



Report and accounts

For the year ended 31 March 2023

About us	3
Our vision, mission and values	4
Welcome from Mike Barrett, Porchlight chief executive, and Hilary Edridge, chair of trustees	5
Our work	6
Our achievements and performance	7
Homelessness	8
Mental health	10
Communities	12
Fundraising	14
Structure and governance	15
Strategic report	16
Independent auditor's report	20
Statement of financial activities	23
Balance sheet	24
Statement of cash flows	25
Notes to the accounts	26

We're here for people who have nowhere to go and no-one to turn to. We work across Kent to support people facing poverty, social exclusion, mental ill health and homelessness.

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
We support 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 7,442 people were supported by Porchlight and our partners



Our work

It's been two years since we launched our strategic plan to build a fairer future for homeless and vulnerable people in Kent.

The challenges we've faced this year have meant we've needed to be flexible but we've remained focused on delivering our ambitions.

Our **four strategic priorities** are our objectives. They drive our work responding to the growing need in our communities.

- People have a safe, stable and affordable place to call home
- People experiencing poverty and inequality get the support they need
- People are supported to have good mental health
- Porchlight is a strong and effective organisation

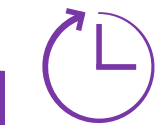
Following funding cuts, a key focus has been rebuilding homelessness services in Kent (see page 8). We're taking a housing-led approach, providing the intensive support it takes for people to move into their own home as soon as possible.

As the cost of living crisis intensifies, we're seeing widening mental health inequalities. We're working with NHS, public health and local government partners to provide joined-up health and social care support where it's needed most.

Our volunteers

Our volunteers are at the heart of what we do. They bring a wide range of qualities, skills and expertise and help make our work possible. Volunteer roles include:

- Research roles – students from University of Kent and Canterbury Christchurch University
- Social work placements
- Frontline volunteers support people who are rough sleeping
- Porchlight Open Door volunteers bring lived experience to support groups
- HR administrators
- Live Well Kent & Medway support (admin and frontline support)
- Trustees shape the way the charity grows



This year our volunteers gave more than 10,788 hours of support

Porchlight volunteer John has been supporting Kial (*pictured below*), who became homeless after a mental breakdown.

"Over the years we've spent a lot of time chatting. We always ask how each other have been. I give Kial advice and encourage him but it goes both ways – he's done the same for me." Recently, John has been offering Kial advice about applying for a new job. Kial says: "If I have news about a job, John is one of the first people I tell."



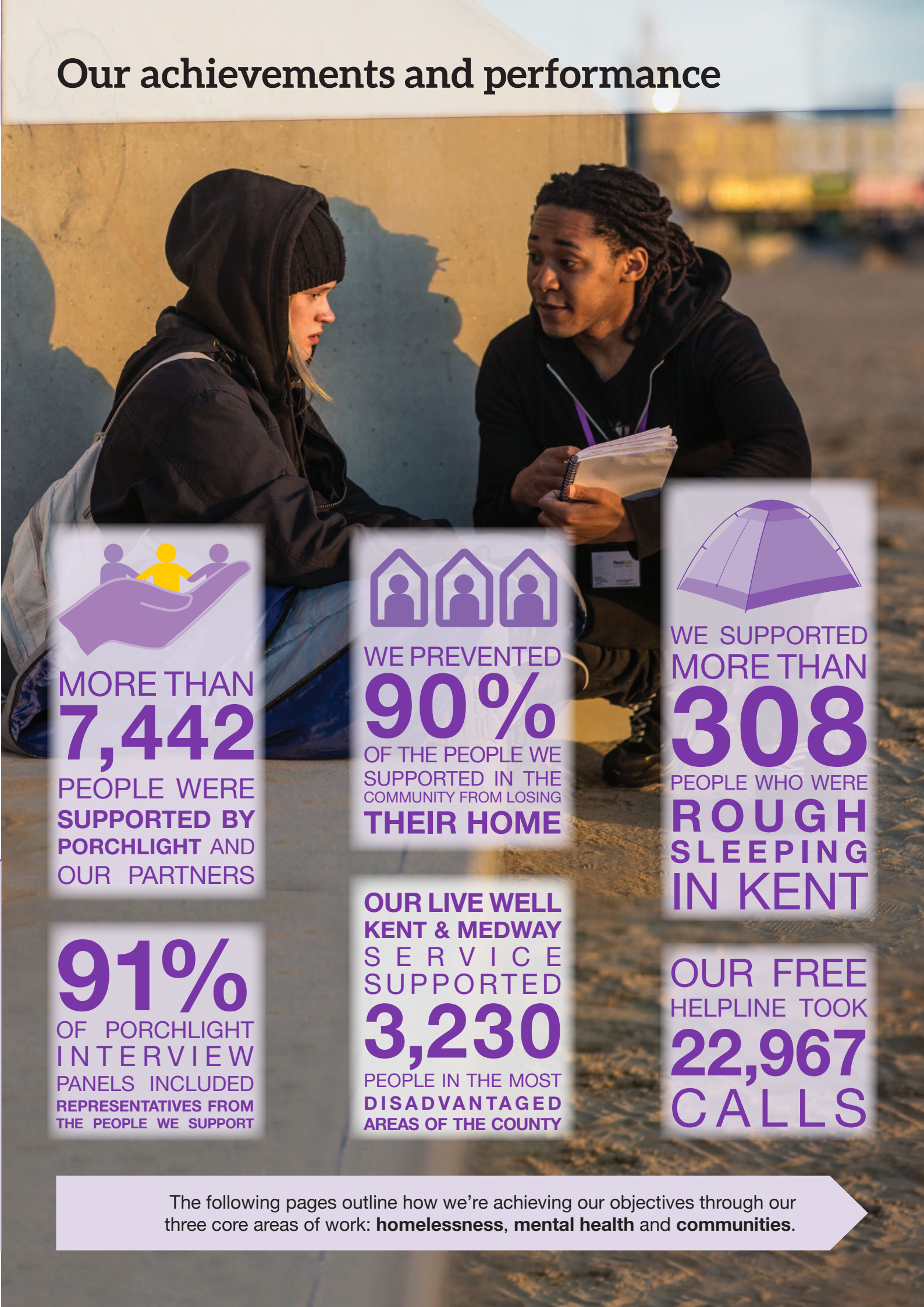
Young people are particularly at risk of not getting the help they need. We're expanding our support for this vulnerable group to stop any mental health problems following them into later life.

And we're working throughout Kent to help people before their problems reach crisis point. Our Porchlight Open Door meet-ups are based in Kent's most deprived communities. They connect the hardest to reach, most vulnerable people with the help they need to build healthy, independent lives.

It's not just the people we support that are feeling the strain during these difficult times. We provided our staff with a £1,000 one-off payment to help them manage the cost of living crisis. We're also training more mental health first aiders, and we're signposting people to support for their mental health and wellbeing.

We're committed to providing a supportive environment where individual differences and contributions are valued and everyone is treated with dignity and respect. We've implemented an equality, diversity and inclusion strategy to continue this work.

Our achievements and performance



MORE THAN 7,442 PEOPLE WERE SUPPORTED BY PORCHLIGHT AND OUR PARTNERS



WE PREVENTED 90% OF THE PEOPLE WE SUPPORTED IN THE COMMUNITY FROM LOSING THEIR HOME



WE SUPPORTED MORE THAN 308 PEOPLE WHO WERE ROUGH SLEEPING IN KENT

91% OF PORCHLIGHT INTERVIEW PANELS INCLUDED REPRESENTATIVES FROM THE PEOPLE WE SUPPORT

OUR LIVE WELL KENT & MEDWAY SERVICE SUPPORTED 3,230 PEOPLE IN THE MOST DISADVANTAGED AREAS OF THE COUNTY

OUR FREE HELPLINE TOOK 22,967 CALLS

The following pages outline how we're achieving our objectives through our three core areas of work: **homelessness**, **mental health** and **communities**.

Homelessness

Homelessness is complicated and some people need more support than others to move away from it. We take a person-centred approach to help people recover and rebuild their lives.

Rough sleeping

We know that the longer someone is on the streets, the more harm they will come to. Our outreach team help people who are rough sleeping to connect with the services they need to stay safe and leave the streets behind.

They work across Kent in all weathers. This work saved lives this year, particularly during winter cold snaps and the 2022 summer heatwave.



Many people who are sleeping rough have complex support needs such as trauma, severe mental health issues, addiction, or a combination of these. We have outreach workers who provide specialised support for groups we've identified as having complex needs including young people, women and those with higher mental health issues.

We also work with partner organisations – specialist drug and alcohol and mental health agencies, NHS mental health teams and local councils – to get support in place for all the issues a person is facing.

This includes a new scheme with the NHS and the charity Pathway to ensure homeless hospital patients have access to support for housing, mental health, drug or alcohol problems and debt



We supported more than 308 people who were rough sleeping

once they are discharged. It also eases pressure on healthcare staff by preventing people from returning to hospital.

Housing-led support

Giving someone a home – not just a room – can help people break the cycle of homelessness if they are also struggling with issues such as: mental or physical ill health, trauma or problems with drugs or alcohol.

With the safety and security of their own front door, along with personalised support from Porchlight staff and partner organisations, we can empower them to take control of their lives and regain their independence.

We have some properties that cater to people who have specific housing needs. Our Stepping Stones project provides accommodation for single women, and women with children. We also run a women-only property – an important scheme because many homeless women have experienced violence and abuse.



Specialist support

Sometimes, people's circumstances are so complex and challenging that standard homelessness support doesn't work. Our Housing First schemes, run in partnership with housing associations and local councils, are the most effective way of helping them to rebuild their lives and support long-term change.

Under Housing First, people are moved straight into a flat of their own (instead of a shared home) with no conditions placed on them to change – they can take as long as they need to recover, provided they are engaging with a Porchlight support worker.

With stable accommodation and support they will, in their own time, start to recover and make positive choices about how they live their life.

The scheme has allowed people who had been on the streets for more than a decade to break the cycle of homelessness and reconnect with family members.

Preventing homelessness

One of the most effective ways to tackle homelessness is to prevent people from losing their home in the first place. Our teams connect people with whatever support they need, including debt and financial advice, help with paperwork and forms. But this work is now being scaled back due to funding cuts.



We helped 90% of people who were at risk of homelessness to stay in their home



Tony's story

Tony grew up in care and became homeless at 20. He spent the next year-and-a-half sleeping in a tent but struggled to trust and engage with support services because of severe mental health issues.

We gave him a home where he could feel safe and live as he pleased. He spent the first six months feeling unable to sleep in the bed, instead camping out on the floor. He received intensive support from our staff and partner organisations. He's now looking after his home and he has plans to start working with his brother.

“ Tony had developed highly complex health and emotional needs because of his time on the streets. Our staff are trained to support with these. ”



This year, our helpline team took 22,967 calls

Keep the door open

Our campaign to save homelessness services in Kent

Funding to support homeless people in Kent is being cut. As a result, Porchlight's hostels are at risk of closure.

We're doing everything we can to keep a lifeline in place for people who have nowhere else to turn. This includes working with local councils to develop new services that can plug some of the gaps that these funding cuts will leave.

This work is vital to ensure we can continue to help people recovering from homelessness into work and homes of their own.

porchlight.org.uk/future-support



Mental health

We focus our support where it's needed most. Our teams are based in Kent's most disadvantaged communities, helping to tackle the mental health inequalities that are being intensified by the cost of living emergency.

We know from our experience working with some of the most vulnerable people in our communities that social factors, such as loss of income, employment or housing, can be a huge driver of poor mental health.

We target our mental health support where it's needed most. As the cost of living crisis intensifies and vulnerable people face bigger struggles to survive, reducing the impact of the social causes of mental ill health is more important than ever.

Live Well Kent & Medway

Live Well Kent & Medway is our largest mental health service. It works across the county, providing practical and emotional support to address all the issues a person is facing – whether that's related to mental health, feelings of loneliness, housing issues, accessing benefits or finding employment or education.



Last year, Live Well Kent & Medway supported 3,098 people in the most disadvantaged areas of Kent

It's a network of mental health and wellbeing organisations led by Porchlight and the charity Shaw Trust on behalf of Kent County Council and NHS Kent & Medway Integrated Care Partnerships (previously commissioning groups).

By bringing together the wide-ranging skills of the voluntary sector workforce, we tailor support to an individual's situation and can meet all the needs they have in one place.

As the cost of living emergency continues to put pressure on people's mental health, the Live Well Kent & Medway service can prevent them from falling into further hardship. We give them the tools to better manage their wellbeing, and helping them restore their connection to the community.

Live well

Kent and Medway

Bridging the gaps in support

We work with funders to find new ways of supporting people, including those with very complex health and social care needs.

They might be experiencing anxiety and depression alongside other issues such as inadequate housing, debt, or a history of trauma or abuse. Our mental health recovery service works with people to prevent their mental health issues from escalating to a point where more specialist support is needed.

We also have a service which carries out physical health and wellbeing checks with people who have severe mental illnesses.

Rob's story

Until recently, regular teenage activities like socialising would leave Rob feeling overwhelmed with anxiety.

It was impacting every aspect of his life – he wasn't attending school, was feeling isolated and felt nervous to be around other young people.

Things have turned around since he began working with Porchlight's adolescent wellbeing team. We're pleased to report he's now learning to enjoy being a teenager.

His mother says:

“I've seen such a transformation in him. He's happier, less anxious and we can do more as a family.”

*Not his real name. Often we change names and use creative imagery to protect the identities and tell the very real stories of the people we support.



Building brighter futures for LGBTQ+ young people

LGBTQ+ young people are at higher risk of mental health issues, which can be made worse by discrimination, lack of acceptance, abuse and bullying.

We run The BeYou Project, a service that helps young people who are aged 8-25 and identify as LGBTQ+ to feel comfortable being themselves. It provides safe spaces where they make new friends and get emotional support.

The BeYou Project also helps families to support LGBTQ+ young people in their lives and works with schools to help them become more inclusive.

The young people we support are empowered to help make change happen. We've helped some to form an advisory group which they've called The Gay Agenda. They are advising Porchlight, the NHS, Kent County Council, Kent Police and local schools on how to become more inclusive.



We're expanding our adolescent wellbeing service into new areas in response to the higher number of young people experiencing mental ill health

Improving mental health crisis support for young people

We're working with young adults to improve mental health crisis support for younger people in Kent & Medway.

If someone aged 18-25 has experienced a mental health crisis in the past, we've invited them to share their experiences of accessing, or trying to access, support. Their insights will be used to remove obstacles that other young people might face.

This work is being done in collaboration with health services and other local organisations.

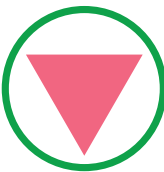


Mental health and relationship support for young people

Many young people struggle with their mental health, especially since the pandemic. This increased demand for mental health support has created extra pressure on health services.

We've been running Porchlight's adolescent wellbeing service in Thanet to give extra help to young people and their families who are going through a difficult time.

This may be related to an emotional issue such as anxiety, a family communication breakdown or struggles with school. The service works with young people to develop their confidence and give them the tools to better manage their feelings and emotions.



This year, BeYou supported 491 young people, ran 372 group sessions and worked with more than 63 Kent schools

the BeYou PROJECT

thebeyouproject.co.uk

Communities

Strong relationships and support networks help people achieve and sustain their goals. We help people to feel included, valued and more connected to their communities.

Porchlight Open Door meet-ups

Porchlight Open Door meet-ups help people facing social exclusion to connect with the services and support networks they need within their local community.

Anyone can join the weekly sessions – PODs – which are run by our friendly team. As well as providing a listening ear, they offer practical help with things like filling out forms and making phone calls. They also offer advice and support on everything from housing, mental health, debt, or benefits, to learning new skills or finding a job.



We ran 468 Porchlight Open Door sessions for 146 people

There are also activities to help people improve their health and wellbeing, including cooking, fitness, and mindfulness.

Thanks to the National Lottery Community Funding, we're able to deliver Porchlight Open Door meet-ups in even more locations in Kent. As well as Canterbury, Margate, and Dover, we run two PODs in Folkestone, including one that is women-only.



Cel's story

Cel (pictured right), spent 11 years sofa surfing and sleeping rough, between stays in temporary accommodation and poor-quality rented flats.

When she came to us for help, we found safe and stable accommodation in one of our hostels. We also helped her access counselling and other support services.

Cel met with her support worker at our weekly Porchlight Open Door (POD) meet-ups.

When the time was right, we helped her find permanent housing. She's now been in her own place for over a year.

“ If it wasn't for Porchlight helping me and coming to the POD, I don't know where I'd be now. ”

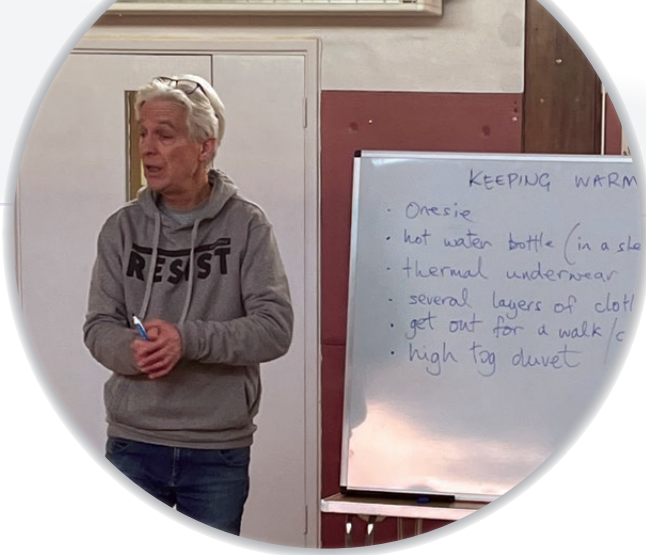


This year, we supported 125 people into work

Becoming work-ready

Work is the best route out of homelessness and poverty, but often the people we support will need help before they are ready to take that step.

Our work, health and learning team offer an intensive programme to help the people we support build the skills and confidence to prepare for and get into work. As well as helping people to find and hold onto jobs, our specialist staff ensure that their other needs, for example their health or housing, are addressed too.



Connecting people

Loneliness and isolation are serious problems, not just for individuals but for communities. Tackling these problems is a strand that runs through everything we do. We're running a scheme in Thanet which aims to bring multiple support services together in one community location. It will help us build a better-connected community network for the people we support. We plan to expand this work into Canterbury soon.

Breaking down barriers to employment

Our Aspirations service, which has now ended, used arts, sports, and training to support people with poor mental health who were unemployed and geographically or socially isolated.

If someone was unemployed and felt that their mental health was a barrier to finding a job, the Aspirations team were there to help.



Our Aspirations service supported 444 people

An independent evaluation conducted by the University of Kent found that 76.6% of people supported by our Aspirations service reported an improvement in their mental health and wellbeing.

Our Aspirations service was a Building Better Opportunities (BBO) project funded until March 2023 by the European Social Fund and the Lottery Community Fund.

Involving the people we support

The heart of our success as an organisation is the involvement of the people we support, in the decisions that matter. We actively empower people with lived experience to have their voices heard. We know this will help us build a charity that works better for everyone.

This contribution educates and guides us, helping us to design and deliver services that truly meet the needs of the people we support.

Through our involvement service, the people we support have their say on how Porchlight is run. This allows them to reflect on their own needs and influence changes to improve everyone's experience.

If people want to develop their confidence, we encourage them to step outside of their comfort zone and engage in activities that challenge them.



Tracie's story

Tracie's mental health started to suffer after a series of traumatic events in her family, and things went from bad to worse when she lost her job during the pandemic

“ I became a recluse, I wasn't paying my bills. My mental state went downhill. ”

Eventually Tracie (pictured above) reached breaking point and reached out to Porchlight.

We sourced Tracie a bike, which encouraged her to get out of the house more. We also helped her get involved in cookery lessons organised by our team and outdoor exercise sessions as part of a group.

Gradually – with the right support around her – Tracie's self-confidence grew, and she started to turn her life around.

When the time was right, Tracie got a job as a stewardess on a ferry, which she really enjoys.

This might include sitting on a staff recruitment panel, engaging in a consultation, or acting as mystery shoppers to help us improve our services.



This year, 91% of Porchlight interview panels included people with lived experience

Our steering groups give people opportunities to come together to share their experiences and views to influence the development of our services.

Fundraising

Thanks to your support, we're helping people through the worsening cost of living crisis.

We're so grateful for the creativity and compassion of our donors and supporters who were still able to help others during these difficult times.

It was a record-breaking year for fundraising with over £1.6 million raised from schools, corporate partners, trusts and foundations, community and faith groups, major donors, individual funders, and event participants.

In spring, our first CEO Sleepout event attracted over 20 business leaders who spent the night in the grounds of Leeds Castle. In autumn, over 2,500 scouts and guides took part in sleep outs for World Homeless Day, raising over £61,000 for homeless and vulnerable people in Kent.

In the latter part of the year, we launched our emergency appeal, 'Keep the Door Open'. This was in response to the news that our homelessness service, Kent Homeless Connect, was being decommissioned. This, together with our annual Christmas appeal, raised over £230,000 to help secure the immediate future of homelessness services.

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. We adhere to the Code of Fundraising Practice which covers the requirements charities must follow as set out in the Charities Act 2011.

Our fundraising year in numbers

- 🏠 Our appeals to Keep the Door Open raised over £230,000
- 🏠 898 new donors supported us
- 🏠 Scouts and Guides took part in sleep outs across Kent raising over £61,000
- 🏠 48 talks, workshops and school assemblies reached over 5,358 children and adults



All fundraising staff are members of the Chartered 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. Our gift acceptance policy references from whom we will accept gifts and how we protect vulnerable people.

This year, we received four complaints about our fundraising activity and reported these 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 but did not have to action any requests.



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 September 2020.

Our trustees are volunteers who use their skills, experience and sound judgement to help Porchlight 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 of trustees, 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.

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.

We also carry out 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, and NHS Kent & Medway. We are a joint lead provider of Kent Homeless Connect with the charity Look Ahead and of Live Well Kent & Medway with the charity The Shaw Trust, and our delivery partners. Porchlight also manages properties owned by the following registered providers: Places for People, East Kent Housing, Home Group, Orbit, 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 £13,974,075, an increase of 1.8% on last year. Our expenditure increased by 3% on last year's mainly due to a commitment to provide a one-off 'cost of living' payment to all staff. We repaid our mortgage in the year to avoid future increases in interest rates, and due to the difficulties within the housing market at the time.

We had a gain on our investment property of £5,149, leading to a surplus of £650,358.

Income

This year, 65% (2022: 69%) of our income came from government grants and 13% (2022: 13%) from rental income within our properties. The remaining 22% was made up of voluntary income and funding from charitable trusts. Kent County Council (KCC) officially ended the Kent Homeless Connect (KHC) contract in September 2022 and committed to a transition fund to cover 60% of the contract value for the 18 months until March 2024. This impacted our income from government grants in the year.

Charitable expenditure

We spent £12,940,464 on our charitable activities, supporting homeless, vulnerable and isolated people in Kent.

Expenditure by key activities

Expenditure within homelessness services has reduced this year due to the reduction in the contract value from KCC for Kent Homeless Connect.

However ongoing funding and investment from the Ministry of Housing, Communities and Local Government has allowed us to continue to provide our life-saving services supporting people to leave the streets behind.

Expenditure within the communities directorate varies year on year. This area is partly self-funded and therefore will vary in line with affordability and the charity's strategy.

All three areas of expenditure have increased due to the 'cost of living' payment mentioned above.

Reserves policy

At the end of the year, we held total funds of £4,548,369 (2022: £3,898,011). 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, they are 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 under £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 £687,356 (2022: £833,568).

We have carried forward designated funds for women's services, housing first and some specific posts within KHC, as well as monies required to keep KHC at current capacity with the income reducing from KCC.

Designated funds totalled £354,423 (2022: £239,615) at the end of the year.

Free reserves

Our free reserves are the part of the charity's unrestricted income funds that are freely available after taking account of the designated funds that have been earmarked for specific purposes. The free reserves currently stand at £2,274,622 (2022: £1,352,259) and are calculated as follows:

Total unrestricted funds	£3,861,013
Less designated funds	(£354,423)
Less unrestricted fixed assets	(£1,231,968)
Total free reserves	£2,274,622

Going concern

The end of the KHC contract in March 2024 will impact heavily on the charity, however we have been successful in securing the new Live Well Kent & Medway contract for the next three years, which started in April 2023. We are also working closely with local authorities, donors and philanthropists to fill the gap created by the reduction in KCC income. We have been successful this year in maintaining the same levels of fundraising income as before the pandemic and are very grateful to all our donors. We therefore feel confident about our future income streams. Our strategy continues to be growth and diversification of income and we have good reserves behind us to achieve this.

With this in mind the trustees have assessed Porchlight's financial position and feel confident in the charity's ability to operate as a going concern for at least 12 months from the date of signing this report.

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, with 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.

Environmental responsibility

We are taking responsibility for the environment by developing our approach to decarbonisation. We will continue to:

- Investigate new ways to work in a sustainable fashion across all our sites
- work to ensure our waste management minimises the impact on the environment and encourage the reuse or recycling of materials
- develop our digital working opportunities to reduce staff travel and fuel consumption
- encourage staff to source environmentally responsible materials and services
- review the energy performance of our properties and look to further reduce or offset the carbon footprint to improve efficiency and sustainability
- take an informed view towards energy purchasing to take advantage of renewable sources.

Key performance indicators

Operating surpluses

How we performed: We have made a strong surplus of £650,358.

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

How we performed: 76.6%

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

How we performed: 3.6%

Due to the announcement of the end of the KHC funding, we took the decision to change the way we handled new referrals and run housing stock, until we were in a position to underwrite the difference in funding from our reserves. This led to a high number of voids as explained further below. This also explains rent arrears at 3.6%

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

How we performed: 19.8%

We have been running high voids for most of the year. Some of this is due to the reduction in KCC funding, we are no longer able to take very high support clients due to less staff in the accommodation projects and must refer them on to social services. Some of them are due to essential repairs being undertaken by the owner of the building and therefore out of our control.

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 the main risks to the charity are identified as:

- 🏠 Income impacted by the loss of the Kent Homeless Connect contract
- 🏠 Local authorities taking more services in-house
- 🏠 Loss-making contracts requiring subsidies from unrestricted reserves
- 🏠 Changes to 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 (SORP) 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. This includes 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 19 July 2023 and signed on its behalf by:

H Edridge
Trustee



“ 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. ”

Independent auditor’s report to the members of Porchlight

Opinion

We have audited the financial statements of Porchlight (the ‘charitable company’) for the year ended 31 March 2023 which comprise the Statement of Financial Activities (including the Summary Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 2023 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

In auditing the financial statements, we have concluded that the trustees’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustees’ Report other than the financial statements and our auditor’s report thereon. The trustees are responsible for the other information contained within the Trustees’ Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 18, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity’s operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;

- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company’s governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees’ Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety, tenancy laws and safeguarding. We performed audit procedures to inquire of management whether the charitable company is in compliance with these law and regulations.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at 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

Zoe Longstaff-Tyrrell (Senior Statutory Auditor)

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

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

Date 26 July 2023

Statement of financial activities
(including income & expenditure account) for the year ended 31 March 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income:					
Donations and legacies	2	1,592,576	97,819	1,690,395	885,011
Charitable activities	3	8,405,106	3,846,621	12,251,727	12,814,423
Trading income		19,444	-	19,444	18,535
Investment income	4	12,509	-	12,509	13,530
Total income		10,029,635	3,944,440	13,974,075	13,731,499
Expenditure:					
Raising funds	5	388,402	-	388,402	318,154
Charitable activities	6	8,844,663	4,095,801	12,940,464	12,593,815
Total expenditure		9,233,065	4,095,801	13,328,866	12,911,969
Net gains on investments		-	5,149	5,149	40,628
Net income / (expenditure)		796,570	(146,212)	650,358	860,158
Transfers between funds	15	-	-	-	-
Net movement in funds		796,570	(146,212)	650,358	860,158
Reconciliation of funds					
Total funds brought forward		3,064,443	833,568	3,898,011	3,037,853
Total funds carried forward		3,861,013	687,356	4,548,369	3,898,011

The notes on pages 26 to 35 form part of these financial statements.

Balance sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	9	1,397,617	1,639,900
Investment property	10	400,000	394,851
		1,797,617	2,034,751
Current assets			
Debtors	11	2,080,053	2,126,034
Cash at bank and in hand		2,258,638	2,555,984
		4,338,691	4,682,018
Liabilities			
Creditors: Amounts falling due within one year	12	(1,587,939)	(2,235,539)
Net current assets		2,750,752	2,446,479
Total assets less current liabilities		4,548,369	4,481,230
Creditors: Amounts falling due after one year	13	-	(583,219)
Total net assets		4,548,369	3,898,011
The funds of the charity			
Restricted income funds	15	687,356	833,568
Unrestricted funds	15	3,861,013	3,064,443
Total charity funds		4,548,369	3,898,011

Company number: 01157482

The financial statements on pages 23 to 35 were approved and authorised for issue by the board of trustees on 19 July 2023 and signed on their behalf by:

H Edridge
Trustee

H Edridge

J Robson
Trustee

J Robson

Statement of cash flows for the year ended 31 March 2023

	Note	Total funds 2023 £	Total funds 2022 £
Cash provided by operating activities	A	139,047	878,123
Cash flows from investing activities			
Interest		12,509	13,530
Proceeds from the sale of fixed assets		240,483	-
Purchase of fixed assets		(87,448)	(573,110)
Cash provided/used in investing activities		165,544	(559,580)
Cash flows from financing activities			
Repayments of borrowing		(601,937)	(16,468)
Cash inflows from new borrowing		-	308,000
Net cash provided by financing activities		(601,937)	291,532
Change in cash and cash equivalents in the year		(297,346)	610,075
Cash and cash equivalents at the beginning of the year	B	2,555,984	1,945,909
Total cash and cash equivalents at the end of the year	B	2,258,638	2,555,984

Note A

Reconciliation of net income to net cash flow from operating activities	2023 £	2022 £
Net income for the year (as per the statement of financial activities)	650,358	860,158
Adjustments for:		
Depreciation charges	120,454	110,599
(Gain) on investments	(5,149)	(40,628)
Interest from investments	(12,509)	(13,530)
Profit on sale of fixed assets	(31,206)	-
Decrease/(Increase) in debtors	45,981	(22,070)
(Decrease) in creditors	(628,882)	(16,406)
Net cash provided by operating activities	139,047	878,123

Note B

Analysis of cash and cash equivalents	2023 £	2022 £
Cash in hand	2,258,638	2,555,984

Note C

	At 1 Apr 2022	Cashflows	Non-cash changes	At 31 Mar 2023
Analysis of change in net debt	2,555,984	(297,346)	-	2,258,638
Cash borrowings				
Loans falling due within one year	(18,718)	18,718	-	-
Loans falling due after more than one year	(583,219)	583,219	-	-
	(601,937)	601,937	-	-
	1,954,047	304,591	-	2,258,638

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, modified to include investment properties at fair value, 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 going concern basis of preparation of the financial statements is based upon the trustees' assessment of the charity's financial position and contracts in place covering twelve months from the date of approval of the financial statements. 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 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 Statement of Financial Activity (SOFA).

1.9 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.

1.10 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.

1.11 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.

1.12 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.

1.13 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.

1.14 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Valuation of investment property

The carrying value of the investment property is stated at fair value. The charity uses a third party valuer for determining the fair value as detailed in note 10 to these financial statements, however, the valuation of the charity's investment property is inherently subjective, as it is made on the basis of valuation assumptions which may in future not prove to be accurate.

2. Donations and legacies

	Unrestricted funds	Restricted funds	Total funds
	2023	2023	2023
	£	£	£
Gifts and donations	1,120,109	87,819	1,207,928
Legacies	401,517	-	401,517
General grants	15,750	10,000	25,750
Donated goods and services	55,200	-	55,200
Total	1,592,576	97,819	1,690,395

	Unrestricted funds	Restricted funds	Total funds
	2022	2022	2022
	£	£	£
Gifts and donations	700,505	117,080	817,585
General grants	5,250	-	5,250
Donated goods and services	62,176	-	62,176
Total	767,931	117,080	885,011

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	Restricted funds	Total funds
	2023	2023	2023
	£	£	£
Homelessness services			
Rent / accommodation charges	1,627,565	-	1,627,565
Kent County Council	2,495,855	135,672	2,631,527
ICB (formerly known as CCG) incomes	-	8,367	8,367
Local authority grants	150,000	854,296	1,004,296
Delivery network income	84,190	-	84,190
Other grants receivable	-	53,747	53,747
	4,357,610	1,052,082	5,409,692
Mental health services			
Kent County Council	3,393,219	51,740	3,444,959
ICB (formerly known as CCG) income	596,072	1,367,529	1,963,601
Delivery network income	-	220,211	220,211
Other grants receivable	-	27,503	27,503
	3,989,291	1,666,983	5,656,274
Communities			
European Social Fund income	58,205	929,829	988,034
Local authority grants	-	17,908	17,908
Big Lottery Fund	-	157,973	157,973
RBLI income	-	21,846	21,846
	58,205	1,127,556	1,185,761
Total	8,405,106	3,846,621	12,251,727

3. Charitable activities (continued)

	Unrestricted funds	Restricted funds	Total funds
	2022	2022	2022
Homelessness services			
Rent / accommodation charges	1,809,602	-	1,809,602
Kent County Council	2,773,171	145,939	2,919,110
ICB (formerly known as CCG) income	-	445	445
Local authority grants	154,166	799,106	953,272
Delivery network income	176,575	-	176,575
Other grants receivable	-	65,130	65,130
	4,913,514	1,010,620	5,924,134
Mental health services			
Kent County Council	3,393,219	174,183	3,567,402
ICB (formerly known as CCG) income	453,320	1,505,861	1,959,181
Local authority grants	-	19,663	19,663
Delivery network income	-	222,714	222,714
Other grants receivable	-	33,515	33,515
	3,846,539	1,955,936	5,802,475
Communities			
European Social Fund income	50,054	801,103	851,157
Local authority grants	-	25,072	25,072
Big Lottery Fund	-	173,515	173,515
RBLI income	-	21,846	21,846
Other grants receivable	-	16,224	16,224
	50,054	1,037,760	1,087,814
Total	8,810,107	4,004,316	12,814,423

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 £9,070,658 (2022: £9,444,145).
There were no unfulfilled conditions attached to government grants recognised in the year (2022: None).

4. Investment income

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Rental income from investment property	12,470	13,530
Bank interest	39	-
Total	12,509	13,530

5. Raising funds

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Expenditure on raising donations and legacies	388,402	318,154
Total	388,402	318,154

6. Charitable activities

	Homelessness services	Mental health services	Communities	Total 2023
	£	£	£	£
Activities undertaken directly				
Staff costs	2,848,038	2,509,404	758,424	6,115,866
Premises costs	1,425,733	109,261	39,310	1,574,304
Delivery network fees	543,494	2,444,330	439,082	3,426,906
Office costs	133,652	90,599	13,241	237,492
Tenant welfare fund	115,071	42,737	102,141	259,949
Sundry expenses	2,277	1,076	434	3,787
	<u>5,068,265</u>	<u>5,197,407</u>	<u>1,352,632</u>	<u>11,618,304</u>
Support costs				
Governance	24,401	25,023	6,512	55,936
Management & administration	117,779	144,359	31,164	293,302
Finance	131,634	161,341	34,830	327,805
Human resources	77,613	95,128	20,536	193,277
Communications	181,442	222,389	48,009	451,840
	<u>532,869</u>	<u>648,240</u>	<u>141,051</u>	<u>1,322,160</u>
Total	<u>5,601,134</u>	<u>5,845,647</u>	<u>1,493,683</u>	<u>12,940,464</u>

All support costs are apportioned on the basis of unrestricted direct expenditure. Expenditure on charitable activities was £12,940,464 (2022: £12,593,815), of which £8,844,663 (2022: £8,666,730) was unrestricted and £4,095,801 (2022: £3,927,086) was restricted. Within governance costs is Directors’ and Officers’ Insurance at a cost of £7,897 (2022: £6,196).

	Homelessness services	Mental health services	Communities	Total 2022
	£	£	£	£
Activities undertaken directly				
Staff costs	2,781,620	2,450,375	734,860	5,966,855
Premises costs	1,629,793	97,364	27,616	1,754,773
Delivery network fees	593,333	2,341,444	409,490	3,344,267
Office costs	120,614	73,563	10,459	204,636
Tenant welfare fund	172,107	19,890	59,376	251,373
Sundry expenses	1,809	2,427	78	4,314
	<u>5,299,276</u>	<u>4,985,063</u>	<u>1,241,879</u>	<u>11,526,218</u>
Support costs				
Governance	19,115	17,982	4,480	41,577
Management & administration	93,471	116,655	23,173	233,299
Finance	108,162	134,989	26,816	269,967
Human resources	63,601	79,375	15,768	158,744
Communications	145,840	182,013	36,157	364,010
	<u>430,189</u>	<u>531,014</u>	<u>106,394</u>	<u>1,067,598</u>
Total	<u>5,729,465</u>	<u>5,516,077</u>	<u>1,348,273</u>	<u>12,593,816</u>

7. Analysis of staff costs

	2023	2022
	£	£
Salaries and wages	5,910,629	5,683,626
Social security costs	559,002	485,747
Pension costs	278,642	280,006
Total	<u>6,748,273</u>	<u>6,449,379</u>

Included in pension costs above is an amount of £71,145 (2022: £69,953) relating to restricted expenditure. Pension contributions of £41,014 (2022: £41,728) were payable at the year end, and included within other creditors. Redundancy payments totalling £10,812 (2022: £76,885) were made in the year (£10,812 was outstanding at the year end 2022: £nil).

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

	2023	2022
£120,000-£130,000	1	-
£110,000-£120,000	-	1

The trustees did not receive any remuneration or benefits in kind in either year. £nil (2022: £nil) was paid as reimbursement of travel expenses to the trustees.

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 £444,434 (2022: £384,294). During the year one new staff loan was paid to key management personnel totalling £500 (2022: £nil), no amounts were outstanding at the year end.

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

	2023	2022
	Number	Number
Homelessness services	87	99
Mental health services	75	76
Communities	23	23
Management & administration	34	31
Total	<u>219</u>	<u>229</u>

8. Movement in total funds for the year

	2023	2022
	£	£
This is stated after charging:		
Operating leases – equipment	34,235	48,663
Operating leases – land and buildings	299,724	344,087
Depreciation	120,454	110,599
Profit on disposal of fixed assets	31,206	-
Auditor's remuneration for statutory audit	<u>24,000</u>	<u>18,000</u>

9. Tangible fixed assets	Freehold property	Leasehold property	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 April 2022	1,090,907	610,999	748,991	2,450,897
Additions	-	-	87,448	87,448
Disposals	(211,819)	-	(105,106)	(316,925)
At 31 March 2023	879,088	610,999	731,333	2,221,420
Depreciation				
At 1 April 2022	29,208	207,180	574,609	810,997
Charge for the year	10,548	4,167	105,739	120,454
Disposals	(2,542)	-	(105,106)	(107,648)
At 31 March 2023	37,214	211,347	575,242	823,803
Net book value				
At 31 March 2023	841,874	399,652	156,091	1,397,617
At 31 March 2022	1,061,699	403,819	174,382	1,639,900

Included in freehold property above is land at a value of £351,635 (2022: £436,636) which is not depreciated.

10. Investment property	Total
	£
Fair value	
At 1 April 2022	394,851
Gain on revaluation of investment property	5,149
At 31 March 2023	400,000

The property was revalued on 31 March 2023 by Pinders Professional and Consultancy Services Limited, RICS. 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	2023	2022
	£	£
Other debtors	425,740	299,530
Grants receivable	1,374,978	1,617,129
Prepayments	279,335	209,375
Total	2,080,053	2,126,034

12. Creditors – amounts falling due within one year	2023	2022
	£	£
Bank loan	-	18,718
Trade creditors	559,441	422,928
Other creditors	59,486	56,054
Other taxes and social security costs	116,550	119,942
Accruals and deferred income	852,462	1,617,897
Total	1,587,939	2,235,539

Deferred Income:	2023	2022
	£	£
Brought forward	1,291,802	1,162,804
New amounts deferred	370,598	1,006,502
Released to SOFA	(1,080,689)	(877,504)
Total	581,711	1,291,802

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

13. Creditors – amounts falling due after one year	2023	2022
	£	£
Bank loan:		
Between 2-5 years	-	74,872
After more than 5 years	-	508,347
	-	583,219

The bank loan was paid in full during the year.

14. Financial instruments	2023	2022
	£	£
Financial assets measured at fair value	400,000	394,851

15. Analysis of charity funds	Balance at 1 Apr 22	Income	Expenditure	Balance at 31 Mar 23
Restricted funds	£	£	£	£
New Town Street building fund	167,331	-	(1,682)	165,649
Homelessness services	45,713	1,143,250	(1,170,038)	18,925
Mental health services	225,673	1,673,573	(1,796,464)	102,782
Communities	-	1,127,617	(1,127,617)	-
Investment property	394,851	5,149	-	400,000
Total restricted funds	833,568	3,949,589	(4,095,801)	687,356

	Balance at 1 Apr 21	Income	Expenditure	Balance at 31 Mar 22
Restricted funds	£	£	£	£
New Town Street building fund	169,013	-	(1,682)	167,331
Homelessness services	58,548	1,102,000	(1,114,835)	45,713
Mental health services	16,845	1,956,915	(1,748,087)	225,673
Communities	-	1,062,481	(1,062,481)	-
Investment property	354,223	40,628	-	394,851
Total restricted funds	598,629	4,162,024	(3,927,085)	833,568

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 mental health services, outreach services, activities and the corresponding expenditure. For details of the investment property fund see note 10.

	Balance at 1 Apr 22	Income	Expenditure	Balance at 31 Mar 23
Unrestricted funds	£	£	£	£
General unrestricted fund	2,824,828	9,759,721	(9,077,959)	3,506,590
Designated funds	239,615	269,914	(155,106)	354,423
Total unrestricted funds	3,064,443	10,029,635	(9,233,065)	3,861,013

	Balance at 1 Apr 21	Income	Expenditure	Balance at 31 Mar 22
Unrestricted funds	£	£	£	£
General unrestricted fund	2,196,158	9,610,103	(8,981,433)	2,824,828
Designated funds	243,066	-	(3,451)	239,615
Total unrestricted funds	2,439,224	9,610,103	(8,984,884)	3,064,443

Designated funds relate to monies set aside for Housing First, women’s needs services, as well as specific posts and property costs within the Kent Homeless Connect service.

	Balance at 1 Apr 22	Income	Expenditure	Balance at 31 Mar 23
Summary of funds	£	£	£	£
Restricted funds	833,568	3,949,589	(4,095,801)	687,356
Unrestricted funds	3,064,443	10,029,635	(9,233,065)	3,861,013
Total funds	3,898,011	13,979,224	(13,328,866)	4,548,369

	Balance at 1 Apr 21	Income	Expenditure	Balance at 31 Mar 22
Summary of funds	£	£	£	£
Restricted funds	598,629	4,162,024	(3,927,085)	833,568
Unrestricted funds	2,439,224	9,610,103	(8,984,884)	3,064,443
Total funds	3,037,853	13,772,127	(12,911,969)	3,898,011

16. Analysis of net assets between funds	Unrestricted funds	Restricted funds	Total funds
	2023	2023	2023
	£	£	£
Fixed assets	1,231,968	565,649	1,797,617
Net current assets	2,629,045	121,707	2,750,752
Total	3,861,013	687,356	4,548,369

	Unrestricted funds	Restricted funds	Total funds
	2022	2022	2022
	£	£	£
Fixed assets	1,472,569	562,182	2,034,751
Net current assets	2,175,093	271,386	2,446,479
Long term liabilities	(583,219)	-	(583,219)
Total	3,064,443	833,568	3,898,011

17. Operating lease commitment

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

	Land and buildings		Other	
	2023	2022	2023	2022
	£	£	£	£
Due within one year	188,642	263,153	34,236	-
Between one and five years	445,474	545,928	-	-
After five years	204,000	262,333	-	-

18. 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.

19. Related party transactions

Aggregate donations of £2,763 (2022: £3,386) were received from the trustees during the year.



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