



# Report and accounts

For the year ended 31 March 2020

# Contents



About us	3
Our vision, mission and values	4
Trustees and administration	4
Welcome	5
Our work during coronavirus	6
Our website	7
Our strategic aims 2019/20	8
Our achievements 2019/20	9
Homelessness services	10
Community and preventative services	12
Employment, education and training	14
Youth and family services	16
Fundraising	17
Structure and governance	18
Strategic report	19
Independent auditor's report	22
Statement of financial activities	24
Balance sheet	25
Statement of cash flows	26
Notes to the accounts	27

# About us

**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 8000 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

## Trustees

Louise Coakley

Howard Cohn

Thomas Evans

Dr Stuart Field (appointed 25 July 2019)

Stephanie Goad

Gill Ridge – Treasurer

Dr Jenny Robson

Naomi Simcox

Dr Nicholas Ward (appointed 20 May 2020)

Colin Wright






Dominic Deeson (leave of absence May 2020)

Dr Sue Hornibrook (resigned 26 February 2020)

Pat Unwin (resigned 29 May 2019)

Celia Glynn-Williams (resigned 29 May 2019)

Bob Porter (resigned 24 June 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

Aidan Gray, director of development and innovation

Chris Coffey, director of operations

## Independent Auditor

RSM UK Audit LLP, 25 High Street, Crawley  
West Sussex RH10 1BG

## Solicitors

Cripps Pemberton Greenish, 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](http://porchlight.org.uk)  [@Porchlight1974](https://twitter.com/Porchlight1974)  
 [Porchlight1974](https://www.facebook.com/Porchlight1974)  [@Porchlight1974](https://www.instagram.com/Porchlight1974)

## Key management personnel

Michael Barrett, chief executive officer/company secretary

Catherine Keen, finance director

Joanne Dawes, director of fundraising and  
communications

Sarah Dennis (to October 2019)/ Peter Murphy (from  
November 2019), director of human resources



# Welcome

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

In these unprecedented times, charities like Porchlight are needed more than ever.

The homeless people and vulnerable people we support are among those being hardest hit

We're doing everything we can to evolve to the changing landscape so that we can be here to support people through the uncertain months and years ahead.

We've been supporting homeless people for 45 years, but it took the coronavirus crisis to show what can be achieved when the political will and funding to tackle rough sleeping is in place.

The government's urgent request to house all rough sleepers during the outbreak proves that action could have been taken long ago. We joined forces with local authorities, businesses and community groups to do what many thought couldn't be done and bring everyone in off the streets and into safety.

We welcome the extra £85 million government funding for councils to prevent people from returning to the streets. But people need somewhere safe to live for good and that means the government needs to look beyond the emergency and temporary measures that have been put in place for homeless people.

We cannot afford for the gaps in the housing safety net to widen any further – the government must invest properly in social housing so that more people who are in or at risk of poverty have a secure place to live. And they must provide better financial support for people so that they can afford their housing costs and stay in their homes.

**This year, we took referrals for more than 1000 people who were rough sleeping.**

Our concern is that we will see a rise in rough sleeping in the coming year as people on low incomes, with poor health or in insecure housing – who were already struggling to keep their heads above water – are pushed into homelessness.

The government's ban on evictions has helped to protect those who would otherwise be made homeless during the pandemic. But these measures need to remain in place to make sure nobody loses their home because of coronavirus.



**This year, we helped 1400 people who were at risk of homelessness. The most common reason for this was eviction.**

Here in Kent, we're trying to address the need for housing by working with local investors to increase the number of Porchlight properties so we can give even more people the chance to put down roots in a secure home.

And we're continuing to join with others in the homelessness sector to call for long term ring-fenced funding for specialist supported housing where people can live whilst getting help to make longer lasting changes.

Like many other charities, we're expecting our future fundraising and income generation efforts to be affected by the pandemic, at a time when our services have never been more needed. In the toughest times, our communities need us on the frontline, fighting to help them withstand the devastating impacts of this crisis.

We're so grateful to our amazing staff who have drawn on the values that are at the heart of what we do, stepping outside of their normal roles to cover for colleagues, and using their skills and ideas to help us respond to these new challenges and deliver the high quality services we're so proud of.

Part of our ongoing response to the crisis is recognising that we can't do this alone. As a lead provider of Kent Homeless Connect and Live Well Kent, we're working with our networks of specialist services to deliver the best possible support to the most vulnerable people in our communities.

By pulling together and drawing on our expertise and our collective knowledge and understanding of local communities, we can play a key role in the recovery effort that lies ahead.

And by making positive shifts during this time of disruption, we can adapt and learn through this experience and come out stronger.

Chief Executive

Chair

# Our work during coronavirus

**With the country in lockdown, face to face contact has been paused across many of our services but our teams have quickly adapted to new ways of working, replacing many of our normal physical services with remote support so that nobody is left to face this crisis alone.**

Our community hubs, where people can socialise and feel more connected to others, were moved online so our clients could still participate.

Our virtual hubs feature art lessons, mindfulness, quizzes and more.

Learning practical life skills helps people to feel valued, boosts their confidence, and teaches them things they can use in the future. We're continuing to hold practical skills workshops, such as cooking activities, online.

And the lockdown hasn't stopped us involving the people we support in designing and shaping our services. Our involvement team are running virtual meetings to develop a tool to measure our strength based working practice and to look at the charity's internal complaints process.

We are holding virtual meet-ups for LGBT+ young people, many of whom can feel cut off from their peers and, in some cases, their families. We're

providing safe spaces where they can be themselves, socialise with other young people, and find the support they may not be able to access at home.

The pandemic is putting additional pressure on families, particularly those who are already struggling. Our family support team are providing remote contact and support to make sure that vulnerable children are safe at home. They are also working with food banks and with local schools, supporting children to access free school meals.

Other teams are still providing face to face support in our accommodation projects and out in the community. With many rough sleepers now housed in temporary accommodation, our outreach team are working round the clock to make sure people get the support they need.



**This year, our amazing volunteers gave more than 13,000 hours to support our work.**

During the coronavirus crisis, our volunteers have continued to support their clients. Many are providing support over the phone, including our trainee counsellors who are now able to work with people from across Kent as they are no longer travelling to appointments.

Some volunteers are running sessions through our virtual community hubs whilst others are continuing to support street outreach, as well as carrying out welfare checks over the phone.





Between February and March 2020, the number of rough sleeper referrals doubled.

With emergency food supplies becoming more scarce, the team are helping people access food banks and shop for essentials.

Staff are providing mobile phones and making sure that credits are regularly topped up so that they can stay in touch with their clients. And they're continuing to go out on the streets, following up reports and sightings of people who are sleeping rough and offering advice, signposting and support.

The coronavirus is having a big impact on people's mental health. People are beginning to feel the effects of isolation and some are struggling to cope. Our staff have been supporting people and helping them to stay well by finding ways to manage their mental health during the lockdown.

Our community mental health teams are in regular contact, listening to people's concerns, sharing mental health coping techniques and helping them to access support for housing, money and health issues as well as more specialist help when this is needed.

They have also been developing digital tools including mindfulness and relaxation tips, art therapy videos and practical advice and support to help people manage the stress of isolation and their anxieties around the coronavirus.

Our helpline has become increasingly important during this difficult time. Our team are supporting a growing number of people who are worried about work or money, who can't pay their rent, struggling families who can't access food, and vulnerable people alone in their homes and unable to cope.

As the emotional and economic impact of the coronavirus deepens, we're expecting the demand for our frontline services to increase further. We're planning for this and putting the resources in place to take action quickly and effectively so that we can help our communities to respond and recover from this crisis.



Between February and March 2020, calls to our helpline increased by 27%.



## Our website

Our website was relaunched in October to make it easier for people to get help. When the coronavirus crisis struck, we wanted people to know where to find local support and advice.

Our pages feature guidance on how to stay safe from coronavirus if you are rough sleeping, living in a hostel or temporary accommodation. And what to do if you are struggling financially, or having difficulty managing your mental health.

We're regularly sharing updates across all of our social media channels to get the message out there that our support might have changed but we're still here to help.





# Our strategic aims 2019/20

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.



## 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.



## Trusted provision

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



## Supporting our strategy

To deliver our strategy we need the ongoing support of our funders, donors and supporters, volunteers and staff who contribute their passion, commitment, skills and enthusiasm. We couldn't do it without you.

*You can view our strategic aims and objectives in full at [porchlight.org.uk](http://porchlight.org.uk)*



# Our achievements 2019/20

**We helped 1000 families to build on their strengths so that children have the chance to flourish in a stable environment**



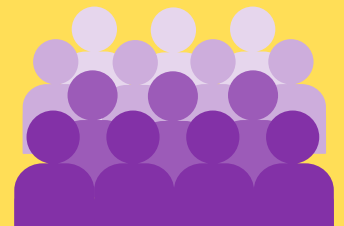
**We supported more than 650 people who were rough sleeping in Kent**



**Around 75% of the people supported by our community mental health service lived in the county's most deprived areas**



**More than 8000 individuals and families were supported by our services**



**Our helpline received 32,343 calls**



**We helped 1400 people who were at risk of losing their home**



**Our volunteers gave more than 13,000 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.**

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. Our outreach team goes out across Kent every day, helping people who are rough sleeping to connect with the services they need.

But homelessness is complicated and some people need more support than others to move away from it.

If people have been sleeping rough for a long time they may struggle to accept help and it can take weeks, even months, to earn their trust.

**We bring together a range of services to make sure that the right support, focused around the individual, is in place**

People who are rough sleeping often have other very complex support needs which means that no single organisation, working alone, will be able to prevent or resolve their homelessness.

Kent Homeless Connect is a network of specialist services led by Porchlight and the charity Look Ahead on behalf of Kent County Council.

It brings together housing support, mental health services, drug and alcohol recovery, and help with tenancies, finances and employment to ensure that the right support, focused around the individual and their needs, is in place.

In the past year, our helpline team have taken more than 3500 referrals for the Kent Homeless Connect service.

**We supported more than 650 people who were rough sleeping in Kent**



Of these referrals, around 1000 people were rough sleeping, 550 were sofa surfing and 1400 were at risk of losing their home.

## Supported housing

In our supported housing projects, we don't just respond to people's immediate needs by offering a bed, food or clothing. We support people to make longer lasting changes so that they can move away from homelessness for good.

**This year, around 350 people moved into Porchlight accommodation.**

Many homeless people have experienced trauma, often at a young age, which means they might have very complex needs that are not easily – or quickly – addressed.

Our staff are trained to understand and respond appropriately to the effects of trauma. They recognise the different stages of recovery and how people's needs change as they progress through our support and start to rebuild their lives.

Part of this is helping people to identify their strengths – what they are good at – so that they can develop coping skills and resilience as they move towards a more positive future.

## Specialist support

It has been over a year since we launched Housing First in Kent. It's a scheme that helps rough sleepers who struggle to engage with typical homelessness services, and often have been on the streets for years.

People are moved straight into their own home where 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.



We helped a man who was homeless for 17 years. He'd experienced trauma on the streets and found it hard to engage. Because of Housing First, he is now rebuilding his life and recently reconnected with his family.

Two of our Housing First clients – both of whom had been sleeping rough for almost 20 years – have sustained their tenancies for 18 months.

They have developed a sense of worth and pride in their homes and feel settled in the community.

Through our Homes for Kent scheme, we're working with local philanthropists and investors to increase the number of Porchlight properties and give even more people the chance to move away from the misery of the streets.

### 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.

The private rented sector is an important route out of homelessness but vulnerable people face particular barriers to finding and keeping accommodation.

We help to break down some of those barriers by supporting landlords to feel confident in housing our residents. We also offer extensive tenancy training to help the people we support through every step of the renting process including tenant's rights and responsibilities, money management and more.

We also work to stop people becoming homeless in the first place. Around 1400



We helped 1400 people who were at risk of homelessness

people were at risk of homelessness when they were referred into the Kent Homeless Connect service. The most common reason for this was eviction.

We help to prevent people from becoming homeless by offering financial and practical advice, as well as mediation services.

Evan was going to be unlawfully evicted from his home. "My Porchlight worker was so supportive, a real calming influence. She offered to act as a mediator between me and my landlord and began advising me on the legal side of things."

With our help, Evan was able to keep his home.



# KENT HOMELESS CONNECT

Our homelessness services are delivered as part of Kent Homeless Connect – a network of specialist services led by Porchlight and the charity Look Ahead on behalf of Kent County Council.

Kent Homeless Connect brings together housing support, mental health services, drug and alcohol recovery, and help with tenancies, finances and employment.



# Community and preventative services

**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.**

Mental health disproportionately affects people who are living in poverty and in areas of social deprivation.

Our Live Well Kent service brings together a network of local resources and services to help people address their mental, physical and social needs together.

We work in Kent's most deprived communities, connecting the hardest to reach, most vulnerable people with the help, information and skills they need to build healthy, independent lives.

This year, our Live Well Kent service provided 2235 support sessions, focusing on communities where there are recognised issues with poverty, mental ill health and homelessness.

More than half of the people we supported had a common mental health problem such as anxiety or depression, and another 35% were experiencing severe mental illness.

People with mental health issues may be particularly vulnerable to social problems including loss of income, their job or their home. If problems such as debt, financial insecurity, difficulties with benefits or the threat of homelessness aren't addressed, people's mental health problems will often get worse.



Our teams work in local communities, providing a mix of practical and emotional support and advice that is focused on the individual and often meets a range of complex needs all in one place.

It might be answering questions about benefits or housing, help with paperwork or form-filling, finding education or work opportunities, connecting people with others or with specialist services so that they can address any problems early on.

## Tackling loneliness

Loneliness and isolation are serious problems, not just for individuals but for communities. At Porchlight, they are strands that run through everything we do.

Our Space to Connect project focused on Margate Central and Cliftonville West and how we might address some of the local challenges by improving and protecting spaces where people can connect to help reduce social isolation.

We asked community members to provide information about their own local assets and identify any gaps. We surveyed people about the groups they feel are most isolated in their community and received more than 200 responses. We hope to secure more funding so that we can build on what we've already achieved.





By supporting people to overcome their day-to-day challenges, we help them to stay well and manage their own lives.

By supporting people to overcome their day-to-day challenges, we help them to stay well and manage their own lives.

People accessing our community services may need housing support or advice and this year, our Live Well Kent service helped 177 people who were at risk of homelessness to keep their homes. Live Well Kent also provides specialist housing where people are supported to recover from mental ill health and live as independently as possible in their own homes.

## Challenging stigma

For people with mental health problems, not being able to talk about it can be one of the worst parts of their illness.

The Medway Time to Change Hub works with people with lived experience of mental health issues and partners in the community, to run local campaigns and events. The aim is to encourage more people to speak out about mental health and reduce stigma.

We ran a project in eastern Sheppey to raise awareness and understanding of mental health in the community.

Our team ran training sessions for local residents and the organisations who support them to help people build the confidence and skills to have conversations about mental health and wellbeing.

## Breaking down barriers

When you're struggling with your mental health, it can feel like a barrier to getting into work. Our Aspirations service, which is funded by the European Social Fund and the National Lottery Community Fund, helps people improve their employment prospects.

It does this by helping people manage their mental health and regain their independence.

This year our Aspirations service worked with 400 new people and helped 85 people who were struggling with their mental health to find employment.

People like Craig who experienced a traumatic attack when he was younger. He tried to bury these memories, but when he lost his brother 15 years later things took a turn for the worse.

"All the bad memories flooded back. It felt like getting run over by a lorry. I didn't think Aspirations would do me any good because I'd been passed around so many people, but my support worker Jack was different. He treated me like an equal.

"I've been offered five jobs since finishing with Aspirations, and I can't wait to start working again. It's not just about the money, it's about getting myself out there again."

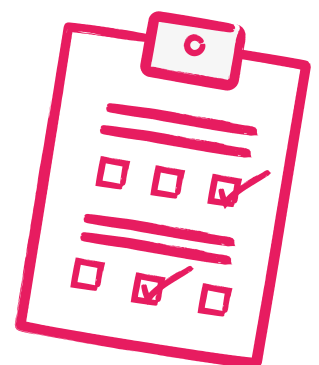
Our Aspirations service helped 85 people who were struggling with their mental health to find employment.

## Live Well Kent independent evaluation

Our Live Well Kent service has supported more than double the number of people with severe mental illness than anticipated, according to an independent evaluation.

The University of Kent three year evaluation also demonstrates the service's reach into areas of high deprivation where risks around mental health issues are higher – the majority of people supported lived in the poorest areas of Kent.

Every £1 spent returned at least £4 in social value. And despite high demand for the service, the response rate is good. 95% of people were contacted within two days from referral and 70% started the service within one week.



# 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.**

Homelessness is the ultimate form of exclusion, so helping people feel a greater sense of belonging in their community is a vital part of their recovery.

We've moved the emotional and practical support element of what we do into Porchlight 'hubs', based in the heart of the community. Our hubs are based in local spaces like community centres, churches and leisure centres.

Integrating into the local community can help people feel more confident and less afraid about stepping away from our support when the time comes.

At the hubs, people can access the support offered by Porchlight and our partners – whether that's meeting with their keyworker, getting employment advice, CV writing, or support with their mental health, drug or alcohol recovery.

There are one-to-one and group sessions. People can also get involved with other activities taking place there, such as exercise classes, cooking, art activities or cultural events.

## Becoming work ready

If you've been homeless it can count against you when going for a job. Most people we support want to work but their past is held against them.

We provide CV writing workshops and job interview training. Most importantly, we help people get where they want to go. If somebody wants to get back into an old career or retrain for a new one, we'll help them take the necessary steps to do so.

**This year, we provided 173 paid employment opportunities.**

Our partnerships and connections – with the voluntary sector, with faith organisations, and with other support agencies – are helping us to deliver the best possible support to the most vulnerable people in our community hubs.

And we're so grateful for the support of our amazing volunteers who provide a range of sessions for our clients, including cooking and hosting, art therapy, fitness training and informal legal advice.

**"Art can give people a release from the things they're going through and calm their thoughts." – community hub volunteer Debbie**

## Involving the people we support

We know that input from the people who use our services makes us better at what we do. That's why we're constantly working to improve opportunities for meaningful client involvement.

**This year, 710 people gave detailed feedback on our work, through surveys, interviews and group work.**





We promote client involvement through genuine participation and decision-making. One example is recruitment and this year, 70% of our interview panels included people we support.

It's about giving people a voice and working together in equal partnership, but we're also sending a strong message about Porchlight's values.

We marked our 45th anniversary year with a photography exhibition to challenge some of the stereotypes around homelessness.

A Portrait of Homelessness told a more human story of homelessness through the words and images of the people we support. It attracted over 14,000 visitors to The Beaney in Canterbury and was one of the most popular exhibitions to be held in the space.



Photos: Robert Greshoff

241 people took part in  
Involvement activities including  
recruitment panels, mystery  
shopping and working groups

## Improving services for homeless women

One in five rough sleepers in Kent is a woman. As part of an ongoing project, we've employed a women's services development manager to help us design services in a way that homeless women can feel safe.

*"A lot of women I support have fled domestic violence. They find it easier to trust me, to talk about the issues they're facing, and to think about moving forward with their lives." Simone, outreach worker*

We've also set up a rapid rehousing fund which is being used to buy essential and discretionary items such as rent deposits, clothing, nights in B&Bs, ID, travel to support groups and counselling sessions.

We're hoping to build on this important work through our Safe Place appeal so that we can help more women move off the streets as quickly as possible and give them the chance to live with dignity and respect.

We've introduced a specialist outreach worker who only supports women.

**Safe Place  
APPEAL**   
Helping homeless women in Kent



# 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.**

We take a whole-family approach, working with parents, children and young people to help them manage their relationships and gain support for any problems together.

Some families have very complex needs. Our team provide practical help and emotional support to empower vulnerable families to address various challenges, reducing problems and risks for children and young people.

Whether it's advice for parents on finance, housing or employment, or help to address children and young people's educational needs – we're there to support families to make and manage change.

Our staff use the Signs of Safety approach and every year around 70% of all families leave our service having achieved all of their outcomes. By helping whole families to build stable and positive relationships, young people can get the best out of their childhood.

**This year, we helped more than 1000 families to build on their strengths so that children have the chance to flourish in a stable environment**

## Tackling isolation

LGBT+ young people are at higher risk of homelessness and mental health issues because of discrimination, lack of acceptance and abuse. But because of the lack of specialist services, this vulnerable group can struggle to find the emotional and social support they need.

As a result, LGBT+ young people can feel segregated and cut off from others. Feelings of loneliness and isolation can exacerbate problems they are already facing.

We're proud to run The BeYou Project, a Kent-wide service that helps LGBT+ young people

to feel included and to build the resilience to manage their problems – now and in the future.

**This year, we more than doubled the number of new sign ups to our BeYou service, helping nearly 300 young people to access the safe support they need.**

We ran almost 500 group sessions across the county where young people could be themselves, socialise, and get the support they may not be able to access at home or in school. The team also worked with families and schools to help them better understand LGBT+ issues and the importance of an inclusive environment.

**Kit, 18, was assigned female at birth but is in the process of transitioning to male. "It's nice to go to BeYou meet-ups and talk about my experiences. I now feel like I'm not alone in what I'm going through."**

## Strengthening communities

In areas known for anti-social behaviour, we use creative approaches to engage hard-to-reach young people. By building connections through activities young people are passionate about, we help them feel more confident and a greater part of the community.

**Young people entering our Bexley service had wellbeing levels below the national average. With our help their wellbeing improved to national standards, meaning they will have a much stronger start to adult life.**

The success of our Bexley project has led to us being awarded the contract to deliver Stepping Stones – a scheme to provide short-term housing for vulnerable young people in the area.





# Fundraising

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

We're so grateful for the support of our amazing donors and supporters. From sponsored sleep outs to pub quizzes, fun runs, abseils and bike rides, all kinds of people raised funds for us in all kinds of ways – and every penny raised is helping us to change the lives of homeless and vulnerable people in Kent.

Our thanks go out to them and every corporate partner, community and faith group, every major donor and individual funder who supported us over the year to raise £771,559 (of which £601,366 was from voluntary donations).

It means we can do more to support the vulnerable people who need us more than ever before.

This year, we set up our Safe Place appeal to raise funds for female rough sleepers. We were very proud to launch the appeal at a special event at the Old Palace which was hosted by Caroline Welby, wife of the Archbishop of Canterbury.

We are particularly thankful to the number of trusts and foundations and individual funders who pledged their support to help fund the role of women's services development manager (see more on page 15).

We've recruited more digital expertise into the organisation and launched a new website which has made it easier for people to support us. An improved user experience and increased digital activity have led to a steady increase in virtual giving and the numbers of donations received online.

Donors to Porchlight can be confident that we comply with the regulatory standards for fundraising.

We are registered with the Fundraising Regulator and are committed to the Fundraising Promise, and we adhere to the Code of Fundraising Practice which covers the requirements charities must follow as set out in the Charities Act 2016.

All of our fundraising staff are members of the Institute of Fundraising.

We have safeguards in place to protect our supporters and the reputation of our charity. We ensure that all third parties have safeguarding measures in place too and we expect everyone to comply with the Code of Fundraising Practice.

We take any concerns about our fundraising activities very seriously. Our complaints policy is featured on our website and clearly explains how people can make a complaint.

This year, we received four complaints about our fundraising activity and reported them to the Fundraising Regulator.

We are signed up to the Fundraising Preference Service to allow people to opt out of receiving fundraising communications from us and, this year, we actioned one request.



## Our fundraising year in numbers

- 🏠 100 talks, workshops and school assemblies reached over 12,000 children and adults
- 🏠 £103,287 funds raised through our corporate supporters
- 🏠 £110,000 funds raised through two giving appeals
- 🏠 529 new donors supported us



# 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.

Two years ago, an external review against the Charity Governance Code found us to be a well governed charity.

This year, we carried out some external governance training to ensure our board members remain fully up to date on their roles and responsibilities as trustees.

## Remuneration of employees

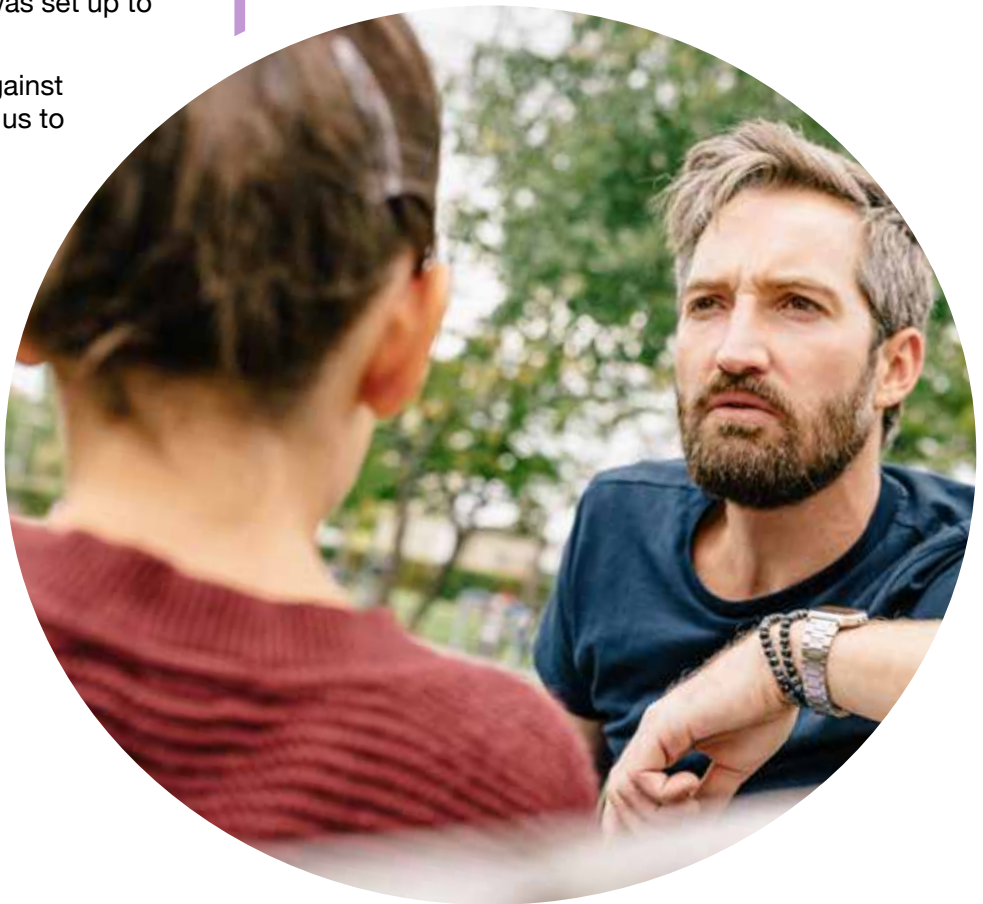
Our pay structure, including the pay of our leadership team and chief executive, is reviewed and approved by the trustees who make decisions using external benchmarking tools such as the ACEVO pay and equalities survey. We also take account of pay practice in other voluntary sector organisations.

## Partnership working

Porchlight works in partnership with Kent County Council, Medway Council, Ashford Borough Council, Canterbury City Council, Dartford Borough Council, Dover District Council, Folkestone and Hythe District Council, Gravesham Borough Council, Maidstone Borough Council, Sevenoaks 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. We are a joint lead provider of Kent Homeless Connect with the charity Look Ahead and of Live Well Kent with the charity The Shaw Trust. Porchlight also manages properties owned by the following registered providers: Clarion, East Kent Housing, Home Group, Orbit, Optivo, Riverside, Southern 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.



# Strategic report

## Financial review

Our income for the year was £12,328,624, an increase of nearly 14% on last year. Our expenditure increased by 8% leading to a surplus of £265,473.

### Income

This year, 72% (2019: 65%) of our income came from government grants and 13% (2019: 15%) from rental income within our properties. The rest was made up of voluntary income and funding from charitable trusts.

It was our first full year as a lead provider of the Kent Homeless Connect service which brought in an income of over £2.74 million.

It was also our first year of managing the Housing Related Support service, a delivery network which provides housing and support to clients with mental health needs.

Our BeYou Project, which supports LGBT+ young people, has expanded to cover more areas of Kent which has led to additional income from the Clinical Commissioning Groups.

### Charitable expenditure

We spent nearly £1 million more than last year on our charitable activities, supporting homeless, vulnerable and isolated people in Kent.

We are still investing in property to give more of our clients access to good quality, affordable housing. We've been working with philanthropic investors and CAF Bank to increase our portfolio of both owned and leased properties.

### Expenditure by key activities

Homelessness services expenditure increased by £331k in the year. Ongoing funding from the Ministry of Housing, Communities and Local Government allowed us to continue supporting people who are living on the streets.

Community and preventative services expenditure increased by £477k. This is mainly due to the Housing Related Support service (see above) which accounts for nearly £420k of this increase.

The remainder is due to additional spending within our Aspirations service which is funded by the European Social Fund.

Youth and families' services expenditure increased by £133k which mainly covered the additional staffing and offices needed to expand our BeYou service.

Employment, education and training services expenditure has remained in line with last year.

We continue to use our own reserves to fund our client involvement team, and some posts within our work, health and learning team.

### Reserves policy

At the end of the year, we held total funds of £2,455,357 (2019: £2,189,884). We're working to maintain our free reserves to help us manage the risks to the charity.

The free 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.

Our reserves will be critical in the coming year to help us manage the additional costs associated with coronavirus.

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 £5.2 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 £529,684 (2019: £528,757).

Designated funds relate to our Housing First project and a post within our women's services. The trustees have reviewed the balance within these funds and agree it to be suitable for the coming year's requirements.

Designated funds totalled £82,066 (2019: £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 £1,294,335 (2019: £1,022,063) and are calculated as follows:

-  Total unrestricted funds £1,925,673
-  Less designated funds (£82,066)
-  Less fixed assets (£549,272)
-  Total free reserves £1,294,335

## Financial impact of Covid-19

The trustees expect the coronavirus crisis to hit the charity financially in the coming year. Additional concierge services, professional deep cleaning of all projects and offices, and B&B costs are already adding up.

We will use our free reserves to fund the excess expenditure over income during the next financial year, and potentially over the following years, to sustain the charity during the expected economic downturn.

Our contractual income will be unaffected by the crisis (for the duration of the contracts) and therefore the charity is deemed to be a going concern until August 2021.

## Investment policy

Our investment property generates income which is used for our charitable activities. The asset 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.

## Key performance indicators

### **Operating surpluses from 2019/20 onwards**

How we performed: We have made a strong surplus of £265,000. The coronavirus crisis may affect our ability to maintain surpluses going forward and we will review this target next year.

### **Rent collected as a percentage of rent due (target minimum 94%)**

How we performed: 93.9%

### **Level of voids as a percentage of rental income (target under 4%)**

How we performed: 2.9%

### **Rent arrears as a percentage of total rental income (target 2%)**

How we performed: 3.2%.

The impact of coronavirus is reflected in our arrears figures. The government suspending all evictions during the crisis has led to increased arrears and the move on process has slowed significantly which will also impact on voids next year. Both of these targets are very low for the housing sector and we may have to review them next year in light of the ongoing crisis.



**You can find out more about the work we're doing in local communities across Kent at:**

**[porchlight.org.uk](https://porchlight.org.uk)**

**Or follow us on social media:**

 **Porchlight1974**

 **@Porchlight1974**

 **@Porchlight1974**



## 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. Currently due to the Covid-19 crisis, the main risks to the charity are identified as:

- 🏠 Loss of existing contracts from unanticipated changes
- 🏠 Economic downturn leading to reductions in statutory or other income sources
- 🏠 Difficulties in meeting health and safety requirements in accommodation projects leading to additional risks to staff
- 🏠 New government policies and priorities in an unknown future landscape.

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.

## 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' published in January 2019.

## 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

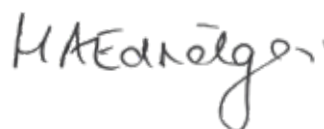
The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware.

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 29 July 2020 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 2020 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 2020 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, 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](http://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.



Zoë Longstaff-Tyrrell (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants, 25 High Street, Crawley West Sussex RH10 1BG

Date:





# Statement of financial activities

(including income & expenditure account) for the year ended 31 March 2020



	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income:</b>					
Donations and legacies	2	568,333	33,033	601,366	718,750
Charitable activities	3	9,798,447	1,890,588	11,689,035	10,106,930
Trading income		27,134	-	27,134	18,089
Investment income	4	11,089	-	11,089	3,916
<b>Total income</b>		<b>10,405,003</b>	<b>1,923,621</b>	<b>12,328,624</b>	<b>10,847,685</b>
<b>Expenditure:</b>					
Raising funds	5	212,789	-	212,789	224,983
Charitable activities	6	9,927,668	1,922,694	11,850,362	10,884,573
<b>Total expenditure</b>		<b>10,140,457</b>	<b>1,922,694</b>	<b>12,063,151</b>	<b>11,109,556</b>
<b>Net income/ (expenditure)</b>		<b>264,546</b>	<b>927</b>	<b>265,473</b>	<b>(261,871)</b>
<b>Transfers between funds</b>	14	-	-	-	-
<b>Net movement in funds</b>		<b>264,546</b>	<b>927</b>	<b>265,473</b>	<b>(261,871)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		<b>1,661,127</b>	<b>528,757</b>	<b>2,189,884</b>	2,451,755
<b>Total funds carried forward</b>		<b>1,925,673</b>	<b>529,684</b>	<b>2,455,357</b>	<b>2,189,884</b>

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

# Balance sheet

as at 31 March 2020



	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	9	719,967	754,563
Investment property	10	354,223	354,223
		<u>1,074,190</u>	<u>1,108,786</u>
<b>Current assets</b>			
Debtors	11	836,942	979,903
Investments – cash on deposit		-	521,334
Cash at bank and in hand		1,716,336	546,002
		<u>2,553,278</u>	<u>2,047,239</u>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	12	(1,172,111)	(966,141)
<b>Net current assets</b>		<u>1,381,167</u>	<u>1,081,098</u>
<b>Total net assets</b>		<u>2,455,357</u>	<u>2,189,884</u>
<b>The funds of the charity</b>			
Restricted income funds	14	529,684	528,757
Unrestricted funds	14	1,925,673	1,661,127
<b>Total charity funds</b>		<u>2,455,357</u>	<u>2,189,884</u>

Company number: 01157482

The financial statements on pages 24 to 35 were approved and authorised for issue by the board of trustees on 29 July 2020 and signed on their behalf by:

H Edridge  
Trustee

H Cohn  
Trustee

# Statement of cash flows

for the year ended 31 March 2020



	Note	Total funds 2020 £	Total funds 2019 £
Cash provided by/ (used in) operating activities	A	730,347	(57,377)
Cash flows from investing activities			
Interest		11,089	3,916
Proceeds from the sale of fittings and equipment		-	27,000
Purchase of fittings and equipment		(92,436)	(87,889)
Cash used in investing activities		(81,347)	(56,973)
Change in cash and cash equivalents in the year		649,000	(114,350)
Cash and cash equivalents at the beginning of the year	B	1,067,336	1,181,686
Total cash and cash equivalents at the end of the year	B	1,716,336	1,067,336

## Note A

### Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net income/(expenditure) for the year (as per the statement of financial activities)	265,473	(261,871)
Adjustments for:		
Depreciation charges	127,032	107,646
Interest from investments	(11,089)	(3,916)
Loss on sale on fixed assets	-	(202)
Decrease/(increase) in debtors	142,961	(75,611)
Increase/(decrease) in creditors	205,970	176,577
Net cash provided by/ (used in) operating activities	730,347	(57,377)

## Note B

### Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,716,336	546,002
Short term investments	-	521,334
	1,716,336	1,067,336



# Notes to the accounts

for the year ended 31 March 2020

## 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 2019) 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 secure long term contracts i.e the KCC homelessness contract and the 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.

The trustees do not consider the affects of the coronavirus, Covid-19, to have an impact on the charity's going concern status as all government contracts remain financially unaffected in this sector for the duration of the contract.

### 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 direct expenditure of the 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 Investments**

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

## **1.10 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.

## **1.11 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.

## **1.12 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.

## **1.13 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.

## **1.14 Financial instruments**

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### *Financial assets*

Grants receivable and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

### *Financial liabilities*

Other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

### 1.15 Prior period adjustment

The apportionment of support costs over the charitable activities has changed from staff costs to that of direct expenditure, leading to a change of accounting policy and a prior period period adjustment in the accounts. The comparatives have been restated as a result. There is no impact on the total comparative expenditure, result for the year or closing reserves at 31 March 2019.

### 2. Donations and legacies

	Unrestricted Funds 2020	Restricted Funds 2020	Total Funds 2020
	£	£	£
Gifts and donations	543,683	33,033	576,716
General grants	10,250	-	10,250
Donated goods and services	14,400	-	14,400
<b>Total</b>	<b>568,333</b>	<b>33,033</b>	<b>601,366</b>
	Unrestricted Funds 2019	Restricted Funds 2019	Total Funds 2019
	£	£	£
Gifts and donations	616,896	55,463	672,359
General grants	12,500	-	12,500
Donated goods and services	33,891	-	33,891
<b>Total</b>	<b>663,287</b>	<b>55,463</b>	<b>718,750</b>

Donated goods and services relates to the use of conference centres and software licences 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 2020	Restricted Funds 2020	Total Funds 2020
	£	£	£
<b>Homelessness Services</b>			
Rent / Accommodation charges	1,374,174	-	1,374,174
KCC Support Service grant	2,774,303	-	2,774,303
Delivery network income	189,661	-	189,661
Local Authority grants	-	467,202	467,202
The Big Lottery Fund	-	73,401	73,401
Student placement fees	4,480	-	4,480
Other grants receivable	-	12,995	12,995
	<b>4,342,618</b>	<b>553,598</b>	<b>4,896,216</b>
<b>Community and Preventative Services</b>			
Kent County Council	3,604,546	-	3,604,546
NHS CCG	373,279	-	373,279
European Social Fund grant	67,151	873,637	940,788
Delivery network income	-	23,707	23,707
Student placement fees	-	-	-
Other grants receivable	-	35,243	35,243
	<b>4,044,976</b>	<b>932,587</b>	<b>4,977,563</b>
<b>Employment, Education and Training</b>			
RBLI income	-	22,494	22,494
Other grants receivable	-	2,000	2,000
	<b>-</b>	<b>24,494</b>	<b>24,494</b>
<b>Youth and Families' Services</b>			
Kent County Council	1,253,423	76,996	1,330,419
Local Authority grants	157,430	-	157,430
Delivery network income	-	85,887	85,887
CCG income	-	198,850	198,850
Other grants receivable	-	18,176	18,176
	<b>1,410,853</b>	<b>379,909</b>	<b>1,790,762</b>
<b>Total</b>	<b>9,798,447</b>	<b>1,890,588</b>	<b>11,689,035</b>



	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
<b>Homelessness Services</b>			
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
	<u>3,366,212</u>	<u>584,230</u>	<u>3,950,442</u>
<b>Community and Preventative Services</b>			
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
	<u>3,471,936</u>	<u>954,875</u>	<u>4,426,811</u>
<b>Employment, Education and Training</b>			
RBLI income	-	23,142	23,142
Other grants receivable	-	8,000	8,000
	<u>-</u>	<u>31,142</u>	<u>31,142</u>
<b>Youth and Families' Services</b>			
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>
<b>Total</b>	<u><b>8,227,940</b></u>	<u><b>1,878,990</b></u>	<u><b>10,106,930</b></u>

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 £8,906,029 (2018: £7,091,968).

There were no unfulfilled conditions attached to government grants recognised in the year (2019: None).

<b>4. Investment income</b>	<b>Unrestricted Funds 2020 £</b>	<b>Unrestricted Funds 2019 £</b>
Bank interest	3,289	3,916
Rental income from investment property	7,800	-
<b>Total</b>	<u><b>11,089</b></u>	<u><b>3,916</b></u>
<b>5. Raising funds</b>	<b>Unrestricted Funds 2020 £</b>	<b>Unrestricted Funds 2019 £</b>
Expenditure on raising donations and legacies	212,789	224,983
<b>Total</b>	<u><b>212,789</b></u>	<u><b>224,983</b></u>

## 6. Charitable activities

	Homeless- ness Services £	Community and Preventative Services £	Employment, Education and Training £	Youth and Families' Services £	Total 2020 £
<b>Activities undertaken directly</b>					
Staff costs	2,429,741	1,708,996	191,795	1,415,917	5,746,449
Premises Costs	1,031,821	102,576	28,783	41,550	1,204,730
Delivery Network fees	638,150	2,699,440	-	27,034	3,364,624
Office costs	190,818	115,597	5,749	94,969	407,133
Tenant Welfare fund	82,059	94,831	12,318	19,258	208,466
Sundry expenses	1,953	2,309	375	263	4,900
	<b>4,374,542</b>	<b>4,723,749</b>	<b>239,020</b>	<b>1,598,991</b>	<b>10,936,302</b>
<b>Support Costs</b>					
Governance	16,985	16,683	5,547	838	40,053
Management & Administration	105,118	87,499	4,354	40,637	237,608
Finance	56,143	46,733	2,326	21,704	126,906
Human Resources	33,256	27,682	1,378	12,856	75,172
Communications	192,144	159,940	7,959	74,278	434,321
	<b>403,646</b>	<b>338,537</b>	<b>21,564</b>	<b>150,313</b>	<b>914,060</b>
<b>Total</b>	<b>4,778,188</b>	<b>5,062,286</b>	<b>260,584</b>	<b>1,749,304</b>	<b>11,850,362</b>

All support costs are apportioned on the basis of unrestricted direct expenditure.

Expenditure on charitable activities was £11,850,362 (2019: £10,884,573), of which £9,927,668 (2019: £8,831,999) was unrestricted and £1,922,693 (2019: £2,052,574) was restricted.

Within governance costs is Directors' and Officers' Insurance at a cost of £3,825 (2019: £3,640).

### 2019 Charitable activities restated

The comparatives have been restated below due to a change in the apportionment of support costs from staff numbers to that of direct expenditure. There has been no change in the overall total expenditure for the prior year on the face of the SOFA. See note 19.

Charitable activities	Homeless- ness Services £	Community and Preventative Services £	Employment, Education and Training £	Youth and Families' Services £	Total 2019 £
<b>Activities undertaken directly</b>					
Staff costs	2,544,803	1,612,634	140,078	1,310,239	5,607,754
Premises Costs	1,256,635	73,872	28,096	39,328	1,397,931
Delivery Network fees	13,500	2,280,998	-	27,035	2,321,533
Office costs	134,718	94,503	8,160	57,809	295,190
Tenant Welfare fund	60,477	168,144	40,707	18,166	287,494
Sundry expenses	2,244	2,893	25	174	5,336
	<b>4,012,377</b>	<b>4,233,044</b>	<b>217,066</b>	<b>1,452,751</b>	<b>9,915,238</b>

	Homelessness Services £	Community and Preventative Services £	Employment, Education and Training £	Youth and Families' Services £	Total 2019 £
<b>Support Costs</b>					
Governance	14,699	14,030	788	4,996	<b>34,513</b>
Management & Administration	105,732	85,196	4,703	39,939	<b>235,570</b>
Finance	64,944	52,330	2,889	24,532	<b>144,695</b>
Human Resources	31,454	25,345	1,399	11,881	<b>70,079</b>
Communications	217,451	175,216	9,672	82,139	<b>484,478</b>
	<u>434,280</u>	<u>352,116</u>	<u>19,451</u>	<u>163,488</u>	<u><b>969,335</b></u>
<b>Total</b>	<u><b>4,446,657</b></u>	<u><b>4,585,160</b></u>	<u><b>236,517</b></u>	<u><b>1,616,239</b></u>	<u><b>10,884,573</b></u>

#### 7. Analysis of staff costs

	2020 £	2019 £
Salaries and wages	5,498,365	<b>5,421,151</b>
Social security costs	459,761	<b>463,625</b>
Pension costs	270,039	<b>221,537</b>
Total	<u><b>6,228,165</b></u>	<u><b>6,106,313</b></u>

Included in pension costs above is an amount of £46,297 (2019: £26,195) relating to restricted expenditure.

Pension contributions of £41,502 (2019: £32,297) were payable at the year end.

Redundancy payments totalling £57,005 (2019: £52,267) were made in the year (£nil was outstanding at the year end 2019: £42,360).

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

	2020	2019
£110,000 - £120,000	1	
£100,000 - £110,000		1

The trustees did not receive any remuneration or benefits in kind in either year. £261 (2019: £59) was paid as reimbursement of travel expenses, to one trustee (2019: 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 £391,181 (2019: £371,993). During the year no new staff loans were paid to key management personnel (2019: £nil), £nil (2019: £1,044) was outstanding at the year end.

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

	2020 Number	2019 Number
Homelessness Services	74	70
Community and Preventative Services	62	65
Employment, Education and Training	7	11
Youth and Families' Services	52	52
Management & Administration	31	35
Total	<u><b>226</b></u>	<u><b>233</b></u>

#### 8. Movement in total funds for the year

	2020 £	2019 £
This is stated after charging:		
Operating leases - equipment	<b>40,167</b>	31,928
Operating leases - land and buildings	<b>302,876</b>	258,129
Depreciation	<b>127,032</b>	107,646
Loss on disposal of fixed assets	-	202
Auditor's remuneration for statutory audit	<u><b>15,600</b></u>	<u>13,080</u>



## 9. Tangible fixed assets

	Freehold Property £	Leasehold Property £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
At 1 April 2019	176,583	610,999	470,596	1,258,178
Additions	-	-	92,436	92,436
<b>At 31 March 2020</b>	<b>176,583</b>	<b>610,999</b>	<b>563,032</b>	<b>1,350,614</b>
<b>Depreciation</b>				
At 1 April 2019	6,357	194,679	302,579	503,615
Charge for the year	2,119	4,167	120,746	127,032
<b>At 31 March 2020</b>	<b>8,476</b>	<b>198,846</b>	<b>423,325</b>	<b>630,647</b>
<b>Net book value</b>				
<b>At 31 March 2020</b>	<b>168,107</b>	<b>412,153</b>	<b>139,707</b>	<b>719,967</b>
At 31 March 2019	170,226	416,320	168,017	754,563

Included in freehold property above is land at a value of £70,633 (2019: £70,633) which is not depreciated.

## 10. Investment Property

	Total £
<b>Fair value</b>	
<b>At 1 April 2019 and 31 March 2020</b>	<b>354,223</b>

The property was valued by Bill Wilkie & Associates, Chartered Surveyors, when donated to Porchlight in 2018. In the opinion of the trustees the property value will not have increased significantly due to ongoing repair works.

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

	2020 £	2019 £
Other debtors	178,362	157,804
Grants receivable	456,582	653,344
Prepayments	201,998	168,755
<b>Total</b>	<b>836,942</b>	<b>979,903</b>

## 12. Creditors - amounts falling due within one year

	2020 £	2019 £
Other creditors	435,874	511,177
Taxes and social security costs	115,542	119,259
Accruals and deferred income	620,695	335,705
<b>Total</b>	<b>1,172,111</b>	<b>966,141</b>

The split between other creditors and accruals has been re-analysed for both years to give a more accurate position.

## Deferred Income:

	2020 £	2019 £
Brought forward	85,282	164,975
New amounts deferred	269,465	85,282
Released to SOFA	(85,282)	(164,975)
<b>Total</b>	<b>269,465</b>	<b>85,282</b>

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

<b>13. Financial instruments</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Financial assets measured at fair value	<b>354,223</b>	<b>354,223</b>

**14. Analysis of charity funds**

	<b>Balance at 1 Apr 19</b>	<b>Income</b>	<b>Expenditure</b>	<b>Balance at 31 Mar 20</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted funds</b>				
New Town Street Building fund	172,377	-	(1,682)	<b>170,695</b>
Homelessness Services	-	571,909	(571,909)	-
Youth and Families	-	382,772	(380,769)	<b>2,003</b>
Community and Preventative	2,157	932,744	(932,138)	<b>2,763</b>
Employment, Education and Training	-	36,195	(36,195)	-
Investment Property	354,223	-	-	<b>354,223</b>
<b>Total Restricted funds</b>	<b>528,757</b>	<b>1,923,620</b>	<b>(1,922,693)</b>	<b>529,684</b>

	<b>Balance at 1 Apr 18</b>	<b>Income</b>	<b>Expenditure</b>	<b>Balance at 31 Mar 19</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted funds</b>				
New Town Street building fund	174,059	-	(1,682)	<b>172,377</b>
Homelessness Services	41,712	634,055	(675,767)	-
Youth and Families	29,345	310,260	(339,605)	-
Community and Preventative	47,539	954,876	(1,000,258)	<b>2,157</b>
Employment, Education and Training	-	35,262	(35,262)	-
Investment Property	354,223	-	-	<b>354,223</b>
<b>Total Restricted funds</b>	<b>646,878</b>	<b>1,934,453</b>	<b>(2,052,574)</b>	<b>528,757</b>

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, community inclusion services, activities and the corresponding expenditure.

For details of the investment property fund see note 10.

	<b>Balance at 1 Apr 19</b>	<b>Income</b>	<b>Expenditure</b>	<b>Balance at 31 Mar 20</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>				
General unrestricted fund	1,604,250	10,372,503	(10,133,146)	1,843,607
Designated funds	56,877	32,500	(7,311)	82,066
<b>Total Unrestricted funds</b>	<b>1,661,127</b>	<b>10,405,003</b>	<b>(10,140,457)</b>	<b>1,925,673</b>

	<b>Balance at 1 Apr 18</b>	<b>Income</b>	<b>Expenditure</b>	<b>Balance at 31 Mar 19</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>				
General unrestricted fund	1,734,877	8,913,232	(9,043,859)	1,604,250
Designated funds	70,000	-	(13,123)	56,877
<b>Total Unrestricted funds</b>	<b>1,804,877</b>	<b>8,913,232</b>	<b>(9,056,982)</b>	<b>1,661,127</b>

Designated funds relate to a Housing First project within Maidstone, and funding a role within Women's Needs' services.

Summary of funds	Balance at 1 Apr 19 £	Income £	Expenditure £	Balance at 31 Mar 20 £
Restricted funds	528,757	1,923,620	(1,922,693)	529,684
Unrestricted funds	1,661,127	10,405,003	(10,140,457)	1,925,673
<b>Total Funds</b>	<b>2,189,884</b>	<b>12,328,623</b>	<b>(12,063,150)</b>	<b>2,455,357</b>

Summary of funds	Balance at 1 Apr 18 £	Income £	Expenditure £	Balance at 31 Mar 19 £
Restricted funds	646,878	1,934,453	(2,052,574)	528,757
Unrestricted funds	1,804,877	8,913,232	(9,056,982)	1,661,127
<b>Total Funds</b>	<b>2,451,755</b>	<b>10,847,685</b>	<b>(11,109,556)</b>	<b>2,189,884</b>

#### 15. Analysis of net assets between funds

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Fixed assets	549,272	524,918	1,074,190
Net current assets	1,376,401	4,766	1,381,167
<b>Total</b>	<b>1,925,673</b>	<b>529,684</b>	<b>2,455,357</b>

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2020 £
Fixed assets	582,187	526,599	1,108,786
Net current assets	1,078,940	2,158	1,081,098
<b>Total</b>	<b>1,661,127</b>	<b>528,757</b>	<b>2,189,884</b>

#### 16. Operating lease commitment

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and Buildings		Other	
	2020 £	2019 £	2020 £	2019 £
Due within one year	216,408	209,186	40,167	30,947
Between one and five years	486,926	535,997	40,167	61,894
After five years	29,945	48,089	-	-

#### 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 £3,492 (2019: £885) were received from the trustees during the year.

#### 19. Prior Period Adjustment

A prior period adjustment was required due to the basis of apportionment of support costs over the four charitable activities being changed from staff costs to that of direct expenditure. Due to the changing nature of the charity's contracts, this is deemed a better apportionment than staff costs, taking into account subcontracted delivery networks. The 2019 comparatives have been restated (see note 6), this did not impact on reserves or the final result for the year.



[porchlight.org.uk](https://porchlight.org.uk)