration Committee

Key management personnel

Michael Barrett, Chief Executive Officer/Company Secretary
Catherine Keen, Finance Director
Joanne Dawes/Jane Redman, Directors of Fundraising and Communications
Peter Murphy, Director of Human Resources
Emma Scoones, Director of Business Development
Chris Coffey, Director of Operations

Independent Auditor

RSM UK Audit LLP
Hanover House, 18 Mount Ephraim Road
Tunbridge Wells, Kent TN1 1ED

Solicitors

Cripps LLP
Wallside House
12 Mount Ephraim Road
Tunbridge Wells
TN1 1EG

Bankers

Unity Trust Bank plc
Nine Brindley Place
Birmingham
B1 2HB

Registered address

18-19 Watling Street
Canterbury
Kent
CT1 2UA

Charity registration number: 267116
Registered company number: 01157482
Incorporated in England and Wales



www.porchlight.org.uk



[/Porchlight1974](https://www.facebook.com/Porchlight1974)



[@Porchlight1974](https://twitter.com/Porchlight1974)



Two of our newest services rely heavily on the work of volunteers, allowing us to provide personalised support to even more young people.

Chair’s statement

I am proud to introduce you to our report and accounts for what has been another year of challenges and opportunities.

In common with the rest of the sector, we’ve felt the impact of public spending cuts. Because of this, part of our five-year strategic plan is to increase turnover to provide more stability for the organisation.

We’ve bid for – and won – new contracts and expanded our geographical reach into East Sussex and Greater London. We’re partnering well with other organisations and working with providers from different sectors to make the greatest possible difference to the people and communities we serve.

Despite the need for us to generate new income streams and adapt to change, we’ve stayed true to our mission and values. We’re clear about what we stand for and what we want to achieve. We always keep the needs of the people we support at the heart of every decision.

We’ve boosted our voluntary income, thanks to the fantastic efforts of our fundraising team and the kindness and generosity of our supporters. We’re so grateful to everyone who ran, cycled, baked, and slept out to help us raise a fantastic £898,874 towards our work with some of the most marginalised people in our society.

As always, we are committed to spending these hard-earned funds wisely and 91p of every pound donated goes into frontline services. With the help of our clients, we’re constantly evaluating our work so we can be confident that, as well as value for money, we’re offering high quality, personalised support.

Our staff are our biggest asset and they continue to be a source of inspiration and pride as they use and develop their skills to help us deliver flexible services that respond to changing local demands.

They are ably supported by our volunteers who work in our community, rough sleeper and accommodation projects, providing expertise in areas including counselling, finance, education and health promotion. Two of our newest services rely heavily on the work of volunteers who allow us to provide personalised support to even more people.

Thanks also to our amazing board of trustees (also volunteers) who use sound judgement to help the charity achieve its aims. An external review against the Charity Governance Code has proved we are well governed but we’re always aspiring to be better and complacency can never be allowed to take hold.

I hope that our openness and transparency about our work will help people continue to support us with confidence. But I also look forward to a future where there is no need for charities like ours to exist because everybody has a safe place to call home and the chance to make a positive contribution.



Dr Sue Hornibrook
Chair of the Trustees

Chief executive's statement

We're fighting to protect the supported accommodation that is a lifeline to so many people.

The ever increasing number of people facing homelessness in Kent is a major concern, not just to us as a charity but to the communities we serve. We've directed our resources where they are needed most by expanding our rough sleeper team so that we can provide even more support to those sleeping on the streets.

The lack of truly affordable housing in Kent and across the south east continues to be our biggest challenge in solving this crisis. A diminishing social housing stock, alongside high costs and insecurity in the private rented sector mean that a safe and secure home is even further out of reach for the people we support.

To make matters worse, the supported housing that is a lifeline to so many is under threat. The government has backed down on its controversial proposals to cap rent at Local Housing Allowance levels, but its new plans will remove specialist accommodation – including our homeless hostels – from the benefits system and make it totally reliant on funding administered by local councils.

The government has promised to ring-fence this funding so that projects like our hostels and shared houses are protected. But as budgets tighten further, councils are likely to be faced with even more difficult decisions about where to direct their resources. Our concern is that if they are given greater freedom in terms of how they spend their budgets, the supported housing funding will not be ring-fenced in the long term.

Here in Kent we need more – not less – specialist accommodation. The current proposals will neither stabilise our existing projects nor allow us to plan for further developments. That's why we've added our voice to national campaigns, calling upon the government to listen to the concerns of the homelessness sector and adopt a system that truly safeguards the future of supported housing and the people that call it home.

For us as an organisation, there are more challenges ahead as we prepare for Kent County Council's retender of homelessness services and we've been scenario planning to help us assess some of the uncertainties.

Sadly, what we know for sure is that the need for these homelessness services will increase regardless of who is delivering them. Welfare reform, high rents and housing shortages will continue to drive people onto the streets and until the government recognises and starts to address these as the root causes of homelessness, nothing will change.

The Homelessness Reduction Act is a positive step. It places a new duty on councils to prevent and relieve homelessness by providing advice and help to all affected, including those people who were not previously considered to be a priority. Extending the help available to more people is, of course, a good thing but for councils to meet their new responsibilities they need the right support and there are already fears that government funding is lacking.

We're doing everything we can to help, including working in partnership with a number of local authorities to give people the joined-up support they need to move away from the streets for good.

And we continue to focus on prevention – stopping people from becoming homeless in the first place. We've got teams in communities across Kent and the south east, working with children and young people, with whole families, with people who are struggling with their mental health, or with other problems that are affecting their housing security.

We give people the support they need to self-manage their issues and improve their day-to-day lives. Whether that's becoming healthier or more independent, meeting new people or finding a job, we empower them to take control of their lives so that a better future is possible.

We're proud of our reputation for delivering innovative services that address the needs of our local communities and despite the challenges that lie ahead, we remain committed to our vision of a fairer society where the most excluded are included, and homelessness and poverty are things of the past.



Mike Barrett
Chief executive officer

Our year in numbers

Our volunteers put in more than **10,000** working hours

Our rough sleeper team found **834** people who were living on the streets

Our helpline responded to **16,942** phone calls

More than **10,000** children saved their pennies for Porchlight, raising more than **£10,000**

Employment, education and training



Our aims for 2017/18 were

- To continue to improve employability and health through our jobs, education and training team
- To improve the employment prospects of those furthest from the job market through our new Aspirations service in Kent and East Sussex
- To continue to reduce people's reliance on the welfare system so that they can be financially independent
- To further involve people with lived experience through a coproduction steering group which will influence future service design and planning

While we know that employment is the best route out of poverty and homelessness, we also know that people who are or have been homeless – especially those who have slept rough – face additional health issues, and we are doing more than ever to address these as part of our efforts to help people rebuild their lives.

The way we deliver our employment, education and training services has changed and we now offer more help to improve people's mental and physical wellbeing.

Our award-winning employability programme Workwise has continued to provide tailored support to individuals to help them move closer towards, find and stay in employment. We've also continued to work with employers to provide ring-fenced job opportunities for service users. A recent evaluation showed that people

who accessed Workwise were twice as likely to find paid or voluntary work, apprenticeships or work placements as those who did not.

In the past year, 82 people went into education and training and 95 people found paid employment.

We're also improving people's wellbeing through Aspirations, a Building Better Opportunities project funded by the European Social Fund and the Big Lottery Fund. The programme has been improving the employment prospects of people across Kent and East Sussex by helping them to develop the strategies and confidence they need to manage their mental health and regain their independence.

Service user involvement

We've created more opportunities for service user involvement and 74 people made decisions at senior management level. The service user perspective has led to positive changes in many areas including staff recruitment. We've expanded the process so that service users have the chance to be involved at an earlier stage, helping to shape the job description and the questions that are asked, as well as sitting on interview panels.

We've established new mechanisms across all of our services that enabled 162 clients to give us meaningful feedback. We used the insight we received to redesign one of our surveys which led to a much improved response rate.

Another achievement is the start of our first true piece of 'coproduction' with service users. Staff and service users are working in partnership to develop and deliver a project to help homeless or insecurely housed young people improve their life and work prospects through outdoor activities. Through this pilot we hope to embed service user involvement even more deeply into our work, making sure that the voices of the people we support are heard and valued throughout the organisation.



Dave Webster
Head of service development and improvement



Our year in numbers

- 515 people took part in activities to improve their mental and physical wellbeing
- 82 people went into education and training
- 95 people found paid employment
- 74 people took part in decision making at senior management level
- 162 clients provided feedback on our services



Community and preventative services

Our aims for 2017/18 were

- To support more people to maintain their independence
- To reduce demand on statutory services and evidence the benefits of early intervention and the promotion of health and wellbeing
- To challenge the stigma of mental health to empower people and their communities

Mental health issues will affect many of us at some point in our lives, but accessing support to manage them can sometimes feel like an insurmountable challenge.

Through our Live Well Kent and Aspirations (see page 8) services, we've been working in Kent, Medway and East Sussex, targeting support where it's needed most and making it simpler for people to find the right help.

Our funded network of partners has strengthened over the past year, allowing us to provide increased access to an ever-wider range of activities, including job clubs, advice clinics, mental health workshops and programmes, cookery, upcycling, gardening and art, drama, dance and photography classes.

Last year, Live Well Kent helped 2,357 people.

71% of people said their wellbeing had improved as a result of accessing Live Well Kent services. We're also

reducing demand on statutory services, with 53% of people asked saying that they visit their GP less often. This is not just because people are getting the right help – it's because having choice allows them to take control and manage their own wellbeing. We know this approach is empowering and confidence-boosting; we're continuing to gather evidence to demonstrate just how much of a difference it can make.

Our peer support programmes are further empowering people who have used our services, equipping them with the skills they need to help others with similar experiences. This contributes to peer supporters' recovery and provides empathetic support to those currently in need of help.

As the profile and reputation of Live Well Kent grows, conversations about mental health are changing and becoming more commonplace. Our first conference in May 2017 – attended by professionals and those who use and have used our services – saw us leading the conversation at a regional level. Under the theme of 'resilience', the focus was firmly on prevention and how we can equip people and communities to better manage their mental health and wellbeing.

We're looking at how we can develop 'social prescribing' – improving the health of the communities we serve by linking people with non-medical sources of support.

And we're targeting support to reach groups where mental health issues are more likely to be stigmatised – Swale Tigers football club, for example, which helps men to break the silence and get the support they need.

Finally, we've supported people to tell their stories, so others can see that they're not alone in experiencing mental health issues – and, crucially, that with the right support recovery is possible.

By placing mental health and wellbeing at the heart of communities we're providing a holistic service that is helping people in more ways than ever before.



Julia Hargreaves
Head of community and preventative services

Our year in numbers

- 2,357 people were helped by our Live Well Kent service
- 71% of people said their wellbeing had improved as a result of accessing Live Well Kent services
- 53% of people asked said they visited their GP less often after receiving support from Live Well Kent

Homelessness services



Our aims for 2017/18 were

- To improve the experience and outcomes for our service users by further developing a psychologically-informed environment and trauma-informed care approach
- To improve our access to high quality, affordable accommodation for our service users through new initiatives such as a social lettings agency
- To build on relationships with local authorities and other partners to develop more responsive homelessness services that address local need
- To gather a wider knowledge of the health needs of our client group and to work in partnership with healthcare delivery teams to address any healthcare inequalities

Homelessness is complicated and tackling it is about more than just providing a roof. We've worked hard to ensure our hostels and shared houses are places where people can recover from the damaging effects of homelessness and take steps to rebuild their lives.

We use psychologically- and trauma-informed practice to better support people with complex needs. We have rolled out training and support to our staff to help them understand the meaning behind the behaviour of our service users and to have the tools to challenge this creatively and confidently. We have also improved the

physical environment and facilities in the places we work – creating spaces and environments that help people to feel safe and relaxed. We want our service users to feel empowered and in control of their situation so that they can start to recognise and address patterns of behaviour which may be stopping them from moving forwards.

Over the past year, we have supported 277 people in our adult housing services.

Some people are ready to move on from our hostels after just a short period of time but it is increasingly difficult to access good quality, affordable housing. We're piloting a social lettings agency which, if successful, could be part of the solution to the problems faced by homeless people in finding suitable accommodation in the area.

Sadly, there are more and more people facing the misery of the streets. In the past year we've found 834 people rough sleeping across Kent and our street team are struggling to meet demand.

A high percentage of the people we support have multiple, complex needs but accessing specialist support can be incredibly difficult when you're homeless. We've been working closely with our partners including substance misuse and mental health services, local authorities and community groups to help connect people with the right support.

Last year, we helped 79% of the people we worked with off the streets.

We are carrying out our own research into women who are rough sleeping and we will be developing innovative responses to meet the needs (including physical and mental health) of this particularly vulnerable group.

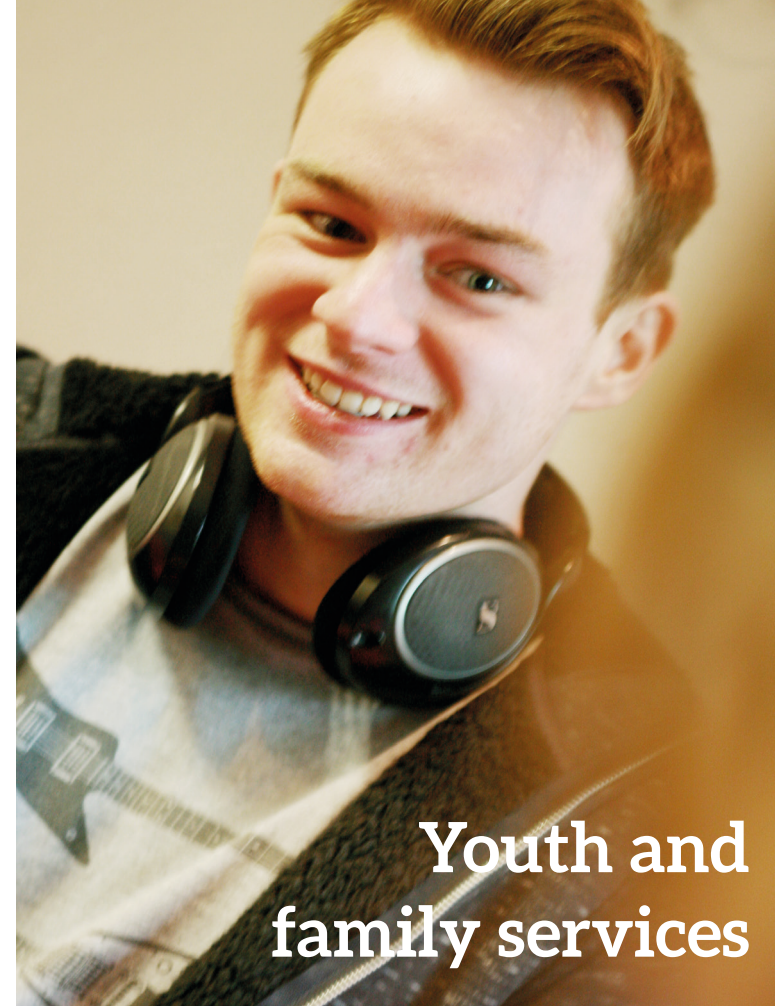
Our helpline continues to be a lifeline for people in crisis, providing advice, signposting and access to housing and support services. In 2017/18 our helpline responded to 16,942 calls. It's a valuable resource for agencies and a point of contact for members of the public who want to tell us about people who are rough sleeping. We're proud of its success and it's the only service of its kind in Kent.



Chris Burgess
Head of homelessness services

Our year in numbers

- We supported 277 people in our adult housing services
- We found 834 people rough sleeping across Kent
- 79% of the people we worked with were helped to move off the streets
- Our helpline responded to 16,942 calls



Youth and family services

Our aims for 2017/18 were

- To support young people to improve their confidence and self esteem, their relationships at school and home, to increase school attendance and attainment, raise awareness of risk taking behaviour and increase aspirations for the future
- To support more young people into employment and training
- To support more vulnerable young people by developing new services that respond to their needs, in Kent and neighbouring areas
- To increase the resilience of families through a whole family approach of working

Many young people become homeless because family life has broken down so much that their only option is to leave home.

We have specialist hostels and shared houses for people aged 16 to 24. These are places where they can feel safe and secure (perhaps for the first time ever), be listened to and supported to start planning for a brighter future.

In the past year, we have supported 162 young people in our accommodation projects.

We use the same approach in all of our hostels, giving our young residents practical and emotional support to build the life skills they need. But we have also developed

a variety of services that are specific to young people and their families. For example, all younger residents can benefit from our new 'Skills to Independence' scheme. It's about helping young people to believe in themselves, consider what they want for the future – whether that's employment or education – and make plans to get there with our support.

108 young residents have taken part in our Skills to Independence scheme in the past year.

Because having a steady job is such an important part of living independently, we are developing a new project with Nationwide and LandAid. This will provide accommodation for young prison leavers, as well as a training space for community use.

We know that life can be difficult for some young people. That's why we launched our HeadStart mentor scheme to give 10 to 16-year-olds the support and skills to cope with adversity and do well at school and in life. We are expecting our volunteer mentors to support 231 young people over this two-year contract.

Our Bexley Adolescent Support Service (BASS) aims to reduce the level of anti-social behaviour and gang activity amongst young people. BASS has helped 105 young people make positive changes in their lives, including accessing street sport sessions and help with finding work.

We want young people to flourish in a stable environment which is why we work with whole families, helping them to stay safe and deal with any difficulties so that they can build a more resilient family unit.

In the past year, we've worked with 1,533 families across Kent.

All of our services have a common goal: to help young people and their families navigate difficult times so that they can prevent any issues from escalating out of control.



Claire Williams
Head of youth and family services

Our year in numbers

- We supported 162 people in our young persons' accommodation services
- Our Bexley Adolescent Support Service helped 105 young people
- Our family support service worked with 1,533 families

Fundraising



Another successful year of fundraising has seen us bring in an amazing £898,874, including a donated property.

We're enormously grateful to everyone who helped us – without you we couldn't provide the support that changes so many people's lives.

Supporters of all ages and from all walks of life have raised funds in so many ways. From sleep outs and marathons, to baking cakes and saving pennies, your efforts have made a huge difference to homeless and vulnerable people in Kent.

Thanks to our corporate partners, the community and faith groups, the grant-making organisations and the hundreds of individuals who have joined us in the fight against homelessness. We really couldn't do it without you.

Sadly, the support we offer is needed more than ever before and, in line with our operational strategy, we must continue to grow our fundraising income if we're going to make any headway against the homelessness crisis here in Kent.



Our fundraising strategic aims are

1. Income streams are maximised to support the continued delivery and expansion of services
2. Income is diversified so the charity is not reliant on one form of fundraising
3. Sufficient income is raised through restricted grants and unrestricted donations to fully fund Porchlight's self-funded services
4. Fundraising activity is efficient and provides good value for money
5. Time and resources are directed to activity that has the highest income generating potential
6. Fundraising activity is fully compliant with national regulations and standards

We don't use commercial participators or professional fundraisers. We are members of the Fundraising Regulator and all fundraising staff are individually registered members of the Institute of Fundraising.

Our gift acceptance and ethical practice policy specifically addresses how we seek to protect vulnerable people from being actively targeted for donations. We received three complaints in 2017-18, one of whom registered with the newly formed Fundraising Preference Service.

We want to develop long-lasting relationships with our donors and we'd love to hear more about what you want from your engagement with Porchlight.

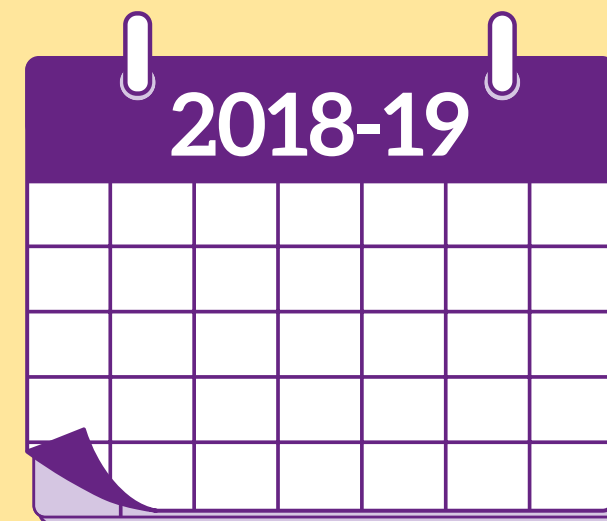
The new data protection rules are an opportunity for us to improve the fundraising experience and we're working hard to make sure that we meet legal and regulatory requirements.

You can tell us how you want us to contact you at any time – just give us a call on 01227 813199.

Our privacy statement explains more about the information we gather and hold and our Supporter Care Charter outlines our promise to our supporters. They can be found on our website at www.porchlight.org.uk

Our year in numbers

- 107 talks, workshops and assemblies reached over 15,000 children and adults
- Over 10,000 children saved their pennies for Porchlight raising over £10K
- 28 sleep outs raised just under £35K
- Three cash appeals raised just under £70K
- 586 new donors



Our aims for 2018/19

In 2018/19, we'll be at the halfway point in our five year strategic plan.

We're clear about what we want to achieve – our strategic aims are to become a community asset, to increase our turnover to provide more stability for the organisation, to diversify our geographic location and to become a campaigning organisation.

During the next year we aim to:

1. Develop our presence within the communities we serve, helping the people we support to become integrated into local life

- We will bring the people who use our services closer to their communities by delivering our support, drop-in services, training and wellbeing activities in areas which are easy for vulnerable people to access, for example, town halls, recreation and community centres
- We will better understand where loneliness and social isolation exist within the communities we serve and identify the support and interventions that are most effective in reducing them
- We will expand our work with young people and their families into new geographical areas, helping more people to build resilience and resolve any problems that could lead to homelessness

2. Continue to target support where it is needed most, based on our insight and understanding of local need and services

- We will carry out research so that we can develop innovative responses to the homelessness crisis in Kent
- We will increase the capacity of our rough sleeper team to help more people off the streets
- We will improve access to safe, affordable housing for the vulnerable people we support
- We will devise new and more effective ways for our service users to inform our work
- We will better demonstrate the impact of our prevention work and develop new services that can support even more people in need





Our services support
thousands of people in Kent.

Financial review

This year the charity made a surplus of £410,761, largely due to a generous donation of a property. Income has increased by 18% on last year's figures. We have had a full year of delivering Aspirations, increasing our income by over half a million pounds.

This year we have secured new statutory funding for community accommodation and homelessness prevention.

Expenditure has increased by 15% due to new projects (as mentioned above) as well as further investment in fundraising to enable more growth. We have also continued to self-fund projects such as employment, education and training, which do not receive statutory funding.

As previously mentioned, we had a property valued at £350,000 donated to us. This is being treated as an investment property to generate income for our homelessness services.

The charity's principal funding stream is contractual income from KCC. This funding enables us to provide a high standard of support to our client group, throughout our accommodation-based, community and youth services.

Our accommodation-based services are being re-tendered over the next year. This is likely to have an effect on the charity's financial performance, depending on how successful we are in retaining existing and/or acquiring new services. This will have a significant impact on the charity, however we are confident we will continue to grow, and due to other secure contracts in place the trustees do not see any impact on the charity's ability to continue as a going concern.

Reserves policy

We maintain free reserves to manage the risks to which the charity is exposed. The reserves are held to continue the operational expenditure of the charity in a downturn in income or an unforeseen increase in costs. Reserves are in line with the strategic plan, allowing us to continue much-needed work in areas where funding has been terminated. The free reserves are for the general purposes of the charity, not restricted to or designated for a particular purpose, and are adequate for the short term.

We have aimed to build our free reserves to at least six months' running costs, to prepare for the possible cuts in future funding, and to maintain services where cuts have already been made. Our key contracts have a notice period of six months, therefore six months' reserves would ensure the charity remains a going concern in the event of key contracts being terminated. Six months' unrestricted expenditure is just over £4 million.

The trustees have designated £70k for the trial of a Housing First model in Kent.

Restricted funds relate to the Aspirations European Social funding and other areas where restrictions have been placed on expenditure, eg, local authorities have funded an outreach service within their geographical area. Restricted funds totalled £646,878 at the balance sheet date.

Our reserves total £2,451,755 of which £1,804,877 is unrestricted. Of that amount £1,107,817 relates to general free reserves after designated funds and fixed assets. Although this is less than our target, we feel confident it will help buffer the statutory funding cuts which will be coming our way in the next financial year.

Investment policy

We now own an investment property which will generate income to be used within our services. This is included in the balance sheet at fair value. The trustees, having regard to the liquidity requirements of the charity and to the reserves policy, have operated a policy of keeping available funds in interest bearing accounts, of which some are classified short term investments.

Preparation of financial statements

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Companies Act 2006 and 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 published on 16 July 2014.

Structure, governance and management

Governing document

Porchlight is a charitable company limited by guarantee and is governed by its Memorandum and Articles of Association, revised in April 2010. The objects for which the Charity is established are:

- (a) The relief of poverty, sickness and old age in particular (but without in any way limiting the generality of the foregoing words) for the relief of poverty of persons who by reason of mental or physical infirmity are unable to fulfil their duties as citizens or their obligations to their employers.
- (b) The relief of those in need by reason of youth, age, ill-health, disability or financial hardship in particular by the provision of social housing, hostels, other housing accommodation and any associated amenities, services, advice, advocacy, training or assistance.
- (c) The advancement of public education in (including research and disseminating the useful results of that research into) the provision of housing and housing related services to those in need.

The members of the company are the trustees named on page 4. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member.

Method of appointment or election of trustees

The management of the Board is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. The charity complies with the Good Governance Code. Vacancies for trustees are publicly advertised in the local press, on the website and via social media.

The advertisement contains information about the role and the skills and qualities required. The application pack includes a job description, person specification, declaration of criminal convictions, equal opportunities monitoring form, leaflet summarising the responsibilities of charity trustees and a copy of the annual review.

Applications are reviewed by the Chair and either the Chief Executive or another trustee. Interviews for prospective trustees are conducted by the Chair, the Chief Executive and one trustee. All new trustees are required to sign a declaration that they are not disqualified from acting as a director/trustee and that they will devote the necessary time and effort to their position.

In 2017, Porchlight's board of trustees changed the Memorandum of Association to allow members to commit to an open-ended length of service, rather than a maximum of nine years. This decision was made as a result of the charity facing the simultaneous departure of three trustees who were approaching the allowed length of service. A skills audit showed that Porchlight faced losing critical expert knowledge at a time of unprecedented challenges and change. The charity is aware of the need to regularly refresh its trustees and will continue to look for new ways to attract the necessary skills and experience to run a strong and effective charity.

Induction and training of trustees

All newly-appointed trustees receive an information pack, which includes a copy of the Memorandum and Articles of Association, the latest annual report and accounts, current budget and management accounts, most recent Board papers and minutes, list of Board members and contact details, organisation chart and staff list, publications on responsibilities of trustees and governance.

Each new Board member undertakes meetings with each member of the Senior Management Team as part of their induction. A suitably experienced trustee will be appointed as a mentor to the new trustee and will accompany them to their first Board meeting and ensure that they are introduced to the other trustees. They will be a point of contact for the new trustee if they have any concerns or queries about their role.

The new trustee will be required to commit to spending approximately half a day to visit a couple of projects and the head office. This is to give the trustee an insight into the front-line services provided by Porchlight and the finance, HR, fundraising and communication functions supporting those services. The new trustee, along with other Board members, is expected to participate in training and development opportunities to maximise their capacity to fulfil their role as trustees. Trustees visit the projects on a rolling basis during their tenure.

Organisational structure and decision making

The board of trustees of up to 15 members meets five times a year to administer the charity. There are also Fundraising and Communications, Remuneration, HR, Finance and Risk, and Performance and Quality Sub-Committees. The Chief Executive is appointed by the trustees to manage the day to day operations of the charity and to implement the organisation's strategic plan.

The key management team remuneration is reviewed using the following benchmarking tools: ACEVO pay survey, Survey XperthHR, UK voluntary sector workforce almanac, as well as reviewing a number of posts in the South East in the charity and housing sectors.

The Remuneration Committee exists to determine the appropriate level of remuneration for the Chief Executive Officer, who in turn sets the Leadership Team salaries, which are approved by the board of trustees through the usual budgetary process.

Prime risks and uncertainties

The trustees have assessed the major risks to which the charitable company is exposed and are satisfied that systems are in place to mitigate the exposure to those risks. A full risk register is held at head office. The main risks within the risk register are outlined below:

- The occurrence of a major safeguarding issue
- The charity remaining overly reliant on statutory funding
- An incident that puts the safety of employees at risk
- Commissioners expecting additional services with no extra funding
- Increasingly restrictive requirements for tendering
- An incident leading to severe financial implications (e.g. litigation)

In order to manage the principal risks we are working alongside the National Housing Federation, Sitra and Homeless Link in the continuing struggle to demonstrate to the government the devastating impact of the proposed rental cuts on the social housing sector. We have invested further resources into fundraising and have implemented internal cost-savings in preparation for further cuts to income.

Partnering organisations

Porchlight works in partnership with Kent County Council, Medway Council, Ashford Borough Council, Canterbury City Council, Dartford Borough Council, Dover District Council, Gravesham Borough Council, Maidstone Borough Council, Sevenoaks District Council, Shepway District Council, Swale Borough Council, Thanet District Council, Tonbridge and Malling Borough Council, Tunbridge Wells Borough Council, London Borough of Bexley, East Sussex County Council, NHS Eastern and Coastal Kent Primary Care Trust, Kent and Medway NHS and Social Care Partnership Trust. Porchlight also manages properties owned by the following Registered Providers: Sanctuary Support, Orbit, Amicus Horizon, Affinity Sutton, Russet Homes, Southern Housing Group and Hyde Housing Group.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting appropriate policies for the year. The trustees are confident that Porchlight meets the Public Benefit requirements.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the trustees 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to disclosure of information to auditors

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Auditor

RSM UK Audit LLP have expressed their willingness to continue in office. This report has been prepared in accordance with the special provisions for small companies under the small companies regime. This report was approved by the trustees on 25 July 2018 and signed on its behalf by:



Dr S Hornibrook, Chair

Independent auditor’s report

Opinion on financial statements

We have audited the financial statements of Porchlight (the ‘charitable company’) for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company’s affairs as at 31 March 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees Report other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- The information given in the Trustees’ Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees’ Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees’ Report.

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

Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees’ remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees’ Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees’ responsibilities set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Use of our report

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



JAMES SAUNDERS (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants, Hanover House, 18 Mount Ephraim Road
Tunbridge Wells Kent TN11 1ED

Date: 26/7/2018

Statement of Financial Activities (including Income & Expenditure Account)

for the year ended 31 March 2018

		Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
	Note				
Income:					
Donations and legacies	2	513,047	385,827	898,874	431,278
Charitable activities	3	7,855,798	1,452,943	9,308,741	8,200,680
Other trading activities	4	28,796	-	28,796	41,253
Investments - bank interest		4,027	-	4,027	6,769
Total income		8,401,668	1,838,770	10,240,438	8,679,980
Expenditure:					
Raising funds	5	144,965	-	144,965	110,994
Charitable activities	6	8,272,451	1,412,261	9,684,712	8,435,222
Total expenditure		8,417,416	1,412,261	9,829,677	8,546,216
Net income/(expenditure)		(15,748)	426,509	410,761	133,764
Transfers between funds	13	(2,399)	2,399	-	-
Net movement in funds		(18,147)	428,908	410,761	133,764
Reconciliation of funds					
Total funds brought forward		1,823,024	217,970	2,040,994	1,907,230
Total funds carried forward		1,804,877	646,878	2,451,755	2,040,994

The notes on pages 23 to 31 form part of these financial statements.

Balance sheet

as at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	9	801,118	797,026
Investment property	10	354,223	-
		1,155,341	797,026
Current assets			
Debtors	11	904,292	1,122,313
Investments - cash on deposit		517,468	514,440
Cash at bank and in hand		664,218	501,326
		2,085,978	2,138,079
Liabilities			
Creditors: Amounts falling due within one year	12	(789,564)	(894,111)
Net current assets		1,296,414	1,243,968
Total net assets		2,451,755	2,040,994
The funds of the charity			
Restricted income funds	13	646,878	217,970
Unrestricted funds	13	1,804,877	1,823,024
Total charity funds		2,451,755	2,040,994

These financial statements have been prepared in accordance with the special provisions for small companies under the small companies regime.

Company number: 01157482

The financial statements were approved and authorised for issue by the board of trustees on 25th July 2018 and signed on their behalf by:



S Hornibrook
Trustee



B Porter
Trustee

The notes on pages 23 to 31 form part of these financial statements.

Statement of cash flows

for the year ended 31 March 2018

		Total funds 2018 £	Total funds 2017 £
Note			
Cash provided by/(used in) operating activities	A	<u>621,851</u>	<u>(121,428)</u>
Cash flows from investing activities			
Interest		4,027	6,769
Proceeds from the sale of fittings and equipment		-	25,000
Purchase of fittings and equipment		(105,735)	(678,502)
Investment property gift		(354,223)	-
Cash (used in)/provided by investing activities		<u>(455,931)</u>	<u>(646,733)</u>
Change in cash and cash equivalents in the year		<u>165,920</u>	<u>(768,161)</u>
Cash and cash equivalents at the beginning of the year	B	<u>1,015,766</u>	<u>1,783,927</u>
Total cash and cash equivalents at the end of the year	B	<u>1,181,686</u>	<u>1,015,766</u>

Note A

Reconciliation of net income to net cash flow from operating activities

	2018 £	2017 £
Net income for the year (as per the statement of financial activities)	410,761	133,764
Adjustments for:		
Depreciation charges	101,643	78,913
Interest from investments	(4,027)	(6,769)
Loss on sale of fixed assets	-	6,891
Decrease in debtors	218,021	(753,066)
Decrease in creditors	(104,547)	418,839
Net cash used in operating activities	<u>621,851</u>	<u>(121,428)</u>

Note B

Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	664,218	501,326
Short term investments	517,468	514,440
	<u>1,181,686</u>	<u>1,015,766</u>

Notes to the accounts

for the year ended 31 March 2018

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below.

1.1 Basis of preparation

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

Porchlight is charitable company, limited by guarantee, incorporated in England and Wales.

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

1.2 Preparation of the accounts on a going concern basis

The charity reported a cash inflow of £165,920 for the year. The trustees are of the view that having secured a KCC contract covering the next 4 - 6 years, in addition to all the existing rolling contracts, constitutes the charity as a going concern, and confirm there are no material uncertainties about the charity's ability to continue.

See note 18 for further details.

1.3 Income

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

Donations are included as income when the cash becomes receivable. For legacies, entitlement is taken when there has been grant of probate, the executors have established that there are sufficient net assets in the estate to pay the legacy and any conditions attached to the legacy have been met.

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

Whereby grants are received in advance, amounts are deferred at the year end as necessary.

Other trading activities relate to income in exchange for goods or services sold, at equal value. Income is recognised when the charity has entitlement to the funds and they can be reliably measured, normally upon receipt.

Income from interest on deposits is recognised when its receipt is probable and the amount can be measured reliably; this is normally upon notification or payment by the bank.

Donated Goods and Services are included as income where it would otherwise have been purchased. Amounts are included when received, at the value of the cost of purchasing the goods or service outright on the open market.

1.4 Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities.

Expenditure on raising funds comprise the costs associated with attracting income from donations and legacies.

Expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

Support costs include central functions such as governance, finance, administration, human resources etc and have been allocated to activities on the basis of the number of staff engaged in those activities.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.5 Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The charity recognises termination benefits when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or (ii) providing termination benefits as a result of an offer made to encourage voluntary redundancy.

1.6 Pensions

The charity operates a defined contribution pension scheme. The expenses and any liability are allocated to the activity within the staff costs for that activity, similarly allocated to restricted or unrestricted based on the relevant staff costs for that fund.

1.7 Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property - 2% on cost of the building

Leasehold property - over the life of the lease

Fixtures & fittings - 25%

A full year of depreciation is charged in the year of acquisition, and none in the year of disposal.

1.8 Fixed asset investments

Investment properties are included in the balance sheet at their open market value. No depreciation is provided on the properties. Net gains and losses on disposal and revaluation of investments are charged or credited to the SOFA.

1.9 Debtors

Other debtors are recognised at the settlement amount due.

1.10 Investments

Investments comprise short term highly liquid investments with a maturity of 100 days from the date of deposit.

1.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a maturity of less than three months from the date of deposit.

1.12 Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

1.13 Accrued Holiday Pay

Provision is made at the balance sheet date for holidays accrued but not taken, at the salary of the relevant employee at that date. The expected cost of compensated short-term absence (i.e holidays) is charged to the SOFA on an accruals basis.

1.14 Fund accounting

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

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

- Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

Funds transferred cover deficits on restricted funds.

1.15 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA as incurred.

1.16 Financial instruments

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

2. Donations and legacies

	Unrestricted funds	Restricted funds	Total funds
	2018	2018	2018
	£	£	£
Gifts and donations	445,031	385,827	830,858
General grants	25,650	-	25,650
Donated goods and services	42,366	-	42,366
Total	513,047	385,827	898,874
	Unrestricted funds	Restricted funds	Total funds
	2017	2017	2017
	£	£	£
Gifts and donations	343,213	34,787	378,000
General grants	22,875	-	22,875
Donated goods and services	30,403	-	30,403
Total	396,491	34,787	431,278

Donated goods and services relates to the use of conference centres, sailing trips and food provided for our service users at no, or little cost to the charity. The value included is that of acquiring those services at the full open market cost.

3. Charitable activities

	Unrestricted funds	Restricted funds	Total funds
	2018	2018	2018
	£	£	£
Homelessness Services			
Rent / Accommodation charges	1,628,406	-	1,628,406
KCC Support Service grant	1,671,710	-	1,671,710
Local Authority grants	-	298,554	298,554
The Big Lottery Fund	-	119,826	119,826
Student placement fees	4,900	-	4,900
Other grants receivable	-	33,518	33,518
	3,305,016	451,898	3,756,914
Community and Preventative Services			
Kent County Council	2,490,629	93,448	2,584,077
NHS CCG	270,000	-	270,000
European Social Fund grant	39,158	569,240	608,398
Delivery network income	53,768	-	53,768
Other grants receivable	-	1,180	1,180
	2,853,555	663,868	3,517,423
Employment, Education and Training			
The Henry Smith Charitable Trust	-	19,267	19,267
RBLI income	-	23,142	23,142
Other grants receivable	-	27,989	27,989
	-	70,398	70,398

Youth and Families' Services

Kent County Council	1,137,669	57,420	1,195,089
Local Authority grants	50,000	195,334	245,334
Delivery network income	248,521	-	248,521
Other grants receivable	261,037	14,025	275,062
	1,697,227	266,779	1,964,006
Total	7,855,798	1,452,943	9,308,741

	Unrestricted funds	Restricted funds	Total funds
	2017	2017	2017
	£	£	£

Homelessness Services

Rent / Accommodation charges	1,518,513	-	1,518,513
KCC Support Service grant	2,067,143	-	2,067,143
Local Authority grants	-	110,777	110,777
The Big Lottery Fund	-	115,246	115,246
Student placement fees	2,800	-	2,800
Other grants receivable	-	58,872	58,872
	3,588,456	284,895	3,873,351

Community and Preventative Services

Kent County Council	2,440,629	-	2,440,629
NHS CCG	247,500	-	247,500
Delivery network income	259,728	-	259,728
Other grants receivable	-	250	250
	2,947,857	250	2,948,107

Employment, Education and Training

The Henry Smith Charitable Trust	-	28,500	28,500
The Big Lottery Fund	-	49,740	49,740
Other grants receivable	-	74,129	74,129
	-	152,369	152,369

Youth and Families' Services

Kent County Council	967,131	-	967,131
Local Authority grants	117,680	35,500	153,180
Other grants receivable	96,656	9,886	106,542
	1,181,467	45,386	1,226,853
Total	7,717,780	482,900	8,200,680

Government grants are received for the provision of support within accommodation, floating support and outreach services, adolescent support services and mental health and wellbeing services.

Government grants received during the year totalled £6,264,764 (2017: £5,986,360).

There were no unfulfilled conditions attached to government grants recognised in the year (2017: None)

4. Other trading activities

	Unrestricted funds	Unrestricted funds
	2018	2017
	£	£
Staff secondment	-	35,250
Trading income	28,796	6,003
Total	28,796	41,253

5. Raising funds

	Unrestricted funds	Unrestricted funds
	2018	2017
	£	£
Expenditure on raising donations and legacies	144,965	110,994
Total	144,965	110,994

6. Charitable activities

	Homelessness Services	Community and Preventative Services	Employment, Education and Training	Youth and Families' Services	Total
	£	£	£	£	£
Activities undertaken directly					
Staff costs	2,511,786	1,414,028	159,498	1,251,464	5,336,776
Premises costs	1,031,426	49,093	7,332	31,863	1,119,714
Delivery Network fees	0	1,362,837	-	403,594	1,766,431
Office costs	170,467	48,215	3,522	59,452	281,656
Tenant Welfare fund	72,283	85,065	48,584	18,468	224,400
Sundry expenses	4,564	281	66	419	5,330
	3,790,526	2,959,519	219,002	1,765,260	8,734,307
Support Costs					
Governance	14,547	11,113	2,020	9,496	37,176
Management & Administration	93,912	72,718	14,350	57,285	238,265
Finance	55,514	42,985	8,482	33,863	140,844
Human Resources	34,605	26,795	5,288	21,108	87,796
Communications	175,919	136,217	26,880	107,308	446,324
	374,497	289,828	57,020	229,060	950,405
Total	4,165,023	3,249,347	276,022	1,994,320	9,684,712

All support costs are apportioned on the basis of staff numbers.

Expenditure on charitable activities was £9,684,712 (2017: £8,435,222), of which £8,272,451 (2017: £7,909,858) was unrestricted and £1,412,261 (2017: £525,365) was restricted.

Within governance costs is Directors' and Officers' Insurance at a cost of £3,046 (2017: £2,750)

7. Analysis of staff costs

	2018	2017
	£	£
Salaries and wages	5,104,599	4,328,156
Social security costs	439,239	358,270
Pension costs	202,789	189,648
Total	5,746,627	4,876,074

Included in pension costs above is an amount of £15,942 (2017: £4,189) relating to restricted expenditure.

No redundancy or termination payments were made in the year (2017: £52,056, no amounts were outstanding at the year end).

The number of employees whose emoluments fell within the following bands were:

	2018	2017
£100,000 - £110,000	1	
£90,000 - £100,000		1

The trustees did not receive any remuneration or benefits in kind in either year. £218 (2017: £259) was paid as reimbursement of travel expenses, to one trustee (2017: one trustee).

The key management personnel of the charity comprise the trustees and the Leadership Team. The total amount of employee benefits of the key management personnel was £366,680 (2017: £342,252). During the year new staff loans were paid to key management personnel totalling £3,692 (2017: None), £2,712 (2017: £688) was outstanding at the year end.

The average number of employees during the year was as follows:

	2018 Number	2017 Number
Homelessness Services	75	61
Community and Preventative Services	56	46
Employment, Education and Training	11	12
Youth and Families' Services	49	48
Management & Administration	34	26
Total	225	193

8. Movement in total funds for the year

This is stated after charging:

	2018 £	2017 £
Operating leases – equipment	34,480	15,161
Operating leases – land and buildings	207,359	178,703
Depreciation	101,643	78,913
Loss on disposal of fixed assets	-	6,891
Auditor's remuneration for statutory audit	12,600	13,200

9. Tangible fixed assets

	Freehold property £	Leasehold property £	Fixtures, fittings and equipt £	Total £
Cost				
At 1 April 2017	176,583	610,999	359,246	1,146,828
Additions	-	-	105,735	105,735
Disposals	-	-	(17,219)	(17,219)
At 31 March 2018	176,583	610,999	447,762	1,235,344
Depreciation				
At 1 April 2017	2,119	186,345	161,338	349,802
Disposals	-	-	(17,219)	(17,219)
Charge for the year	2,119	4,167	95,357	101,643
At 31 March 2018	4,238	190,512	239,476	434,226
Net book value				
At 31 March 2018	172,345	420,487	208,286	801,118
At 31 March 2017	174,464	424,654	197,908	797,026

Included in freehold property above is land at a value of £70,633 (2017: £70,633) which is not depreciated.

10. Investment Property

Fair value

At 1 April 2017

Additions

Disposals

At 31 March 2018

During the year a property was donated to Porchlight. It is included at current market value based on a valuation by Bill Wilkie & Associates, Chartered Surveyors.

A restriction has been placed on the property that it cannot be sold for ten years. There is no restriction on how the generated income from the property is used by the charity.

11. Debtors

	2018 £	2017 £
Other debtors	125,559	179,030
Grants receivable	648,377	824,484
Prepayments	130,356	118,799
Total	904,292	1,122,313

12. Creditors - amounts falling due within one year

	2018 £	2017 £
Accruals and deferred income	271,394	338,566
Taxes and social security costs	117,521	105,060
Other creditors	400,649	450,485
Total	789,564	894,111

Deferred Income:

	2018 £	2017 £
Brought forward	222,479	33,723
New amounts deferred	164,975	222,479
Released to SOFA	(222,479)	(33,723)
Total	164,975	222,479

Deferred income relates to grants received in advance, where the period exceeds the year end.

13. Analysis of charity funds

	Balance at 1 Apr 17	Net incoming / (outgoing) resources	Transfers	Balance at 31 Mar 18
	£	£	£	£
Restricted funds				
New Town Street building fund	175,741	(1,682)	-	174,059
Homelessness services	31,634	10,078	-	41,712
Youth and families	595	28,750	-	29,345
Community and preventative	-	47,539	-	47,539
Employment services	10,000	(10,000)	-	-
Investment property	-	351,824	2,399	354,223
Total Restricted funds	217,970	426,509	2,399	646,878

The New Town Street Building fund was created by donations and grants received in 1996/97 to build the property on land provided by Kent County Council on a 125-year lease. This fund is being written off over the life of the lease.

The remaining restricted funds relate to restricted grants and donations for young persons' services, support, helpline and rough sleeper services, community inclusion services, activities and the corresponding expenditure.

The investment property fund relates to a property gifted to the charity during the year, and the associated expenditure. See note 10.

	Balance at 1 Apr 17	Net incoming / (outgoing) resources	Transfers	Balance at 31 Mar 18
	£	£	£	£
Unrestricted funds				
General unrestricted fund	1,823,024	(15,748)	(72,399)	1,734,877
Designated funds	-	-	70,000	70,000
Total Unrestricted funds	1,823,024	(15,748)	(2,399)	1,804,877

The trustees have designated £70,000 towards piloting a Housing First project within Kent.

	Balance at 1 Apr 17	Net incoming / (outgoing) resources	Transfers	Balance at 31 Mar 18
	£	£	£	£
Summary of funds				
Restricted funds	217,970	426,509	2,399	646,878
Unrestricted funds	1,823,024	(15,748)	(2,399)	1,804,877
Total Funds	2,040,994	410,761	-	2,451,755

The transfer to restricted funds relates to the capitalisation of expenditure items regarding the donated investment property.

14. Analysis of net assets between funds

	Unrestricted Funds 2018	Restricted Funds 2018	Total Funds 2018
	£	£	£
Fixed assets	627,060	528,281	1,155,341
Net current assets	1,177,817	118,597	1,296,414
Total	1,804,877	646,878	2,451,755

15. Operating lease commitment

The amounts payable in respect of operating leases shown below are analysed according to the expiry of the leases:

	Land and Buildings 2018	2017	Other 2018	2017
	£	£	£	£
Due within one year	28,359	140,874	589	3,852
Between one and five years	464,658	330,184	154,735	589
After five years	324,557	132,651	-	-

16. Taxation

Porchlight is a registered charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

17. Related Party Transactions

Glenn Miller, a former trustee of the charity is a partner at Cripps LLP, the charity's legal adviser. £5,655 (2017: £12,914) was paid in respect of legal advice during the year until Glenn Miller's retirement as a trustee in November 2017. £1,630 was outstanding at 31 March 2017.

Aggregate donations of £606 (2017: £460) were received from the trustees during the year.

Bob Porter, a trustee, is Head of Housing and Planning at Thanet District Council. Porchlight owns and manages properties within this remit. No financial transactions are affected by this interest, however there is potentially political influence within this role.

18. Non-adjusting events occurring after the end of the reporting period.

KCC have announced that they will be re-tendering all accommodation and homelessness services within Kent during 2018. Should Porchlight be unsuccessful the financial impact will be up to £3.5m loss of income and expenditure on those services. This is a significant amount, however due to other long-term contracts the trustees are of the view this will not affect going concern.



Porchlight

Changing attitudes • Changing lives



/Porchlight1974



@Porchlight1974

www.porchlight.org.uk