

Report and accounts

For the year ended 31 March 2019

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About us

We're proud of our 45 year reputation as Kent's leading homelessness charity.

We're here for people who have nowhere to go and no-one to turn to. Some are living on the streets, others need our support to prevent or resolve any issues that could put them at risk of homelessness.

We prevent

We stop people from losing their homes and help others to live safely and independently in the community.

We provide

We work with people on the streets, in our supported housing and in local communities. We help people with their mental health, housing, education and employment so they can get where they want to be in life.

We challenge

We're fighting for a fairer society and we won't give up until everybody has a safe place to call home and the chance to make a positive contribution.



This year, more than 7,000 individuals and families were supported by our services.



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

Hilary Edridge (appointed as chair 29 January 2019)
Dr Sue Hornibrook (resigned as chair 29 January 2019)

Trustees

Howard Cohn, deputy chair (resigned as deputy chair 25 May 2019)
Pat Unwin (resigned 29 May 2019)
Celia Glynn-Williams (resigned 29 May 2019)
Louise Coakley (appointed 25 June 2018)
Colin Wright (appointed 25 June 2018)
Bob Porter (resigned 24 June 2019)
Dominic Deeson
Thomas Evans
Stephanie Goad (appointed 29 June 2018)
Jenny Robson (appointed 16 July 2018)
Gill Ridge (appointed 30 May 2019)
Naomi Simcox (appointed 30 May 2019)
Angela Hencher (appointed 7 June 2018, resigned 26 October 2018)
Ellie Hutchison (appointed 28 November 2018, resigned 25 January 2019)

- Member of the fundraising and communications sub-committee
- Member of the HR sub-committee
- Member of the finance and risk sub-committee
- Member of the performance and quality sub-committee
- Member of the remuneration committee

Key management personnel

Michael Barrett, chief executive officer/company secretary
Catherine Keen, finance director
Joanne Dawes, director of fundraising and communications
Peter Murphy (to September 2018)/Sarah Dennis (from October 2018), director of human resources
Emma Scoones (to June 2018), director of business development

Aidan Gray (from May 2018), director of development and innovation
Chris Coffey, director of operations

Independent Auditor

RSM UK Audit LLP, 25 Farringdon Street, London EC4A 4AB

Solicitors

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

Bankers

Unity Trust Bank plc, Four Brindleyplace, Birmingham B1 2JB

Registered address

18-19 Watling Street, Canterbury, Kent CT1 2UA

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

porchlight.org.uk @Porchlight1974

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Welcome

From Mike Barrett, chief executive, and Hilary Edridge, chair

It's a year that saw homelessness high on the political agenda as the government sought to address what's become a national crisis. Launching a £100 million strategy, it pledged to end rough sleeping by 2027.

We welcomed the funding as a step forward but more needs to be done. Here at Porchlight, we continue to see the very real human cost of rough sleeping – the people behind the statistics. We've put more of our own resources into funding our life-saving outreach services and we've forged new partnerships to expand the support that's out there and make the biggest possible difference to people living on the streets.

We expanded our outreach team by 77% to provide even better support to people on the streets.

Our main problem in tackling rough sleeping is that there is not enough good quality, low cost housing for the people that need it. Rising rents, cuts in housing benefit and a woeful lack of social housing are putting a stable home even further out of reach for the vulnerable people we support.

We've joined with colleagues from the sector to call on the government to address the political decisions that are removing the social safety nets and leaving so many people with nowhere to turn. We know that being born into and living in poverty is a main driver of homelessness but until the government recognises the economic and social causes, nothing will change.

We're determined to be there when people need us most and, despite the challenges, we've supported more people than ever into safe, affordable accommodation and given them the help they need to rebuild their lives.

This year, we supported 728 people into safe accommodation.

We were proud to be chosen by Kent County Council to deliver Kent Homeless Connect, a new integrated homelessness service. And we're building Porchlight's presence in the community, working to prevent those at higher risk of homelessness from ending up on the streets.



We're supporting people with mental health problems, or drug or alcohol dependencies, young people let down by their families and friends just because they identify as LGBT+, or vulnerable adults fleeing abusive relationships.

This year, 98% of the people helped by our homelessness prevention service kept their home.

We want to target our support where it's needed most. Kent has one of the highest percentages of female rough sleepers in the country. Forty women bravely shared their stories to give us a unique insight into life on the streets. Their words have told us that we need to do more. We're developing gender-specific services to better support them and we've shared our learning to help bring about the changes needed to stop more vulnerable women ending up on our streets.

Of course, we couldn't do any of this without our staff who are so connected to our values and so passionate about the work they do. We want to give them the chance to succeed and grow and this year we provided more than 55 different training and development opportunities.

Our fundraising team brought in an incredible £1,034,035. This is the first time in Porchlight's history that we have raised more than a million pounds in fundraising income. But the support we offer is more critical than ever and we need to raise even more to reach everyone that needs us.

There's still so much to do but at a time of unparalleled political uncertainty, we owe it to the people we support and our communities to keep fighting against homelessness and poverty, to keep trying to reduce the human cost of the government's failures.

And we won't give up until we've got a fairer society where the most excluded are included and everybody has a safe place to call home.

CHIEF EXECUTIVE

CHAIR

Welcome from our helpline team

At the heart of our work is our helpline team.

Porchlight's helpline is a lifeline for people in crisis and it's the only service of its kind in Kent.

“A young pregnant woman sleeping in a tent.

A family who have been unfairly evicted from their home.

A man whose Universal Credit payments have left him unable to afford both rent and food.

These are just some of the people our helpline supports on a daily basis. Whenever we receive a call, we have to be prepared for anything.

People often don't know where to turn in times of crisis. Sometimes, they are afraid to ask for help. That's why it's so important that we're there for them, even if no-one else is.

We've been trained by the Samaritans to engage with vulnerable people sensitively and professionally. If someone is feeling suicidal we know how to reassure them and connect them with specialist support.

Our team consists of three full-time staff, two part-time members of staff, and three volunteers. Together, we keep this vital service running 24 hours a day, 365 days a year. We're the voice on the end of the phone providing support, empathy and reminding callers that someone still cares.



We help people to access Porchlight services or any other kind of specialist support that's close to them. We provide information on food banks, drop-in centres, places of safety, mental health support and more.

If someone is sleeping rough, we offer emotional and practical support. People tell us all the time how much it helps having someone to talk to.

Porchlight's helpline is a lifeline for so many people. We're proud of its success and it's the only service of its kind in Kent.



This year, our helpline received 27,447 calls.



Geoff is one of Porchlight's helpline advisers. He also has personal experience of homelessness.

Several years ago, unexpected redundancy from his security job led to Geoff sleeping on the streets.

"I slept in a car, on the beach and even in public toilets," he recalls. "I was cold, alone and hungry. It was a horrible time."

We helped Geoff move into one of our hostels. "Being there allowed me to get back on my feet and take charge of my life."

While Geoff was being supported by Porchlight, he realised that helping people who are homeless was something he wanted to do.

We helped him find a job and somewhere of his own to live. But the desire to help others never left him, and soon Geoff was back with Porchlight – this time as a member of staff.

"I've gone from calling up in need of help to being on the other end of the line supporting people."



Geoff's story



As well as operating our helpline, our volunteers worked in our community, rough sleeper and accommodation projects, providing expertise in areas including counselling, education and health promotion.

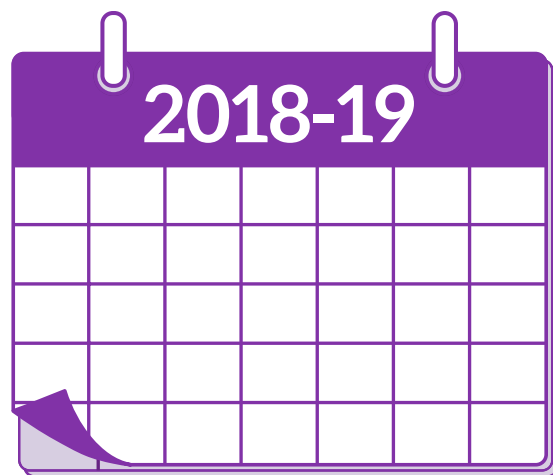
Two of our newest services rely heavily on the work of volunteers. Our HeadStart mentors help disadvantaged young people to explore their

This year our amazing volunteers gave more than 12,000 hours to support our work.



potential and develop valuable life skills.

The BeYou Project provides LGBT+ young people with safe spaces where they can meet, socialise and help each other.



Our aims for the year

2018/19 marked the halfway point in our five year strategic plan.

We took stock of our progress and identified two key areas that we must prioritise in order to achieve our vision of a fairer society where vulnerable people find stability, the most excluded are included, and where homelessness and poverty are things of the past.

During the year we aimed 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

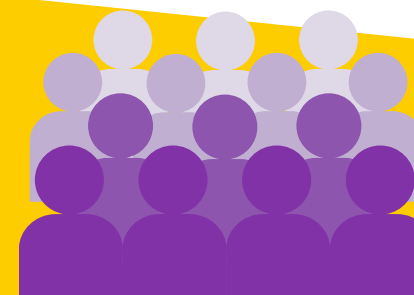
2. Continue to target support where it is needed most, based on our insight and understanding of local need and services



- 🏠 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 highlights in 2018/19

More than 7,000 individuals and families were supported by our services



We expanded our outreach team by 77% to provide even better support to people on the streets



98% of people helped by our homelessness prevention service kept their home

We helped 1,301 families to build on their strengths so that children and young people have the chance to thrive



Our helpline received 27,447 calls

People took part in service user involvement events 1,368 times



Our volunteers gave more than 12,000 hours of support

Homelessness services

From outreach services to new supported housing, we're working towards a future where everyone has a safe place to call home.

Increasing capacity

Rough sleeping is the most visible form of homelessness. It's also the most dangerous.

We know that the longer someone is on the streets, the more harm they will come to. We've put more of our own resources into funding our lifesaving outreach services and we've forged new partnerships to increase the support that's out there and make the biggest possible difference to people living on the streets.

We expanded our outreach team by 77% to provide even better support to people on the streets.

Reducing loneliness and social isolation

People who are rough sleeping tell us that it's not just the cold or hunger, but the loneliness that's so hard to cope with. Rough sleepers often feel isolated, which in turn impacts on their mental health and their ability to seek help.

Even when people are off the streets and in one of our hostels, they can struggle to connect with others which is an important part of the journey back to independence.



Our staff are trained to use psychologically and trauma-informed approaches to help people tackle the underlying emotional issues that are stopping them from changing their behaviour and moving forwards.

This year, we provided more than 55 different training opportunities to help staff support people with very complex needs.

Developing innovative responses to Kent's homelessness crisis

Kent has one of the highest percentages of female homelessness in the country. We carried out research to better understand the unique challenges faced by women rough sleepers and we're now developing female-specific homelessness services to better support them.

Becky's homelessness was related to issues stemming from a traumatic childhood.

Like many vulnerable women in this situation, she was exploited and abused.

"Occasionally I would be kicked awake by drunk people or spat on and told to get a job. I'd have to move around three or four times a night to find somewhere safe enough to get a few hours of sleep."



The turning point came when Becky met our outreach worker Ismaila (see photo below) who helped her find the right support in one of our hostels.

Becky is now looking at a better future. She's determined to make something positive out of her experiences and is volunteering with one of our partner charities.

Improving access to safe and affordable housing

Some people are ready to move on from our hostels after a short period of time but it is increasingly difficult to access good quality, affordable housing. Because many landlords still refuse to accept tenants who have been homeless, we work with them to challenge the misconceptions they may have.

We also offer extensive tenancy training to our residents which allows them to prove they will be responsible tenants.



This year, we supported 728 people into safe accommodation.

We've launched the first Housing First scheme in Kent. It's about moving people with the most complex needs from the streets straight into their own home.

With somewhere safe and secure of their own to live, it's easier for them to address other issues they are facing such as mental ill health or addiction.

This approach is proven to help people who struggle to thrive in a hostel environment and we're looking forward to developing schemes in other areas of Kent.



This year, our outreach team provided one-to-one support to 649 rough sleepers.



Employment, education and training

Work is the best route out of homelessness and poverty and we're helping more people than ever to access the opportunities they need to turn their lives around.

Bringing people closer to their communities

We know that the people we support often feel very separate from the people and communities around them.

We strive to make the most excluded feel included, giving them the confidence and opportunities they need to get back on track.

As part of our Porchlight Integrated Communities model, we're moving our support into 'hubs' which are based in the heart of the community. Porchlight 'hubs' have begun appearing in community centres, leisure centres and other local spaces.

By encouraging the people we support to feel comfortable in these spaces, we're reducing their feelings of being overlooked, discriminated against, and excluded from society.

Helping people get back into work or education is another way we're reconnecting them with their communities. Our new employment support model has helped 135 people into paid work over the year – the most to enter or re-enter paid employment in a year in Porchlight's history.



We've overhauled our feedback processes, giving people new ways to tell us about their experiences of our services. This year, the number of people who gave detailed feedback almost doubled from 162 to 319.

In preparing to deliver Kent Homeless Connect – a new service commissioned by Kent County Council – we carried out extensive co-development work to seek the views of current and former service users. Our 'roadshow' of themed workshops gave 49 Porchlight service users the opportunity to help shape this important new service.

People took part in service user involvement 'events' – including sitting on recruitment panels, completing surveys and attending working groups – 1,368 times over the year.

To find out more about our work, visit porchlight.org.uk

We provided 176 education and training opportunities, and delivered 165 sessions of our award-winning employability programme, Workwise.



New ways for people to inform our work

We know that input from the people who use our services makes us better at what we do. It also empowers people, giving them a voice and a stake in our vision for a better future. That's why we're constantly working to improve opportunities for meaningful service user involvement.

Youth and family services

Underlying causes of homelessness are often traced back to childhood. We're helping young people and families tackle the issues they are facing so that they can stay safe and well.

Bringing young people closer to their communities

The local community can be a vital support network for people of any age. Helping young people connect more closely to theirs is a big part of what our youth and family services do.

Our meet-ups for LGBT+ teenagers are held in places already frequented by their peers (colleges or youth centres). This ensures that the attendees, many of whom already feel isolated, don't feel more segregated or cut off from others of a similar age.



Our services in Bexley supported 71 young people aged 10-17, helping them to feel valued and listened to.

Tackling loneliness and social isolation

It's important that young people who are experiencing difficulties don't feel cut off from others. Feelings of loneliness and isolation can exacerbate problems they are already facing. We help young people to build the resilience to manage their problems – now and in the future.

Our volunteer mentors give young people the support and the skills to cope with adversity and do well at school and in life. They build a stable and positive relationship through regular outings, or support with homework, and help them to get the best out of their childhood.

Young people can also feel lonely and isolated in their own home. That's why we work with whole families to help them stay safe and manage any difficulties they might be facing.

“ I feel really comfortable to be myself with the friends I've made at BeYou. Because we meet at the college, it helps me feel braver about being who I want to be outside of the group. ”
BeYou participant

This year, we've supported 144 young people through our BeYou project, helping them to develop the skills and confidence they need to be active members of the group and their local community, as well as providing the support, understanding or information they may not be able to access at home or at school.

We also used creative approaches to engage with even the hardest-to-reach young people, building connections through activities they are passionate about. In areas known for anti-social behaviour we run sports-based street games which encourage young people to feel a greater sense of belonging to the community in which they live.



We helped 1,301 families to build on their strengths so that children and young people have the chance to thrive.

Ultimately, Porchlight's youth and family services are focused on tackling issues before they worsen and spiral out of control. We want young people to flourish in a stable environment so that they can have the best possible chance of a bright future.

Community and preventative services

Mental ill health is both a cause and a consequence of homelessness. We want people struggling with mental health issues to easily access the help they need and we're targeting our support where it's needed most.

Reducing loneliness and social isolation

Housing and mental health are often linked and people who are affected by poverty and living in areas of social deprivation are more at risk of experiencing mental ill health and isolation.

Our Live Well Kent service helps people to access support in their local area, making it simpler for them to find the help that they need. Through our network of providers, we've increased our presence in Kent's most disadvantaged areas, helping people to address some of the social problems – such as housing issues or debt – that might be affecting their mental health and ability to live as independently as they would like.

This year, over 75% of the people supported by our Live Well Kent service were living in the county's most deprived communities.

We've increased our community drop-ins in Thanet and we've developed new relationships with GP practices so that we can work more closely with health colleagues, picking up on the social factors which we know impact on mental health and wellbeing.

“ I've always been impressed with Porchlight's willingness to go the extra mile for patients, whether it's homelessness, social problems or mental illness. They are integral to how we improve mental health and wellbeing in Thanet. ”

Dr Jihad Malasi,
Thanet Clinical Commissioning Group



Our Aspirations service, which is funded by the European Social Fund and the National Lottery Community Fund, supports people to improve their employment prospects by helping them to manage their mental health and regain their independence.

We want to better understand how our Live Well Kent and Aspirations services are impacting on loneliness, so we've introduced a recognised loneliness measure alongside the other wellbeing tools we use. We are currently reviewing this, as well as keeping up-to-date with national loneliness research and best practice.

We're also reaching out to isolated people through digital marketing. We've used our social media channels to promote our services and the many ways we can help and this year 75,000 people visited our web pages to find out more.

This year, our Live Well Kent service supported 2,658 people.

People like Adrian (pictured right) who has borderline personality disorder and has experienced depression and anxiety.

“I was stuck in this little bubble and I had so many barriers up. I wouldn't have thought about setting foot outside.

“I found out about Live Well Kent's music appreciation group through the internet. It was really scary at first but I met nice people. After a few times, it made me realise I didn't need to worry so much about other people. I learned there are people out there just like me – nice, genuine people. I didn't have to be scared or frightened at these groups and I could come out of my shell. I didn't have to be shy me, not trusting anyone, I could just be who I am.

“Being able to be around people again has helped me so much. I've pushed myself so far outside of my boundaries. I've helped organise events with the group and have even started writing poetry.”



Targeting our support

We've used our local needs analysis to look at where we can improve support and we're developing new services in those areas.

We have a new community mental health project in eastern Sheppey and we're introducing a peer-led personality disorder service to our Live Well Kent network.

We also want to better understand some of the main circumstances that bring people to our services. This can help us to develop support that reaches people sooner and possibly prevent mental health needs from arising in the first place.

For shorter term services, where it can be more difficult to measure and understand the difference we make, we are using an easy and accessible tool to give us more insight into individual need. We'll be using this to inform the future development of our services.



Thanks to your support, we're helping more people than ever before.

This year our fundraising team have brought in £1,034,035. This is the first time in Porchlight's history that we have raised more than a million pounds in fundraising income.

It's thanks to the generosity of our donors and fundraisers that we've been able to achieve this. Breaking the million pound 'barrier' means we can reach out to even more vulnerable people across Kent.

From dress down days to ultramarathons, and from cake sales to bike rides, all kinds of people raised funds for us in all kinds of ways – and every penny raised helped us to change people's lives for good.

The Kent Scouts Big Cardboard Sleep Out, the first event of its kind in the county, saw more than 2,000 young people spend a chilly October night outdoors to raise funds – and to get an eye-opening experience of the reality of daily life for people sleeping rough. Generous sponsors helped these altruistic young people raise a staggering £75,000 to support our work.

Our thanks go out to them and every corporate partner, community and faith group and individual who supported us over the year.

We are also enormously grateful to the trusts and foundations who helped to fund our work; their grants made up 42% of the year's income.

New data protection rules, introduced in May 2018, were an opportunity for us to revisit our relationship with individual supporters. We re-examined our policies from the ground up to become fully compliant with the new regulations and are now focused on cultivating long-lasting relationships with our existing donors.

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

We received 13 complaints and one subject access request in 2018-19. People are able to opt into or out of our communications at any time by calling 01227 813199 and our privacy promise and supporter care charter are available on our website: porchlight.org.uk

Our fundraising year in numbers

- 🏠 126 talks, workshops and assemblies reached almost 16,000 children and adults
- 🏠 107 companies supported us, raising just under £90,000
- 🏠 Three cash appeals raised just under £80,000
- 🏠 526 new donors supported us



Our strategic aims 2019/20

Our strategic aims have been refreshed to reflect the developments and achievements that have taken place and the new opportunities and challenges we expect to face in the future.

Our four main aims, which are supported by detailed strategic objectives, are:

Strengthening communities

We'll develop our presence in local communities, working with partner organisations to help people prevent or resolve any problems that could increase their vulnerability or put them at risk of homelessness.



Trusted provision

We'll continue to lead and provide quality support based on our insight and understanding of local need and services.

Policy and lasting change

We'll use the learning and experiences of the people we work with to influence, challenge and shape future changes in policy and services.



A sustainable organisation

We'll manage our charity as effectively and efficiently as possible so that we can achieve our aims and objectives, now and in the future.

You can view our refreshed strategic aims and objectives in full at porchlight.org.uk/our-strategic-aims

Financial review

Our income for the year was £10,847,685, an increase of 6% on last year. However our expenditure increased by 13% to over £11 million leading to a deficit of £261,871.

The main reasons for this were:

- increased expenditure on our charitable activities (see below)
- changes to the delivery network of our family support service, leading to a reduction in income from the strategic partner
- last year's income was boosted at the year end by a £354,223 donated property.

Income

During the year 65% of our income came from government grants and 15% from rental income within our properties. The rest was made up of voluntary income and funding from charitable trusts.

New funding this year included £173,000 from the Ministry of Housing towards our rough sleeper team and £19,000 to fund an additional staff member to support our work tackling antisocial behaviour in Bexley.

Our new BeYou Project received £104,000 to support LGBT+ young people and we were awarded £580,000 to provide housing and support for people with mental health needs.

Charitable expenditure

We spent £1.2 million more than last year on our charitable activities, supporting homeless, vulnerable and isolated people in Kent.

Our staff are critical to the success of our work and we've continued to use our own income reserves to fund posts which help us deliver the best support and outcomes for some of the most marginalised people in our society. This includes specialist safeguarding and housing management posts, as well as staff to run our work, health and learning programme.

Accessing good quality housing for the people we support is one of our biggest challenges so we've made bigger investments in property. And we've continued to subsidise public contracts including our service which tackles anti-social behaviour amongst young people in Bexley.

Because of the overall reduction in public sector



grants, we've increased our investment in fundraising to make up the shortfall in income. Extra staffing, skills and capacity has resulted in us raising £718,750 in voluntary income and we're confident we'll see further returns on our investment in the year ahead.

In October this year, we were proud to be awarded a £2.7 million contract by Kent County Council to deliver Kent Homeless Connect, a new integrated homelessness service. As a result, we've significantly changed our supported housing model and invested heavily in new staff and training. Over the next year, our focus will be on building up our property portfolio using a mix of our own funds, leased properties and through philanthropic investment.

Expenditure by key activities

Homelessness services expenditure increased by 6% to £4 million. Ministry of Housing, Communities and Local Government investment allowed us to grow the capacity of our rough sleeper team, although we continue to self-fund management posts for this life-saving service.

Our commitment to improving access to safe, affordable housing means that our costs in this area have increased by more than £200,000.

Youth and families' services expenditure decreased by 18% to £1.5 million due to changes to the delivery network within our family support service. We continue to self-fund a specialist safeguarding post to provide support, advice and training to our teams delivering services to young people and families.

Employment, education and training expenditure remained in line with the previous year at just

over £200,000. We continue to use our own reserves to fund our service user involvement and work, health and learning programmes, both of which are vital in people's journey towards independence.

Community and preventative services expenditure increased by nearly £1.3 million, a 43% rise on last year. Our Live Well Kent service was awarded £580,000 to run a supported housing scheme which helps people with mental health issues to live independently. We also spent £150,000 more on the welfare of people participating in our Aspirations service, from our European Social Fund grant.

Reserves policy

At the end of the year, we held total funds of £2,189,884. We're working to maintain our free reserves to help us manage the risks to the charity. The reserves are for the general purposes of the charity, not restricted to or designated for a particular purpose. They will allow us to continue much-needed work in the event of a downturn in income or an unforeseen increase in costs.

We have aimed to build our free reserves to cover six months' operational expenditure, ensuring that the charity remains a going concern in the event of key contracts being terminated. Six months' unrestricted expenditure is just over £4.5 million.

Restricted funds, including funding from the European Social Fund, are only available for expenditure as directed by the donor or funder. At the end of the year, total restricted funds totalled £528,757.

Designated funds relate to our Housing First project. The trustees have reviewed the balance within these funds and agree it to be suitable for the coming year's Housing First requirements. Any balance not spent at the end of the next financial year will be transferred back into free reserves. Designated funds totalled £56,877 at the end of the year.

Free reserves

Our free reserves are the part of the charity's unrestricted income funds that is freely available after taking account of the designated funds that have been earmarked for specific purposes.

The free reserves currently stand at £1,022,063 and are calculated as follows:

Total unrestricted funds	£1,661,127
Less designated funds	(£56,877)

Less fixed assets	(£582,187)
Total free reserves	£1,022,063

The award of the new contract to deliver Kent Homeless Connect puts us in a much better financial position for the year ahead and we're looking forward to making an even bigger impact on the lives of the people we support.

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.

Key performance indicators

- Operating surpluses from 2019/20 onwards
In 2018/19 we made a deficit, however, a key part of our strategy for the next five years is to make a surplus. We've put a number of cost saving measures in place to make sure we're on track for a surplus in the next financial year.
- Rent collected as a percentage of rent due (target minimum 94%)
How we performed: 95.25%
- Level of voids as a percentage of rental income (target under 4%)
How we performed: 1.95%
- Rent arrears as a percentage of total rental income (target 2%)
How we performed: Arrears totalled 2.8% of rental income at the year end. We are keeping our target at 2% and a change in structure within our accommodation projects should see an improvement in future.

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 and governance

Governance

Porchlight was founded in 1974 and is registered as a charity in England and Wales (number 267116). Our registered office address is 18-19 Watling Street, Canterbury, Kent CT1 2UA.

We are governed by a board of trustees of up to 15 members which meets formally six times a year. Our governing document is the Memorandum and Articles of Association, revised in July 2017.

Our trustees are volunteers who use their skills, experience and sound judgement to help the charity achieve its aims. They ensure that the charity has a clear strategy, and that our work and goals are in line with our vision.

Our board members sit on sub-committees that focus on particular areas of work or projects, for example, finance and risk, and fundraising and communications (see page 4 for details). However, they delegate the day to day running of the charity to the staff team via our chief executive.

Trustee recruitment is managed by an appointment panel which includes our chair, our chief executive and one trustee. New trustees are given a full induction to ensure that they understand their role and



responsibilities and have a good understanding of the charity's work overall.

Porchlight's trustees are able to commit to an open-ended length of service, however we carry out regular skills audits to ensure that we have the right mix of experience to run the charity effectively and in the interests of the people it was set up to support.

Last year, an external review against the Charity Governance Code found us to be a well governed charity.

Remuneration of employees

Our pay structure, including the pay of our leadership team and chief executive, is reviewed and approved by the remuneration committee which makes decisions using external benchmarking tools such as the ACEVO pay and equalities survey. We also take account of pay practice in other voluntary sector organisations.

Risk management

The trustees review risks to the charity on an ongoing basis, ensuring that systems are in place to mitigate and manage the most severe risks. The main risks to the charity are identified as:

- the occurrence of a major safeguarding issue
- the charity remaining overly reliant on statutory funding, that could be reviewed due to financial pressures
- an incident that puts the safety of employees, service users, sub-contractors and/or partner organisations at risk
- adjustments to public sector contracts, making them impossible to deliver
- quality and growth being compromised due to financial restrictions of new contracts
- a situation leading to severe financial implications (e.g. fines/litigation) or reputational damage
- liabilities associated with managing contracts as prime/lead provider

We continue to work with our colleagues in the homelessness sector, adding our voice to a national call for the government to address the political decisions that are removing the social safety nets and leaving so many people with nowhere to turn. We're investing more resources into income generation to help us reduce our reliance on statutory funding and mitigate the risk of further cuts to our income.

Partnership working

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, Folkestone and Hythe 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, NHS West Kent CCG, NHS Thanet CCG, NHS Canterbury and Coastal CCG, NHS South Kent Coast CCG, NHS Dartford, Gravesham and Swanley CCG, NHS Swale CCG. Porchlight also manages properties owned by the following registered providers: Sanctuary Support, Orbit, Optivo, Clarion, 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' financial responsibilities

The charity trustees (who are also the directors of Porchlight for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

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

Statement of information to auditor

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 auditor are unaware. Each of the trustees has 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 auditor.

Auditor

RSM UK Audit LLP have expressed their willingness to continue in office.

This report and incorporated strategic report was approved by the trustees on 24 July 2019 and signed on its behalf by:

H Edridge
Chair

Independent auditor's report

Opinion

We have audited the financial statements of Porchlight (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 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 2019 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 Annual 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, 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 Directors' Report and the Strategic Report included within 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 Directors' Report or the Strategic Report included within 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 21, 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.

RSM UK Audit LLP

Nicholas Sladden (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP,
Statutory Auditor
Chartered Accountants, 25 Farringdon Street,
London EC4A 4AB

Date: 30 July 2019

Statement of financial activities
(including income & expenditure account)

for the year ended 31 March 2019

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		Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
	Note				
Income:					
Donations and legacies	2	663,287	55,463	718,750	898,874
Charitable activities	3	8,227,940	1,878,990	10,106,930	9,308,741
Other trading activities	4	18,089	-	18,089	28,796
Investments – bank interest		3,916	-	3,916	4,027
Total income		8,913,232	1,934,453	10,847,685	10,240,438
Expenditure:					
Raising funds	5	224,983	-	224,983	144,965
Charitable activities	6	8,831,999	2,052,574	10,884,573	9,684,712
Total expenditure		9,056,982	2,052,574	11,109,556	9,829,677
Net (expenditure)/income		(143,750)	(118,121)	(261,871)	410,761
Transfers between funds	14	-	-	-	-
Net movement in funds		(143,750)	(118,121)	(261,871)	410,761
Reconciliation of funds					
Total funds brought forward		1,804,877	646,878	2,451,755	2,040,994
Total funds carried forward		1,661,127	528,757	2,189,884	2,451,755

The notes on pages 27 to 35 form part of these financial statements.

Balance sheet

as at 31 March 2019

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	Note	2019 £	2018 £
Fixed assets			
Tangible assets	9	754,563	801,118
Investment property	10	354,223	354,223
		1,108,786	1,155,341
Current assets			
Debtors	11	979,903	904,292
Investments – cash on deposit		521,334	517,468
Cash at bank and in hand		546,002	664,218
		2,047,239	2,085,978
Liabilities			
Creditors: Amounts falling due within one year	12	(966,141)	(789,564)
Net current assets		1,081,098	1,296,414
Total net assets		2,189,884	2,451,755
The funds of the charity			
Restricted income funds	14	528,757	646,878
Unrestricted funds	14	1,661,127	1,804,877
Total charity funds		2,189,884	2,451,755

Company number: 01157482

The financial statements on pages 24 to 35 were approved and authorised for issue by the board of trustees on 24th July 2019 and signed on their behalf by:



H Edridge
Trustee



H Cohn
Trustee

Statement of cash flows

for the year ended 31 March 2019



	Note	Total funds 2019 £	Total funds 2018 £
Cash (used in)/provided by operating activities	A	(57,377)	621,851
Cash flows from investing activities			
Interest		3,916	4,027
Proceeds from the sale of fittings and equipment		27,000	-
Purchase of fittings and equipment		(87,889)	(105,735)
Investment property gift		-	(354,223)
Cash used in investing activities		(56,973)	(455,931)
Change in cash and cash equivalents in the year		(114,350)	165,920
Cash and cash equivalents at the beginning of the year	B	1,181,686	1,015,766
Total cash and cash equivalents at the end of the year	B	1,067,336	1,181,686
Note A			
Reconciliation of net income to net cash flow from operating activities			
		2019	2018
		£	£
Net (expenditure)/income for the year (as per the statement of financial activities)		(261,871)	410,761
Adjustments for:			
Depreciation charges		107,646	101,643
Interest from investments		(3,916)	(4,027)
Loss on sale of fixed assets		(202)	-
(Decrease)/increase in debtors		(75,611)	218,021
Decrease/(increase) in creditors		176,577	(104,547)
Net cash (used in)/provided by operating activities		(57,377)	621,851
Note B			
Analysis of cash and cash equivalents			
		2019	2018
		£	£
Cash in hand		546,002	664,218
Short term investments		521,334	517,468
		1,067,336	1,181,686

Notes to the accounts

for the year ended 31 March 2019



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 meets the definition of a public benefit entity under FRS 102.
- 1.2

Preparation of the accounts on a going concern basis

The trustees are of the view that having secured the KCC homelessness contract for the next four years, in addition to the existing KCC Live Well Kent contract, constitutes the charity as a going concern, and confirm there are no material uncertainties about the charity’s ability to continue.
- 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.

Where 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, together with investment costs.

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
		2019	2019	2019
		£	£	£
	Gifts and donations	616,896	55,463	672,359
	General grants	12,500	-	12,500
	Donated goods and services	33,891	-	33,891
	Total	663,287	55,463	718,750

	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

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
		2019	2019	2019
		£	£	£
	Homelessness Services			
	Rent / Accommodation charges	1,680,102	-	1,680,102
	KCC Support Service grant	1,677,762	-	1,677,762
	Local Authority grants	4,848	424,884	429,732
	The Big Lottery Fund	-	133,754	133,754
	Student placement fees	3,500	-	3,500
	Other grants receivable	-	25,592	25,592
		3,366,212	584,230	3,950,442
	Community and Preventative Services			
	Kent County Council	3,021,044	-	3,021,044
	NHS CCG	360,000	-	360,000
	European Social Fund grant	66,587	950,556	1,017,143
	Delivery network income	23,605	-	23,605
	Student placement fees	700	-	700
	Other grants receivable	-	4,319	4,319
		3,471,936	954,875	4,426,811
	Employment, Education and Training			
	RBLI income	-	23,142	23,142
	Other grants receivable	-	8,000	8,000
		-	31,142	31,142

Youth and Families' Services			
Kent County Council	1,240,000	70,458	1,310,458
Local Authority grants	149,792	38,930	188,722
Delivery network income	-	84,163	84,163
CCG income	-	104,250	104,250
Other grants receivable	-	10,942	10,942
	<u>1,389,792</u>	<u>308,743</u>	<u>1,698,535</u>
	<u>8,227,940</u>	<u>1,878,990</u>	<u>10,106,930</u>
Total			
	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
	<u>3,305,016</u>	<u>451,898</u>	<u>3,756,914</u>
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
	<u>2,853,555</u>	<u>663,868</u>	<u>3,517,423</u>
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
	<u>-</u>	<u>70,398</u>	<u>70,398</u>
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
	<u>1,697,227</u>	<u>266,779</u>	<u>1,964,006</u>
	<u>7,855,798</u>	<u>1,452,943</u>	<u>9,308,741</u>
Total			

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 £7,091,968 (2018: £6,264,764).

There were no unfulfilled conditions attached to government grants recognised in the year (2018: None).

4.	Other trading activities	Unrestricted funds	Unrestricted funds
		2019	2018
		£	£
	Trading income	18,089	28,796
		<u>18,089</u>	<u>28,796</u>
	Total		

5.	Raising funds	Unrestricted funds	Unrestricted funds
		2019	2018
		£	£
	Expenditure on raising donations and legacies	224,983	144,965
	Total	<u>224,983</u>	<u>144,965</u>

6.	Charitable activities	Community and Preventative Services	Employment, Education and Training	Youth and Families' Services	Total
		Homelessness Services			2019
		£	£	£	£
	Activities undertaken directly				
	Staff costs	2,544,803	1,612,634	140,078	1,310,239
	Premises costs	1,256,635	73,872	28,096	39,328
	Delivery Network fees	13,500	2,280,998	-	27,035
	Office costs	134,718	94,503	8,160	57,809
	Tenant Welfare fund	60,477	168,144	40,707	18,166
	Sundry expenses	2,244	2,893	25	174
		<u>4,012,377</u>	<u>4,233,044</u>	<u>217,066</u>	<u>1,452,751</u>
	Support Costs				
	Governance	12,201	11,330	1,917	9,064
	Management & Administration	82,587	79,466	13,414	60,102
	Finance	50,728	48,811	8,239	36,917
	Human Resources	24,569	23,640	3,990	17,880
	Communications	169,853	163,433	27,587	123,607
		<u>339,938</u>	<u>326,680</u>	<u>55,147</u>	<u>247,570</u>
	Total	<u>4,352,315</u>	<u>4,559,724</u>	<u>272,213</u>	<u>1,700,321</u>

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

Expenditure on charitable activities was £10,884,573 (2018: £9,684,712), of which £8,831,999 (2018: £8,272,451) was unrestricted and £2,052,574 (2018: £1,412,261) was restricted.

Within governance costs is Directors' and Officers' Insurance at a cost of £3,640 (2018: £3,046)

7.	Analysis of staff costs	2019	2018
		£	£
	Salaries and wages	5,421,151	5,104,599
	Social security costs	463,625	439,239
	Pension costs	221,537	202,789
	Total	<u>6,106,313</u>	<u>5,746,627</u>

Included in pension costs above is an amount of £26,195 (2018: £15,942) relating to restricted expenditure.

Pension contributions of £32,297 (2018: £27,629) were payable at the year end.

Redundancy payments totalling £52,267 (2018: £nil) were made in the year, £42,360 was outstanding at the year end (2018: £nil).

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

	2019	2018
£100,000 - £110,000		1
£110,000 - £120,000	1	

The trustees did not receive any remuneration or benefits in kind in either year. £59 (2018: £218) was paid as reimbursement of travel expenses, to one trustee (2018: 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 £371,993 (2018: £366,680). During the year no new staff loans were paid to key management personnel (2018: £3,692), £1,044 (2018: £2,712) was outstanding at the year end.

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

	2019 number	2018 number
Homelessness Services	70	75
Community and Preventative Services	65	56
Employment, Education and Training	11	11
Youth and Families' Services	52	49
Management & Administration	35	34
Total	<u>233</u>	<u>225</u>

8.	Movement in total funds for the year	2019	2018
		£	£
	This is stated after charging:		
	Operating leases – equipment	31,928	34,480
	Operating leases – land and buildings	258,129	207,359
	Depreciation	107,646	101,643
	Loss on disposal of fixed assets	202	-
	Auditor's remuneration for statutory audit	<u>13,080</u>	<u>12,600</u>

9.	Tangible fixed assets				
		Freehold property	Leasehold property	Fixtures, fittings and equipt	Total
		£	£	£	£
	Cost				
	At 1 April 2018	176,583	610,999	447,762	1,235,344
	Additions	-	-	87,889	87,889
	Disposals	-	-	(65,055)	(65,055)
	At 31 March 2019	<u>176,583</u>	<u>610,999</u>	<u>470,596</u>	<u>1,258,178</u>
	Depreciation				
	At 1 April 2018	4,238	190,512	239,476	434,226
	Disposals	-	-	(38,257)	(38,257)
	Charge for the year	<u>2,119</u>	<u>4,167</u>	<u>101,360</u>	<u>107,646</u>
	At 31 March 2019	<u>6,357</u>	<u>194,679</u>	<u>302,579</u>	<u>503,615</u>
	Net book value				
	At 31 March 2019	<u>170,226</u>	<u>416,320</u>	<u>168,017</u>	<u>754,563</u>
	At 31 March 2018	<u>172,345</u>	<u>420,487</u>	<u>208,286</u>	<u>801,118</u>

Included in freehold property above is land at a value of £70,633 (2018: £70,633) which is not depreciated.

10.	Investment Property	Total
		£
	Fair value	
	At 1 April 2018	354,223
	Additions	-
	Disposals	-
	At 31 March 2019	<u>354,223</u>
	The property was valued last year by Bill Wilkie & Associates, Chartered Surveyors, when donated to Porchlight. In the opinion of the trustees the property value will not have increased significantly due to ongoing repair works, and the cost of professionally valuing the asset to include a more accurate value outweighs the benefits to the users of the accounts.	
	A restriction has been placed on the property that it cannot be sold for ten years from the date of the gift. There is no restriction on how the income generated from the property is used by the charity.	

11.	Debtors	2019	2018
		£	£
	Other debtors	157,804	125,559
	Grants receivable	653,344	648,377
	Prepayments	168,755	130,356
	Total	<u>979,903</u>	<u>904,292</u>

12.	Creditors – amounts falling due within one year	2019	2018
		£	£
	Accruals and deferred income	219,037	271,394
	Taxes and social security costs	119,259	117,521
	Other creditors	627,845	400,649
	Total	<u>966,141</u>	<u>789,564</u>

	Deferred Income:	2019	2018
		£	£
	Brought forward	164,975	222,479
	New amounts deferred	85,282	164,975
	Released to SOFA	(164,975)	(222,479)
	Total	<u>85,282</u>	<u>164,975</u>

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

13.	Financial instruments	2019	2018
		£	£
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	<u>805,916</u>	<u>773,402</u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	<u>761,054</u>	<u>507,068</u>

14. Analysis of charity funds	Balance at 1 Apr 18	Net outgoing resources	Transfers	Balance at 31 Mar 19
Restricted funds	£	£	£	£
New Town Street building fund	174,059	(1,682)	-	172,377
Homelessness services	41,712	(41,712)	-	-
Youth and families	29,345	(29,345)	-	-
Community and preventative	47,539	(45,382)	-	2,157
Investment property	354,223	-	-	354,223
Total Restricted funds	646,878	(118,121)	-	528,757
	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.

For details of the investment property fund see note 10.

	Balance at 1 Apr 18	Net outgoing resources	Transfers	Balance at 31 Mar 19
Unrestricted funds	£	£	£	£
General unrestricted fund	1,734,877	(130,627)	-	1,604,250
Designated funds	70,000	(13,123)	-	56,877
Total Unrestricted funds	1,804,877	(143,750)	-	1,661,127
	Balance at 1 Apr 17	Net 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

Designated funds relate to a Housing First project within Maidstone.

	Balance at 1 Apr 18	Net outgoing resources	Transfers	Balance at 31 Mar 19
Summary of funds	£	£	£	£
Restricted funds	646,878	(118,121)	-	528,757
Unrestricted funds	1,804,877	(143,750)	-	1,661,127
Total Funds	2,451,755	(261,871)	-	2,189,884

	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

15. Analysis of net assets between funds	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Fixed assets	582,187	526,599	1,108,786
Net current assets	1,078,940	2,158	1,081,098
Total	1,661,127	528,757	2,189,884
	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

16. 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		Other	
	2019	2018	2019	2018
	£	£	£	£
Due within one year	209,186	186,693	30,947	31,536
Between one and five years	535,997	581,677	61,894	123,199
After five years	48,089	68,125	-	-

17. 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.

18. Related party transactions

Aggregate donations of £885 (2018: £606) were received from the trustees during the year.

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

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