PORCHLIGHT

England & Wales · Charity number 267116

Details

Other names	CANTERBURY CYRENIANS LIMITED, EAST KENT CYRENIANS LIMITED
Status	Registered
Legal form	Charitable company
Company number	01157482
Registered	1974-04-26
Register	View on the Charity Commission register

Contact

Address	15 New Town Street Canterbury Kent CT1 1BX
Phone	01227760078
Email	headoffice@porchlight.org.uk
Website	www.porchlight.org.uk

Activities

Objects: A) THE RELIEF OF POVERTY, SICKNESS AND OLD AGE IN PARTICULAR (BUT WITHOUT IN ANY WAY LIMITING THE GENERALITY OF THE FOREGOING WORDS) FOR THE RELIEF OF THE POVERTY OF PERSONS WHO BY REASON OF MENTAL OR PHYSICAL INFIRMITY ARE UNABLE TO FULFIL THEIR DUTIES AS CITIZENS OR THEIR OBLIGATIONS TO THEIR EMPLOYERS.B) THE RELIEF OF THOSE IN NEED BY REASON OF YOUTH, AGE, ILL-HEALTH, DISABILITY OR FINANCIAL HARDSHIP IN PARTICULAR BY THE PROVISION OF HOUSING, HOSTELS, OTHER HOUSING ACCOMMODATION AND ANY ASSOCIATED AMENITIES, SERVICES, ADVICE, ADVOCACY, TRAINING OR ASSISTANCE.C) THE ADVANCEMENT OF PUBLIC EDUCATION IN (INCLUDING RESEARCH AND DISSEMINATING THE USEFUL RESULTS OF THAT RESEARCH INTO) THE PROVISION OF HOUSING AND HOUSING RELATED SERVICES TO THOSE IN NEED.

Activities: Porchlight is an independent registered charity working across Kent, East Sussex and Bexley. We help vulnerable and isolated people get support with their mental health, housing, education and employment. We provide children, young people and adults with the advice, guidance and skills to live independently in the future, play an active role in their local community and fulfil their potential.

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Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Prevention Or Relief Of Poverty, Accommodation/housing
- **Who:** Children/young People, Other Defined Groups

Geography

- Bexley
- East Sussex
- Kent

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£10,408,527	£11,813,043	£2,599,123	200
2024-03-31	£12,601,880	£13,071,610	£4,003,639	199
2023-03-31	£13,979,224	£13,328,866	£4,548,369	219
2022-03-31	£13,731,499	£12,911,969	£3,898,011	229
2021-03-31	£12,642,643	£12,060,147	£3,037,853	224

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Trustees

Name	Role	Appointed
Anna Linstead		2025-01-29
Anne Chapman		2024-01-27
Bernie Mayall		2025-07-21
Claire Ellis-Waghorn		2024-01-27
Danica McLean		2024-01-27
Dr Jenny Robson		2018-07-12
Dr Nicholas Ward		2020-05-20
Emily Vince		2025-03-19
Patrick Fuller		2020-09-30
Stephanie Goad		2018-06-29
Thomas Abbott		2024-01-27
Timothy Child		2022-12-15

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PORCHLIGHT

England & Wales - Charity number 267116

Accounts

Company number: 01157482
Charity number: 267116

PORCHLIGHT LIMITED

Report and financial statements
For the year ended 31 March 2025

PORCHLIGHT LIMITED

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PORCHLIGHT LIMITED

Reference and administrative information

For the year ended 31 March 2025

Company number	01157482
Country of incorporation	United Kingdom
Charity number	267116
Country of registration	England & Wales
Registered office and operational address	15 New Town Street, Canterbury, Kent, CT1 1BX

Trustees

Trustees, who are also directors under company law, who served during the year and up to the date of this report were:

Patrick Fuller (Chair)	
Anne Chapman (Vice Chair)	
Anna Linstead (Treasurer)	Appointed – 29 January 2025
Timothy Child	
Thomas Evans	
Stephanie Goad	
Dr Jenny Robson	
Dr Nicholas Ward	
Thomas Abbott	
Claire Ellis-Waghorn	
Danica McLean	
Adam Lott	Resigned – 9 October 2025
Emily Vince	Appointed – 19 March 2025
Bernadette Coady-Mayall	Appointed – 21 July 2025
Hilary Edridge	Resigned – 30 November 2024
David Leah	Resigned – 26 March 2025
Neil Oldfield	Resigned – 14 June 2024

Key management personnel	Patrick Fuller	Chair of the Board of Trustees
	Tom Neumark	Chief Executive Officer and Secretary
	Catherine Keen	Chief Finance and Operating Officer
	Sarah Dennis	Director of Human Resources
	Julia Hargreaves	Director of Services
	Adam Colthorpe	Director of Development and Innovation / Income Generation and Communications

Bankers

Unity Trust Bank
Four Brindley Place
Birmingham
B1 2JB

Solicitors	Knights Professional Services Limited The Brampton Newcastle-under-Lyme Staffordshire ST5 0QW
Auditor	RSM UK Audit LLP Portland 25 High Street Crawley West Sussex RH10 1BG

Trustees' annual report (including the strategic report)

For the year ended 31 March 2025

The trustees present their report and the audited financial statements for the year ended 31 March 2025.

Reference and administrative information on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Introduction from the Chair

As Chair of Porchlight, I am proud to present this year's trustee report, a year in which we celebrated Porchlight's 50th anniversary, an impressive track record of sustained support and innovation.

In the past year, we were delighted to launch innovative new services, including personal budgets for people experiencing homelessness and partnering with JP Morgan's Force for Good Project team to improve digital signposting for people who need information about local services. In total, we supported over 5,500 people across Kent, offering outreach, mental health support, housing, and services for children and young people. Our services are high quality, with 85% of people saying they would recommend them to others.

It was a year which reflected both the resilience and determination of our charity in the face of significant challenges which have tested our sector, our organisation, and the people we support—and it demonstrated the strength of our mission and the unwavering commitment of our staff, volunteers, and supporters.

Porchlight operates in a context of rising homelessness, increasing mental health needs, and tight public sector budgets. In March 2025, 194 people were seen sleeping rough across Kent and Medway—an 11% increase from the previous year. Thousands of households, including children, remain in temporary accommodation and Kent social care is seeing dramatic growth in demands relating to mental health. These figures are not just statistics; they represent lives in crisis and communities under strain.

In response to these pressures and following the withdrawal of funding by Kent County Council, we took the decision to invest a portion of our reserves to maintain our homelessness services in the short term. This was not a decision taken lightly. It reflects our values and our belief that no one should be left without support. This strategic use of reserves allowed us to continue delivering vital services, whilst redesigning our approach to support, and gave us time to develop an Organisational Stability Plan.

We know that the road ahead will not be easy. But we are confident in our direction. Our plan is already delivering results, and we are focused on building our resilience, and continuing to provide person-centred, effective support.

None of this would be possible without the extraordinary efforts of our staff, volunteers, and supporters. Your dedication, compassion, and belief in our mission have carried us through and positioned us for a brighter future. On behalf of the board of trustees, I offer my heartfelt thanks.

Together, we remain committed to our vision of a safe home, better life and fairer future for everyone.

Patrick Fuller
Chair of the Board of Trustees
Porchlight

Objectives and activities

Purposes and aims

Porchlight's objects as outlined in the memorandum and articles of association are:

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

Vision and mission

Porchlight's vision is a safe home, better life and a fairer future for everyone. We were founded to help people facing the devastating effects of homelessness. Today, we also tackle the causes and consequences of poverty and inequality.

Our mission:

We're here for people when it matters most.

- Everybody deserves to have someone on their side when life gets tough.
- We draw on decades of experience to help people facing poverty, and inequality in health and housing.

We offer safety, stability and respect.

- When someone needs help, they may be facing lots of different issues.
- We create a safety net so everyone can find the support that's right for them.

We empower people to live the life they want.

- Empowering people so they can thrive takes care, compassion and understanding.
- We help people see their strengths and connect with others to build the future they want.

Together, we fight for lasting change.

- Poverty, health and housing injustice are complex problems affecting millions of lives. They are also avoidable.
- We work to improve understanding of the issues and find sustainable solutions to rebalance an unfair system.

Public benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Porchlight's aims and objectives and in planning its future activities. In particular, trustees consider how planned activities will contribute to Porchlight's set aims and objectives. The trustees are confident that Porchlight meets the Public Benefit requirements.

Strategic report

Porchlight prides itself on being there for people when they need us most. In the past year, we were delighted to launch innovative new services, including personal budgets for people experiencing homelessness and to partner with JP Morgan's Force for Good Project team to improve digital signposting for people who need information about local services. We supported over 5,500 people across Kent, offering outreach, mental health support, housing, and services for children and young people. Our services are high quality, with 85% of people saying they would recommend them to others.

There are an increasing number of people experiencing homelessness. At the same time government funding for homelessness services is being reduced. Following cuts to our funding made by Kent County Council, trustees decided to invest a portion of our reserves into maintaining our homelessness services. This short-term measure enabled us to continue supporting people in the immediate who would otherwise have experienced hardship, including sleeping rough on the streets.

This gave us the opportunity to redesign our approach and deliver our organisational stability plan. The plan provides us with a long term sustainable financial future which ensures that we continue to be there for our beneficiaries.

A challenging operating environment

Porchlight is a major Kent mental health and homelessness charity with demand for our services on the increase:

- In March 2025, 194 people were seen sleeping rough across Kent and Medway, an 11% increase from the same period a year before.
- On 31 December 2024, there were 3,038 households (including 3,821 children) living in temporary accommodation across Kent and Medway.
- In the five years to 2023, Kent social care saw a 60% growth relating to mental health.

Porchlight aims to be here for people when it matters most, by tackling the causes and consequences of poverty and inequality. But these are challenging times for charities like ours. Across the county, there is an increasing number of people who need our help. At a time when fewer people are donating to charities, local authority budgets are coming under significant pressure, and costs continue to increase.

For Porchlight, operating in Kent presents the following specific challenges:

More people are experiencing mental health problems

Kent is seeing increasing rates of serious mental illness and since 2012, the county's suicides rates have increased above the England average.

The number or people sleeping rough is increasing

194 people were seen sleeping rough across Kent and Medway in March 2025, an 11% increase on the number seen in March 2024.

A challenging operating environment (continued)

Existing services are stretched

A combination of high demand and tight budgets has led to many of the complementary services our clients rely on either closing or restricting what they offer by increasing eligibility criteria and imposing more rigorous assessment processing. This means that many people who are experiencing homelessness and poverty have found it harder or impossible to access specialist services.

Funding is tighter than it ever has been

Charities working in social care are finding it harder to raise funds and cover expenses. The increase in employer National Insurance contributions put additional pressure on budgets at a time when statutory commissioners are offering no increases and only providing short-term contracts. Fewer people are donating to charities. Many traditional supporters of charities continue to rebuild their funds post Covid and are restricting the grants they make available.

In the face of these challenges, we have sought to maintain vital services over the short term, even if they were unfunded, to put our sustainability plan in place and to ensure people receive much needed support.

As part of our plan we are taking decisive steps to future-proof our services, ensuring we can continue to support people for years to come. We will not jeopardise our ability to continue to provide support to those who need it most.

Having made these difficult decisions and with our plan in place, we are confident that we have the strong financial foundations needed to grow and deliver quality services reflecting the increasingly challenging external funding environment.

Continuing to provide quality services

Our strategic objectives are:

1. People can access a better and fairer system of services and support.
2. People can find the support that's right for them when it matters most.
3. People are empowered to live the life they want and make lasting change.

To achieve our objectives, we provide a range of services, including community-based mental health support, homelessness outreach support for people sleeping rough, supported housing and support for children and young people.

Achievements in 2024-25

We enhanced our service delivery models:

- Implemented the Porchlight Serious Incident Response Framework to ensure that we have a learning culture and are able to identify necessary changes, after serious incidents.
- Strengthened and reviewed our organisation-wide approach to assessment, support and safety planning, ensuring we are able to capture and share learning from across our services.

We supported thousands of people across Kent:

We supported 5,562 people who were experiencing either homelessness or mental health problems.

Service	Number of people supported
Mental health services	3,772
Outreach	440
Supported housing	313
Children and young people	636

The backgrounds and characteristics of the people we supported are broadly representative of the population within Kent who can benefit from the support that we offer.

Gender	Female	51%
	Male	45%
	Declined to say	4%
Age	Under 18	14%
	18-25	15%
	26-35	20%
	36-45	18%
	46-55	16%
	56-65	13%
	66+	4%
Disabled		75%

Achievements in 2024-25 (continued)

Our services are high quality and the people who use them rate them highly

Most people who use our services would recommend them to friends or family, if they also needed support. The majority told us they were involved as much as they wanted to be and trusted their support worker all of the time.

% who would recommend the service to a friend or family member who needs support	85%
% who were involved as much as they wanted to be in their support?	77%
% who have confidence and trust in their support worker?	82%

These scores are reflected in our own internal audits, which consistently find that our support is of high quality.

Our accommodation is safe and well run

All of our housing assets met core regulatory requirements and safety standards. All complaints were resolved within 14 days.

We have work to do to increase the performance of our responsive and emergency repairs, but this year, like many in the housing sector, we have faced challenges with recruitment as well as contractor availability. We have put a new asset management plan in place to address emergency repairs performance and are currently reviewing our approach to housing leadership which will improve performance going forward.

	Target	Q1	Q2	Q3	Q4
% target for responsive repairs within 28 days per quarter	100%	74%	85%	86%	84%
% target for emergency repairs within 24 hours per quarter	100%	63%	79%	76%	64%

At some points during 2024/25, voids in our supported accommodation underperformed against our internal targets. This happened because we were negotiating the ongoing model for these units. Once these negotiations were complete, we were able to move people into our homes, and void rates started to improve - dropping to 10% in Q4 24/25.

Achievements in 2024-25 (continued)

Our services support people to improve their situation

In addition to helping people find accommodation, we help them improve their life in all areas.

To measure the extent that people have improved their situation, we use the DIALOG scale, a tool which is widely used across the NHS and beyond. People score their satisfaction with eight life domains and three support aspects on a 7-point scale. The scale has been shown to have good psychometric properties. Using this tool, we found that:

- Of the people who use all our services: 73% improved and 17% maintained their score.
- Of the people who used our mental health services, 72% improved and 18% maintained their score.
- For our children and young people's services we use the evidence-based "Good Childhood Index Life Satisfaction" tool, which is more appropriate for this group. Using this tool, we found that 73% increased their wellbeing score, after using our services.
- 72% of people who stayed in our supported housing moved on to sustainable long-term accommodation. Just 21% returned to the streets or insecure housing. We have reviewed national data around this and although like for like comparisons are difficult due to geographical variations, our performance is in line with national statistics.
- 80% of people supported by our outreach services had a positive outcome: 25% of them accessed appropriate short-term accommodation, 38% accessed sustainable long-term accommodation and 17% sustained an existing tenancy.

Finding innovative ways to support people

In 2024-25, we introduced additional services aimed at improving the life chances of our clients:

- We worked in partnership with Greater Change on a trial scheme that looked into the effects of giving people who are homeless more financial support. It's a randomised controlled trial which compares outcomes from people who receive personalised budgets of up to £4,000 with those from an otherwise identical group who don't. Aside from the overwhelming impact on the 50+ people we provided life changing support to, we were also highlighted as the most effective delivery partner of this trial and will host a wrap up event.
- We are one of the lead providers for the new Mental Health Together service. It's a new, transformative integrated model with the local mental health trust, designed to support people with complex mental health needs. It takes a more holistic approach to ensure people get the right support when needed across mental health pathways.

Achievements in 2024-25 (continued)

Finding innovative ways to support people (continued)

- We secured funding for 2025-26 for our supported accommodation in Thanet, Canterbury and Dover. We do not yet have a long-term funding solution for our Folkestone properties which are currently grant-funded. However, we are confident that this will soon be resolved.
- We worked with JP Morgan's Force for Good Project team to improve digital signposting for people who need information about local services.
- We led on developing a Making Every Adult Matter (MEAM) approach in Thanet. This was part of a Kent-wide initiative, setting out the systems and structures for the role which will benefit people facing multiple disadvantages.
- We are implementing a Housing First model in collaboration with the Housing First Foundation. The new service in Canterbury will go live in late 2025 and be our first housing first service independent of local authority funding.

Future plans

We have four organisation-wide priorities aimed at ensuring Porchlight delivers its vision whilst mitigating risk:

- Implementing our strategy - ensuring that we are only focused on what matters.
- Involvement - providing people who use or have used our services with opportunities to participate in all aspects of our organisation including decision making, volunteering and fundraising.
- Equality, diversity and inclusion - creating a more inclusive environment for our workforce, clients and the wider community.
- Stakeholder engagement – using a planned approach to attract new supporters and work with commissioners, statutory and voluntary sector partners across Kent and southeast London.

Priorities for our services

Continuing to deliver excellent services remains our priority. While some of our services may evolve, we will use our valuable resources to help people we work with to achieve their goals - when and where this is needed most. We will:

- deliver high quality, effective, safe and sustainable services with a particular focus on person-centred support.
- measure and evidence the intended outcomes of our services.
- provide high quality, safe and financially sustainable housing.

Priorities for our people

Our workforce is pivotal to the support we provide and the experiences of our clients. Our staff have continued to provide excellent services whilst experiencing change in recent years. We have learnt from this and will continue to engage our staff and volunteers in the delivery of our sustainability plan. To continue ensuring our workforce excels in providing high-quality services we will:

- continue to offer support and guidance to our workforce through periods of change.
- aim to attract, develop and retain the best people.
- review our approach to wellbeing, volunteering and recognition (including benchmarking our salaries).

Future plans (continued)

Our financial strategy

For the past two years we have strategically used Porchlight's reserves to continue to deliver support while we transitioned our homelessness services. This was a temporary measure, and our focus now is on building Porchlight's financial resilience to rebuild our financial foundation. We will:

Increase our income by:

- Retaining and growing our network of supporters through communications and stewardship that focusses on relevance and resonance.
- Maintaining good relationships with key strategic partners including:
    - Local authorities in Kent who are responding to homelessness in their areas.
    - Live Well Kent and Medway commissioners and delivery partners.
    - The Housing First Foundation to set up Housing First properties for Housing First.
    - East Kent Health and Care Partnership through Pathways – the hospital step-down and the health and housing project.
    - Kent and Medway NHS and Social Care Partnership (KMPT) through our Mental Health Together service.
- Ensuring the financial sustainability of our accommodation-based services through appropriate rent levels, securing support contracts, and minimising voids and arrears.

Control our costs by:

- Restructuring our services so that they are individually financially sustainable, ensuring that all commissioned services cover both direct costs and the central support costs required to deliver them.
- Reviewing our central support services and office use to ensure they are proportionate to our operational activities and are aligned to our objectives.

Financial review

The results for the year are set out in the Statement of Financial Activities. The assets and liabilities of the charity at 31 March 2025 are shown in the Balance Sheet. The financial statements should be read in conjunction with their related notes.

Income

Total income fell from £12.602 million in 2023-24 to £10.409 million in 2024-25 – a fall of 17%. Whilst income from donation and legacies increased by £0.348 million, the main change was the fall in income from charitable activities from £10.746 million to £8.242 million.

Grant income fell by £3.099 million across both homelessness and mental health services following the decommissioning of services, although the reduction in mental health services was offset by the newly awarded Mental Health Together contract currently valued annually at £0.862 million, generating £0.268 million in 2024-25.

The reduction in grant income was offset in part by inflationary increases in rents and service charges receivable from property (£0.632 million). In 2024-25, supported by an independent consultancy, we reviewed our approach to rent and service charge setting, linked to Enhanced Housing Benefit regulations which aims to maximise property income. In 2025-26, we forecast that this will increase rent and service charge income by approximately 40%.

Expenditure

Although our income fell 17% in 2024-25, our expenditure fell by 9.6% from £13.071 million to £11.813 million. This reflects our decision to utilise Porchlight's reserves to temporarily support service delivery after the withdrawal of funding by commissioners.

Porchlight's biggest area of expenditure is staff costs. These increased over the year by 2.7% to £6.642 million from £6.465 million. 2024-25 expenditure included £0.724 million of designated reserves, £0.650 million of which was to support ongoing delivery of homelessness services while we transitioned to new service models, involving restructuring both direct service and overhead staff teams. This process was substantially completed in 2025-26 and the designated funds utilised in full.

The biggest fall in expenditure was in payments to our delivery network partners (sub-contractors). These fell from £3.210 million in 2023-24 to £1.423 million in 2024-25 reflecting the decommissioning of contracts in previous years.

In the accounts to 31 March 2025, we have set aside £120k for dilapidation costs associated with the closure of our Head Office in Watling Street in September 2025.

The organisational stability plan will continue on a smaller scale into 2025-26 as we continue to ensure that all our contracts are individually sustainable and that our overheads are appropriate for the underlying contractual activity.

Annual surplus

Historically, Porchlight has delivered annual surpluses in the region of 4 – 6% of income. However, as a result of our investment in maintaining services, there has been two consecutive years of deficits.:

Year	Net unrestricted income / (expenditure)	Net restricted income / (expenditure)	Total	Net income / (expenditure) as a % of total income
2020-21	£514k	£69k	£583k	4.6%
2021-22	£625k	£235k	£860k	6.4%
2022-23	£796k	(£146k)	£650k	4.7%
2023-24	(£492k)	(£53k)	(£545k)	(4.3%)
2024-25	(£1,504k)	£100k	(1,404k)	(13.5%)

The 2024-25 deficit of £1,404k is in line with expectations when Trustees agreed the use of reserves to continue to support services. As the underlying use of reserves to support services has now come to an end, the work of our organisational stability plan in 2024-25 was focussed on restructuring our cost base to ensure the viability of individual contracts and of the organisation. We are now striking a sustainable balance between maximising our impact and ensuring our long-term survival.

Trustees have set a target of returning surpluses to pre 2023-24 surplus levels and have approved a budget for 2025-26 which is forecast to deliver a surplus for the organisation and commence the process of rebuilding reserves.

Balance sheet

Despite the reduction in reserves, the balance sheet remains positive with net assets of £2.599 million, down from £4.004 million last year. Fixed assets of £2.080 million include unencumbered freehold assets of £1.590 million and £490k of investment properties which arose from the generous donation of two properties by Dr Pat Chipping. All freehold assets are available for disposal or as security to raise finance should the need arise.

Net current assets are £647k. Cash balances remained positive, at £646k which was down from £1.623 million last year. To support working capital during the year, we negotiated a loan from Big Issue Invest for £200,000 repayable over 3 years. This loan may be repaid early at no penalty.

Rebuilding liquid reserves remains a key focus for the organisation. Cash flow is closely monitored and is reviewed by trustees quarterly. We have established good relations with commissioning partners and local housing benefit teams to minimise delays in income collection and sustain cash flow. This is reflected in the reduction of debtors from £1.954 million at 31 March 2024 to £1.172 million at 31 March 2025.

Pensions

All staff are entitled to join Porchlight's defined contribution scheme operated by AEGON. New employees are automatically enrolled on joining. Porchlight will match any employee contributions up to 7%, subject to maintaining minimum contribution levels under pensions' legislation. Employees are entitled to opt out but less than 5% of staff have done so.

Investment policy

During the year, Porchlight disposed of its investment property realising £305k against a carrying value of £325k which supported liquidity in the year. Trustees have also agreed to the further disposal of a leasehold property, which has been transferred to property for sale and for which a sale has been completed in August 2025 at close to net book value.

As noted above, 2 properties were donated to the charity in 2024-25 with an estimated value of £490,000 which are currently being rented pending future potential disposal.

Principal risks and uncertainties

The board of trustees is responsible for ensuring that Porchlight has systems of internal control that are appropriate to the external environment in which we operate. These enable us to manage (rather than eliminate) risks and provide a reasonable, but not necessarily absolute, degree of assurance.

Porchlight's operating model has relied on income generated from contracts awarded by commissioning partners. These are awarded for a fixed number of years and are subject to retendering at various intervals. Therefore, they cannot be guaranteed in the longer-term.

Historically, rents and service charge income has also been linked to commissioned contracts, however during 2024-25, we undertook a review of charges to make our accommodation services more financially viable if grants from commissioners reduce further or come to an end.

The commissioning environment can provide opportunities for Porchlight. Contracts currently provided by others may also put out of tender, giving us the potential to increase our contract base. NHS plans to increase service delivery within the voluntary sector also offers opportunities.

Fundraising activities bring added value initiatives which directly support our clients and provide core unrestricted income.

Approach to risk management

Porchlight operates both a bottom-up and top-down approach to risk management. Operational services develop their own risk management plans which inform our strategic risk register. The strategic risk register defines risks that have the potential to seriously affect Porchlight's ability to continue operating as an independent organisation. Risks can be added or deleted depending on changes to the environmental assessment.

For 2024-25 the top risks were identified as:

- client Risk Management failure of a significant nature by the Charity
- health & safety failure of a significant nature by the Charity
- physical & mental health, or wellbeing failure of a significant nature affecting the workforce
- remaining financially viable - managing costs
- remaining financially viable - securing alternative income
- maintaining and building staffing capacity and capability
- building leadership resilience and continuity
- remaining relevant to our key clients and stakeholders
- exploring new models of service provision
- gaining suitable leverage from collaboration and partnerships
- successful/serious cyber security attack
- serious data breach
- unable to sufficiently build the Charity brand and profile

Trustees receive detailed updates on these areas at each of their board meetings. These include a review of internal / external challenges, relevant KPIs and any independent third-party information. This ensures the board is sighted on major risk areas likely to affect Porchlight.

Controls

The board of trustees have put appropriate procedures and controls in place to adequately mitigate against the various risks Porchlight faces. These include:

- an organisational set of values which commits us to managing the organisation's affairs with integrity.
- operational services having clear local plans to manage risk, linked to annual business plans.
- the risk assessment process embedded in a comprehensive business planning process.
- an agreed quality strategy.
- robust budgeting and quarterly review and reporting of financial performance.
- appropriate authorisation levels and segregation of accounting duties.
- clear staff roles, responsibilities and accountabilities.

The Board delegates authority to Porchlight's sub committees to monitor the review and outcome of the application of controls. This is done by regular reporting and deeper analysis of issues of concern.

Reserves policy and going concern

Porchlight's reserves policy is designed to reflect the underlying risk facing us: it ensures we have an appropriate level of reserves to safeguard our operations and can continue providing services to our beneficiaries.

We hold restricted funds to meet commissioner and donor requirements around unspent income.

Restricted reserves include amounts associated with fixed asset investments reflecting where property may be charged to external agencies. At 31 March 2025, restricted reserves had increased to £734,430 from £634,510 due to unspent grants and restricted donations received close to the year end. Included in these is £162,285 relating to fixed assets.

In 2024-25 we fully utilised £723,509 of designated reserves that has been carried forward to support contracts for women's services and Housing First as well as continuing to fund posts within our Kent Homelessness Connect service. There are no designated reserves to be carried forward into 2025-26.

Free Reserves

Trustees annually consider the minimum level of free reserves- excluding restricted and designated reserves – required to support our operations with the aim of providing a buffer against unforeseen events. A key measure of that assessment is the predictability of our income stream.

Given that rents and service charges and contract values are effectively fixed at the start of the year, the main element of uncertainty around income is fundraising. Despite the challenging external fundraising environment, Porchlight has continued to attract donations from a wide range of supporters. Investing time in donor engagement has proved to be successful in ensuring a consistently high level of donations.

In terms of expenditure, a significant element of work took place in 2024-25 to ensure that expenditure is commensurate with income. This will prevent any further draw on reserves.

Trustees have targeted free reserves at three months' worth of operating costs. At 31 March 2025 this would be £2.6 million. Currently, our unrestricted reserves total £1.865 million: non-liquid fixed assets currently comprise £1.918 million, leaving a free cash reserve deficit of £53k.

To manage the risk around this level of free reserves and whilst we seek to rebuild our reserves, trustees have set an interim target of cash balances to meet one month's worth of operating expenditure. This means cash balances should not fall below approximately £880k. At 31 March 2025, cash balances were £646k but have since risen beyond the target following receipt of outstanding grants.

Liquidity support in 2024-25 was provided by the sale of property and the loan from Big Issue Invest. Trustees do have the option to agree to dispose of other properties or raise further finance should the need arise, although current forecasts are that neither of these will be necessary.

Forecast and budgets / going concern

Having considered future projections, Trustees have agreed that it is appropriate to prepare the accounts on the going concern basis of accounting for the twelve months following the date of the signing of the accounts.

As a short-term measure, we drew heavily on our reserves, over the past two years, as we transitioned away from the supported housing model funded by Kent County Council towards a model funded through more localised support contracts and supplemented by Enhanced Housing Management.

The budget for 2025-26 predicts that we will return to surplus following revisions to our rent and service charge setting policy, restructuring of support contracts and a detailed review of central costs. As a result, we expect overall reserves to increase as we rebuild our financial capacity. Our performance to date in 2025-26 suggests that we are on target to deliver that surplus.

Our Live Well Kent and Medway Contract (annual value: £3.4 million) has now been extended up until March 2028. Taking that into account, our predictions for 2026-27 suggest that we will deliver additional surpluses which will add to our reserves.

To test this assumption, trustees also considered a no growth budget which assumes:

- all contracts with an end date of March 2026 cease.
- there is no increase in contract values.
- rents and service charges increase by the national rent formula of inflation of CPI + 0.5%.
- there is no increase to salaries, other than payments on increments that are due.
- 4.5% inflation is assumed on other costs, except premises running costs which increase by 6%,
- unplanned capital costs of £100k.
- fundraising income decreases by 50%.

Without taking corrective action, the deficit for 2026-27 would be £651k reducing reserves to £2.491 million. Net current assets would be positive at £0.735k and cash balances would also remain positive. However, Porchlight has demonstrated a track record of reducing costs to match income and we would be confident of taking early corrective measures to prevent reserves from reducing and managing cash to maintain liquidity. In extreme circumstances property disposal or raising finance against our property could be considered.

Environmental Impact

We continue to identify opportunities to improve our operational processes to contribute to environmental sustainability. These include:

- ensuring our waste management minimises the impact on the environment.
- developing our digital working practices to reduce staff travel and fuel consumption.
- procurement processes that encourage responsible purchasing and sourcing of resources.
- improving the energy performance of our accommodation and facilities.

Fundraising

This year marked Porchlights 50th birthday, but we couldn't celebrate not while the average age of death for people living on the streets is 45 for men and just 43 for women. We delivered an extensive range of events to mark the occasion and to draw attention to the ongoing homelessness crisis. A special thanks goes to Barretts of Canterbury, Fitzgerald Jewellers, Leverets – Barristers & Solicitors, Savills and Thanet Earth, who generously supported Porchlight in this landmark year as 50th anniversary sponsors.

To mark this organisational milestone. we created a roaming art instillation, visiting towns and cities across Kent to highlight the issues surrounding homelessness, raising vital awareness and funds to support our work. We also launched the Big Sleepout, an event for World Homeless Day, asking community groups and individuals to raise vital fund for homeless and vulnerable people in Kent.

Our annual Christmas appeal raised over £183,005.

We would especially like to thank the following trusts who supported us over the year:

The Redbreast Trust

Laing Family Trusts

Frank Brake Charitable Trust

Colyer Fergusson Charitable Trust

Lawson Trust

Edward Vinson

Doogood Foundation

Sobell Foundation

Hollick Family Foundation

Some numbers:

- 754 new donors supported us.
- 83 talks, workshops and school assemblies reached over 5,199 children and adults.

The staff, clients and volunteers are so grateful to the support of our donors who have committed to helping others in their county with funds raised by schools, community groups, businesses, trusts and foundations and individuals.

Fundraising Practices

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.

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. 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 request.

Structure, governance and management

Structure

Porchlight Limited ("Porchlight") is a registered charity and is incorporated as a company limited by guarantee governed by its memorandum and articles of association.

Every member of the company undertakes to contribute to its assets in the event of winding up such amount, as may be required, not exceeding one pound.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

Governance

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

Trustees are recruited based on the range of skills and experience needed to govern Porchlight. This includes strategic and operational experience as well as a range of business and commercial experience, including financial and HR knowledge.

Patrick Fuller is chair of the board of trustees, having served in that role since November 2024 after joining the Board in 2020. Patrick is a digital communications consultant and has worked in specialist media for the last 25 years, having started his career as a journalist in Kent.

During the year, Anna Linstead and Emily Vince were appointed to the board. Anna is an accountant and corporate tax specialist in the private sector, bringing additional financial experience to the board. Anna has agreed to act as Porchlight's treasurer. Emily has acted as a chief adviser on strategy, communications, corporate affairs, reputation, marketing, fundraising and transformation. She has led major structural and cultural change in some of the UK's most complex institutions.

Bernadette Coady-Mayall was appointed on 21 July 2025. Bernadette is a VCSE Systems & Governance Leader working closely with NHS Trusts, schools, and Non Profits. She is, amongst other things, the Lead Governor, Chair of Committees at East Kent Hospitals University NHS Foundation Trust and Steering group member of the Kent & Medway VCSE Steering Group.

Hilary Edridge (who chaired Porchlight until November 2024), David Leah, Neil OIdfield and Adam Lott stood down from the board during the year. We are very grateful to them for their support and service during their tenure with Porchlight.

Trustee Induction / Training / Involvement

Trustees receive a Trustee handbook which contains information about Porchlight, its structure and operations, the Board and sub-committee structures, Trustee duties and responsibilities and key policies. Trustees are encouraged to participate in visits to Porchlight projects to provide first hand exposure to the services delivered and the operating environment.

Governance (Continued)

Trustee Induction / Training / Involvement

Trustees receive a trustee handbook which contains information about Porchlight, its structure and operations, the board and subcommittee structures, trustee duties and responsibilities and key policies. Trustees are encouraged to participate in visits to Porchlight projects to gain first hand exposure of our services and the operating environment.

Training provided to the board is aligned to identified needs. All Trustees undertake safeguarding training and the board has appointed Dr Jenny Robson who has a long career history as a practitioner, leader and academic in children and family services and currently works at the University of East London. Trustees also attend annual away days to consider the operating environment and plan strategic direction.

The full board of Trustees meet five times a year to discuss strategy, to formulate policy and to oversee operational matters. They are supported by four standing committees who review specific areas in detail and report back to the full board:

- Finance.
- Income generation and communications.
- Performance and quality.
- Human Resources.

Porchlight's Trustees have agreed to work towards full compliance with the Charity Governance Code and to review Porchlight's practices against the seven key areas which make up the code.

Management

Day-to-day management of the organisation is delegated to the chief executive and other members of the leadership team. The chief executive is not a member of the company and has no legal status as a director although he acts as executive within the authority delegated by the Trustees.

The chief executive, who also acts as secretary, and other members of the leadership team attend trustee board meetings, subcommittee meetings and trustee away days, presenting reports and analyses for discussion and to support decision making.

Pay Policy for Senior Staff

The pay of all staff – including the leadership team – is reviewed by the Remuneration Committee annually to ensure remuneration is competitive and affordable.

Statement of responsibilities of the trustees

The trustees (who are also directors of Porchlight for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the Trustees are aware:

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

The Trustees are responsible for the maintenance and integrity of 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2025 was 13 (2024: 14). The Trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

RSM UK Audit LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report, which includes the strategic report, has been approved by the Trustees on 15 October 2025 and signed on their behalf by



Patrick Fuller
Chair – board of trustees

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 2025 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 2025 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 25, 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, The Charities (Protection and Social Investment) Act 2016, 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 and existence, cut-off and completeness of revenue as the areas 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, testing the occurrence of a sample of revenue transactions and reviewing a sample of revenue transactions either side of the year end to ensure that revenue had been recognised in the appropriate accounting period.

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

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 28/10/25

Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31 March 2025

	Note	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
Income					
Donations and legacies	2	1,718,523	427,383	2,145,906	1,797,740
Charitable activities	3	6,083,729	2,158,558	8,242,287	10,746,389
Trading income		–	–	–	16,795
Investment income	4	20,334	–	20,334	40,956
Total Income		**7,822,586**	**2,585,941**	**10,408,527**	12,601,880
Expenditure					
Raising Funds	6	486,175	40,822	526,997	485,293
Charitable activities	7	8,840,179	2,445,199	11,285,378	12,586,317
Interest payable	5	668	–	668	–
Total Expenditure		**9,327,022**	**2,486,021**	**11,813,043**	13,071,610
Net (loss) on investments		–	–	–	(75,000)
Net movement in funds		**(1,504,436)**	**99,920**	**(1,404,516)**	(544,730)
Reconciliation of funds					
Total funds brought forward		3,369,129	634,510	4,003,639	4,548,369
Total Funds carried forward		**1,864,693**	**734,430**	**2,599,123**	4,003.639

The notes on pages 36 to 52 form part of these financial statements.

Balance Sheet as at 31 March 2025

	Note	2025	2024
		£	£
Fixed Assets			
Tangible assets	10	**1,590,365**	1,793,366
Investment property	11	**490,000**	–
		2,080,365	1,793,366
Current Assets			
Property held for sale	12	**105,726**	325,000
Debtors	13	**1,171,155**	1,953,726
Cash at bank and in hand		**646,418**	1,622,696
		1,923,299	3,901,422
Liabilities			
Creditors: amounts due in less than one year	13	**(1,276,764)**	(1,691,149)
Net current assets		**646,535**	2,210,273
Creditors: amounts falling due in more than one year	15	**(127,777)**	–
Total net assets		**2,599,123**	4,003,639
The funds of the charity			
Restricted income funds	17	**734,430**	634,510
Unrestricted funds	17	**1,864,693**	3,369,129
Total charity funds		**2,599,123**	4,003,639

Company number:01157482

The financial statements on pages 32 to 52 were approved and authorised for issue by the board of trustees on 15 October 2025 and signed on their behalf by:



Patrick Fuller (Chair)



Anna Linstead (Treasurer)

Statement of Cash Flows for the year ended 31 March 2025

	Note	Total Funds 2025 £	Total Funds 2024 £
Cash (used) by operating activities	A	**(1,443,977)**	(133,733)
Cash flows from investing activities			
Interest paid		**(668)**	–
Income from investments		**20,334**	40,956
Income from property disposal		**305,379**	–
Proceeds from the sale of fixed assets		**–**	20,600
Purchase of fixed assets		**(51,790)**	(563,765)
Cash (used) by investing activities		**273,255**	(502,209)
Cash flows from financing activities			
Loans received		**200,000**	–
Repayments of borrowing		**(5,556)**	–
Net cash provided by financing activities		**194,444**	–
Changes in cash and cash equivalents in the year		**(976,278)**	(635,942)
Cash and cash equivalents at the beginning of the year	C	**1,622,696**	2,258,638
Total cash and cash equivalents at the end of the year	B	**646,418**	1,622,696

Note A – Reconciliation of net income to net cash flow from operating activities

Net expenditure for the year as per the statement of financial activities	**(1,404,516)**	(544,730)
Adjustments for:		
Non cash legacy property received	**(490,000)**	–
Depreciation charges	**148,611**	155,475
Interest paid	**668**	–
Loss / (gain) on investments	**19,621**	75,000
Income from investments	**(20,334)**	(40,956)
Loss / (profit) on sale of fixed assets	**454**	(8,059)
Decrease in debtors	**782,571**	126,327
(Decrease) / increase in creditors	**(481,052)**	103,210
Net cash (used) by operating activities	**(1,443,977)**	(133,733)

Statement of Cash Flows for the year ended 31 March 2025 (continued)

	2025	2024
	£	£
Note B:		
Analysis of cash and cash equivalents		
Cash in Hand	**646,418**	1,622,696

Note C: **Analysis of changes in net debt**	At 1 April 2024	Cashflow	Non cash changes	**At 31 March 2025**
	£	£	£	**£**
Cash at bank	1,622,696	(976,278)	–	**646,418**
Short term loans	–	–	(66,667)	**(66,667)**
Long term loans	–	(194,444)	66,667	**(127,777)**
Cash and cash equivalents	**1,622,696**	**(1,170,722)**	**–**	**451,974**

Notes to the accounts for the year ended 31 March 2025

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 trustees are of the view that having secure long term contracts i.e. the KCC Live Well Kent contract, combined with the property rental portfolio, constitutes the charity as a going concern for at least the 12 months following the approval of the accounts, and confirm there are no material uncertainties about the charity's ability to continue.

1.3 Income

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

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

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

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

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

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

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

Notes to the accounts for the year ended 31 March 2025 (continued)

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 £10,000 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 and equipment- 25%
A full year of depreciation is charged in the year of acquisition, and none in the year of disposal.

Notes to the accounts for the year ended 31 March 2025 (continued)

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 which are earmarked by the trustees for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

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 Charity 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.

Notes to the accounts for the year ended 31 March 2025 (continued)

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 considers external valuation sources for determining the fair value as detailed in note 11 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.

Notes to the accounts for the year ended 31 March 2025 (continued)

2. Donations and Legacies	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £
Gifts and donations	1,043,312	165,453	1,208,765
Legacies	149,389	–	149,389
General grants	17,963	261,930	279,893
Donated property	490,000	–	490,000
Donated goods and services	17,859	–	17,859
Total	1,718,523	427,383	2,145,906

Prior year	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £
Gifts and donations	1,059,382	365,320	1,424,702
Legacies	106,198	107,478	213,676
General grants	500	97,300	97,800
Donated goods and services	61,562	–	61,562
Total	1,227,642	570,098	1,797,740

Donated goods and services in the current year include raffles prizes, venue hire and catering, client welfare, IT costs and Housing Management.

Notes to the accounts for the year ended 31 March 2025 (continued)

3. Charitable Activities	Unrestricted Funds 2025	Restricted Funds 2025	Total Funds 2025
Homelessness services	£	£	£
Rent / accommodation charges	2,335,515	–	2,335,515
Kent County Council	–	7,172	7,172
Local authority grants	121,850	1,220,375	1,342,225
NHS grants	1,680	–	1,680
	2,459,045	1,227,547	3,686,592
Mental health services			
Kent County Council	3,414,504	7,945	3,422,449
Local authority grants	–	119,253	119,253
NHS grants	244,354	684,245	928,599
	3,658,858	811,443	4,470,301
Communities			
European Social Fund (ESF) income	(34,174)	–	(34,174)
Big Lottery Fund	–	42,580	42,580
Other grants receivable	–	76,988	76,988
	(34,174)	119,568	85,394
Total	6,083,729	2,158,558	8,242,287

Notes to the accounts for the year ended 31 March 2025 (continued)

3. **Charitable Activities**

Prior year	Unrestricted Funds 2024	Restricted Funds 2024	Total Funds 2024
Homelessness services	£	£	£
Rent / accommodation charges	1,703,744	–	1,703,744
Kent County Council	1,386,585	–	1,386,585
Local Authority grants	150,000	1,451,215	1,601,215
Student Placement fees	3,920	–	3,920
NHS grants	–	39,448	39,448
Other grants receivable	38	135,105	135,143
	3,244,287	1,625,768	4,870,055
Mental health services			
Kent County Council	4,119,010	85,436	4,204,446
NHS Grants	559,118	890,429	1,449,547
Other grants receivable	–	23,079	23,079
	4,678,128	998,944	5,677,072
Communities			
European Social Fund income	12,280	59,056	71,336
Big Lottery Fund	–	127,741	127,741
Sundry income	185	–	185
	12,465	186,797	199,262
Total	7,934,880	2,811,509	10,746,389

ESF income due has been written back in the current year as irrecoverable.

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 £5,847,849 (2024: £8,682,241).

There were no unfulfilled conditions attached to government grants recognised in the year (2024: None).

Notes to the accounts for the year ended 31 March 2025 (continued)

4. Investment Income

	Unrestricted Funds 2025 £	Unrestricted Funds 2024 £
Rental income from investment properties	5,813	12,100
Bank interest	14,521	28,856
Total	**20,334**	40,956

5. Interest payable and financing costs

	Unrestricted Funds 2025 £	Unrestricted Funds 2024 £
Interest payable on loans	**668**	–

6. Raising Funds

	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
Expenditure on raising donations and legacies	486,175	40,822	**526,997**	485,293

Notes to the accounts for the year ended 31 March 2025 (continued)

7. Charitable Activities	Homelessness Services	Mental Health Services	Communities	Total 2025
	£	£	£	£
Activities undertaken directly				
Staff costs	2,335,932	2,724,421	23,229	5,083,582
Premises costs	1,725,443	230,189	1,233	1,956,865
Delivery network fees	–	1,422,778	–	1,422,778
Office costs	157,612	87,220	611	245,443
Tenant welfare fund	61,598	55,953	–	117,551
Sundry expenses	2,184	1,525	2	3,711
	4,282,769	**4,522,086**	**25,075**	**8,829,930**
Support costs				
Governance	43,425	46,073	260	89,758
Management and administration	388,416	412,099	2,329	802,844
Finance	239,568	274,993	1,554	516,115
Human resources	189,940	201,522	1,139	392,601
Communications	316,468	335,765	1,897	654,130
	1,177,817	**1,270,452**	**7,179**	**2,455,448**
TOTAL	**5,460,586**	**5,792,538**	**32,254**	**11,285,378**

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

Expenditure on charitable activities was £11,285,378 (2024: £12,586,317) of which £8,840,179 (2024: £9,558,299) was unrestricted and £2,445,199 (2024: £3,028,018) was restricted.

Within governance costs is Directors and Officers Insurance of £11,221 (2024: £10,696).

Notes to the accounts for the year ended 31 March 2025 (continued)

7. Charitable Activities	Homelessness Services	Mental Health Services	Communities	Total 2024
Prior year	£	£	£	£
Activities undertaken directly				
Staff costs	2,339,362	2,207,914	351,298	4,898,574
Premises costs	1,684,742	154,384	34,157	1,873,283
Delivery network fees	516,988	2,692,927	–	3,209,915
Office costs	127,601	71,315	8,225	207,141
Tenant welfare fund	105,890	36,226	10,377	152,493
Sundry expenses	2,321	1,112	891	4,324
	4,776,904	5,163,877	404,948	10,345,730
Support costs				
Governance	56,395	60,966	4,781	122,142
Management and administration	227,890	233,321	16,245	487,456
Finance	277,538	272,208	18,953	568,699
Human resources	161,587	158,483	11,035	331,105
Communications	356,835	349,981	24,369	731,185
	1,090,245	1,074,959	75,383	2,240,587
TOTAL	5,867,149	6,238,836	480,331	12,586,317

Notes to the accounts for the year ended 31 March 2025 (continued)

8. Analysis of staff costs	2025	2024
	£	£
Salaries and wages	5,822,391	5,676,197
Social security costs	541,177	516,995
Pension costs	278,762	271,710
Total	6,642,330	6,464,902

Included in pension costs above is an amount of £64,715 (2024: £48,507) relating to restricted expenditure.
Pension contributions of £41,161 (2024: £41,294) were payable at the year end.
Redundancy payments totalling £41,048 (2024: £116,328) were made in the year. There was £20,347 outstanding at the year-end (2024: nil).

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

	2025	2024
	No.	No.
£60,001 - £70,000	1	-
£70,001 - £80,000	1	1
£90,001 - £100,000	1	-
£200,001 - £220,000	-	1

The trustees did not receive any remuneration or benefits in kind in either year. £47 (2024: £984) was re-imbursed for travel expenses to one trustee (2024: one).
The key management personnel of the charity comprise the trustees and the leadership team. The total amount of the employee benefits of the key management personnel was £281,872 (2024: £644,160). During the year, no new staff loans were paid to key management personnel (2024: one loan totalling £1,000). No amounts were outstanding at the year-end.

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

	2025	2024
	No.	No.
Homelessness services	75	79
Mental health services	77	68
Communities	6	12
Management and administration	42	40
Total	200	199

Notes to the accounts for the year ended 31 March 2025 (continued)

9. Net Expenditure for the year is after charging:	2025	2024
	£	£
Operating leases	307,073	221,479
Depreciation	154,491	155,476
(Loss) / profit on disposal of fixed assets	(454)	8,059
(Loss) on disposal of investment property	(19,621)	–
Auditor's remuneration for statutory audit	54,000	27,500

10. Tangible Fixed Assets	Freehold property	Leasehold Property	Fixtures, Fittings and Equipment	Total
	£	£	£	£
Cost				
At 1 April 2024	1,174,330	610,999	949,691	2,735,020
Additions	–	–	51,790	51,790
Disposals	–	(150,259)	(1,283)	(151,542)
Transfer to property for sale (Note 11)	–	(115,230)	–	(115,230)
At 31 March 2025	**1,174,330**	**345,510**	**1,000,198**	**2,520,038**
Depreciation				
At 1 April 2024	51,301	215,514	674,839	941,654
Charge for the year	14,092	2,978	131,541	148,611
Disposals	–	(150,259)	(829)	(151,088)
Transfer to property for sale (Note 11)	–	(9,504)	–	(9,504)
At 31 March 2025	**65,393**	**58,729**	**805,551**	**929,673**
Net Book Value				
At 31 March 2025	**1,108,937**	**286,781**	**194,647**	**1,590,365**
At 31 March 2024	1,123,029	395,485	274,852	1,793,366

Included in freehold property above is land at a value of £469,732 (2024: £469,732) which is not depreciated.

Notes to the accounts for the year ended 31 March 2025 (continued)

11. Investment property	2025	2024
	£	£
Fair Value:		
At 1 April 2024	–	–
Additions in year from donations (note 2)	490,000	–
At 31 March 2025	490,000	–

The fair value of the two properties at 31 March 2025 was provided by the donor in support of the land registry transactions and has been tested using on-line valuation comparisons with similar properties in the same locations recently sold.

12. Property held for sale	2025	2024
	£	£
Fair Value:		
At 1 April 2024	325,000	–
Transfer from investment property	–	325,000
Transfer from fixed assets	105,726	–
Disposed of in the year	(325,000)	–
At 31 March 2025	105,726	325,000

During the year the sale of the property in Deal was completed. Trustees also decided to sell a leasehold property in Maidstone the sale of which was completed in August 2025. A transfer has been made between fixed assets and current assets at the net book value of the property.

13. Debtors	2025	2024
	£	£
Other debtors	365,347	306,597
Grants receivable	462,422	1,151,163
Prepayments and accrued income	343,386	495,966
Total	1,171,155	1,953,726

Notes to the accounts for the year ended 31 March 2025 (continued)

14. Creditors – amounts falling due within one year	2025	2024
	£	£
Bank loans and overdrafts (see note 15)	66,667	–
Trade creditors	327,932	770,588
Other creditors	423,983	25,662
Other taxes and social security	110,218	121,084
Accruals and deferred income	347,964	773,815
Total	1,276,764	1,691,149

Within other creditors is £26,554 (2024; £nil) held on behalf of Greater Change, a charity providing grant support to individuals in need. During the year, Porchlight received grants of £137,683 of which £111,128 was paid out to clients.
The balance at the end of the year is held pending payment of further grants or is refundable to Greater Change if no further grants are paid.

Deferred income	2025	2024
	£	£
Brought forward	565,756	581,711
New amounts deferred	1,416,069	896,697
Released to SOFA	(1,782,251)	(912,652)
Total	199,574	565,756

15. Creditors – amounts falling due in more than one year	2025	2024
	£	£
Bank loans and overdrafts	127,777	–
Maturity of Debt		–
In one year or less	66,667	–
In more than one year but not more than two years	66,667	–
In more than two years but not more than five years	61,110	–
	194,444	–

During the year Porchlight received a loan of £200,000 from the Big Issue Invest to support working capital. The loan is repayable in fixed instalments over 36 months at a fixed interest rate of £7.5%. The final instalment will be due in February 2028. The loan is secured against the property at 46 Hereson Road, Ramsgate.

16. Financial instruments	2025	2024
	£	£
Financial assets measured at fair value	595,726	325,000

Notes to the accounts for the year ended 31 March 2025 (continued)

17. Analysis of charity funds	Balance at 1 Apr 24	Income	Expenditure	Transfers	Balance at 31 Mar 25
Restricted funds	£	£	£	£	£
New Town Street Building Fund	163,966	–	(1,681)	–	**162,285**
Homelessness services	365,375	1,460,301	(1,398,775)	–	**426,901**
Mental health services	105,169	1,045,532	(1,014,324)	–	**136,377**
Communities	–	38,571	(29,704)	–	**8,867**
Restricted fundraising	–	41,537	(41,537)	–	**–**
Total restricted funds	**634,510**	**2,585,941**	**(2,486,021)**	**–**	**734,430**

	Balance at 1 Apr 23	Income	Expenditure	Transfers	Balance at 31 Mar 24
Restricted funds	£	£	£	£	£
New Town Street Building Fund	165,648		(1,682)	–	163,966
Homelessness services	18,925	2,149,731	(1,803,281)	–	365,375
Mental health services	102,782	1,035,913	(1,033,526)	–	105,169
Communities	–	195,964	(195,964)	–	–
Investment property	400,000	–	(75,000)	(325,000)	–
Total restricted funds	687,355	3,381,608	(3,109,453)	(325,000)	634,510

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 net of corresponding expenditure.

For details of the investment property fund transfer in the prior year see note 12.

Notes to the accounts for the year ended 31 March 2025 (continued)

17. Analysis of charity funds (continued)	Balance at 1 Apr 24	Income	Expenditure	Transfers	Balance at 31 Mar 25
	£	£	£	£	£
Unrestricted funds					
General unrestricted fund	2,645,620	7,822,586	(9,327,022)	723,509	**1,864,693**
Designated funds	723,509	–	–	(723,509)	–
Total unrestricted funds	**3,369,129**	**7,822,586**	**(9,327,022)**	**–**	**1,864,693**

	Balance at 1 Apr 23	Income	Expenditure	Transfers	Balance at 31 Mar 24
	£	£	£	£	£
Unrestricted funds					
General unrestricted fund	3,506,590	9,220,273	(9,756,243)	(325,000)	2,645,620
Designated funds	354,423	–	(280,914)	650,000	723,509
Total unrestricted funds	3,861,013	9,220,273	(10,037,157)	325,000	3,369,129

Designated funds brought forward related to monies set aside for Housing First and Women's Needs services, as well as £650,000 for Homelessness services as per the explanation on page 14. During the year these funds were fully utilised in line with the designation in the delivery of contract services.

	Balance at 1 Apr 24	Income	Expenditure	Transfers	Balance at 31 Mar 25
	£	£	£	£	£
Summary of funds					
Restricted funds	**634,510**	**2,585,941**	**(2,486,021)**	**–**	**734,430**
Unrestricted funds	**3,369,129**	**7,822,586**	**(9,327,022)**	**–**	**1,864,693**
Total funds	**4,003,639**	**10,408,527**	**(11,813,043)**	**–**	**2,599,123**

Prior year	Balance at 1 Apr 23	Income	Expenditure	Transfers	Balance at 31 Mar 24
	£	£	£	£	£
Summary of funds					
Restricted funds	687,356	3,381,607	(3,109,453)	(325,000)	634,510
Unrestricted funds	3,861,013	9,220,273	(10,037,157)	325,000	3,369,129
Total funds	4,548,369	12,601,880	(13,146,610)	–	4,003,639

Notes to the accounts for the year ended 31 March 2025 (continued)

18. Analysis of net assets between funds	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £
Fixed assets	1,918,080	162,285	**2,080,365**
Net current assets	74,390	572,145	**646,535**
Current liabilities falling due in more than one year	(127,777)	–	**(127,777)**
Total	**1,864,693**	**734,430**	**2,599,123**

Prior year	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £
Fixed assets	1,629,399	163,967	1,793,366
Net current assets	1,739,730	470,543	2,210,273
Total	3,369,129	634,510	4,003,639

19. Operating leases	2025 £	2024 £
Due within one year	**314,574**	156,936
Between one and five years	**464,662**	361,937
After five years	**–**	132,000
Total	**779,236**	650,873

20. Taxation

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

21. Related party transactions

Aggregate donations of £1,612 (2024: £1,775) were received from trustees during the year.

22. Post Balance Sheet Event

In August 2025 the sale of Rupert Allan House in Maidstone was completed as referred to in Note 12.

PORCHLIGHT

England & Wales - Charity number 267116

Accounts

Porchlight

Annual Report & Accounts

For the year ended 31 March 2024

Porchlight is a limited company registered in England and Wales.
Registered company No: 01157482. Registered charity No: 267116.

headoffice@porchlight.org.uk
01227 760078 Porchlight.org.uk

Trustees & administration

Trustees	Appointed	Resigned	Subcommittee membership				
			Finance & risk	Fundraising & comms	HR	Performance & quality	Remuneration
Hilary Edridge (Chair)	29 Apr 2015	30 Nov 2024		X	X		X
Patrick Fuller (Chair)	30 Sep 2020		X	X			
Thomas Abbott	27 Jan 2024			X			
Anne Chapman	27 Jan 2024		X				
Sue Baker	17 Feb 2021	27 Feb 2024		X			
Timothy Child	15 Dec 2022			X	X		
Claire Ellis-Waghorn	27 Jan 2024			X	X		
Dominic Deeson	15 Feb 2017	10 Jun 2023		X	X	X	
Thomas Evans	15 Feb 2017		X				
Stephanie Goad	29 Jun 2018			X		X	
David Leah	21 Jul 2021		X				X
Simon Langworthy	24 May 2023	3 July 2023	X	X			
Adam Lott	1 Feb 2024					X	
Danica McLean	27 Jan 2024				X	X	
Neil Oldfield	27 Jan 2024	14 Jun 2024			X	X	
Dr Jenny Robson	12 Jul 2018		X			X	X
Dr Nicholas Ward	20 May 2020			X		X	
Naomi Simcox	29 May 2019	30 Jun 2023			X	X	
Anna Linstead	29 Jan 25		X				X

Key management personnel

- Patrick Fuller, Chair of trustees (appointed Trustee 30 Sep 2020, appointed Chair 30 Nov 2024)
- Michael Barrett, Chief Executive Officer & Company Secretary (resigned Dec 2023)
- Tom Neumark, Chief Executive Officer (appointed Oct 2024)
- Catherine Keen, Chief Finance & Operating Officer
- Adam Colthorpe, Director of Development and Innovation/Income Generation and Communications
- Joanne Dawes, Director of Fundraising & Communications (resigned Dec 2023)
- Sarah Dennis, Director of Human Resources
- Julia Hargreaves, Director of Services

Registered with FUNDRAISING REGULATOR

Administration

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

Solicitors
Knights Professional Services Limited, The Brampton, Newcastle-Under-Lyme, Staffordshire ST5 0QW

Bankers
Unity Trust Bank plc, Four Brindley place, 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

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About Porchlight

We were founded in 1974 to help people facing the devastating effects of homelessness. Today, we also tackle the causes and consequences of poverty and inequality.

In 2024, we are still here for people when it matters most. Offering safety, stability and respect; empowering people to live the life they want; and together, fighting for lasting change.

We work with around 6,000 individuals and families every year. We help people to reach their full potential by breaking down the barriers to housing, mental and physical health, work, education, financial independence or daily living skills.

We have many services that can help support people and how we help depends on someone's situation. Whatever people are facing, we're here for them when it matters most.



Porchlight's 50th Anniversary installation of tents illustrating client quotes

A safe home, better life and fairer future for everyone.

We're here for people when it matters most.
Everybody deserves to have someone on their side when life gets tough. We draw on decades of experience to help people facing poverty, and inequality in health and housing.

We offer safety, stability and respect.
When someone needs help, they may be facing lots of different issues. We create a safety net so everyone can find the support that's right for them.

We empower people to live the life they want.
Empowering people so they can thrive takes care, compassion and understanding. We help people see their strengths and connect with others to build the future they want.

Together, we fight for lasting change.
Poverty, health and housing injustice are complex problems affecting millions of lives. They are also avoidable. We work to improve understanding of the issues and find sustainable solutions to rebalance an unfair system.

Letter from the Chair of Trustees

Patrick Fuller
Chair of trustees



Dear Supporters,

As Chair of Trustees, I write to you during a challenging time for Porchlight and the people we serve. The past year has been marked by significant obstacles, but also by our unwavering support for those in need.

In April 2023, we faced a devastating £1 million annual funding cut from Kent County Council, putting our vital supported accommodation services at risk. This funding ceased completely in March 2024, forcing us to scale back our homelessness prevention and recovery work, and reduce the support provided by our helpline.

Porchlight's teams are therefore facing unprecedented challenges. It puts pressure on every area of activity and it is only through the dedication and professionalism of our staff and volunteers that we have been able to continue supporting the most vulnerable in our communities. Throughout the organisation, everyone has given their utmost to the cause, and we extend our heartfelt thanks to them.

Porchlight turns 50 this year, but we do not see it as a cause for celebration. Homelessness is at an all-time high, demand for mental health services continues to rise, and more people are being pushed into poverty. The average age of death for those living on the streets remains shockingly low at 45 for men and 43 for women.

5,794
people supported

200
staff and volunteers

£12.6m
total income FY23-24

The housing crisis has intensified, trapping many in temporary accommodation. We've advocated for a compassionate approach to helping people experiencing homelessness and joined other organisations in urging the government to take action on this critical issue.

Despite these challenges, we remain committed to our mission. We're focused on repairing the safety net, from homelessness outreach to supporting those discharged from hospital to housing-led support for people to move into their own homes. We've also expanded our proven services for vulnerable young people and worked to address mental health inequalities.

As we look to the future, we're more determined than ever to fight for a fairer society. We need your support in maintaining our services and the wonderful staff who deliver them, each determined to make a difference to the lives of those who need it most.

Thank you for standing with us during these difficult times.

With kind regards



Our work

Porchlight is a Kent-based charity supporting people experiencing issues related to poverty, health and housing; with a focus on homelessness, mental health and community development through local delivery programmes.

We provide a range of different services tailored to the needs of the local areas, working directly, and with local delivery partners across all 12 districts of Kent along with Medway and the London Borough of Bexley.

The people we support face varied issues and often experience multiple disadvantages; for example, homelessness or housing insecurity can often also involve personal experience of mental health problems or addictive behaviours.

We are there for people when it matters most; to help prevent problems from escalating, respond to more urgent need, as well as stay alongside them as they build the future they want.



A safe home, better life and fairer future for everyone.

Our services

Supported accommodation
Accommodation alongside support and supervision to help people live as independently as possible.

Housing first/housing led accommodation
Providing 'own front door' accommodation with a high level of support.

Homelessness outreach
Working with people who are street homeless and support maintaining their tenancy.

Pathways
Working with hospitals to prevent homelessness at the point of discharge from hospital care.

Porchlight Open Door (PODs) (Closed Dec 2024)
Community hubs to help people connect with local services and support networks.

Live Well Kent & Medway
Community mental health and wellbeing service offering group/one-to-one support.

Mental health together (launched Aug 2024)
Planning a new integrated service model supporting people with complex mental health needs in partnership with Kent and Medway Partnership Trust (KMPT).

Porchlight adolescent wellbeing service (PAWS)
One-to-one mental health support for younger people.

BeYou
Mental health support for LGBTQ+ younger people through youth groups and one-to-one support.

Spaces 2 connect
Working collaboratively with partners to better support people facing multiple disadvantages.

Sector overview

Homelessness

The homelessness sector in England for the financial year April 2023 to March 2024 saw significant increases in various aspects of homelessness, reaching record levels in several categories.

- A total of 324,990 households were owed a prevention or relief duty after making a homelessness application to English local authorities, an 8% increase from the previous year
- 146,430 households were assessed as being threatened with homelessness (prevention duty), a 3.1% increase from 2022-23
- 178,560 households were assessed as homeless (relief duty), a 12.3% increase from 2022-23
- The end of assured shorthold tenancies was a leading cause, with 79,500 households seeking help due to this reason
- 26,150 households were served with Section 21 'no fault evictions'
- Loss of accommodation due to family or friends no longer able to accommodate remained a significant factor
- As of March 31, 2024, 117,450 households were in temporary accommodation, a 12.3% increase from the previous year
- 74,530 households with children were living in temporary accommodation (63% of the total)
- 151,630 children were living in temporary accommodation
- 22.5% of households with children in temporary accommodation had been there for 5 years or more
- 17,210 households' accommodation at the time of being owed a duty was given as rough sleeping, a 15.7% increase from the previous year
- For households with children, 48.3% of prevention duties ended with accommodation secured for 6 months or more, a slight decrease from 49.6% in the previous year
- The proportion of successful outcomes at the end of prevention duties decreased by 1.3 percentage points from 2022-23 to 2023-24

Mental health

The mental health sector in England for the financial year April 2023 to March 2024 saw significant increases in demand and service utilisation, alongside some improvements in provision.

- A record 5 million people were referred to NHS mental health services in 2023, up 33% from 2019
- 3,790,826 people were in contact with secondary mental health, learning disabilities and autism services, representing 6.6% of England's population (up from 6.3% in 2022-23)
- 1,139,355 of those in contact with services were under 18 years old
- 20.3% of 8 to 16-year-olds had a probable mental disorder in 2023
- There was a significant rise in eating disorders among 17 to 19-year-olds, from 0.8% in 2017 to 12.5% in 2023
- 795,470 children and young people accessed mental health services in the 12 months to April 2024
- NHS England rolled out 398 Mental Health Support Teams in schools and colleges, covering 35% of pupils
- The median wait time for adult mental health services was 48 days as of April 2024. For children and young people, the median wait time was 17 days
- NHS England planned to spend £14.4 billion on mental health, learning disability, and dementia services in 2023/24, representing 14.2% of total ICB funding with an additional £2.4 billion planned for specialised commissioning in mental health services
- The mental health waiting list was estimated at 1 million people in 2024
- Despite increased funding, mental health spending has not kept pace with overall NHS expenditure growth
- 49.9% of those completing NHS Talking Therapies for anxiety and depression moved to recovery, just under the 50% target
- The government committed to developing a long-term strategy and abolishing 'no fault' evictions to address mental health challenges

Homelessness

A multifaceted challenge

Homelessness is a complex issue that requires tailored, person-centred support to help individuals recover and rebuild their lives. At Porchlight, we address these challenges through a range of innovative services, developed in collaboration with local councils, healthcare providers, and community partners.

Rough sleeping

Standard homelessness support often falls short for individuals with complex needs, such as trauma, severe mental health challenges, or addiction. Our dedicated outreach team works across Kent, providing life-saving interventions and connecting rough sleepers to essential services, particularly during extreme weather. This year, our rough sleeper team supported 237 people.

Tailored outreach includes specialised services for young people, women, and those with significant mental health needs. Partnerships with NHS mental health teams, drug and alcohol agencies, and local councils enable us to address the root causes of homelessness and create lasting change.

A new initiative with the NHS and the charity Pathway offers continued support for homeless hospital patients post-discharge, ensuring access to housing, mental health care, and financial guidance. This reduces readmission rates and relieves strain on healthcare staff.

944 people supported when they needed it most

28 people supported from hospital discharge

279 people supported away from street homelessness including rough sleeping and hospital discharge

Supported accommodation

Our supported accommodation services form the backbone of our approach to helping individuals transition out of homelessness. Beyond providing a safe, stable home, we deliver personalised support to address the underlying issues of homelessness.

Working with local authorities and partner organisations, we provide residents with access to mental health care, substance misuse treatment, skills training, and opportunities for community reintegration. For many, supported accommodation serves as a critical turning point, offering the foundation for long-term stability and independence.

Housing First schemes, developed in partnership with housing associations and local councils, provide people with immediate access to permanent housing without conditions for change. This proven model empowers individuals to recover at their own pace, supported by Porchlight staff. Stability allows them to reconnect with family, address underlying issues, and move towards independence.

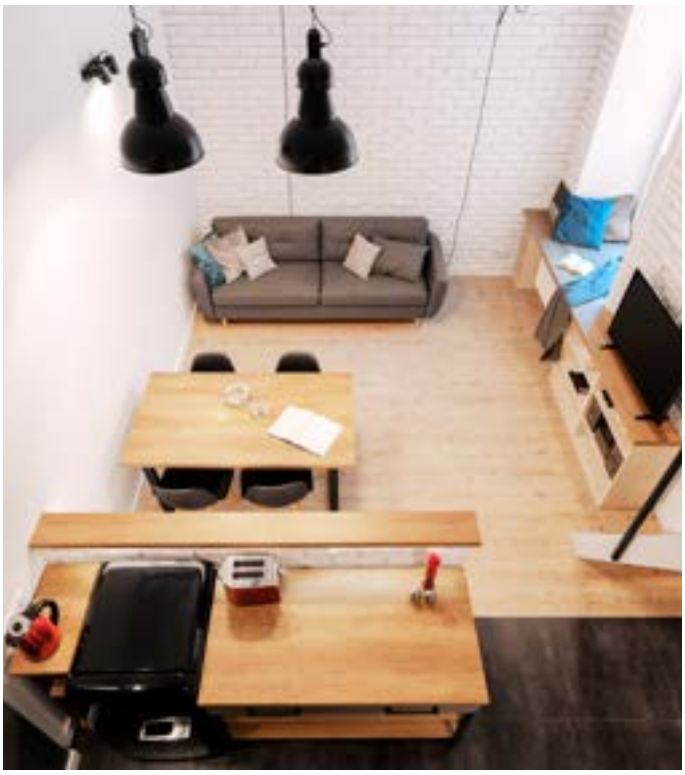
Our specialised housing projects include Stepping Stones, supporting single women and women with children, and women-only properties designed for survivors of violence or abuse. These tailored accommodations offer safe spaces to heal and rebuild lives.

Preventing homelessness

Prevention is the most effective strategy for tackling homelessness. We work with individuals at risk, providing debt advice, financial guidance, and assistance with vital paperwork to keep them in their homes. However, funding cuts have limited this essential work, putting more people at risk of homelessness and its devastating effects.

92% of people at risk, supported to keep their home

The people we support



Case study: Housing-led

A homeless client who'd been the victim a of violent crime has undergone an amazing transformation, thanks to a specialist housing scheme we run with Tonbridge and Malling Borough Council.

The scheme helps people who require a high level of support, and the man was experiencing post-traumatic stress disorder (PTSD) and it's highly likely that he would have struggled with his mental health and wellbeing in a shared property.

He's been given his own flat and will be allowed to recover at his own pace (while receiving support from Porchlight and other organisations).

It's proven that if someone feels safe and included, they will – in their own time – start to recover and make positive choices about how they live their life.

He has gone from living in fear to feeling confident and regaining his independence. It's a massive transformation, and we'll continue supporting him while he rebuilds his life.



Case study: Mother & child

A six-year-old was able to start back at school thanks to our homelessness housing programme for mothers and children which we run in partnership with London Borough of Bexley.

After the mother had been assaulted, they moved into her parents' home for safety. But the living situation was overcrowded, and eventually they were forced to move out. To prevent them becoming homeless, we moved the boy and his mother into our Bexley property.

With somewhere suitable and stable to live, they began rebuilding their lives. We arranged for the mother to access support for anxiety and depression – the result of everything she's been through recently. And because she's a university student, we've helped her obtain a grant for parents in education.

We're delighted to say that we've found them somewhere more permanent to live. Now, mother and son can return to university and school and build a better life and fairer future for themselves - all from the stability of a safe home.

Mental health

Live Well Kent & Medway

Live Well Kent and Medway is a county-wide mental health and wellbeing support programme delivered on behalf of Kent County Council and the NHS by Porchlight, Shaw Trust, and a network of local delivery partners.

If you're aged 16+ and live in Kent or Medway, our network of voluntary organisations and charities can help you:

- Better manage your mental health and general wellbeing
- Gain confidence and meet new people
- Get advice for money, debt or benefit-related issues
- Get support for housing concerns
- Access free therapy and counselling-type services
- Find work, volunteering and education opportunities
- Join local activities and support groups run by people with similar experiences

Live well
Kent and Medway

Children & Young People

We work with children, young people and their families to support with their mental health and emotional wellbeing.

Porchlight adolescent wellbeing service
Help for young people (10-18) with mental health and wellbeing-related issues that are affecting their education, home life or relationships with family and friends.

We use CBT and DBT-informed approaches to support young people improve their mental wellbeing, become more confident and develop tools to help them navigate any similar issues in the future.

We can also help families improve relationships with the young person in their life and get support for other things that are affecting them (for example, housing problems, money and benefit worries).

The BeYou Project
A mental health and emotional wellbeing service for LGBTQ+ young people (aged 8 – 25) in Kent and Medway.

We run safe space meet-ups where they can be themselves and get emotional support around issues they are facing. We can also work with friends, parents, carers and schools, helping them understand how best to support young people.

4,800
people supported when they needed it most

752
young people supported with their mental health and wellbeing

67%
had a common mental illness (CMI) and 26% had a serious mental illness (SMI)

90%
of LWKM clients maintained or improved their mental wellbeing

The people we support

Case study: Link work

The person we supported had experienced domestic abuse and harassment at their previous property and consequently were forced to leave their home, self-referring after they were placed in temporary accommodation. They described the stressful nature of in-person meetings with the housing authority, where they felt they were being asked for information they could not provide, such as the details of their tenancy when living with their mother - one of their abusers. They wanted Live Well Kent and Medway to advocate for them, as they felt powerless.

The client has been receiving assistance from Victim Support at the time of the referral. The client had a pet cat who had been placed in a fostering service while they were living in the temporary accommodation, and it was clear that the welfare of the cat was a cause of great anxiety to the client.

The client experienced ADHD, anxiety, depression, agoraphobia, OCD, trauma, and panic attacks. At the time of the referral, the client was on the waiting list to be seen by a mental health nurse at their GP surgery. Given that the client had moved, they wanted support with accessing mental health services in that area.

The client described themselves as having a lot of unprocessed trauma from several incidents of domestic abuse at different times in their life.

How did the service support the client?
In the first instance, having met with the client, the service made a referral for talking therapy, however, unfortunately this was later rejected as the client's needs were at that point deemed to be too high by the service. Working in partnership with the client's GP, a referral to the Community Mental Health Team was made. The service was also proactive in making a direct referral to Mental Health Together team for the client.

The link worker advocated for the client with the Council, having to make multiple email queries and phone conversations with several housing officers. Over weekly in-person meetings with the client, the link service was able to untangle some of the confusion the client was experiencing over their housing situation.

Collaborating with colleagues from Porchlight Living Better service, we made a referral to an organisation for domestic abuse support, who provide a ten-week course of group therapy sessions for survivors of domestic abuse. The service was able to act as a liaison between the client and different support organisations.

Impact of the service
The impact of the support provided by the service could be clearly seen at weekly meetings, they appeared happier and more hopeful. They were able to take on more responsibilities and are now confident that their housing situation will be resolved with a permanent safe home. The client is especially happy that they will be getting their cat back from fostering.

The link service played a pivotal role in helping them to manage their own wellbeing, bringing together key stakeholders and helping them to navigate working with multiple agencies.

The client is now accessing support from Mental Health Together team and has some time and space to focus on their mental health and on processing the trauma they have experienced. The housing situation is now largely resolved, and they are now in a position where they can focus on the domestic abuse support group work. The client is happy that now is the right time to address their trauma, being in a safe and supportive setting.

"I feel like I can breathe for the first time in weeks. Thank you to Porchlight for helping me through all of the chaos. It was so nice to have someone to talk to and work with during this time. I had been trying to communicate with big organisations for so long that it was nice to sit down with another human being who would listen to me."

Communities

Porchlight Open Door

Our Porchlight Open Door meet-ups (PODs) were friendly get-togethers that help people to connect with the services and support networks that they need within their communities. They were funded until mid 2024.

People could get information and support about topics like housing, debt or benefits, try new activities or just have a cup of tea and a chat in a warm space.

We ran sessions to help people improve their health and wellbeing, cooking on a budget, fitness and mindfulness, along with employment and volunteering support - helping people see their strengths and connect with others to build the future they want.

483
community hub groups held

333
Porchlight clients attended

Spaces 2 Connect

Spaces 2 Connect is a programme that drives collaborative working with partners and local services to better support people facing multiple disadvantages, addressing their needs in a connected way.

Our Spaces 2 Connect groups in Margate and Canterbury work with local community leaders and the local authority to share knowledge and practical experience to overcome shared community challenges.

Throughout the programme, we work to improve people's awareness of local services and their experience of accessing support, so that everyone can find the support that's right for them.

60
partner organisations attended, to provide better links to community services

5
workshops held; two by statutory organisations and three by VCSE partners



The people we support



Case study

- A client first attended Thanet POD after being signposted by her Porchlight coach.
- They were initially too anxious to walk into the POD by herself, therefore a POD worker would meet them at the door and walk with them into the group. The worker would ensure they sat at the crafts table as this was the quietest place and also because they had expressed a love of crafts.
- Over the next few POD sessions, they were slowly introduced to other members of the group and started to get involved in the activities. They were a little reluctant at first but managed to talk with a few other POD members with the worker's support.
- More recently, they have been able to confidently walk into the POD on their own and have been having open conversations with other POD clients. They have also made some friends and enjoy getting involved with group craft activities.
- Attending the POD has enabled them to tackle their anxiety and work on their confidence. They also feel less isolated and have found new ways to help with their wellbeing.



Case study

- The client used to be a regular attendee at the POD, but he had only been three times since our relaunch in September.
- They were struggling with rent arrears, and we spoke to his coach and manager about the situation.
- Liaising with coaches helps all of us support the clients. It also helps the clients get to know the team so that eventually they would take a progressive step towards POD, as it's important for clients living in accommodation to get out into the community.
- We suggested to meet with the representative from NHS One You and they completed a health MOT.
- When we organised the Client Christmas Meal, we circulated an email with the poster attached and the client signed up to attend.
- To see the client at the meal on the 9th of December was amazing! They sat with other clients and seemed to enjoy the day. To see them smiling was a great success, and when asked if he had a good time he said, "Yes!" with a big smile.

Fundraising

Thanks to your support, we're helping people experiencing multiple disadvantages across Kent.

We are so grateful for the generosity and kindness of our donors and supporters, who continue to help others even when times are tough.

While we remain endlessly inspired by the kindness of our donors, we are conscious not to be complacent during such financially turbulent times.

A key element of our fundraising strategy is to maintain and to grow the number of Porchlight supporters as well as to diversify the ways in which we can generate a foundation of sustainable income. This enables us to support an increasing number of people with complex needs and to be here for people when it matters most.

Across corporate and community income streams we have seen increased uptake of challenge events and we appointed an events manager to develop our events programme into the 2024-2025 financial year.

Our continued development of community engagement with local voluntary and community groups has led to greater awareness, understanding, and support from youth groups and schools.

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. 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 three complaints relating to fundraising communications, which were quickly resolved. We are also 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.

Registered with FUNDRAISING REGULATOR

£1.42m
Gifts & donations

£214k
Legacy donations

£62k
Donated goods & services

Thank you to all of our donors and supporters who make sure that we're here for people when it matters most and help create a safety net so everyone can find the support that's right for them. Poverty, health and housing injustice are complex problems affecting millions of lives. They are also avoidable. Together, we fight for lasting change.

Your support

Thank you to all of the incredible people and organisations.

Porchlight undertakes fundraising activity via the support of community based fundraisers, applying to and partnering with companies and grant-giving trusts, direct mailings and appeals, and organising and offering places within challenge events.

Leave a legacy of hope with a gift in your Will
The seven gifts left in Wills to Porchlight this year raised over £213,676 of income which will have a powerful impact on future generations – enabling our teams to transform people's lives and create a fairer future.

Individual Giving
Our regular donors are vital for our financial sustainability with 190 signing up to give a regular gift this year.

Our appeals are also key fundraising moments for us during the year, raising £319,855, and helping us to attract 1088 new donors to support Porchlight.

Challenge events
76 brave individuals signed up to our challenge events during the course of the year. With the most popular of these events being CEO Sleepout held at Leeds Castle, raising £28,182. As well as marathons such as London Landmarks, Manchester and Guernsey.





Community fundraising
Our community fundraising team has been able to work with 67 schools across Kent, providing engaging content which has inspired and informed young people of the complex issues the people we support face.

Trusts and foundations
The investment in developing our trusts and foundations capacity has proven to be a financially sound decision with this year's trust targets exceeded and over 50% of next year's target secured.

Corporate fundraising
The business community of Kent continues to provide a substantial contribution towards improving the lives of Kent's most vulnerable people with 145 corporate organisations supporting Porchlight in some way throughout the year.

The ways in which Porchlight continues to work in partnership with the corporate community grows in strength, including staff awareness and engagement through to training and development.

Porchlight

Our people

Our workforce

Our workforce is at the heart of everything we do, and this year, we are proud to highlight the dedication, passion, and skill of our team members who make our mission possible. From paid employees to volunteers, each individual plays a vital role in supporting the people who need us most.

At the end of the year Porchlight employed 197 people working across client services and central support.

We continue to focus on employee wellbeing and introduced a new wellbeing pathway for our workforce ensuring consistent steps of support are offered to our workforce as well as staff development and equality, diversity and inclusion through the implementation of a new learning management system.

Volunteers

Our volunteers have a wide range of skills and expertise that support the work we do.

At the end of the year our volunteers gave 4,387 hours with 71 volunteers supporting us, including frontline volunteers supporting people sleeping rough to access services including supported accommodation and mental health services as well as administrators, social work placements and trustees .

Porchlight volunteer, Jacqui (below), spoke at the Women of Kent Luncheon about the positive impact:

"Volunteering has helped me develop so much as a person; I've been able to access lots of training to help me with my volunteering. I have learnt to be a kinder, more understanding person."



197 employees

4,387 volunteer hours

71 volunteers

Structure & governance

Porchlight is limited by guarantee and is a registered charity. It is operated under the rules of its Memorandum and Articles of Association.

The Board of trustees

Porchlight is managed by the board of trustees which can make, repeal and amend regulations for any matter concerned with the administration of the affairs of the charity. The board has overall responsibility for the running of the charity and is responsible for:

- Approval of the strategic plan, strategic direction and vision of the charity
- Scrutiny of performance against the strategic plan
- Ensuring the charity is complying with all legislative requirements
- Ensuring the charity's finances are safe, properly used and accounted for
- Management of risk and business continuity
- Approval of annual budget
- Approval of annual financial statements
- Approval of changes to memorandum and articles of association
- Approval of the charity's governance policies
- Appointment of trustees
- Monitoring and evaluation of the progress of the charity in the operation of its policies and practices in line with its objects and strategy
- Appointment and removal of the chief executive officer
- Appointment and removal of the charity's auditor
- Appointment and removal of the company secretary
- Approval of unbudgeted expenditure over £50,000
- Approval of service contracts and approved suppliers

Quality and safety group

The cross-directorate pillar groups report into the Quality and safety main group. The responsibilities are:

- Oversight of the systems and processes for delivering quality & safety throughout Porchlight's operational services
- Providing assurance to the Board that necessary systems for quality and safety are in place and operating effectively through quarterly narrative report and data dashboard
- Delivering the Quality & Safety annual plan

Leadership team (LT)

The LT has delegated responsibility from the board to run the charity on a day-to-day basis, including:

- Developing the strategy and direction of the charity, reviewing performance, managing risk, and prioritising resources
- Ensuring compliance with legislative requirements
- Ensuring policies and procedures meet the charity's needs and duties
- Reporting to the board and subcommittees
- Leading on brand, culture and values
- Management of charity assets
- Oversight of external environment
- The signing, sealing and execution of documents where appropriate

Senior management team (SMT)

The SMT is responsible for the management of our departments and services. They have responsibility for:

- Effective implementation of strategic objectives
- Reviewing progress and work plans
- Service performance and improvement
- Decision making for day-to-day services and functions' risks and opportunities
- Escalating issues where significant organisational risk or scale of change needs consideration

Key management personnel

Key management personnel are listed on page 2. The renumeration committee meets annually to ensure renumeration is competitive and affordable.

Appointment and recruitment

Porchlight undertakes an annual skills audit which informs a governance self assessment session. From this session, the Board creates a Governance Action Plan which includes consideration of priorities for trustee recruitment. Where gaps in skills and experience are identified, the Board advertise for new trustees and on occasion use recruitment firms to assist with the process. Recruitment and appointment is led by a specially convened Nominations Committee of a minimum of 3 trustees, supported by the CEO and Leadership Team. The Nominations Committee interview candidates and make recommendations which are ratified by the Board.

Future outlook

As we reflect upon the 2023-2024 financial year and embark on our 50th anniversary year, it's clear that the challenges facing our clients have never been greater; headlines around increased homelessness, unaffordable rent, poor quality housing, and a crisis in mental health care and resourcing.

Porchlight's vision is of a safe home, better life and fairer future for everyone. Our skilled and experienced workforce strive every day to make a difference to the people we support and to enable them to have fair access to services and person-centred support that will enable them to live the life they want.

During the start of the 2024-2025 financial year, we developed our new five year strategy.

It introduces new initiatives, ways of working, connections and conversations – both internally and with external partners and supporters. It gives us new opportunities for training and development, partnership working, learning from best practice, and being involved in range of new projects.

The new strategy will help us work more closely with each other, increase trust and accountability, and make sure we're aligned in our purpose to deliver our mission.



Objectives: 2024-2029

Our five objectives set our priorities for the period April 2024 -March 2029.

The first three *strategic objectives* align with three key areas of inequality experienced by people we support:

- system inequality
- inequality of opportunity
- inequality of outcome

The final two *enabling objectives* show how our focus on excellence and sustainability provide the foundation to deliver our mission.

1	People access a better and fairer system of support.
2	People find the support that's right for them when it matters most.
3	People are empowered to live the life they want and make lasting change.
4	Excellence in our services, people and systems.
5	A foundation of sustainable income and support.

Trustees' annual report

Financial review

Our income for the year was £12,601,880, a decrease of 10% on last year. Our expenditure was £13,071,610, a decrease of 2%. Our investment property valuation resulted in a loss on investments of £75,000. Our overall financial position for the financial year 2023-2024 was a deficit of £544,730 at 31 March 2024.

Income

This year, 72% of our income came from government grants (2023: 65%) and 13% from rental income within our properties (2023: 13%). However, our charity saw a total reduction of charitable activities income of £1,505,338 on the previous year.

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. The remaining 15% of income was made up of voluntary income, funding from charitable trust and investment income; an increase of £133,143 on the previous year.

Expenditure

We spent £12,586,317 on our charitable activities supporting homeless, vulnerable and isolated people in Kent (2023: £12,940,464). Despite our reduction in income, there has been an increase in expenditure in almost all directorates. We spent £5,867,149 in Homelessness Services (2023: £5,601,134), £6,238,836 in Mental Health Services (2023: £5,845,647) and £480,331 in Communities (2023: £1,493,683). To be able to deliver the needed expenditure on services against the background of reduced funding, we put our investment property up for sale resulting in a net book value loss of £75,000 when we put it on the market for £325,000.

Our continued growth and long-term financial health depends on having the right resources in place to sustain our high level of contract acquisition and to satisfy commissioners that we have the operational scale and capability to deliver our promises.

Our people are key to delivering high quality services, their hard work and commitment to a fairer future for all helps us support the most vulnerable in society. As a result, our staffing costs equate to 48% of all expenditure. Our tangible fixed assets increased in 2024 as a result of investing £268,523 in capital expenditure and as a result of a generous legacy donation we were able to invest £295,242 in a property reserved for supporting women experiencing homelessness.

Reserves policy

At the end of the year, we held total funds of £4,003,639 (2023: £4,548,369).

Our reserves policy has always been focused on building our free reserves in order to allow us to continue our much-needed work in the event of a downtown income or an unforeseen increase in costs. Our policy has been to build our free reserves to cover six months' unrestricted expenditure which is just over £5 million.
However, in the face of both the cost of living crisis and the withdrawal of the Kent Homelessness Connect service, Porchlight's trustees took the decision to designate a portion of our reserves to ensuring our vital homelessness services continue in some form. This has placed a significant burden on our reserves this year and will continue to do so in the next 12 months. As a result, we have designated £650,000 of our reserves to fund homelessness services in 2024-2025 and we have carried forward designated funds in women's services and housing first. Designated funds totalled £723,509 (2023: £354,423) at year end. Restricted funds are only available for expenditure as directed by the donor or the funder. Restricted funds totalled £634,510 (2023: 687,356) at year end.

Porchlight's Board of Trustees regularly review our financial position, including our reserves, to ensure that we can sustainably deliver our life changing services. This means balancing the need for healthy reserves with the need to provide these services. Following a restructure of Porchlight's homelessness services, the focus is now shifting towards rebuilding reserves, a key priority for the board.

Trustees' annual report

Free reserves

Free reserves are for the general purposes of the charity, they are not restricted to or designated for a particular purpose and form part of our unrestricted income funds that are freely available after taking into account the designated funds that have been earmarked for specific purposes. The free reserves currently stand at £1,016,221 (2023: £2,274,622) and are calculated as follows:

Total unrestricted funds	£3,369,129
Less designated funds	(£723,509)
Less unrestricted fixed assets	(£1,629,399)
Total free reserves	£1,016,221

Going concern

Porchlight has drawn heavily on its reserves over the past two years, to ease the transition away from a supported housing model funded through Kent County Council contractual income, to a model funded through more localised support contracts.

This work is now complete, and whilst we expect to make a further loss of around £1.2m in 2024/25, we will return to generating modest surpluses from 2025/26. To strengthen our financial position, we have implemented a recovery plan to progressively build our free reserves by controlling our expenditure, cost-saving measures surrounding the restructure of our workforce and overheads, ensuring supported accommodation is financially viable and by continuing to diversify income. This is all balanced against the need to invest in our staff and buildings to deliver our charitable objectives.

Porchlight's income comes from three sources: rents, contracts and fundraised income. Despite risks, which we continue to identify and monitor, we are confident in our ability to maintain our current income levels for each of these areas and will explore the potential to increase income in a sustainable fashion.

Porchlight provides 165 beds per night to people who would otherwise be homeless. We have undertaken extensive work to ensure that our rents are set at a level that makes our supported housing financially sustainable. We conduct annual reviews of rent and eligible service charge levels, to ensure we are charging for full cost recovery and abiding by the relevant legislation. Increases taking into account these annual reviews of rent and eligible service charges have been submitted to the relevant local authorities and agreed or subject to final confirmation to take effect from 1 April 2025. In addition, we monitor arrears and bad debt to ensure that clients are given appropriate support to prevent arrears from increasing.

The Supported Housing (Regulatory Oversight) Act 2023 will introduce additional inspection and regulations onto supported housing. However, Porchlight is confident that this will not place undue burden on the charity or risk our rental income, as we have extensive quality assurance systems in place.

We have an excellent reputation for delivering quality services. This, combined with Government announcements of additional funding for both homelessness services and the NHS, means that we are confident of maintaining our income from contracts and have the potential to increase it, if the right opportunities present themselves.

Porchlight's income from fundraising has steadily increased over the past few years and has consistently met or exceeded targets, due to the excellent work of our fundraising team. We are grateful for the on-going support from individuals, trusts and corporations.

To sustain this level of fundraised income, we will continue to invest in our fundraising team, develop existing fundraising streams and explore new ones, and create a new network of volunteers to support our fundraising activities and to engage with communities across Kent.

We have diligently executed extensive stress testing on our forecast models, ensuring their robustness and reliability. As a result of these thorough evaluations, we have confirmed our ability to remain cash positive throughout the forecast period.

Trustees' annual report

The main items of Porchlight's expenditure are staffing, property and delivery partners. We are experiencing inflationary pressures which have had a significant impact on our ability to maintain and service our properties. The cost to Porchlight of employing staff will increase considerably in 2025, due to statutory changes including National Insurance rates and thresholds and increases in the minimum wage. These additional costs will be met through increased income from rents, (which have been agreed or subject to final confirmation with the relevant councils to take effect from 1 April 2025), renegotiating contracts and we will reduce our workforce by 10% in 2024/25.

In some cases, this will mean reviewing our services so that they, and Porchlight, are financially sustainable, ensuring that all commissioned services cover their direct costs and the central support costs required to deliver them. We are confident in our ability to understand and mitigate the economic risks and control expenditure.

Porchlight has undertaken a review of our approach to asset management and has identified the potential for a more strategic approach which will reduce the costs of reactive and ad hoc repairs work by creating a 10-year asset management plan.

We do not imagine that this approach will reduce our expenditure on repairs and maintenance, as this is an area that has seen significant inflation in the costs of both labour and materials. However, we are confident that the combination of using a full cost recovery approach to our rent setting and adopting a more strategic approach to our asset management, will mean we can control expenditure in this area.

Porchlight's Board, Finance Committee and Leadership Team meet regularly to review and agree financial controls, variance reports and budgets. Through these methods, Porchlight can exercise effective control and oversight of our financial position. They are committed to developing a robust cash flow and a strong balance sheet to provide a solid foundation for future growth and they are satisfied management have a resilient business model in place to deliver these objectives.

They greatly value the strong relationship Porchlight has with its donors and philanthropists and thank them for their continued support as we navigate this period of transformation and change.

During the year, the Board considers the impact of scenarios (stress testing) on the financial plan. The Board considered the "worst case" impact of a decline in fundraising income and an increase in voids and bad debts and a "perfect storm" scenario whereby income for supported housing was insufficient to cover the cost of delivering a quality service. The Board considered mitigating actions including cost cutting measures and concluded that sufficient cash reserves remain available for at least the next 12 months.

Based on the review of these forecasts and the available cash reserves the Trustees have concluded the Charity is a going concern and accordingly have prepared the financial statements on this basis.

Investment policy

Our investment property is held for sale to support liquidity as we lean heavily on our reserves in the next 12 months. The asset is included in the balance sheet at fair value. The Trustees, with regard to the liquidity requirements of charity, did not reinvest our reserves in interest bearing accounts when they matured in November 2024.

Environmental impact

Porchlight continues to identify opportunities to improve our operational processes to contribute to environmental sustainability including:

- ensuring our waste management minimises the impact on the environment
- developing our digital working practices to reduce staff travel and fuel consumption
- procurement processes to encourage responsible purchasing and sourcing of resources
- improving the energy performance of our accommodation and facilities.

Trustees' annual report

Key performance indicators

Operating surplus / deficit: overall deficit of £544,730.

Rent collected as a percentage of rent due:

- Target: 94%
- Actual: 63.5%

Rent arrears as a percentage of total rental income:

- Target: 2%
- Actual: 4.93%

Level of voids as a percentage of rental income:

- Target: 8%
- Actual: 15%

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:

- Reduced income from contracts: contracts are time limited and regularly retendered as the cost of living crisis takes a toll on many of central and local government agencies; including the NHS.
- Loss-making contracts, such as providing supported accommodation, requiring subsidies from unrestricted reserves.
- Changes to government policies and priorities in an unknown future landscapes.
- Challenges of failing to collect rent during a time of economic crisis.
- Increased expenditure from staffing costs. Contracts often have insufficient provision to changes in government rules regarding changes to minimum wage and national insurance liabilities. Maintaining competitive pay rates when commissioned services are being supported by voluntary income.
- The operational losses of 2023/24 and the anticipated losses of 2024/25 will create a risk to our liquidity.

Our mitigation strategy has been to prepare various cash flow scenarios, excluding any unconfirmed funding, to ensure we can continue to meet our obligations when they fall due.

In order to strength our cash position we have held 2 properties for sale in the open market and anticipate these sales to be realised at the end of 2024/25 and early 2025/26. In addition, we have secured a short term loan in case unforeseen events place further burdens on our liquidity.

Reviewing our internal controls in line with Charity Commission guidance has been added to our governance framework and ensures we have oversight of cash flow at all layers of leadership within Porchlight. Our return to profitability via our robust financial recovery plan underpins our commitment to maintaining financial stability and long-term growth.



Porchlight's 50th Anniversary installation of tents illustrating client quotes

Trustees' annual report

Preparation of financial statements

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

Their report and incorporated strategic report was approved by the Board of Trustees on 26 March 2025 and signed on its behalf by



Patrick Fuller, Chair of trustees

Independent auditor's report

Opinion

We have audited the financial statements of Porchlight (the 'charitable company') for the year ended 31 March 2024 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 2024 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.

Independent auditor's report

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 23, 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.

Independent auditor's report

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, The Charities (Protection and Social Investment) Act 2016, 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 and existence, cut-off and completeness of revenue as the areas 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 and testing on revenue.

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 27 March 2025

Financial statements

Porchlight Statement of Financial Activities (including Income & Expenditure Account) for the year ended 31 March 2024

	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Income:					
Donations and legacies	2	1,227,642	570,098	**1,797,740**	1,690,395
Charitable activities	3	7,934,880	2,811,509	**10,746,389**	12,251,727
Trading income		16,795	-	**16,795**	19,444
Investment income	4	40,956	-	**40,956**	12,509
Total income		**9,220,273**	**3,381,607**	**12,601,880**	13,974,075
Expenditure:					
Raising funds	5	478,858	6,435	**485,293**	388,402
Charitable activities	6	9,558,299	3,028,018	**12,586,317**	12,940,464
Total expenditure		**10,037,157**	**3,034,453**	**13,071,610**	13,328,866
Net (loss)/gains on investments		**-**	**(75,000)**	**(75,000)**	5,149
Net (expenditure) / income		**(816,884)**	**272,154**	**(544,730)**	650,358
Transfers between funds	15	**325,000**	**(325,000)**	**-**	-
Net movement in funds		**(491,884)**	**(52,846)**	**(544,730)**	650,358
Reconciliation of funds					
Total funds brought forward		**3,861,013**	**687,356**	**4,548,369**	3,898,011
Total funds carried forward		**3,369,129**	**634,510**	**4,003,639**	4,548,369

The notes on pages 30 to 40 form part of these financial statements.

Balance sheet

Porchlight Balance Sheet for the year ended 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	9	**1,793,366**	1,397,617
Investment property	10	**-**	400,000
		1,793,366	1,797,617
Current assets			
Property held for sale	11	**325,000**	-
Debtors	12	**1,953,726**	2,080,053
Cash at bank and in hand		**1,622,696**	2,258,638
		3,901,422	4,338,691
Liabilities			
Creditors: Amounts falling due within one year	13	**(1,691,149)**	(1,587,939)
Net current assets		**2,210,273**	2,750,752
Total net assets		**4,003,639**	4,548,369
The funds of the charity			
Restricted income funds	15	**634,510**	687,356
Unrestricted funds	15	**3,369,129**	3,861,013
Total charity funds		**4,003,639**	4,548,369

Company number: 01157482

The financial statements on pages 27 to 40 were approved and authorised for issue by the board of trustees on 26 March 2025 and signed on their behalf by:

Patrick Fuller, Trustee

Stephanie Goad, Trustee

Statement of cash flows

Porchlight Statement of cash flows for the year ended 31 March 2024

	Note	Total Funds 2024 £	Total Funds 2023 £
Cash provided by operating activities	A	(133,733)	139,047
Cash flows from investing activities			
Income from investments		40,956	12,509
Proceeds from the sale of fixed assets		20,600	240,483
Purchase of fixed assets		(563,765)	(87,448)
Cash (used)/provided in investing activities		(502,209)	165,544
Cash flows from financing activities			
Repayments of borrowing		-	(601,937)
Net cash used in financing activities		-	(601,937)
Change in cash and cash equivalents in the year		(635,942)	(297,346)
Cash and cash equivalents at the beginning of the year	B	2,258,638	2,555,984
Total cash and cash equivalents at the end of the year	B	1,622,696	2,258,638

Note A: Reconciliation of net income to net cash flow from operating activities	2024 £	2023 £
Net (expenditure)/income for the year (as per the statement of financial activities)	(544,730)	650,358
Adjustments for:		
Depreciation charges	155,475	120,454
Loss/(gain) on investments	75,000	(5,149)
Income from investments	(40,956)	(12,509)
Profit on sale of fixed assets	(8,059)	(31,206)
Decrease in debtors	126,327	45,981
Increase/(decrease) in creditors	103,210	(628,882)
Net cash provided by operating activities	(133,733)	139,047

Note B: Analysis of cash and cash equivalents	2024 £	2023 £
Cash in hand	1,622,696	2,258,638

Note C: Analysis of change in net debt	**At 1 Apr 2023**	**Cashflows**	**Non-cash changes**	**At 31 Mar 2024**
Cash and cash equivalents	2,258,638	(635,942)	-	1,622,696

Notes to the accounts

for the year ended 31 March 2024

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 financial statements have been prepared on a going concern basis. The Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements including taking into account agreed rental income increases to take effect from 1 April 2025.

The trustees have concluded that sufficient cash reserves remain available for at least the next 12 months for the Company to be able to continue as a going concern.

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 recogniseas 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.

Notes to the accounts

for the year ended 31 March 2024

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.

Notes to the accounts

2. Donations and legacies	Unrestricted funds 2024	Restricted funds 2024	Total funds 2024
	£	£	£
Gifts and donations	1,059,382	365,320	**1,424,702**
Legacies	106,198	107,478	**213,676**
General grants	500	97,300	**97,800**
Donated goods and services	61,562	-	**61,562**
Total	**1,227,642**	**570,098**	**1,797,740**

Prior year	Unrestricted funds 2023	Restricted funds 2023	Total funds 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**

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 2024	Restricted funds 2024	Total funds 2024
	£	£	£
Homelessness services			
Rent / Accommodation charges	1,703,744	-	**1,703,744**
Kent County Council	1,386,585	-	**1,386,585**
Local Authority grants	150,000	1,451,215	**1,601,215**
Student placement fees	3,920	-	**3,920**
NHS grants	-	39,448	**39,448**
Other grants receivable	38	135,105	**135,143**
	3,244,287	1,625,768	**4,870,055**
Mental health services			
Kent County Council	4,119,010	85,436	**4,204,446**
NHS grants	559,118	890,429	**1,449,547**
Other grants receivable	-	23,079	**23,079**
	4,678,128	998,944	**5,677,072**
Communities			
European Social Fund income	12,280	59,056	**71,336**
Big Lottery Fund	-	127,741	**127,741**
Sundry income	185	-	**185**
	12,465	186,797	**199,262**
Total	**7,934,880**	**2,811,509**	**10,746,389**

Notes to the accounts

3. Charitable activities (continued)	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023
	£	£	£
Homelessness services			
Rent / Accommodation charges	1,627,565	-	**1,627,565**
Kent County Council	2,495,855	135,672	**2,631,527**
ICB Income	-	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 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**

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 £8,682,241 (2023: £9,070,658).
There were no unfulfilled conditions attached to government grants recognised in the year (2023: None).

4. Investment income	Unrestricted funds 2024	Unrestricted funds 2023
	£	£
Rental income from investment property	12,100	12,470
Bank interest	28,856	39
Total	**40,956**	**12,509**

5. Raising funds	Unrestricted Funds 2024	Restricted Funds 2024	Total Funds 2024	Total Funds 2023
	£	£	£	£
Expenditure on raising donations and legacies	478,858	6,435	**485,293**	388,402
Total	478,858	6,435	**485,293**	388,402

Notes to the accounts

6. Charitable activities	Homelessness services	Mental health services	Communities	Total 2024
	£	£	£	£
Activities undertaken directly				
Staff costs	2,339,362	2,207,914	351,298	**4,898,574**
Premises costs	1,684,742	154,384	34,157	**1,873,283**
Delivery network fees	516,988	2,692,927	-	**3,209,915**
Office costs	127,601	71,315	8,225	**207,141**
Tenant welfare fund	105,890	36,226	10,377	**152,493**
Sundry expenses	2,321	1,112	891	**4,324**
	4,776,904	**5,163,877**	404,948	**10,345,730**
Support costs				
Governance	56,395	60,966	4,781	**122,142**
Management & administration	237,890	233,321	16,245	**487,456**
Finance	277,538	272,208	18,953	**568,699**
Human resources	161,587	158,483	11,035	**331,105**
Communications	356,835	349,981	24,369	**731,185**
	1,090,245	**1,074,959**	75,383	**2,240,587**
Total	**5,867,149**	**6,238,836**	**480,331**	**12,586,317**

All support costs are apportioned on the basis of unrestricted direct expenditure.
Expenditure on charitable activities was £12,586,317 (2023: £12,940,464), of which £9,558,299 (2023: £8,844,663) was unrestricted and £3,028,018 (2023: £4,095,801) was restricted.
Within governance costs is Directors' and Officers' Insurance at a cost of £10,696 (2023: £7,897).

6. Charitable activities (continued)	Homelessness services	Mental health services	Communities	Total 2023
Prior year	£	£	£	£
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**
	5,068,265	**5,197,407**	1,352,632	**11,618,304**
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 resouces	77,613	95,128	20,536	**193,277**
Communications	181,442	222,389	48,009	**451,840**
	532,869	**648,240**	141,051	**1,322,160**
Total	**5,601,134**	**5,845,647**	**1,493,683**	**12,940,464**

Notes to the accounts

7. Analysis of staff costs	2024	2023
	£	£
Salaries and wages	5,676,197	5,910,629
Social security costs	516,995	559,002
Pension costs	271,710	278,642
Total	**6,464,902**	**6,748,273**

Included in pension costs above is an amount of £48,507 (2023: £71,145) relating to restricted expenditure.
Pension contributions of £41,294 (2023: £41,014) were payable at the year end.
Redundancy payments totalling £116,328 (2023: £10,812) were made in the year (There were no amounts outstanding at the year end, 2023: £10,812).

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

	2024	2023
£70,001 - £80,000	1	-
£120,001 - £130,000	-	1
£200,001 - £220,000	1	-

The trustees did not receive any remuneration, benefits in kind and were not reimbursed for travel expenses in either year.

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 £644,160 (2023: £444,434). During the year one new staff loan was paid to key management personnel totalling £1,000 (2023: £500), no amounts were outstanding at the year end.

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

	2024	2023
	Number	Number
Homelessness Services	79	87
Mental Health Services	68	75
Communities	12	23
Management & Administration	40	34
Total	**199**	**219**

8. Movement in total funds for the year	2024	2023
	£	£
This is stated after charging:		
Operating leases	221,479	333,959
Depreciation	155,476	120,454
Profit on disposal of fixed assets	8,059	31,206
Auditor's remuneration for statutory audit	**27,500**	**24,000**

Notes to the accounts

9. Tangible fixed assets	Freehold Property	Leasehold Property	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 April 2023	879,088	610,999	731,333	**2,221,420**
Additions	295,242	-	268,523	**563,765**
Disposals	-	-	(50,165)	**(50,165)**
At 31 March 2024	**1,174,330**	**610,999**	**949,691**	**2,735,020**
Depreciation				
At 1 April 2023	37,214	211,347	575,242	**823,803**
Charge for the year	14,087	4,167	137,221	**155,475**
Disposals	-	-	(37,624)	**(37,624)**
At 31 March 2024	**51,031**	**215,514**	**674,839**	**941,654**
Net book value				
At 31 March 2024	**1,123,029**	**395,485**	**274,852**	**1,793,366**
At 31 March 2023	**841,874**	**399,652**	**156,091**	**1,397,617**

Included in freehold property above is land at a value of £351,635 (2023: £351,635) which is not depreciated.

10. Investment Property	Total
	£
Fair value	
At 1 April 2023	400,000
Transfer to property held for sale (note 11)	(400,000)
At 31 March 2024	-

11. Property held for sale	Total
	£
Net book value of property held for sale	325,000

During the year, the Trustees made the decision to sell the Charity's investment property in Deal. As the sale is virtually certain, a transfer has been made between non-current assets and current assets at the value it has been listed for sale. The donor released the restriction attached to this property and therefore it has been transferred to unrestricted funds.

Notes to the accounts

12. Debtors	2024	2023
	£	£
Other debtors	306,597	425,740
Grants receivable	1,151,163	1,374,978
Prepayments and accrued income	495,966	279,335
Total	1,953,726	2,080,053

13. Creditors - amounts falling due within one year	2024	2023
	£	£
Trade creditors	770,588	559,441
Other creditors	25,662	59,486
Other taxes and social security costs	121,084	116,550
Accruals and deferred income	773,815	852,462
Total	1,691,149	1,587,939

Deferred income:	2024	2023
	£	£
Brought forward	581,711	1,291,802
New amounts deferred	896,697	370,598
Released to SOFA	(912,652)	(1,080,689)
Total	565,756	581,711

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

14. Financial instruments	2024	2023
	£	£
Financial assets measured at fair value	325,000	400,000

Notes to the accounts

15. Analysis of charity funds

	Balance at 1 Apr 23	Income	Expenditure	Transfer	Balance at 31 Mar 24
Restricted funds	**£**	**£**	**£**	**£**	**£**
New Town Street Building fund	165,649	-	(1,682)	-	**163,967**
Homelessness Services	18,925	2,149,731	(1,803,281)	-	**365,375**
Mental Health Services	102,782	1,035,913	(1,033,526)	-	**105,169**
Communities	-	195,963	(195,964)	-	**-**
Investment Property	400,000	-	(75,000)	(325,000)	**-**
Total Restricted funds	**687,356**	**3,381,607**	**(3,109,453)**	**(325,000)**	**634,510**

	Balance at 1 Apr 22	Income	Expenditure	Transfer	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**

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 transfer see note 10 and 11.

	Balance at 1 Apr 23	Income	Expenditure	Transfer	Balance at 31 Mar 24
Unrestricted funds	**£**	**£**	**£**	**£**	**£**
General unrestricted fund	3,506,590	9,220,273	(9,756,243)	(325,000)	2,645,620
Designated funds	354,423	-	(280,914)	650,000	723,509
Total Unrestricted funds	**3,861,013**	**9,220,273**	**(10,037,157)**	**325,000**	**3,369,129**

	Balance at 1 Apr 22	Income	Expenditure	Transfer	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**

Designated funds relate to monies set aside for Housing First, Women's Needs services, as well as £650,000 for the Homelessness service as per explanation on page 19.

Notes to the accounts

15. Analysis of charity funds (continued)

	Balance at 1 Apr 23	Income	Expenditure	Transfer	Balance at 31 Mar 24
Summary of funds	**£**	**£**	**£**	**£**	**£**
Restricted funds	687,356	3,381,607	(3,109,453)	(325,000)	**634,510**
Unrestricted funds	3,861,013	9,220,273	(10,037,157)	325,000	**3,369,129**
Total funds	**4,548,369**	**12,601,880**	**(13,146,610)**	**-**	**4,003,639**

	Balance at 1 Apr 22	Income	Expenditure	Transfer	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**

16. Analysis of net assets between funds

	Unrestricted funds 2024	Restricted funds 2024	Total funds 2024
	£	**£**	**£**
Fixed assets	1,629,399	163,967	**1,793,366**
Net current assets	1,739,730	470,543	**2,210,273**
Total	**3,369,129**	**634,510**	**4,003,639**

	Unrestricted funds 2023	Restricted funds 2023	Total funds 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**

Notes to the accounts

17. Operating lease commitment

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

	2024	2023
	£	£
Due within one year	**156,936**	222,878
Between one and five years	**361,937**	445,474
After five years	**132,000**	204,000
Total	**650,873**	**872,352**

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 £1,775 (2023: £2,763) were received from the trustees during the year.

20. Post balance sheet events

In December 2024, Porchlight received a legacy of two properties. No value has been provided on these properties in these financial statements and recognition of the value of this legacy will be accounted for in the year to 31 March 2025.

Contracts have been exchanged on 26 March 2025 in respect of the investment property held for sale.

Get in touch, get involved

Get in touch with us

If you're a member of the public with a general query:

Porchlight head office
18-19 Watling Street
Canterbury, CT1 2UA

Telephone: 01227 760078
Email: headoffice@porchlight.org.uk

Get help and support

If you have housing and homelessness concerns
Our team will find out more about your situation and help you access support - whether that's with Porchlight or another organisation.

- Fill out a short online form at porchlight.org.uk/information-support and we'll be in contact as soon as possible.

If you have mental health concerns
Our mental health line is a gateway to a range of support - from Porchlight and other organisations - to do with housing, mental health, employment, money and benefits, feelings of loneliness and isolation.

- Call 0800 567 7699 (Lines are open Monday to Friday, 9am to 5pm. Calls are free.)
- Email info@livewellkent.org.uk

Get involved

There are many ways to get involved in our work including volunteering, attending one of our fundraising events, organising your own fundraising event, corporate partnerships, donating, or leaving a legacy gift in your Will. Contact us for information about opportunities in your area,

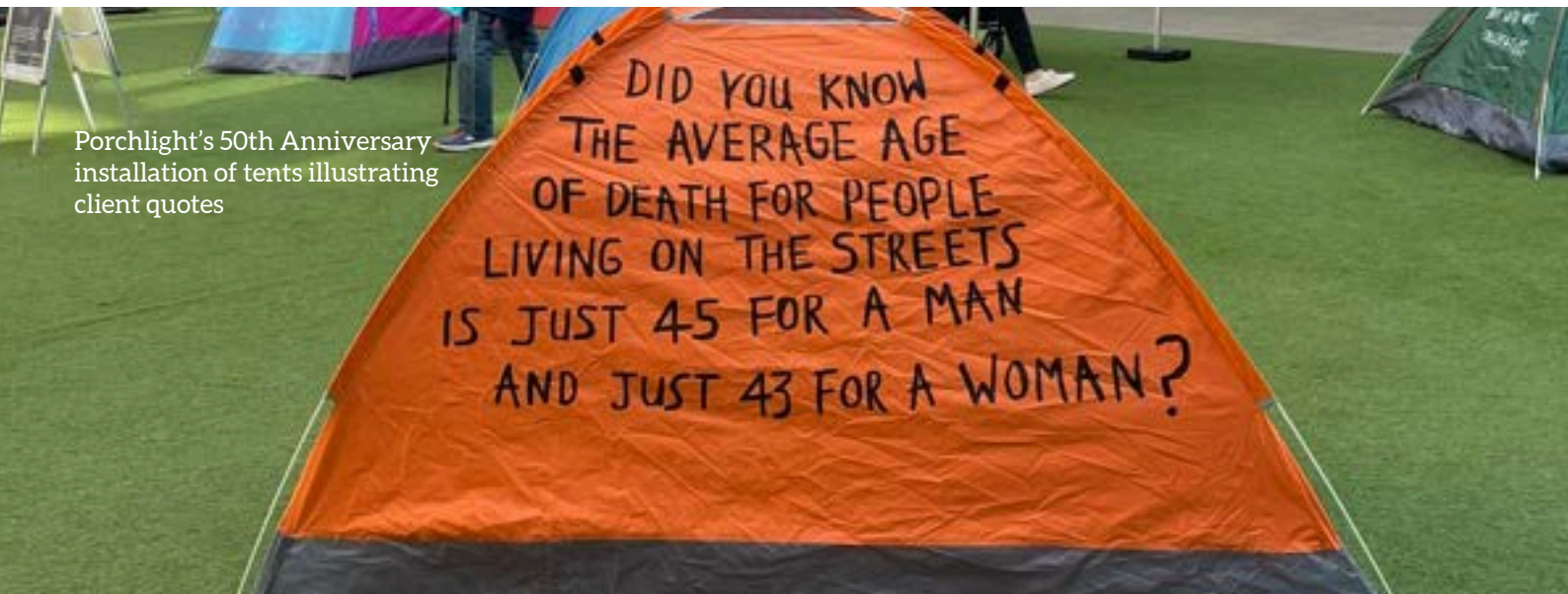
Give

Cheques: Please make any cheques payable to 'Porchlight'. These can be posted to our head office: FAO Fundraising, Porchlight, 18-19 Watling Street, Canterbury, Kent, CT1 2UA. Please include your name, address and any other relevant information with your cheque, so that we can thank you for your generous donation.

Online: If you'd prefer to donate online, please visit: www.porchlight.org.uk/donate

Telephone: If you prefer to donate over the phone please call us on 01227 813199.

Donating goods or services
Unfortunately we do not have the capacity to accept donations. Please contact for advice on donating goods or services by emailing getinvolved@porchlight.org.uk



Porchlight's 50th Anniversary installation of tents illustrating client quotes

Porchlight

Registered Charity Number: 267116
Porchlight Limited is a registered company in England and Wales
Registered Company Number: 01157482
Registered Office: 2nd Floor Watling Chambers, 18-19 Watling Street, Canterbury, Kent. CT1 2UA

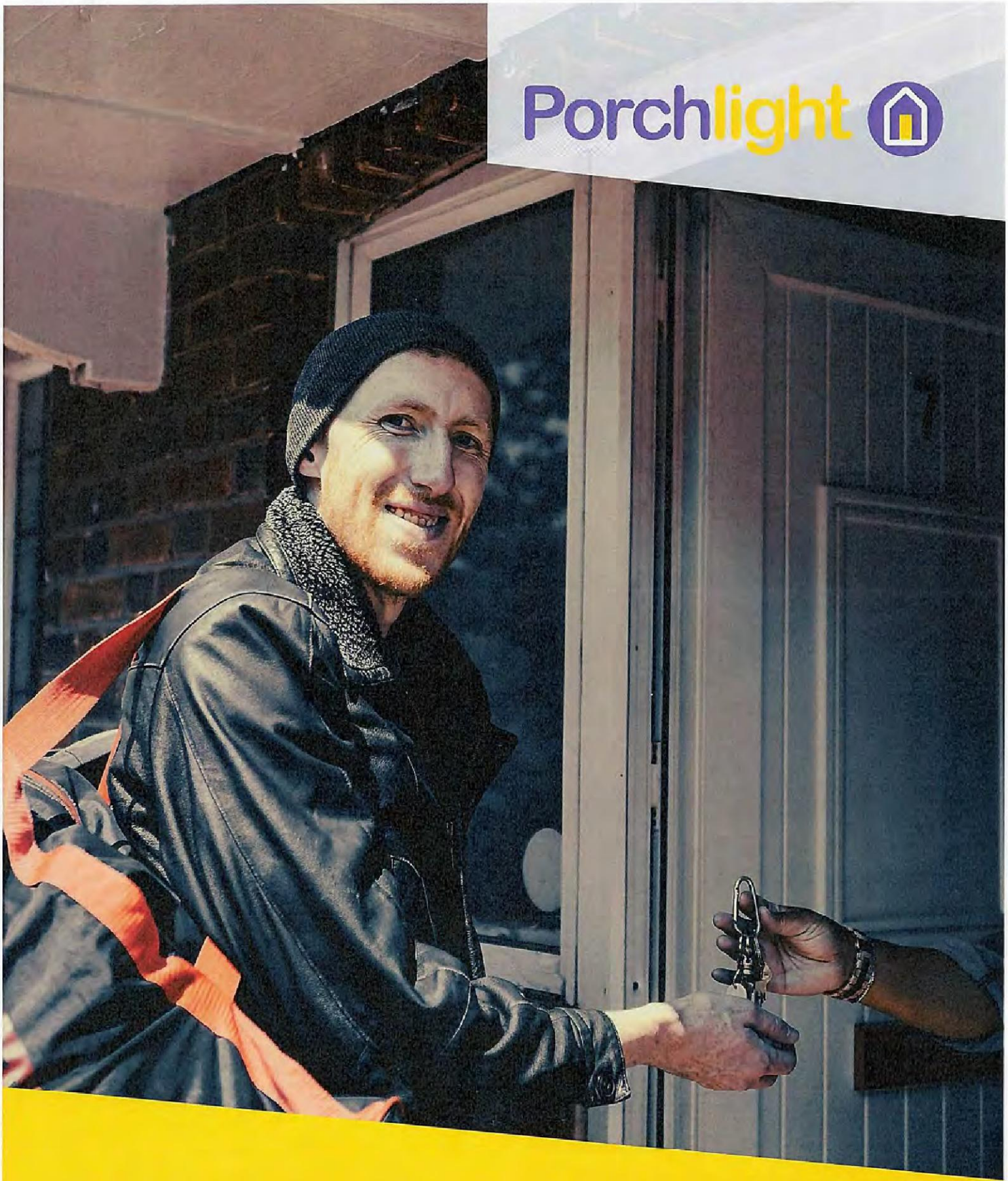
headoffice@porchlight.org.uk
01227 760078 Porchlight.org.uk

PORCHLIGHT

England & Wales - Charity number 267116

Accounts

Porchlight



Report and accounts

For the year ended 31 March 2023

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About us



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 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

Stephanie Goad
Colin Wright (resigned 30 November 2022)
Tim Child (appointed 15 December 2022)
Thomas Evans
Dr Jenny Robson
Patrick Fuller
Naomi Simcox (resigned 30 June 2023)
Sue Baker
Dr Nicholas Ward
David Leah
Simon Langworthy (appointed 24 May 2023, resigned 3 July 2023)
Dominic Deeson (resigned 10 June 2023)

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

Key management personnel

Michael Barrett, chief executive officer/company secretary
Catherine Keen, finance director
Joanne Dawes, director of fundraising and communications
Sarah Dennis/Michelle Williams, director of human resources
Aidan Gray/Adam Colthorpe, director of development and innovation
Chris Coffey, director of operations/
Julia Hargreaves, director of services

Auditor

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

Solicitors

Knights Professional Services Limited, The Brampton, Newcastle-Under-Lyme, Staffordshire, ST5 0QW

Bankers

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

Registered address

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

Charity registration number: 267116
Registered company number: 01157482

Incorporated in England and Wales

porchlight.org.uk | Porchlight1974

Written and designed by Porchlight's communications team.
Published August 2023.
Please note: the photographs used in this report illustrate Porchlight's general work and do not necessarily reflect the circumstances of those pictured.
In some cases, the names of people we support may be changed to protect their identities.

Welcome

It's been the most challenging time in our 49 year history.

The ending of Kent County Council's funding for the Kent Homeless Connect service is a devastating cut to support for people facing homelessness. Some of our supported housing risks closure unless we are successful in our fight to secure alternative funding.

Funding for community mental health services is also being cut and we're waiting to learn if Porchlight will be affected.

This year, our focus has been on keeping these vital services in place to ensure that people in desperate need of help still have somewhere to go, and someone to turn to.

Building back homelessness services

The cost of living crisis and our county's lack of affordable housing is driving thousands of households closer to homelessness. The number of people who are in need of our help is increasing, putting even more pressure on services that are having to be scaled back.

With our supporters we raised an incredible £1.6m to help keep homelessness support in place

We're working closely with district and borough councils to keep support in place for people who are homeless and rough sleeping. And we're forging ahead with plans to deliver housing-led support that's flexible enough to meet each person's specific needs.

We're facing a huge shortfall in funding, but we also believe there are solutions to tackle these challenges. For example, we ran an emergency appeal to ask our supporters to stand with us and 'keep the door open' for homeless people in Kent. The response was amazing and last year we raised an incredible £1.6m in total.

We're striving to secure new sources of funding and aim to broaden our reach as a voluntary sector partner that works alongside the NHS and local government. Our strength is the knowledge and deep understanding of the people and communities we serve. We know we have an important role to play in reducing the inequalities that they experience.

Person-centered support where it's needed most

As more people are plunged into poverty, we're seeing an increase in people with multiple support needs. These can be a range of different issues in their life including mental health problems, unemployment, debt and housing instability.

This year, we were able to take 895 referrals for people in need of supported housing

A skilled workforce is essential to address these issues. Porchlight's staff are our greatest asset. We know we can't do any of this without them but they must be given the support and training needed to rise to these bigger challenges.

We're rolling out our own standards of support and care to help with this. They demonstrate our commitment to enhancing the services we provide, allowing our staff to develop their skills and bring about real change through the work they do.

We're continuing to give people we support the opportunity to have a say in the way they access and receive help. Their insight educates and guides us, allowing us to better understand the needs of people using our services and to plan for the future.

In short, there are many challenges ahead. But we're determined to be here for the people and communities that are depending on us. We'll build on the working partnerships we have and raise the funds to keep life-saving support in place for as long as it's needed.

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



CHIEF EXECUTIVE



CHAIR OF TRUSTEES

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.

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 volunteers

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

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

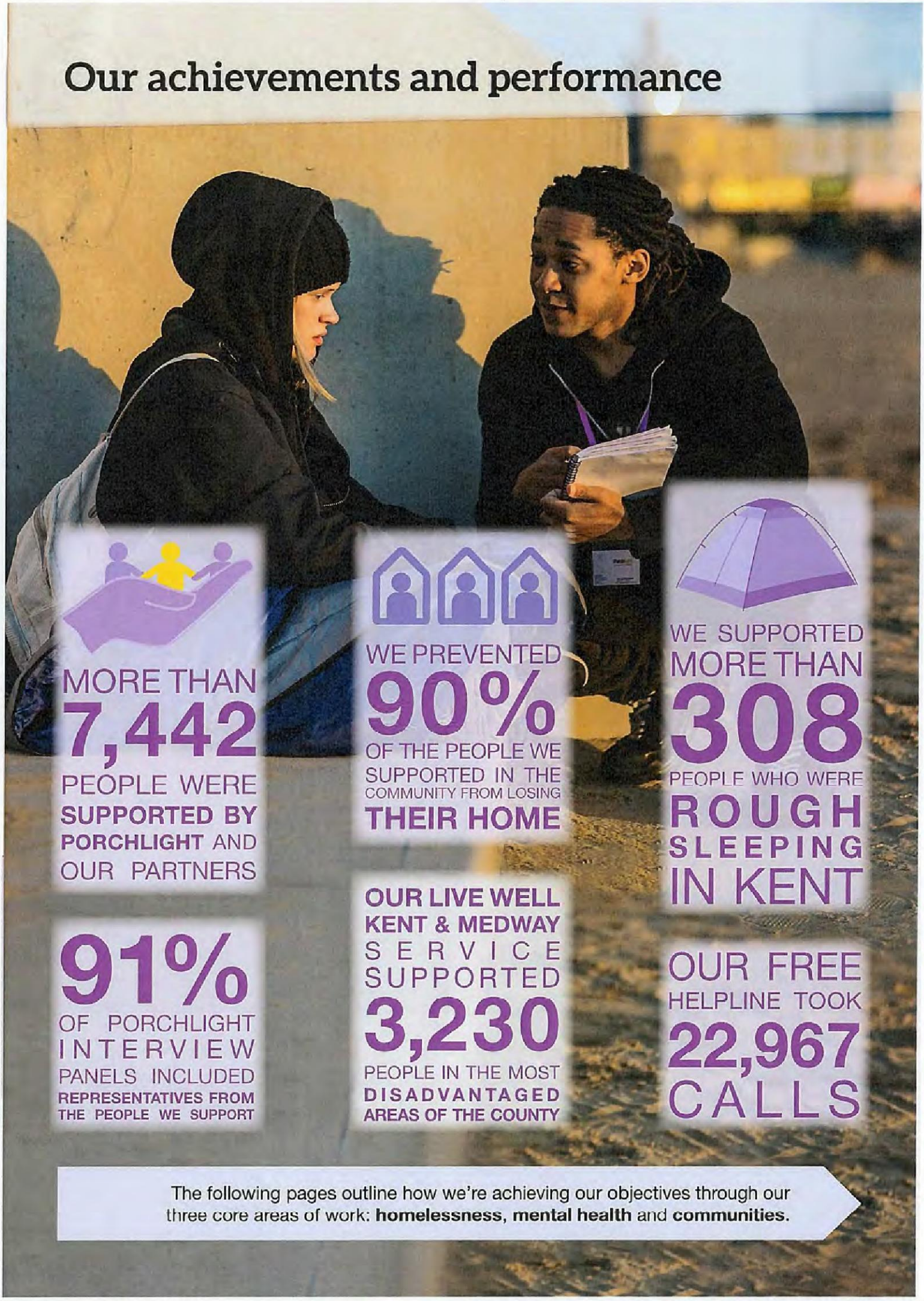


Porchlight volunteer John has been supporting Kial *(pictured below)*, who became homeless after a mental breakdown.

"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."

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.

Keep the door open

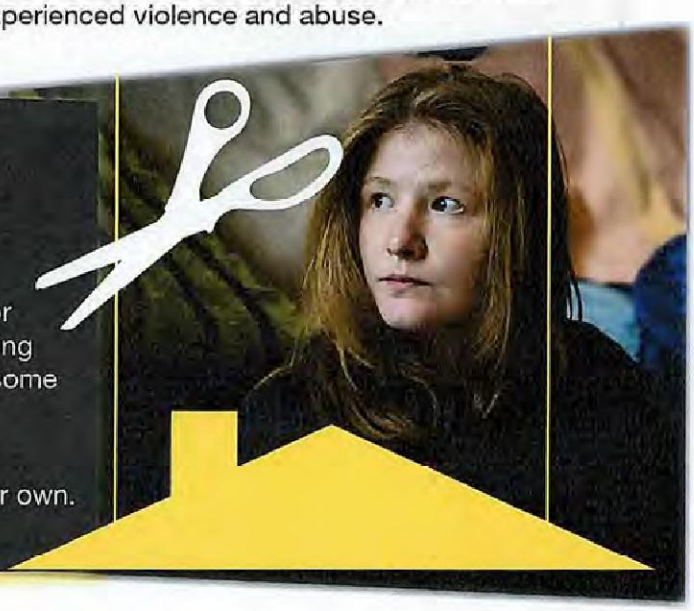
Our campaign to save homelessness services in Kent

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



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.

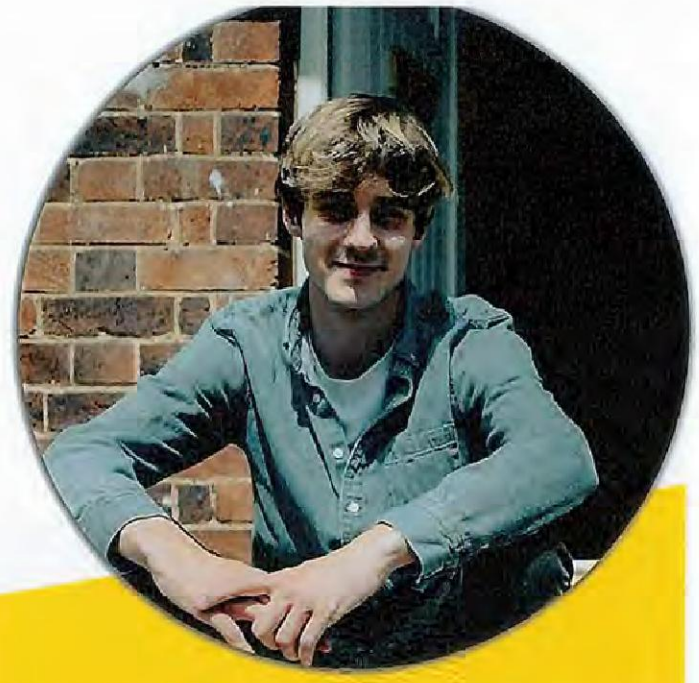
With stable accommodation and support they will, in their own time, start to recover and make positive choices about how they live their life.

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."

Offering a lifeline

Our free helpline is the only service of its kind in Kent. It helps people to access our own services, as well as food banks, drop-in centres, places of safety, mental health support and more. Our advisers are the voice on the end of the phone giving advice and support, and reminding callers that someone still cares.



This year, our helpline team took 22,967 calls

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.

PORCHLIGHT OPEN DOOR

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.

COMMUNITY FUND



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.

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."

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.

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.

Registered with FUNDRAISING REGULATOR

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



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

J Robson
Trustee

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

Analysis of change in net debt	At 1 Apr 2022	Cashflows	Non-cash changes	At 31 Mar 2023
Cash and cash equivalents	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 2022	Restricted funds 2022	Total funds 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 2023 £	Unrestricted funds 2022 £
Rental income from investment property	**12,470**	13,530
Bank interest	**39**	-
Total	**12,509**	**13,530**

5. Raising funds	Unrestricted funds 2023 £	Unrestricted funds 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**
	5,068,265	5,197,407	1,352,632	**11,618,304**
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**
	532,869	648,240	141,051	**1,322,160**
Total	**5,601,134**	**5,845,647**	**1,493,683**	**12,940,464**

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**
	5,299,276	4,985,063	1,241,879	**11,526,218**
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**
	430,189	531,014	106,394	**1,067,598**
Total	**5,729,465**	**5,516,077**	**1,348,273**	**12,593,816**

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	**6,748,273**	**6,449,379**

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	**219**	**229**

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	**24,000**	18,000

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 2023 £	Restricted funds 2023 £	Total funds 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 2022 £	Restricted funds 2022 £	Total funds 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

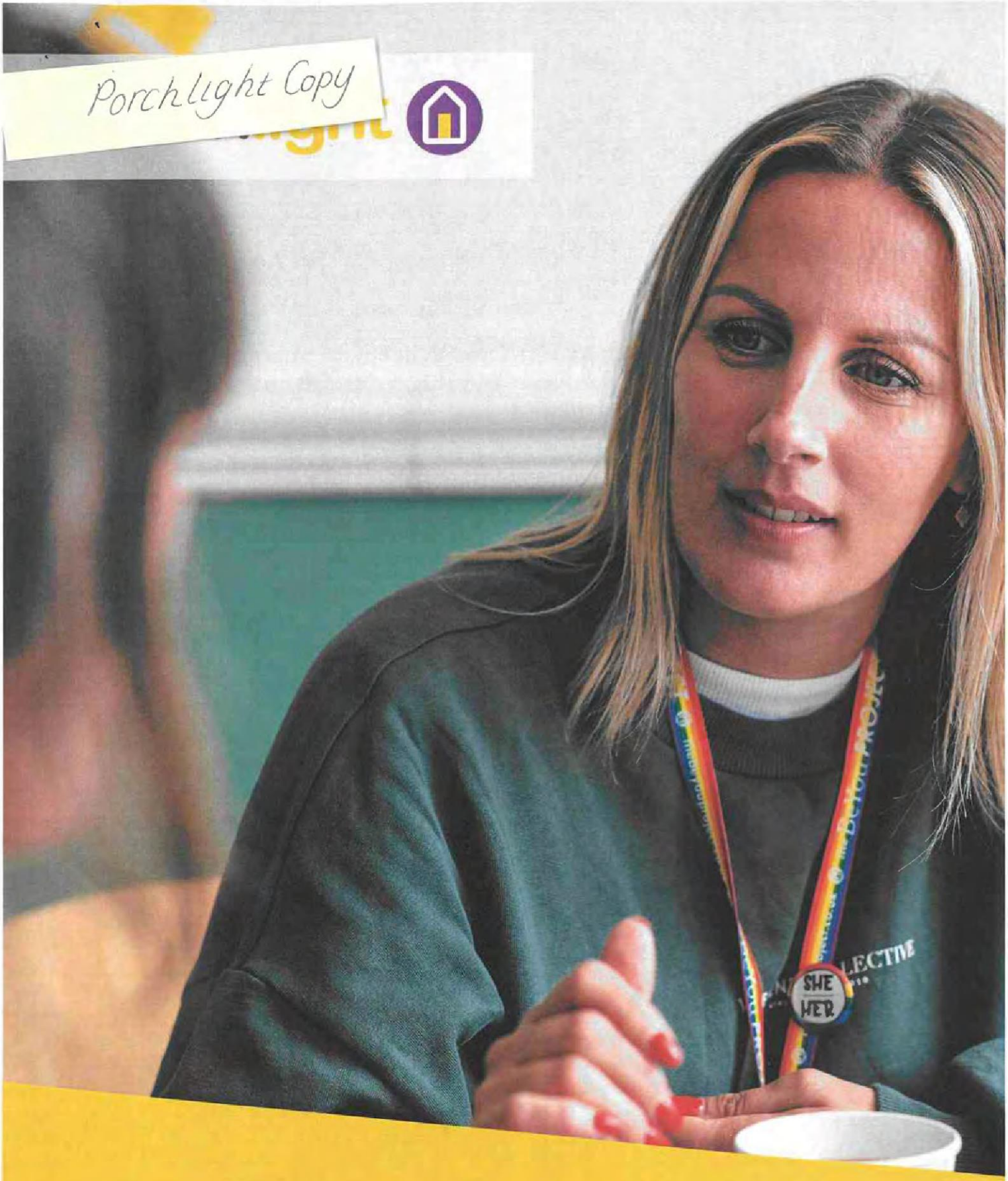
Aggregate donations of £2,763 (2022: £3,386) were received from the trustees during the year.

PORCHLIGHT

England & Wales - Charity number 267116

Accounts

Porchlight Copy



Report and accounts

For the year ended 31 March 2022

About us

We're here for people who have nowhere to go and no-one to turn to. We work across Kent to support people most at risk of poverty, social exclusion, mental ill health or 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 8,300 people were supported by Porchlight and our partners



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

Stephanie Goad
Colin Wright
Thomas Evans
Dominic Deeson
Dr Jenny Robson
Patrick Fuller
Naomi Simcox
Sue Baker
Dr Nicholas Ward
David Leah (appointed 21 July 2021)
Belinda Naiken-Payne (resigned 15 Sept 2021)

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

Key management personnel

Michael Barrett, chief executive officer/company secretary

Catherine Keen, finance director

Joanne Dawes, director of fundraising and communications

Sarah Dennis, director of human resources

Aidan Gray, director of development and innovation

Chris Coffey, director of operations

Independent Auditor

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

Solicitors

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

Bankers

CAF Bank, 25 Kings Hill Ave, Kings Hill, West Malling, Kent ME19 4JQ

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

Registered address

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

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

porchlight.org.uk | Porchlight1974

Written and designed by Porchlight's communications team. Published August 2022.

Please note: the photographs used in this report illustrate Porchlight's general work and do not necessarily reflect the circumstances of those pictured. In some cases, client names may be changed to protect their identities. This is indicated by the use of asterisks where relevant.

Welcome

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

This was another year in which the lives of our clients, staff and the communities we serve were affected by Covid-19.

The pandemic has intensified inequalities in the most deprived areas and vulnerable people are facing even bigger challenges. At Porchlight, we're uniquely positioned to help: our strengths are our local knowledge and our ability to connect with people who have struggled to access other services.

We're working with NHS, public health and local government partners to identify key areas of need, using creative approaches to bring people and communities together.

Our community mental health services supported 3,230 people in the most deprived areas of Kent

For us, mental health support continues to be a priority; we know that Covid will have a long-lasting legacy for some, with social anxiety a particular issue among the young people we work with.

Our work wouldn't be possible without the expertise, professionalism, hard work and passion of our staff. From practical advice and guidance, to longer-term emotional and recovery-based support, they're helping some of the county's most disadvantaged people to stay well and manage their own lives.

In Kent we lead the way in supporting people most at risk of poverty, social exclusion, mental ill health or homelessness, but demand for our help is high – we expect it to reach record levels in the coming year.

The cost of living is having a devastating impact, with people in our communities among the worst affected. Rents are too high and wages are too low – in five of Kent's local authorities, resident earnings are below the national average.

Covid protection measures have been stripped away and we're hearing from more and more people who are being forced to make impossible choices between heating and eating. Many are struggling to keep a roof over their heads.

This year, we took 1,010 referrals for people in need of our supported housing

Despite the growing need, we're facing severe cuts in funding. Kent County Council is proposing to end Kent Homeless Connect, a service that provides specialist support and housing for some of the most vulnerable people in society.

The service helps people develop the skills they need to live independently. Without it, many people – the most disadvantaged, traumatised, and most in need of support – are at risk of returning to or remaining on the streets.

We're working hard to build our financial stability, looking for new opportunities and inspiring people to join our cause so that together we can provide a safety net for those who need it most.

We're strengthening our rough sleeper team with specialist support for women, young people and those with high mental health needs. And we're working hard to provide affordable homes where we can deliver the intensive, housing-led support that helps people to stabilise their lives and break the cycle of homelessness.

Our clients will educate and guide us, helping us to plan for the future and develop our understanding so we can truly meet the needs of the people we support.

The year ahead will be one of the most challenging in our history. But we're determined to be here for the people and communities that are depending on us, providing safe and effective support for everyone who needs it – now and in the future.



CHIEF EXECUTIVE



CHAIR

Our work



We launched an ambitious new strategy, our plan to build a fairer future for vulnerable people in Kent.

Making big organisational changes in the middle of a pandemic has not been easy. But our new strategy captures the core of who we are at Porchlight, demonstrating our commitment to a fairer society that works better for everyone.

Our **four strategic priorities** – which are also our objectives – will help us respond 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**

We've aligned our operational structure with our new strategy, moving to three directorates – **homelessness, mental health** and **communities** – to help us target our response where it's needed most.

We launched our **standards for support and care** for homelessness services.

They were developed to help us meet current and future skills **requirements as our staff work** to support people with increasingly complex needs.



celebrate each other's **differences and treat each other with respect.**

We're also forever grateful to our amazing volunteers who, this year alone, have worked in **15 different roles across the charity, including** frontline support, research and administration projects.



This year our volunteers gave more than 5,000 hours of support

From supporting us during early morning outreach sessions, to providing online and in-person support to LGBTQ+ young people, their dedication to the charity is helping us reach even more people in need.

We're proud that we've continued to be here for those who've needed us most – and during the most challenging of times.

We're a people organisation and that has meant continuing to safely and responsibly provide the person-centred support we believe in: support that gives people the best chance of reaching their goals.

And we can't do any of it without our staff. Our incredible staff, who bring our values to life, adapting and learning in the face of unprecedented change, coping with new challenges and keeping our clients at the heart of everything they do.

We're putting renewed focus on staff engagement, developing people's knowledge and skills, looking after their wellbeing, and creating a supportive environment where we

Our future plans

- **A housing-led approach, providing intensive support within a range of housing options**
- **Expanding our children and young people's mental health services**
- **Developing our community services into more areas of Kent**

Our achievements and performance



MORE THAN
8,300
PEOPLE WERE **SUPPORTED BY PORCHLIGHT** AND OUR PARTNERS

OUR FREE HELPLINE TOOK
27,432
CALLS

WE PREVENTED
1,093
PEOPLE FROM **LOSING THEIR HOME**

WE SUPPORTED MORE THAN
560
PEOPLE WHO WERE **ROUGH SLEEPING** IN KENT

71%
OF PORCHLIGHT INTERVIEW PANELS INCLUDED **CLIENT REPRESENTATIVES**

OUR COMMUNITY MENTAL HEALTH TEAMS SUPPORTED
3,230
PEOPLE IN THE **MOST DEPRIVED AREAS** OF KENT

The following pages outline our objectives and how we're achieving them 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 [redacted] longer someone is on the stre[redacted] harm they will come to. Our out[redacted]es out across Kent, helping pe[redacted]ough sleeping to connect with the services they need.

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



This year, we supported 560 people who were rough sleeping

We work with our partners including specialist agencies, mental health teams and local councils, to ensure that the right support, focused around the individual and their needs, is in place.

We've employed specialist outreach workers in areas where we've identified groups with particular needs. They work with young people, women and those with high mental health needs, offering them the tailored support they need to move away from homelessness.



Our specialist women-only outreach workers supported 31 women on the streets

Kent Homeless Connect

Kent County Council is proposing to end Kent Homeless Connect, a service that provides specialist support and housing. We're building our financial stability and developing new partnerships so we can continue to provide a safety net for people in desperate need.

Housing-related care

Many homeless people have multiple and serious support needs such as mental ill health, a history of trauma and drug or alcohol problems which can only be addressed through housing-related care and support.

We don't just provide a roof. We provide emotional and practical support to empower people to make longer lasting changes and rebuild their lives. Without this support, people with the most complex needs are at risk of returning to or remaining on the streets.

We help people develop resilience so that they can better cope with adverse life events. For our clients, resilience means being able to react and adapt when things go wrong and knowing when and how to reach out for help.

It can also involve building new skills and knowledge. We provide a whole range of activities to help people stabilise their lives and break the cycle of homelessness.



We took 1,010 referrals for people in need of our supported housing

Specialist support

We run Housing First schemes in Dover, Folkestone, Maidstone, Sevenoaks and Thanet. They support people with multiple and complex support needs who have often spent years living on the street but struggle to engage with typical homelessness services.

Under the Housing First model, people are moved straight into a home of their own. With stable housing, they can start to address their support needs through coordinated and intensive support for as long as it's needed.

One of our biggest challenges is finding suitable, affordable homes in Kent so we're moving to a housing-led approach. This means providing intensive support within a range of housing options including the private rented sector, our own properties and through partnerships with local authorities and housing associations.

Preventing homelessness

One of the most effective ways to tackle homelessness is to prevent people from losing their home in the first place. This important area of our work has become even more critical as the cost of living crisis pushes thousands of Kent residents closer to homelessness.

We're hearing from an increasing number of people who can't afford to cover their food and energy bills and pay the rising costs of rent.

Our teams are doing everything they can to prevent people's problems from escalating by connecting them with the support they need, including debt and financial advice, help with paperwork and form-filling, and mediation and advocacy services.

We helped 1,093 people who were at risk of losing their home



Bob's story

Bob is a former client who volunteers with us in an administrative role. He finds opportunities for people we're currently supporting to have their say.

When Bob was a Porchlight client, he sat on job interview panels and groups that help steer the direction of our work.

"It was such a confidence boost. I had recently been at the bottom of the pit, but now I was sitting on job interview panels, helping Porchlight to recruit the best people – people with empathy for our clients."

Offering a lifeline

A mother and her two-year-old child sleeping in a car. A medically vulnerable man who couldn't afford to heat his freezing home. A young woman facing illegal eviction.

These are just some of the calls our helpline and its small team of advisors receive every day.

Many of the people coming to us are facing multiple issues that make it a daily struggle to survive. Alongside poverty, insecure housing or homelessness they may have long-term health conditions or disabilities, or be experiencing loneliness or social isolation.



This year, our helpline team took 27,432 calls

Mental health

We focus our support where it's needed most. Our teams are based in Kent's most deprived communities, helping to tackle the mental health inequalities that have been intensified by the pandemic.

Living in poverty, in areas of deprivation, lack of employment or poor housing can negatively impact on people's health and wellbeing. This means that poor mental health outcomes are common amongst the people we support.

Our teams take a person-centred approach, working to address all of the challenges a client might be facing to help them stay well and manage their own lives.

Expanding our support

To meet the growing need for mental health and wellbeing support, our Live Well Kent service expanded into Medway.

We're proud to be leading the local collaboration of community mental health services to deliver support for people as close to home as possible.

We're working with NHS, public health and local government partners to identify key areas of need and improve mental health services and systems across the county.

Live Well Kent & Medway is led by Porchlight and the charity Shaw Trust on behalf of Kent County Council and NHS Kent & Medway Clinical Commissioning Groups.

Last year, Live Well Kent & Medway supported 3,230 people in the most deprived areas of Kent

Live well
Kent and Medway

livewellkent.org.uk



Jane's story

When Jane reached out to us, she was in a dark place. She was battling an eating disorder, depression, and post-traumatic stress caused by previous trauma.

"I felt like I'd lost a lot of myself."

While searching for support, she found the Porchlight website. She got in touch, and we introduced her to Porchlight worker Lori.

Jane said she enjoyed photography, so Lori sourced her a camera. She also helped her find volunteering opportunities and apply for courses.

"It helped having someone to talk to. When I was worried about something, Lori was always there to help."

Jane says she now feels ready to be independent and strike out on her own.

"Thanks to Lori I've got my confidence back. Porchlight saved me from a very dark place, and I'll always be grateful for that."

Support for young people

The mental health of young people has been significantly impacted by the pandemic. But lack of capacity in specialist services means that many children and teenagers struggle to access the support they need.

We've been running Porchlight's adolescent wellbeing service (PAWS) 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, substance misuse or offending behaviour. The aim is to develop the young person's confidence and give them the tools to overcome similar issues in the future.

The service's success means we're expanding into Ashford, Dover and Folkestone & Hythe.

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

Bridging the gaps in support

We're at the forefront of local service development, working 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've also launched a peer support service to improve people's experience of mental health crisis care. It offers one-to-one support delivered in-person, online or over the phone, or regular peer-led group sessions.

And we have a service which carries out physical health and wellbeing checks on people with severe mental illnesses (SMI).



Building brighter futures for LGBTQ+ young people

We know that LGBTQ+ young people are at higher risk of mental health issues because of discrimination, lack of acceptance and abuse. Feelings of loneliness and isolation can exacerbate any problems they are already facing.

The BeYou Project operates across Kent and Medway, helping LGBTQ+ young people to feel included and build emotional resilience. It does this by providing safe spaces where they can be themselves and by working with the young people and their families to overcome any difficulties.

We've recruited a services development manager to help us deliver our ambitions around LGBTQ+ health, wellbeing and equality in Kent. And we've delivered a pilot project with schools, helping them to create more positive, nurturing environments for their LGBTQ+ students and staff.

This year, BeYou supported 451 young people and ran 156 group sessions

the BeYou PROJECT

thebeyouproject.co.uk

Communities

Strong relationships and support networks make a big difference to people's health and wellbeing. We support people to feel included, valued and more connected to their communities.

Porchlight Open Door

Porchlight Open Door helps people connect with the services and support networks they need within their local community.

The weekly sessions – PODs – are run by our friendly team. As well as providing a listening ear, they offer practical help with things like forms and phone calls and give advice and support with everything from housing, debt or benefits, to getting new skills or finding a job.

PORCHLIGHT OPEN DOOR

We ran 260 Porchlight Open Door sessions

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

COMMUNITY FUND

Thanks to the National Lottery Community Fund, we're able to deliver Porchlight Open Door in even more locations in Kent. As well as Canterbury, Margate, Dover and Dartford, we run a women's-only POD in Folkestone. We're hoping to extend into Ramsgate in the year ahead.

Becoming work-ready

Work is the best route out of homelessness and poverty but typical employment support does not meet the needs of our clients.

Our work, health and learning team offer an intensive programme to help clients 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 in a joined up way.

This year, we supported 174 people into work



Aaron's story

Aaron started attending our PODs after his probation officer put him touch with Porchlight.

"From day one, I loved it. When I walked in, I was nervous. But it just felt warm and comfortable."

He started taking part in fitness sessions at the meet-ups, which gave him the opportunity to exercise and connect with others at the same time. Suddenly everything fell into place.

"It just changed my whole life overnight. It helped me come into my own."

Now Aaron regularly leads the fitness sessions and has become part of the team. Participants have even started coming to him for advice or a chat.

"I love helping people, just knowing you've put a smile on someone's face."

Breaking down barriers

Our Aspirations service uses arts, sports and training to support people with poor mental health who are unemployed and geographically or socially isolated.

If someone is unemployed and feels that their mental health is a barrier to finding a job, the Aspirations team will help.

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

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

Aspirations and our delivery partners supported 471 people

Involving the people we support

The heart of our success as an organisation is the involvement of our clients in the decisions that matter. We know that actively empowering our clients to have their voices heard, to make informed decisions and to have real influence can help us build a charity that works better for everyone.

Our clients educate and guide us, helping us to respond in the right way, to plan for the future and to design and deliver solutions that truly meet the needs of the people we support.

Through our involvement team, our clients have their say on how our services are run. This allows them to reflect on their own needs and influence changes to improve everyone's experience.

We run steering groups that give people opportunities to influence the development of our services.

If people want to develop their confidence, we encourage them to step outside of their comfort zone and engage in activities that challenge them. 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, 71% of Porchlight interview panels included client representatives



Rosalie's story

After relocating during the pandemic, Rosalie felt lonely and directionless.

"I wanted to work but it had been a long time since I'd applied for jobs. It was daunting."

Our Aspirations service helped Rosalie to build her confidence and her employment skills. She's now a driver on a school bus for children with autism.

"I love my job. I know this is where I'm supposed to be."

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 the charity achieve its aims. They ensure that the charity has a clear strategy, and that our work and goals are in line with our vision.

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

Trustee recruitment is managed by an appointment panel which includes our chair, our chief executive and one trustee. New trustees are given a full induction to ensure that they understand their role and responsibilities and have a good understanding of the charity's work overall.

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

Last year, 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, and Kent & Medway Clinical Commissioning Group. 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.

Fundraising

Registered with FUNDRAISING REGULATOR



Thanks to your support, we're helping people recover from the pandemic and manage the worsening cost of living crisis.

We're so grateful for the creativity and compassion of our donors and supporters who didn't let coronavirus restrictions prevent them from helping people in their communities.

People and businesses found creative new ways to support our work while restrictions were in place.

In the summer, we were delighted to return to in-person fundraising events. These included a golf day at Boughton, several sponsored sleep outs and a sculpture event at Godinton House.

Our thanks go out to every school, corporate partner, community and faith group, major donor and individual funder who supported us over the year to raise £938,395. It means that we can be here to support Kent's most vulnerable people who need us more than ever before.

We launched an appeal to raise funds for new Porchlight properties. The 'Make a House a Home' appeal raised over £130,000 and has helped us create comfortable and safe homes for people who've been homeless.

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.

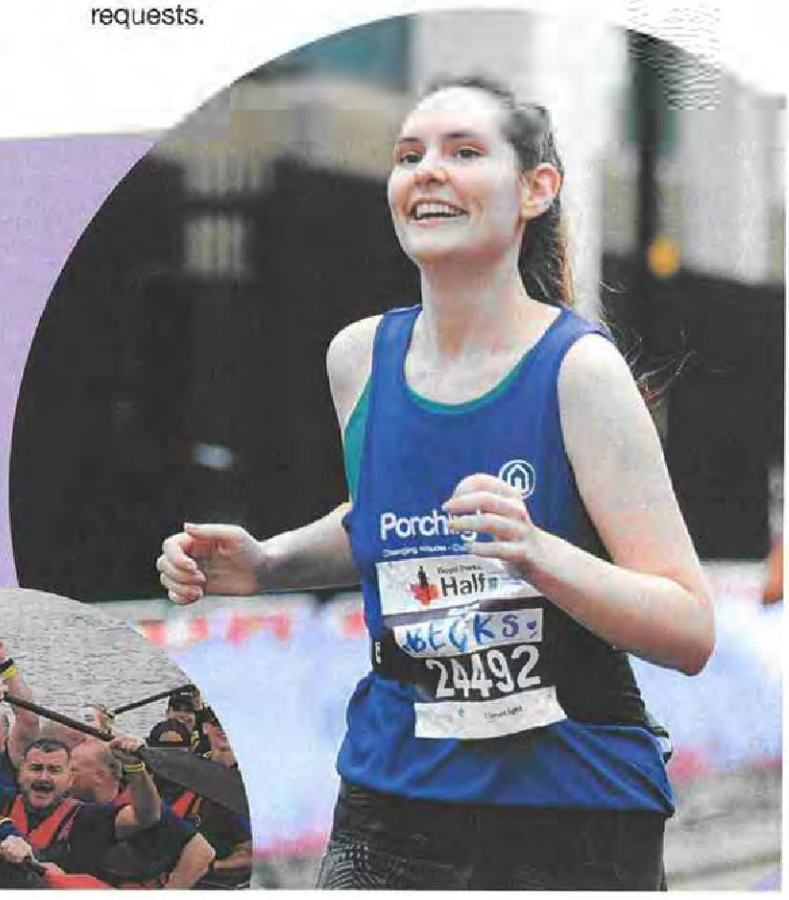
All of our fundraising staff are members of the Chartered Institute of Fundraising. We have safeguards in place to protect our supporters and the reputation of our charity. We ensure that all third parties have safeguarding measures in place too and we expect everyone to comply with the Code of Fundraising 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.

This year, we received one complaint about our fundraising activity and reported it 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.

Our fundraising year in numbers

- **62 talks, workshops and school assemblies reached over 5,285 children and adults**
- **Our corporate supporters raised £110,740**
- **Our 'Make a house a home' appeal generated £131,686**
- **750 new donors supported us**



Strategic report



Financial review

Our income for the year was £13,731,499, an increase of 8.6% on last year. Our expenditure increased by 7% on last year's. We had an unrealised gain on our investment property of £40,628, leading to a surplus of £860,158.

Income

This year, 69% (2021: 68%) of our income came from government grants and 13% (2021: 13%) from rental income within our properties. The rest was made up of voluntary income and funding from charitable trusts.

Charitable expenditure

We spent £12,593,815 on our charitable activities, supporting homeless, vulnerable and isolated people in Kent. We are continuing to invest in property to improve 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.

key activities

r operational structure with moving to three directorates – ental health and communities t the charity's activities where most.

ssness directorate includes nmodation project, which was previously categorised under our youth and families' activities. Because of this, our expenditure for homelessness is very similar to last year.

Ongoing funding and investment from the Ministry of Housing, Communities and Local Government has allowed us to continue our life-saving outreach services, supporting people away from the streets.

Our **mental health** directorate includes Live Well Kent & Medway, our LGBTQ+ services and young persons' services. Expenditure in this area has increased by over £1m because of new contracts awarded in Medway.

Our **communities** directorate includes our Aspirations service, funded by the European Social Fund, and our work, health and learning projects. Expenditure has significantly reduced in this area because of the loss of the family support service mid-way through last year.

We're growing our presence in local communities thanks to £500,000 from the National Lottery Community Fund. It means we're able to deliver our Porchlight Open Door hubs in more areas, helping to connect people with the services and support they need.

Reserves policy

At the end of the year, we held total funds of £3,898,011 (2021: £3,037,853). 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.

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 further 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, our restricted funds totalled £833,568 (2021: £598,629).

We have carried forward designated funds for



our women's services, Housing First projects and some specific posts within Kent Homeless Connect. Because we raised alternative funding for these posts, the trustees have agreed the designated funding should be retained for the future.

Designated funds totalled £239,615 (2021: £243,066) at the end of the year.

Free reserves

Our free reserves are the part of the charity's unrestricted income that is freely available after taking account of the funds that have been earmarked for specific purposes. The free reserves currently stand at £1,352,259 (2021: £1,187,781) and are calculated as follows:

Total unrestricted funds	£3,064,443
Less designated funds	(£239,615)
Less unrestricted fixed assets	(£1,472,569)
Total free reserves	£1,352,259

Going concern

Kent County Council's proposal to end the Kent Homeless Connect service in September 2022 will impact heavily on the charity and the vulnerable people who rely on its support.

We're doing everything we can to build our financial stability, seeking new income streams and developing new partnerships to keep this vital support in place.

The trustees have assessed Porchlight's financial position, looking at our other contracts and the work we're doing to diversify our income, and they feel confident in the charity's ability to operate as a going concern.

During the year we continued to pay for professional deep-cleaning and additional concierge services where we were short-staffed because of Covid-19.

We're so grateful to have continued to receive support from our amazing donors and as a result our fundraising income has not been negatively affected by the pandemic.

We will use our free reserves to fund [illegible] excess expenditure during the next financial year, and potentially over the following years, to sustain the charity during the expected post-Covid 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 2023.

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.

Environmental responsibility

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

- investigate new ways to work sustainably 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 £860,158.

Rent collected as a percentage of rent due (target minimum 94%)
How we performed: 91.1%. The pandemic has had a big impact on our rent arrears. We support people to prevent and manage arrears, helping them to set up repayment options and supporting them to maximise their income.

Our aim is to help people maintain their accommodation and we only use eviction as a last resort. But with the eviction ban in place, we were unable to take action against residents and we've been left with some very significant rent arrears.

Level of voids as a percentage of rental income (target under 4%)
How we performed: 5.9%. The eviction ban meant we were unable to tackle problematic behaviour such as aggression towards staff or other residents. To make our properties safer for everyone, we made the decision to keep some rooms vacant. And with the proposal to end the Kent Homeless Connect service from September 2022, we also made the difficult decision to wind down some of our housing projects.

Rent arrears as a percentage of total rental income (target 2%)
How we performed: 5.9%. The pandemic has had a major impact on our rent arrears. We've done everything we can to maintain close and transparent communication with our residents, working together to try and make the best of a difficult situation. We've helped people to set up payment plans and attempted to resolve any issues before they escalate, but we're going to be feeling the repercussions of the crisis for some time.

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 and replacement funding not yet secured
- 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 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 20 July 2022 and signed on its behalf by:

H Edridge
Trustee

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 2022 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 2022 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 pages 18 and 19, 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 laws 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 **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.

RSM UK Audit LLP

Zoë 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: 28 July 2022

Statement of financial activities (including income & expenditure account)

for the year ended 31 March 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income:					
Donations and legacies	2	767,931	117,080	**885,011**	973,097
Charitable activities	3	8,810,107	4,004,316	**12,814,423**	11,653,624
Trading income		18,535	-	**18,535**	6,052
Investment income	4	13,530	-	**13,530**	9,870
Total income		**9,610,103**	**4,121,396**	**13,731,499**	12,642,643
Expenditure:					
Raising funds	5	318,154	-	**318,154**	216,739
Charitable activities	6	8,666,730	3,927,085	**12,593,815**	11,843,408
Total expenditure		**8,984,884**	**3,927,085**	**12,911,969**	12,060,147
Net gains on investments		**-**	**40,628**	**40,628**	-
Net income		**625,219**	**234,939**	**860,158**	582,496
Net movement in funds		**625,219**	**234,939**	**860,158**	582,496
Reconciliation of funds					
Total funds brought forward		**2,439,224**	**598,629**	**3,037,853**	2,455,357
Total funds carried forward		**3,064,443**	**833,568**	**3,898,011**	3,037,853

The notes on pages 26 to 34 form part of these financial statements.

Balance sheet

as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	9	**1,639,900**	1,177,389
Investment property	10	**394,851**	354,223
		2,034,751	1,531,612
Current assets			
Debtors	11	**2,126,034**	2,103,964
Cash at bank and in hand		**2,555,984**	1,945,909
		4,682,018	4,049,873
Liabilities			
Creditors: Amounts falling due within one year	12	**(2,235,539)**	(2,241,958)
Net current assets		**2,446,479**	1,807,915
Total assets less current liabilities		**4,481,230**	3,339,527
Creditors: Amounts falling due after one year	13	**(583,219)**	(301,674)
Total net assets		**3,898,011**	3,037,853
The funds of the charity			
Restricted income funds	15	**833,568**	598,629
Unrestricted funds	15	**3,064,443**	2,439,224
Total charity funds		**3,898,011**	3,037,853

Company number: 01157482

The financial statements on pages 23 to 34 were approved and authorised for issue by the board of trustees on 20th July 2022 and signed on their behalf by:

H Edridge
Trustee

C Wright
Trustee

Statement of cash flows

for the year ended 31 March 2022

	Note	Total funds 2022 £	Total funds 2021 £
Cash provided by operating activities	A	878,123	464,582
Cash flows from investing activities			
Interest		13,530	9,870
Proceeds from the sale of fittings and equipment		-	29,000
Purchase of fixed assets		(573,110)	(584,285)
Cash used in investing activities		(559,580)	(545,415)
Cash flows from financing activities			
Repayments of borrowing		(16,468)	-
Cash inflows from new borrowing		308,000	310,405
Net cash provided by financing activities		291,532	310,405
Change in cash and cash equivalents in the year		610,075	229,572
Cash and cash equivalents at the beginning of the year	B	1,945,909	1,716,336
Total cash and cash equivalents at the end of the year	B	2,555,984	1,945,908

Note A

Reconciliation of net income to net cash flow from operating activities

Net income for the year (as per the statement of financial activities)	860,158	582,496
Adjustments for:		
Depreciation charges	110,599	101,846
(Gain) on investments	(40,628)	-
Interest from investments	(13,530)	(9,870)
Profit on sale of fixed assets	-	(3,984)
(Increase) / Decrease in debtors	(22,070)	(1,267,022)
Increase / (decrease) in creditors	(16,406)	1,061,116
Net cash provided by operating activities	878,123	464,582

Note B

Analysis of cash and cash equivalents

Cash in hand	2,555,984	1,945,909

Note C

Analysis of change in net debt	At 1 Apr 2021	Cashflows	Non-cash changes	At 31 Mar 2022
Cash and cash equivalents	1,945,909	610,075	-	2,555,984
Cash borrowings				
Loans falling due within one year	(8,731)	16,468	(26,455)	(18,718)
Loans falling due after more than one year	(301,674)	(308,000)	26,455	(583,219)
	(310,405)	(291,532)	-	(601,937)
	1,635,504	318,543	-	1,954,047

Notes to the accounts

for the year ended 31 March 2022

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 trustees have considered the appropriateness of the going concern assumption for the preparation of the financial statements. In making that assessment they have considered forecasts for the period to August 2023, the twelve months from the date of approval of these financial statements. The trustees have assessed current contracts, and the work the charity is doing to diversify income streams and they feel confident in the charity's ability to continue as a going concern.

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.

1.15 Prior period adjustment

The apportionment of income and expenditure within charitable activities has changed to three main activity headings: Homelessness, Mental Health and Communities, replacing the previous four as these better reflect the nature of the activities undertaken. This has led to a reclassification and a prior period adjustment in the accounts. The comparatives have been restated as a result. There is no impact on the total comparative income, expenditure, overall staff numbers, result for the year or closing reserves at 31 March 2021.

2. Donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 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**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Gifts and donations	770,930	157,576	**928,506**
General grants	250	919	**1,169**
Donated goods and services	43,422	-	**43,422**
Total	**814,602**	**158,495**	**973,097**

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 2022 £	Restricted funds 2022 £	Total funds 2022 £
Homelessness services			
Rent / Accommodation charges	1,809,602	-	**1,809,602**
Kent County Council	2,773,171	145,939	**2,919,110**
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**
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	[illegible]	**5,802,475**
Communities			
European Social Fund income	50,054	[illegible]	**851,157**
Local authority grants	-	[illegible]	**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**

2021 Charitable activities restated

The comparatives have been restated below to better reflect the nature of the charity's activities. The charitable activities now being split into the following three areas: Homelessness, Mental Health and Communities.

There has been no change in the overall total income for the prior year on the face of the SOFA. See note 20.

Charitable activities 2021	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Homelessness services			
Rent / Accommodation charges	1,626,150	-	**1,626,150**
Kent County Council	2,853,209	-	**2,853,209**
Local authority grants	293,099	578,248	**871,347**
Big Lottery Fund	-	83,917	**83,917**
Delivery network income	206,019	-	**206,019**
Other grants receivable		61,816	**61,816**
	4,978,477	723,981	**5,702,458**
Mental health services			
Kent County Council	3,436,526	[illegible]	**3,461,526**
CCG income	386,804	[illegible]	**647,749**
Local authority grants	[illegible]	[illegible]	**92,693**
Delivery network income	[illegible]	[illegible]	**154,300**
Other grants receivable	[illegible]	[illegible]	**11,924**
	3,823,330	544,862	**4,368,192**
Communities			
Kent County Council	620,000	-	**620,000**
European Social Fund income	59,963	855,015	**914,978**
RBLI income	-	14,462	**14,462**
Other grants receivable	-	33,534	**33,534**
	679,963	903,011	**1,582,974**
Total	**9,481,170**	**2,172,454**	**11,653,624**

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 £9,444,145 (2021: £8,546,524).

There were no unfulfilled conditions attached to government grants recognised in the year (2021: None).

4. Investment income

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Rental income from investment property	13,530	9,870
Total	**13,530**	**9,870**

5. Raising funds

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Expenditure on raising donations and legacies	**318,154**	216,739
Total	**318,154**	**216,739**

6. Charitable activities

	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**
	5,299,276	4,985,063	1,241,879	**11,526,218**
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**
	430,189	531,014	106,394	**1,067,597**
Total	**5,729,465**	**5,516,077**	**1,348,273**	**12,593,815**

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

Expenditure on charitable activities was £12,593,815 (2021: £11,843,408), of which £8,666,730 (2021: £9,581,404) was unrestricted and £3,927,086 (2021: £2,262,004) was restricted.

Within governance costs is directors' and officers' insurance at a cost of £6,196 (2021: £4,590).

2021 Charitable activities restated

The comparatives have been restated below to better reflect the nature of the charity's activities. The charitable activities now being split into the following three areas: Homelessness, Mental Health and Communities.

There has been no change in the overall total expenditure for the prior year on the face of the SOFA. See note 20.

Charitable activities 2021	Homelessness services	Mental health services	Communities	Total 2021
	£	£	£	£
Activities undertaken directly				
Staff costs	2,687,328	1,727,758	1,214,522	**5,629,608**
Premises costs	1,251,136	81,477	46,135	**1,378,748**
Delivery network fees	612,350	2,143,787	373,957	**3,130,094**
Office costs	137,962	57,339	27,979	**223,280**
Tenant welfare fund	169,428	32,405	73,328	**275,161**
Sundry expenses	3,742	282	469	**4,493**
	4,861,946	4,043,048	1,736,390	**10,641,384**
Support costs				
Governance	17,869	14,859	6,381	**39,109**
Management & administration	144,735	111,714	42,772	**299,222**
Finance	95,649	73,827	28,267	**197,743**
Human resources	46,043	35,538	13,607	**95,188**
Communications	276,081	213,093	81,588	**570,762**
	580,377	449,031	172,615	**1,202,023**
Total	**5,442,323**	**4,492,079**	**1,909,005**	**11,843,408**

7. Analysis of staff costs

	2022	2021
	£	£
Salaries and wages	**5,683,626**	5,475,614
Social security costs	**485,747**	465,682
Pension costs	**280,006**	276,400
Total	**6,449,379**	**6,217,696**

Included in pension costs above is an amount of £[illegible] (2021: £43,401) relating to restricted expenditure. Pension contributions of £41,728 (2021: £39,911) were payable at the year end.

Redundancy payments totalling £76,885 (2021: £[illegible]) were made in the year. No amounts were outstanding at the year end (2021: £nil).

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

	2022	2021
£110,000 - £120,000	**1**	1

The trustees did not receive any remuneration or benefits in kind in either year. £nil (2021: £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 £384,294 (2021: £383,636). During the year no new staff loans were paid to key management personnel (2021: £nil), and no amounts were outstanding at the year end.

The average number of employees during the year was as follows (the 2021 numbers have been restated in line with the reclassification of activities under the three directorates):

	2022 number	[illegible]mber restated
Homelessness services	**99**	93
Mental health services	**76**	57
Communities	**23**	41
Management & administration	**31**	33
Total	**229**	224

8. Movement in total funds for the year

	2022	2021
	£	£
This is stated after charging:		
Operating leases – equipment	**48,663**	40,167
Operating leases – land and buildings	**344,087**	323,715
Depreciation	**110,599**	101,948
Profit on disposal of fixed assets	**-**	3,984
Auditor's remuneration for statutory audit	**18,000**	17,400

9. Tangible fixed assets

	Freehold property	Leasehold property	Fixtures, fittings and equipt	Total
	£	£	£	£
Cost				
At 1 April 2021	636,735	610,999	637,133	**1,884,867**
Additions	454,172	-	118,938	**573,110**
Disposals	-	-	(7,080)	**(7,080)**
At 31 March 2022	**1,090,907**	**610,999**	**748,991**	**2,450,897**
Depreciation				
At 1 April 2021	16,117	203,013	488,348	**707,478**
Charge for the year	13,091	4,167	93,341	**110,599**
Disposals	-	-	(7,080)	**(7,080)**
At 31 March 2022	**29,208**	**207,180**	**574,609**	**810,997**

Net book value				
At 31 March 2022	**1,061,699**	**403,819**	**174,382**	**1,639,900**
At 31 March 2021	620,618	407,986	148,785	1,177,389

Included in freehold property above is land at a value of £436,636 (2021: £254,694) which is not depreciated.

10. Investment property

	Total
	£
Fair value	
At 1 April 2021	**354,223**
Gain on revaluation of investment property	**40,628**
At 31 March 2022	**394,851**

The fair value of the investment property at 31 March 2022 has been arrived at on the basis of an online valuation review and market value as confirmed by Oakwood Homes Estate Agents Ltd at that date. Oakwood Homes have no connection with the charity. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

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

	2022	2021
	£	£
Other debtors	**299,530**	222,298
Grants receivable	**1,617,129**	1,699,373
Prepayments	**209,375**	182,293
Total	**2,126,034**	**2,103,964**

12. Creditors – amounts falling due within one year

	2022	2021
	£	£
Bank loan	**18,718**	8,731
Trade creditors	**422,928**	409,595
Other creditors	**56,054**	116,499
Other taxes and social security costs	**119,942**	116,286
Accruals and deferred income	**1,617,897**	1,590,847
Total	**2,235,539**	**2,241,958**

Deferred income:	2022	2021
	£	£
Brought forward	**1,162,804**	85,282
New amounts deferred	**[illegible]02**	1,162,804
Released to SOFA	**[illegible]04)**	(85,282)
Total	**1,291,802**	**1,162,804**

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

13. Creditors – amounts falling due after one year

	2022	2021
	£	£
Bank loan:		
Between 2 - 5 years	**74,872**	34,924
After more than 5 years	**[illegible]**	266,750
	583,219	301,674

The bank loan is repayable over a 25 year term. There were 23 years and 9 months left to repay at 31 March 2022.
The bank loan is secured over the assets of the charity, by CAF bank, by way of debenture.

14. Financial instruments

	2022	2021
	£	£
Financial assets measured at fair value	394,851	354,223

15. Analysis of charity funds

	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**

	Balance at 1 Apr 20	Income	Expenditure	Balance at 31 Mar 21
Restricted funds	£	£	£	£
New Town Street building fund	170,695	-	(1,682)	169,013
Homelessness services	-	938,441	(879,893)	58,548
Mental health services	2,763	1,007,991	(993,909)	16,845
Communities	2,003	364,512	(366,515)	-
Investment property	354,223	-	-	354,223
Total restricted funds	529,684	2,310,944	(2,242,000)	598,629

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 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**

	Balance at 1 Apr 20	Income	Expenditure	Balance at 31 Mar 21
Unrestricted funds	£	£	£	£
General unrestricted fund	1,843,607	10,300,694	(9,798,143)	2,196,158
Designated funds	82,066	11,000	-	243,066
Total unrestricted funds	**1,925,673**	**10,311,694**	**(9,798,143)**	**2,439,224**

Designated funds relate to monies set aside for Housing First, women's services, as well as specific posts and property costs within the Kent Homeless Connect service. Due to unrestricted funding covering this during the year, minimal amounts were spent from the designated funds. The trustees are of the opinion this is still necessary to ringfence for future years.

There were no transfers between funds in the current year (2021: £150,000).

Summary of funds	Balance at 1 Apr 21 £	Income £	Expenditure £	Balance at 31 Mar 22 £
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**

Summary of funds	Balance at 1 Apr 20 £	Income £	Expenditure £	Balance at 31 Mar 21 £
Restricted funds	529,684	2,330,949	(2,262,004)	[illegible]
Unrestricted funds	1,925,673	10,311,694	(9,798,143)	[illegible]
Total funds	**2,455,357**	**12,642,643**	**(12,060,147)**	[illegible]

16. Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 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**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Fixed assets	1,008,377	523,235	**1,531,612**
Net current assets	1,732,522	75,394	**1,807,915**
Long term liabilities	(301,674)	-	**(301,674)**
Total	**2,439,225**	**598,629**	**3,037,853**

17. Operating lease commitment

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

	Land and Buildings 2022 £	Land and Buildings 2021 £	Other 2022 £	Other 2021 £
Due within one year	**263,153**	231,072	-	40,167
Between one and five years	**545,928**	558,888	-	-
After five years	**262,333**	319,[illegible]	[illegible]	-

18. Taxation

Porchlight is a registered charity and as such its income and gains falling within Sections 471 [illegible] poration 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 £3,386 (2021: £4,040) were received from the trustees during the year.

20. Prior period adjustment

A prior period adjustment was required due to the decision to categorise charitable activities into three main areas in line with changes to contracts: Homelessness, Mental Health and Communities. The 2021 comparatives have been restated (see notes 3, 6 and 7), this did not impact on reserves or the final result for the year.

Porchlight

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Porchlight1974

PORCHLIGHT

England & Wales - Charity number 267116

Accounts

Porchlight

Report and Financial Statements

For the year ended 31 March 2021

Porchlight Trustees' report 2020/21

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 9,300 individuals were supported by Porchlight and our partners

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 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

Our values

Inclusiveness Integrity Compassion Empowerment Passion Innovation

Trustees and administration

Chair of Trustees

Hilary Edridge, chair # + $

Trustees

Howard Cohn, deputy chair (resigned 30 September 2020) £ !

Louise Coakley (resigned 26 May 2021) +

Colin Wright + $

Dominic Deeson # !

Thomas Evans £

Stephanie Goad # !

Dr Jenny Robson £ !

Gill Ridge – Treasurer (resigned 29 January 2021) £ $

Naomi Simcox + !

Dr Stuart Field (resigned 29 July 2020) #

Dr Nicholas Ward (appointed 20 May 2020) # !

Patrick Fuller (appointed 30 September 2020) #

Belinda Naiken-Payne (appointed 30 September 2020) £

Sue Baker (appointed 17 February 2021) #

Member of the fundraising and communications sub-committee

\+ Member of the HR sub-committee

£ Member of the finance and risk sub-committee

! Member of the performance and quality sub-committee

$ Member of the remuneration committee

Key management personnel

Michael Barrett, Chief Executive Officer/company secretary

Catherine Keen, Finance Director

Joanne Dawes, Director of Fundraising and Communications

Peter Murphy, Director of Human Resources (until Oct 2020)

Sarah Dennis, Director of Human Resources (from Nov 2020)

Aidan Gray, Director of Development and Innovation

Chris Coffey, Director of Operations

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

Charity registration number: 267116

Registered company number: 01157482 Incorporated in England and Wales

Independent Auditor

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

Solicitors

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

Bankers

CAF Bank, 25 Kings Hill Ave, Kings Hill, West Malling ME19 4JQ

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

Welcome

From Mike Barrett, Chief Executive, and Hilary Edridge, Chair

This has been a year like no other for the charity sector. Dominated by Covid-19, we've been challenged in so many ways, from service delivery to fundraising. But here at Porchlight we've seen positives too, both in the way we responded and what we achieved in the face of the pandemic.

When the crisis began, we adapted quickly, working around the clock to keep our essential services going. The external environment was changing all the time so we had to be proactive, anticipating staff's needs and answering their questions as quickly as possible.

Many of our staff suddenly found themselves having to learn new ways of working in an environment of confusion and fear. The safety and health of our workforce and clients was an absolute priority, not just in terms of infection prevention and control but in trying to manage the levels of anxiety and uncertainty that people were feeling.

Our supported housing staff faced particular challenges. Providing care and support to residents with very complex needs, including people who had tested positive for coronavirus, they were on the frontline of our response.

We're so proud of our staff who stepped up, time and time again, with such courage and determination, to make sure that no one was left to face the crisis alone.

Some of our services moved online so they could keep supporting the most vulnerable people in our communities. As people were cut off from their usual social networks, we knew

that maintaining contact was critical. Over the year, we developed our online offer, providing new services virtually and reaching people we might otherwise have struggled to engage.

Our staff made 70,000 phone calls and 7,154 video calls to clients

Our rough sleeper team worked tirelessly, linking with our partner agencies to help people off the streets and into the emergency accommodation provided under the *Everyone In* scheme.

The government's response undoubtedly saved lives. But with hundreds of people still living in B&Bs and other temporary accommodation, the need for more permanent housing solutions has never been greater.

This year, we took referrals for more than 1,000 people who were rough sleeping

The lack of affordable housing in Kent prevents organisations like Porchlight from finding safe and secure housing for the people we support. With the impact of the pandemic pushing many more households into financial hardship, it's a problem we can't afford to ignore.

We're working with investors to purchase and develop more affordable homes and we're raising awareness of the housing crisis with local influencers and decision makers so that we can explore solutions together.

Lockdown rules put a stop to our fundraising events and face-to-face activities but we continued to bring in much-needed funds thanks to the dedication and creativity of our amazing supporters. They found new ways to help us, taking on challenges at home and donating with enormous generosity to support our emergency response to the pandemic.

Income generation remains a key priority as we brace ourselves for the long-term impact of the pandemic on our communities. People experiencing deprivation are already at greater risk of mental and physical ill health and the extra emotional strain caused by Covid-related job losses, worries about money, housing, heating and food is increasing those inequalities.

Our community mental health service supported more than 5,800 people across Kent

We're expecting to see an upsurge in demand for our services as the government's protection measures – the £20 universal credit uplift, the furlough scheme and the eviction ban – come to an end. We're drawing on our local knowledge and expertise to position ourselves where we're needed most, helping the most vulnerable people to manage their everyday lives so they can stay well and feel hope for a brighter future.

The UK's recovery from Covid-19 will be slow. But this unprecedented situation gives Porchlight an opportunity to push for change, to reduce the shocking levels of inequality in our communities and build a society that works better for those who have been left behind for too long.

Our work during the pandemic

With the country in lockdown, in-person support was paused across many of our services but our teams adapted to new ways of working, moving our activities into virtual spaces and helping people to use the technology.

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

Activities included cookery workshops, mindfulness, relaxation and art sessions, and book clubs. We encourage people to take part in group discussions, helping them to build confidence and open up to support around other aspects of their lives.

For people who have been homeless, this is an important step in overcoming the trauma they've experienced and moving towards a brighter future.

Virtual meet-ups have allowed us to work with people who might otherwise have found it hard to engage, including those with physical challenges or anxiety. They can sit in on sessions with their cameras and microphones switched off until they feel more comfortable.

Despite the strides forward in virtual communication, many of our clients remain digitally excluded, lacking the skills and confidence to participate, along with having limited or no access to equipment and connectivity.

To partly overcome this issue, we've purchased phones and laptops to help people stay connected with the support they need. We want to make our services more inclusive by further exploring the potential for hybrid meet ups which allow people to attend in-person and remotely.

"Paul set me up with a laptop which we now all use. It's been amazing for my daughters while they're still at home from school. It's also given me the opportunity to join online social groups to meet new people. A real lifeline." **Bernie**

We've been awarded £500,000 of Big Lottery funding to run community hubs across Kent

We're bringing our in-person community hubs back in a Covid safe way and thanks to Big Lottery funding, we're able to deliver them in even more locations in Kent.

Our hubs are places where people who have experienced homelessness or struggle with their mental health can meet others, get advice and take part in activities that encourage them to develop new hobbies, push themselves and achieve new goals.

The lockdowns didn't stop us involving the people we support in shaping the way the organisation is run. Our lived experience advisory panel, staff recruitment and women's services development groups continued to meet online, helping us to plan for the future and deliver solutions that truly meet the needs of the people we support.

Recruitment was frozen for a time but when it opened up, our clients adapted their skills to sit on virtual interview panels. This is a critical part of our involvement activity – it's about working together in equal partnership but we're also sending potential employees a strong message about Porchlight's values.

This year, 64% of interview panels included client representatives

Ensuring people don't miss out on the Covid vaccine

With many rough sleepers now housed in temporary accommodation, a big focus for our outreach team has been ensuring people are registered with a GP and supported to access the vaccination programme.

We worked with councils and other organisations to get more than 80 people who had been rough sleeping to vaccination sites across Kent. We organised travel arrangements and our staff were onsite providing drinks and food.

We also opened the doors of our homelessness properties so that residents who are classed as vulnerable and on the priority list, could be vaccinated.

Client safety has become even more of a focus during the pandemic and we want to make sure that everyone understands what they need to do to keep themselves and others safe.

When the first lockdown was introduced, we produced accessible guidance for our accommodation-based clients. It clearly outlined the rules about not leaving home or having visitors, what to do if you have symptoms and the importance of handwashing, face covering and social distancing.

The pandemic has put many of our community-based clients at even greater risk of isolation and we wanted people to feel confident about accessing our support. We produced a video and an infographic which explained what might be different about our in-person support sessions and how we're working within the new restrictions to keep everyone safe.

We've continued to update our guidance for clients and staff, based on the latest government advice and we have rigorous risk assessments in place to make all of our work settings Covid-secure. Our response to the pandemic was reviewed by independent health and safety advisors, The Bradley Group.

They said: '***Porchlight have done an outstanding job so far on managing the Covid-19 pandemic within their organisation and therefore should be proud of the efforts they have put in'.***

Looking after our staff's mental health and wellbeing

The pandemic has made working environments which were already difficult much more challenging. The emotional strain of supporting very vulnerable people whilst dealing with their own fears and anxieties has put huge pressure on our staff.

Extended periods of working at home, adapting to new technology and juggling family responsibilities have also taken their toll. Staff's mental health and wellbeing has been a concern and we regularly remind them of the range of support that is available, trying to offer comfort and encouraging people to reach out if they are struggling.

In recognition of their efforts, we gave our staff three extra days of annual leave

We provide professional support through our employee assistance programme and we've also invested in training mental health first aiders. Our staff can talk confidentially about anything that is troubling them in their personal or work life and be supported and guided towards the services that can help.

Staff surveys showed that 72% of staff felt well supported by Porchlight during the pandemic.

As the demand for our services grows, our helpline team are busier than ever. They're supporting more and more people who are struggling with Covid-related job losses, worries about money, housing, heating and food and being cut off from support networks.

Between April and October 2020, referrals into our homelessness services more than doubled

The new social and economic landscape has vast implications for the mental health of the communities that we serve.

Long before the pandemic hit, Porchlight services were already working hard to reduce the impact of the social determinants of mental health – deprivation, unemployment, housing instability and isolation – on communities in Kent.

We are stepping up our efforts, making sure our services can meet the growing need to prevent a legacy of declining mental health in the years ahead.

Directing people to support

We've run awareness campaigns on our social media channels to remind people that we're here for them.

We've signposted people to our helpline team, but also to our website which is regularly updated with information on how to stay safe during Covid, advice for people who are facing job loss or housing insecurity, or having difficulties with money, benefits or food.

www.porchlight.org.uk

This year, our volunteers gave more than 3,000 hours of support

At the start of the pandemic, like many organisations, we took the decision to stop our volunteering support across many areas of our work.

Trainee counsellors have continued to provide our clients with much needed support over the phone. And our amazing outreach volunteers have continued to support our rough sleeper team, carrying out outreach sessions and supporting homeless people into emergency accommodation.

Our volunteers spent weeks befriending a man with PTSD who was sleeping in a stairwell. After many weeks of checking in to say hello, offering a coffee and reminding him help is available, he opened up to them.

He's now safely indoors and says he's proud of his new home. We're really pleased to say he's also started rebuilding a relationship with his family.

Our strategy for recovery

We've set out four strategic priorities which will guide our work through the next three years (2021-2024) and help us meet the growing need in our communities.

These priorities capture the core of who we are at Porchlight, demonstrating our commitment to bringing about real change and moving us closer to our vision of a fairer society that works better for everyone.

- **People have a safe and stable 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**

How will we get there?

You can read our detailed objectives (what we'll focus on to achieve our goals) at porchlight.org.uk

Our new strategy is ambitious and we'll need more than just our own expertise to deliver it. We'll be increasing and strengthening our engagement with other organisations and partners, working across wider networks to improve our support and target it where it's needed most.

We want to grow our reputation and influence as one of Kent's leading charities, forging new relationships to secure much needed funding and resources. Porchlight will inspire people to join our cause so that together we can build pressure for bigger change.

Responding to the crisis transformed our ways of working and we want to explore the full potential of digital technology to improve our operations. We're continuing to evaluate the effectiveness of remote support, and its use alongside in-person support, to give our clients more choice over how they want to engage.

We want to make better use of data to improve what we're doing, and to gather more evidence of our impact, our value for money, our innovative approaches and why they work. We'll use this evidence to advocate for the holistic support we believe in; how working to address all of the challenges a person faces can help them stay well and manage their own lives.

We want to deliver the best possible services to our clients and our communities. This means investing in our workforce, providing them with exceptional training and education, looking after their wellbeing, and creating a supportive environment where we celebrate each other's differences and treat each other with respect.

We're so grateful to the many members of the Porchlight community who contributed their ideas, thoughts and perspectives to help shape our new strategy – it reflects all of their voices.

We'll continue to live by our values, putting inclusion at the heart of what we do and making sure that our clients are consistently involved – not just in decisions about their own support, but at every level of the organisation.

We will work hard to deliver everything we have set out to do, building even stronger foundations so that we can be here – now and in the future – for the people that need us more than ever.

Our achievements in 2020/21

- More than 9,300 individuals were supported by Porchlight and our partners
- Our staff made 70,000 phone calls and 7,154 video calls to clients over the year
- Our helpline received 33,678 calls
- We supported more than 619 people who were rough sleeping in Kent

- We helped 1,850 people who were at risk of losing their home
- Our community mental health service supported more than 5,800 people across Kent
- 36% of people supported by our Live Well Kent service had a serious mental illness

Homelessness services

Our homelessness teams have been on the frontline throughout the pandemic, making sure people have access to safe and secure housing.

Much of this was done as part of Kent Homeless Connect – a network of support services led by Porchlight and the charity Look Ahead on behalf of Kent County Council.

Kent Homeless Connect recognises that people with very complex needs – who are homeless or at risk of becoming homeless – are likely to need support from a range of services at once. We bring together local expertise in housing support, mental health, drug and alcohol recovery, and help with tenancies, finances and employment. By addressing people's needs in a connected way, we're ensuring that the right support, focused on the individual, is in place. ***This year, our helpline team took more than 4,200 referrals for the Kent Homeless Connect service***

Rough sleeping

Kent Homeless Connect website launch

People with very complex needs can find it hard to access the right care and support. We've launched a new website to help potential clients and professionals access the service easily.

The site features an online eligibility checker which helps identify whether someone qualifies for this specialist support, along with signposting information to other relevant services.

https://kenthomelessconnect.org.uk/

When the pandemic began, the government announced its 'Everyone In' initiative to help all rough sleepers into emergency accommodation. Porchlight worked with councils and other support agencies to get 140 people into hotels and B&Bs who provided emergency bed spaces.

Once people were inside, our teams continued working with them to ensure they had food, medicines and essential items, were emotional supported and given practical help applying for housing benefit and other forms of aid.

We supported more than 619 people who were rough sleeping in Kent

Our outreach team have continued to support people who are rough sleeping, some new to the streets as a direct impact of the virus. Others, entrenched in rough sleeping and with very complex needs, have been struggling as the services and facilities they normally rely on – including day centres, libraries and public toilets – closed.

The pandemic has given us opportunities to connect with people who have previously not engaged with our support. Our focus is now on providing the tailored support and sustainable housing solutions needed to prevent people returning to the streets.

Homelessness – our work in practice

When young people become homeless, it's often due to a family relationship breakdown. Earlier this year, we helped a young woman in this situation. Most nights she would walk the streets, too afraid to sleep. Now she's in one of our properties and can feel safe again. We helped her to overcome the trauma of homelessness, manage her mental health, and will provide assistance with finding work when she's ready.

Supported housing

In Porchlight's supported housing, we don't just respond to people's immediate needs by offering a bed, food or clothing. We also provide emotional and practical support that enables them to make longer lasting changes and rebuild their lives.

Our staff are trained to understand and respond to the trauma people have faced. 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.

Even before the Covid pandemic, we were finding it increasingly difficult to secure affordable 'move-on' accommodation for our clients; tenancy ready individuals who are unable to afford local rents are struggling to transition from our supported housing into independent accommodation.

Our inability to free up space in our supported housing projects is a chokepoint when we're trying to house newly vulnerable clients.

Our helpline team took 1,190 referrals for people in need of our supported accommodation

Affordable homes

To end homelessness, we need more housing that people on low incomes can afford. We're working with local philanthropists and investors to increase the number of Porchlight homes so that the people we support can put down roots in local communities.

This year, we've acquired 6 new homes, which brings our total bed spaces up to 158

Specialist support

It's been two years since we brought the Housing First scheme to Kent in partnership with Maidstone Borough Council and Golding Homes. It has allowed people with a long history of rough sleeping who struggle to engage with typical homelessness services to remain in tenancies and begin rebuilding their lives.

Under the Housing First scheme, people are moved straight into a home of their own with no conditions placed on them to change. With stable accommodation and ongoing support they

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

Our Housing First scheme in Maidstone has already supported 10 people with complex needs who have experienced rough sleeping on more than one occasion. So far, all have maintained their tenancy and not returned to rough sleeping. They have also seen improvements in their health.

For every £1 spent on our Housing First scheme, there has been a saving of £13.24 to the state

David moved into one of our Housing First properties with a 17-year history of rough sleeping, offending behaviour and long-term drug and alcohol use. After 18 months, he has reconnected with his family. He is receiving benefits and paying his own bills.

We've also launched Housing First schemes in Dover and Thanet and hope to expand this work into new areas in the year ahead.

Homelessness prevention

One of the most effective ways to tackle homelessness is to prevent people from losing their home in the first place. This important area of our work has become even more critical as Covid-related job losses and rent arrears push struggling households even closer to the edge.

Our helpline is taking calls from more and more people who are facing impossible decisions about paying rent, bills or putting food on the table. We prevent people's problems from escalating by connecting them with the support they need, including debt and financial advice, help with paperwork and form filling, as well as mediation and advocacy services.

We took referrals for 1,850 people who were at risk of losing their home

Homelessness prevention – our work in practice

A mother and son have avoided winter on the streets thanks to our help. When a relationship breakdown left them with nowhere to go, we found them somewhere to stay. We're now helping the mother apply for a new flat where she and her son can live permanently.

Improving services for homeless women

Rough sleeping is dangerous for everyone but homeless women face increased risks of violence and abuse. Covid-19 has posed an even more urgent threat for female rough sleepers and women at risk of homelessness.

With lockdown measures in place, the risk of serious harm from domestic abuse rose sharply. Many women were trapped in unsafe homes facing a choice between homelessness or staying with their abuser.

Lockdown also ended temporary housing arrangements for many, leaving women with even fewer options for safety. Porchlight clients say they've been forced into staying with people they barely know or engaging in survival sex, just to keep a roof over their heads.

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. We've also employed specialist outreach workers to work with women on the streets.

> *"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**

This year, our specialist outreach workers supported 33 homeless women

We've 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.

Sadia spent a month sleeping rough in freezing conditions, occasionally finding somewhere to sofa surf for the night. Now she is using her experience of homelessness to help women in similar situations by working with us to develop specialist support for other female rough sleepers in Kent.

Our strategy for improving services for homeless women

Our experiences of supporting homeless women through the pandemic have informed our new **three-year strategy** for developing our women's services.

We're running training sessions for other organisations on best practices for working with homeless women; we've established a stakeholder's group to share learnings and champion change; and we've published a toolkit for professionals, which can be downloaded from our website.

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.

Youth and family services

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

Education helps young people have the best possible start in life. Thanks to funding from Colyer Fergusson Charitable Trust, we were able to provide laptops and other essential items to struggling families during lockdown.

Some young people had been using phones to study, others were sharing a laptop with siblings, and some had nothing at all. We were able to prevent children missing out on valuable learning during an already challenging time.

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.

During the pandemic we've continued to run our BeYou meet-ups online and have introduced sessions specifically for LGBT+ young people from faith or BAME backgrounds. We also offer virtual support around gender identity for under-12s and their families.

Our BeYou service is expanding into Medway, thanks to funding from the Kent & Medway Clinical Commissioning Group. Many young people have reported feeling more isolated because of the pandemic, and this expansion means that more of them will have somewhere to turn for help.

This year, BeYou ran 232 support groups for 134 individuals

Tyde was assigned female at birth but is in the process of transitioning to male. He has been able to turn to our BeYou team, some of whom have similar experiences with transitioning:

"The team have been really good at supporting me. I was a bit worried about some elements of the transition process, but if I sent an email I'd always get a response really quickly." Tyde made new friends at the BeYou meetups and has now become a BeYou volunteer.

"BeYou has given me a lot and I want to give something back because some young people don't have any other place to be themselves."

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.

An evaluation showed that the young people entering our Bexley Adolescent Support 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.

92% of young people said they had noticed a positive difference in their mental health after receiving support

Our Stepping Stones hostel opened this year. It is run by Porchlight and funded by Bexley Council and provides short-term support for up to six weeks.

Our staff help people find more permanent accommodation and give them support with money management and maintaining a tenancy. When people move on, we continue to support them to develop their independence as a private renter. The Stepping Stones project also works with people who are at risk of becoming homeless.

Expanding our support for young people

In response to the higher number of young people experiencing anxiety because of the pandemic, Porchlight's Adolescent Wellbeing Service (PAWS) expanded its service from Thanet to include Ashford and Folkestone.

The service offers tailored, intensive one-to-one support to young people aged 10-16, helping them to develop their resilience and improve their emotional wellbeing.

A parent of Frankie, a young person supported by the service, said "I feel the most invaluable piece of help our PAWS worker has given us is to reassure our daughter that not all doctors/teachers are against her.

"This helped her open up to her psychologist about her true feelings which resulted in an autism diagnosis."

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.

As the impact of the pandemic continues, the new social and economic landscape has vast implications for the mental health of the communities we work with.

People experiencing deprivation are already at greater risk of mental and physical ill health and the extra emotional strain caused by Covid-related job losses, worries about money, housing, heating and food is increasing those inequalities.

Our teams have stayed in regular contact with those who are struggling, listening to their concerns, sharing mental health coping techniques, and helping them access support for housing, money and health issues, as well as more specialist help if needed.

This year, our Live Well Kent community mental health service supported more than 5,800 people across Kent

64% of Porchlight's referrals were from the most deprived areas of Kent

We ran online group activities such as cookery workshops, mindfulness, relaxation and art sessions, and virtual meet-ups so that people felt connected with others.

If someone was finding it difficult to access virtual support, we sourced smart phones and tablets so they could talk to their support workers via video call. Information bundles were

printed off for those who do not use the internet at all. We also continued to offer in-person support for those who needed it most.

36% of people supported by Live Well Kent had a serious mental illness

We launched a new service which carries out physical health and wellbeing checks on people with severe mental illnesses (SMI) such as schizophrenia, bipolar affective disorder and other psychotic disorders.

We know from national research that people with severe and prolonged mental illnesses are at risk of dying younger but, for many, this can be avoided with regular health checks. We help people to get checked for conditions such as cardiovascular diseases, diabetes, cancer and lung diseases, as well as accessing support to manage their mental health.

Live Well Kent expanding into Medway

To meet the growing need in our communities, Live Well Kent is expanding to support people in Medway.

Live Well Kent works with people (aged 17+) in local communities to provide preventative, early intervention and recovery focused services.

Its services provide a mix of practical and emotional support and advice; they are focused on the individual and often meet a range of different needs all in one place.

Live Well Kent and Medway is run by Porchlight and the charity Shaw Trust on behalf of Kent County Council and NHS Kent & Medway Clinical Commissioning Groups.

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 supported 35 people into employment

Bernie's mental health suffered as a result of home schooling and family pressures during lockdown. We gave her emotional support and provided a laptop so her daughter could learn from home and she and Bernie could join online social groups.

"When I first spoke to Paul from Aspirations, I was relieved because he spoke to me like a normal person. I didn't feel judged at all. He asked me about my interests and asked me what I wanted to do in the future."

We helped Bernie apply for a cake decorating course. She has now completed it and is researching business management with a view to starting her own cake decorating company when the pandemic is over.

"I am so much more confident now and things are really looking up. This whole experience has taught me to be brave and to try things."

Tackling loneliness

Loneliness and isolation are serious problems that have become heightened by coronavirus lockdowns. Our community inclusion team support people who feel lonely or cut off from others.

People like Sharona who was experiencing anxiety and agoraphobia and felt that the world was moving on without her. Now, for the first time in years, she finally feels confident enough to leave the house.

She received regular check-ins from her Porchlight worker and also took part in our online workshop about managing anxiety. We also invited Sharona to participate in virtual coffee mornings, quizzes and crochet sessions attended by our other clients, giving her the chance form new friendships and hear how others manage their mental health.

Sharona now feels confident enough to leave the house and has gone shopping for the first time in years. She has also started running extra online meet-ups and WhatsApp support groups with other clients, sharing what she's learned and being there for those who are struggling with their mental health.

Preparing for the future

We expect the effect of the pandemic on people's mental health to continue as the government's protection measures – the £20 universal credit uplift, the furlough scheme and the eviction ban – come to an end and we see the longer-term impact on individuals and communities.

We are planning for an increase in demand for our services, putting the resources in place to take action quickly and effectively to help communities recover.

Employment, education and training

Many of the people we support experience wide-ranging disadvantage and social exclusion – we help them feel a greater sense of belonging in their community.

The pandemic has put homeless and vulnerable people at even greater risk of isolation. We've done our best to ensure nobody has to cope alone by moving our community 'hubs' online, as well as continuing to run them in person in a Covid-safe way and where government restrictions allow.

Based in local spaces like community centres, churches and leisure centres, our hubs help people integrate into the local community and feel more confident about moving on from our support when the time comes.

We've ensured that people can still access the valuable support offered by Porchlight and our partners – whether that's meeting with their keyworker, getting employment advice or support with their mental health, drug or alcohol recovery.

They can also get involved with virtual learning and social activities such as cookery lessons, book clubs, and quizzes.

Online meet-ups will continue even when in-person activities have fully resumed, as we've found this format useful for building the confidence of those who feel anxious about attending. People can sit in on sessions with their cameras and microphones switched off until they feel comfortable showing themselves to the group.

"I can't believe I'm doing this" – one hub participant used to feel too nervous to turn on her camera, now she dances around the room during the music round of our weekly quiz

Becoming work ready

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

If you've been homeless, or you're struggling with your mental or physical health, it can count against you when going for a job. Most people we support want to work but their past can be 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.

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.

The pandemic has accelerated Porchlight's adoption of digital technology and this has been a positive for our client involvement activities. We've seen wider participation geographically and greater engagement from people in our community services.

A big focus this year has been the development of our new strategic business plan and as part of the process, we ran a consultation to gather the views of the Porchlight community. We consulted our staff, volunteers and clients through online message boards and a series of focus groups.

We were pleased with the level of engagement from our stakeholders – their views have helped to ensure that our strategy reflects the priorities and needs of our communities.

One client said: *"It was a very good mix of people. The group has a lot of strong people who have been cut down and are trying to find their strength again and Porchlight had really supported them. No one was judged. No one was dismissed. Everyone was heard."*

Over the year, we ran two surveys of staff and clients to find out how the coronavirus was impacting on their lives and personal wellbeing. We wanted to understand more about how our people were responding to the pandemic and how well supported they feel by us as an organisation.

157 staff and 105 clients took part in our survey

Social isolation and anxiety were the two biggest challenges for our staff and our clients. We recognise the pressure everyone has been under and we regularly remind people of the range of mental health and wellbeing support that's available, trying to offer comfort and encouraging them to reach out if they are struggling.

As a token of appreciation for their efforts during a very difficult year, we gave our staff three extra days of annual leave

The surveys highlighted the need for everyone to stay connected. Some staff found it difficult to transition to delivering support and activities online so we provided guidance on how to create safe spaces for clients. We made recommendations on the most appropriate meet-up tools, as well as how to use chat functions, breakout areas and file sharing.

The responses to our surveys also showed excitement and interest in what digital tools can offer – staff reported that virtual working allows them to work with clients who are harder to reach because people who struggle to interact can build confidence.

64% of clients who shared their views said they felt there was value in the charity continuing to use virtual methods and video calling.

Recruitment was frozen for a time but when it opened up, our clients adapted their skills to sit on virtual interview panels. This is a critical part of our involvement activity – it's about working together in equal partnership but we're also sending potential employees a strong message about Porchlight's values.

This year, 64% of interview panels included client representatives

Fundraising
Thanks to your support, we're helping people through the pandemic and beyond.

We're so grateful for the creativity and compassion of our donors and supporters who have not let coronavirus restrictions prevent them from helping others.

When coronavirus delayed many of the important fundraising activities we had planned, people and businesses found creative new ways to support our work. There were virtual sleep outs, socially distanced exercise challenges, virtual DJ sets and much more. One ingenious challenge saw a mother and daughter climb the equivalent of Mount Everest using their stairs at home.

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 £1,137,386 (of which £973,097 was from voluntary donations). It means we can do more to support the vulnerable people who need us more than ever before.

We continued our appeal to raise funds for female rough sleepers. It has allowed us to get extra support in place for them, including a rapid rehousing fund which is used to quickly move women from the streets into emergency accommodation.

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 21 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

- 30 online talks, workshops and school assemblies reached over 1,500 children and adults
- £193,998 funds raised through our corporate supporters
- £302,263 funds raised through three giving appeals
- 710 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 September 2020.

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

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

Trustee recruitment is managed by an appointment panel which includes our chair, our chief executive and one trustee. New trustees are given a full induction to ensure that they understand their role and responsibilities and have a good understanding of the charity's work overall.

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

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

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member.

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. We are looking at undertaking a salary review for the whole organisation this year.

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 Kent & Medway Clinical Commissioning Group. 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 £12,642,643, an increase of 2.5% on last year. Our expenditure decreased slightly leading to a surplus of £582,496 for the year.

Income

This year, 68% (2020: 72%) of our income came from government grants and 13% (2020: 13%) from rental income within our properties. The rest was made up of voluntary income and funding from charitable trusts.

A very successful Christmas appeal, alongside our other fundraising efforts, increased our total voluntary income by £371,731 this year. We've ring-fenced £150k of this for the Kent Homeless Connect service for the coming year, and the rest will be used to fund initial costs following the pay review.

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

Charitable expenditure

We spent £11,843,408 on our charitable activities, supporting homeless, vulnerable and isolated people in Kent. We are continuing to invest in property to improve access for our clients 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 £769k this year. Ongoing funding and investment from the Ministry of Housing, Communities and Local Government has allowed us to continue our life-saving services supporting people away from the streets.

Community and preventative services expenditure decreased by £158k. This is because, last year, we received additional funding in the form of one-off grants for our work in this area.

Youth and families' services expenditure decreased by £602k. Our Family Support Service, which was commissioned by KCC, was taken in-house resulting in the TUPE of the whole team and a loss of contractual income of £1.2m per annum.

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 £3,037,853 (2020: £2,455,357). 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 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 £598,629 (2020: £529,684).

We received designated funding for our Housing First project and a post within our women's services. However, we were successful in raising restricted funding for these posts so the designated funds were not used. The trustees have agreed the funding should be retained for when the restricted funding stops. An additional designated fund has been set up for property costs, helping to furnish the new homes we are purchasing.

Designated funds totalled £243,066 (2020: £82,066) 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 £1,187,781 (2020: £1,294,335) and are calculated as follows:

Total unrestricted funds £2,439,224

Less designated funds (£243,066)

Less fixed assets (£1,008,377)

Total free reserves £1,187,781

Financial impact of Covid-19

The trustees expect the coronavirus crisis to continue to affect the charity financially in the coming year. Additional concierge services, professional deep cleaning of all projects and offices, and B&B costs continue to have an impact on our financial reserves. We were grateful to receive £70k from KCC to help us manage these extra costs.

We will use our free reserves to fund any 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 2022.

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

How we performed: We have made a strong surplus of £582,496.

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

How we performed: 96.3%

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

How we performed: 0.5%

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

How we performed: 3.2%.

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
- Local authorities taking services in-house
- 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 21 July 2021 and signed on its behalf by:



C Wright

Trustee

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 2021 which comprise the Statement of Financial Activities (including the 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 2021 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 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 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 29, 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 framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- 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 and those charged with governance whether the charitable company is in compliance with these law and regulations.

The audit engagement team identified the risk of management override of controls and 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 and 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 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.

RSM UK Audit LLP.

Zoë 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 6 August 2021

Porchlight
Statement of Financial Activities (including Income & Expenditure Account) for the year ended 31 March 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income:					
Donations and legacies	2	814,602	158,495	**973,097**	601,366
Charitable activities	3	9,481,170	2,172,454	**11,653,624**	11,689,035
Trading income		6,052	-	**6,052**	27,134
Investment income	4	9,870	-	**9,870**	11,089
Total income		**10,311,694**	**2,330,949**	**12,642,643**	12,328,624
Expenditure:					
Raising funds	5	216,739	-	**216,739**	212,789
Charitable activities	6	9,581,404	2,262,004	**11,843,408**	11,850,362
Total expenditure		**9,798,143**	**2,262,004**	**12,060,147**	12,063,151
Net (expenditure)/income		**513,551**	**68,945**	**582,496**	265,473
Transfers between funds	13	**-**	**-**	**-**	-
Net movement in funds		**513,551**	**68,945**	**582,496**	265,473
Reconciliation of funds					
Total funds brought forward		**1,925,673**	**529,684**	**2,455,357**	2,189,884
Total funds carried forward		**2,439,224**	**598,629**	**3,037,853**	2,455,357

The notes on pages 35 to 44 form part of these financial statements.

Porchlight
Balance Sheet
as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	9	**1,177,389**	719,967
Investment property	10	**354,223**	354,223
		1,531,612	1,074,190
Current assets			
Debtors	11	**2,103,964**	836,942
Cash at bank and in hand		**1,945,909**	1,716,336
		4,049,873	2,553,278
Liabilities			
Creditors: Amounts falling due within one year	12	**(2,241,958)**	(1,172,111)
Net current assets		**1,807,915**	1,381,167
Total assets less current liabilities		**3,339,527**	2,455,357
Creditors: Amounts falling due after one year	13	**(301,674)**	-
Total Net Assets		**3,037,853**	2,455,357
The funds of the charity			
Restricted income funds	15	**598,629**	529,684
Unrestricted funds	15	**2,439,224**	1,925,673
Total charity funds		**3,037,853**	2,455,357

Company number: 01157482

The financial statements on pages 31 to 44 were approved and authorised for issue by the board of trustees on 21st July 2021 and signed on their behalf by:

D Deeson
Trustee

C Wright
Trustee

Porchlight
Statement of cash flows
for the year ended 31 March 2021

	Note	Total Funds 2021 £	Total Funds 2020 £
Cash provided by operating activities	A	774,987	730,347
Cash flows from investing activities			
Interest		9,870	11,089
Proceeds from the sale of fittings and equipment		29,000	-
Purchase of fixed assets		(584,285)	(92,436)
Cash used in investing activities		(545,415)	(81,347)
Change in cash and cash equivalents in the year		229,572	649,000
Cash and cash equivalents at the beginning of the year	B	1,716,336	1,067,336
Total cash and cash equivalents at the end of the year	B	1,945,908	1,716,336

Porchlight
Statement of cash flows
for the year ended 31 March 2021

Note A
Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per the statement of financial activities)	582,496	265,473
Adjustments for:		
Depreciation charges	101,846	127,032
Interest from investments	(9,870)	(11,089)
Profit on sale of fixed assets	(3,984)	-
(Increase) /Decrease in debtors	(1,267,022)	142,961
Increase in creditors	1,371,521	205,970
Net cash provided by operating activities	774,987	730,347

Note B
Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	1,945,909	1,716,336

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 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 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 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Gifts and donations	770,930	157,576	**928,506**
General grants	250	919	**1,169**
Donated goods and services	43,422	-	**43,422**
Total	**814,602**	**158,495**	**973,097**

	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**
Total	**568,333**	**33,033**	**601,366**

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 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Homelessness Services			
Rent / Accommodation charges	1,626,150	-	**1,626,150**
KCC Support Service grant	2,853,209	-	**2,853,209**
Delivery network income	206,019	-	**206,019**
Local Authority grants	-	658,248	**658,248**
The Big Lottery Fund	-	83,917	**83,917**
Other grants receivable	-	61,816	**61,816**
	4,685,378	803,981	**5,489,359**
Community and Preventative Services			
Kent County Council	3,436,526	25,000	**3,461,526**
NHS CCG	386,204	62,695	**448,899**
European Social Fund grant	59,963	855,015	**914,978**
Delivery network income	-	68,413	**68,413**
Local Authority grants	-	12,693	**12,693**

Other grants receivable	-	6,021	6,021
	3,882,693	1,029,837	4,912,530
Employment, Education and Training			
RBLI income	-	14,462	14,462
Other grants receivable	-	23,904	23,904
	-	38,366	38,366
Youth and Families' Services			
Kent County Council	620,000	-	620,000
Local Authority grants	293,099	-	293,099
Delivery network income	-	85,887	85,887
CCG income	-	198,850	198,850
Other grants receivable	-	15,533	15,533
	913,099	300,270	1,213,369
Total	**9,481,170**	**2,172,454**	**11,653,624**

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Homelessness Services			
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
	4,342,618	553,598	4,896,216
Community and Preventative Services			
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
Other grants receivable	-	35,243	35,243
	4,044,976	932,587	4,977,563
Employment, Education and Training			
RBLI income	-	22,494	22,494
Other grants receivable	-	2,000	2,000
	-	24,494	24,494
Youth and Families' Services			
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
	1,410,853	379,909	1,790,762
Total	**9,798,447**	**1,890,588**	**11,689,035**

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 £8,546,524 (2020: £8,906,029).

There were no unfulfilled conditions attached to government grants recognised in the year (2020: None).

4. Investment income

	Unrestricted Funds 2021 £	Unrestricted Funds 2020 £
Bank interest	-	3,289
Rental income from investment property	9,870	7,800
Total	**9,870**	**11,089**

5. Raising funds

	Unrestricted Funds 2021 £	Unrestricted Funds 2020 £
Expenditure on raising donations and legacies	216,739	212,789
Total	**216,739**	**212,789**

6. Charitable activities

	Homeless-ness Services £	Community and Preventative Services £	Employment, Education and Training £	Youth and Families' Services £	Total 2021 £
Activities undertaken directly					
Staff costs	2,765,948	1,721,225	212,723	929,712	**5,629,608**
Premises Costs	1,253,109	82,988	4,928	37,723	**1,378,748**
Delivery Network fees	612,350	2,512,695	-	5,049	**3,130,094**
Office costs	133,924	54,339	2,969	32,048	**223,280**
Tenant Welfare fund	168,260	88,398	474	18,029	**275,161**
Sundry expenses	3,705	271	-	517	**4,493**
	4,937,296	4,459,916	221,094	1,023,078	**10,641,384**
Support Costs					
Governance	16,585	16,290	5,416	818	**39,109**
Management & Administration	152,683	110,125	4,671	31,743	**299,222**
Finance	100,902	72,777	3,087	20,977	**197,743**
Human Resources	48,571	35,033	1,486	10,098	**95,188**
Communications	291,242	210,062	8,910	60,548	**570,762**
	609,983	444,287	23,570	124,184	**1,202,024**
Total	**5,547,279**	**4,904,203**	**244,664**	**1,147,262**	**11,843,408**

Charitable activities 2020	Homeless-ness Services £	Community and Preventative Services £	Employment, Education and Training £	Youth and Families' Services £	Total 2020 £
Activities undertaken directly					
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**
	4,374,542	4,723,749	239,020	1,598,991	**10,936,302**

Support Costs

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**
	403,646	338,537	21,564	150,313	**914,060**
Total	**4,778,188**	**5,062,286**	**260,584**	**1,749,304**	**11,850,362**

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

Expenditure on charitable activities was £11,843,408 (2020: £11,850,362), of which £9,581,404 (2020: £9,927,668) was unrestricted and £2,262,004 (2020: £1,922,693) was restricted.
Within governance costs is Directors' and Officers' Insurance at a cost of £4,590 (2020: £3,825).

7. Analysis of staff costs

	2021 £	2020 £
Salaries and wages	5,475,614	5,498,365
Social security costs	465,682	459,761
Pension costs	276,400	270,039
Total	**6,217,696**	**6,228,165**

Included in pension costs above is an amount of £43,401 (2020: £46,297) relating to restricted expenditure.
Pension contributions of £39,911 (2020: £41,502) were payable at the year end.

Redundancy payments totalling £842 (2020: £57,005) were made in the year (£nil was outstanding at the year end 2020: £nil).

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

	2021	2020
£110,000 - £120,000	**1**	1

The trustees did not receive any remuneration or benefits in kind in either year. £nil (2020: £261) was paid as reimbursement of travel expenses to the trustees (2020: 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 £383,636 (2020: £391,181). During the year no new staff loans were paid to key management personnel (2020: £nil), and no amounts were outstanding at the year end.

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

	2021 Number	2020 Number
Homelessness Services	87	74
Community and Preventative Services	61	62
Employment, Education and Training	8	7
Youth and Families' Services	35	52
Management & Administration	33	31
Total	**224**	**226**

8. Movement in total funds for the year

	2021 £	2020 £
This is stated after charging:		
Operating leases - equipment	**40,167**	40,167
Operating leases - land and buildings	**323,713**	302,876
Depreciation	**101,846**	127,032
Profit on disposal of fixed assets	**3,984**	-
Auditor's remuneration for statutory audit	**17,400**	15,600

9. Tangible fixed assets

	Freehold Property £	Leasehold Property £	Fixtures, fittings and equipt £	Total £
Cost				
At 1 April 2020	176,583	610,999	563,032	**1,350,614**
Additions	460,152	-	124,133	**584,285**
Disposals	-	-	(50,032)	**(50,032)**
At 31 March 2021	**636,735**	**610,999**	**637,133**	**1,884,867**
Depreciation				
At 1 April 2020	8,476	198,846	423,325	**630,647**
Charge for the year	7,641	4,167	90,038	**101,846**
Disposals	-	-	(25,015)	**(25,015)**
At 31 March 2021	**16,117**	**203,013**	**488,348**	**707,478**
Net book value				
At 31 March 2021	**620,618**	**407,986**	**148,785**	**1,177,389**
At 31 March 2020	168,107	412,153	139,707	719,967

Included in freehold property above is land at a value of £254,694 (2020: £70,633) which is not depreciated.

10. Investment Property

	Total £
Fair value	
At 1 April 2020 and 31 March 2021	**354,223**

The fair value of the investment property at 31 March 2021 has been arrived at on the basis of a valuation carried out at that date by Pinders Chartered Surveyors, on an open market value basis. Pinders have no connection with the charity. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

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

	2021 £	2020 £
Other debtors	**222,298**	178,362
Grants receivable	**1,699,373**	456,582
Prepayments	**182,293**	201,998
Total	**2,103,964**	**836,942**

12. Creditors - amounts falling due within one year

	2021 £	2020 £
Bank loan	**8,731**	-
Trade creditors	**409,595**	149,269
Other creditors	**116,499**	286,605
Other taxes and social security costs	**116,286**	115,542
Accruals and deferred income	**1,590,847**	620,695
Total	**2,241,958**	**1,172,111**

Deferred income:

	2021 £	2020 £
Brought forward	**85,282**	85,282
New amounts deferred	**1,162,804**	269,465
Released to SOFA	**(85,282)**	(85,282)
Total	**1,162,804**	**269,465**

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

13. Creditors - amounts falling due after one year

	2021	2020
	£	£
Bank loan:		
Between 2 - 5 years	**34,924**	-
After more than 5 years	**266,750**	-
	301,674	-

The bank loan is repayable over a 25 year term. There were 24 years and 9 months left to repay at 31 March 2021.
The bank loan is secured over the assets of the charity, by CAF bank, by way of debenture.

14. Financial instruments

	2021	2020
	£	£
Financial assets measured at fair value	**354,223**	354,223

15. Analysis of charity funds

Restricted funds	Balance at 1 Apr 20 £	Income £	Expenditure £	Balance at 31 Mar 21 £
New Town Street Building fund	170,695	-	(1,682)	**169,013**
Homelessness Projects	-	938,441	(879,893)	**58,548**
Youth and Families	2,003	315,304	(317,307)	-
Community and preventative	2,763	1,007,991	(993,909)	**16,845**
Employment, Education and Training	-	69,213	(69,213)	-
Investment Property	354,223	-	-	**354,223**
Total Restricted funds	**529,684**	**2,330,949**	**(2,262,004)**	**598,629**

Restricted funds	Balance at 1 Apr 19 £	Income £	Expenditure £	Balance at 31 Mar 20 £
New Town Street building fund	172,377	(1,682)	-	**170,695**
Homelessness Services	-	571,909	(571,909)	-
Youth and Families	-	382,772	(380,769)	**2,003**
Community and preventative	2,157	932,744	(932,138)	**2,763**
Employment, Education and Training	-	36,195	(36,195)	-
Investment Property	354,223	-	-	**354,223**
Total Restricted funds	**528,757**	**1,921,938**	**(1,921,011)**	**529,684**

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.

Unrestricted funds	Balance at 1 Apr 20 £	Income £	Expenditure £	Transfers £	Balance at 31 Mar 21 £
General unrestricted fund	1,843,607	10,300,694	(9,798,143)	(150,000)	2,196,158
Designated funds	82,066	11,000	-	150,000	243,066
Total Unrestricted funds	**1,925,673**	**10,311,694**	**(9,798,143)**	**-**	**2,439,224**

Unrestricted funds	Balance at 1 Apr 19 £	Income £	Expenditure £	Balance at 31 Mar 20 £
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
Total Unrestricted funds	**1,661,127**	**10,405,003**	**(10,140,457)**	**1,925,673**

Designated funds relate to a Housing First project within Maidstone, and funding a role within Womens Needs' services, as well as specific posts and property costs within the Kent Homeless Connect service.

Summary of funds	Balance at 1 Apr 20 £	Income £	Expenditure £	Balance at 31 Mar 21 £
Restricted funds	529,684	2,330,949	(2,262,004)	598,629
Unrestricted funds	1,925,673	10,311,694	(9,798,143)	2,439,224
Total Funds	**2,455,357**	**12,642,643**	**(12,060,147)**	**3,037,853**

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
Total Funds	**2,189,884**	**12,328,623**	**(12,063,150)**	**2,455,357**

16. Analysis of net assets between funds

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Fixed assets	1,008,377	523,235	**1,531,612**
Net current assets	1,430,848	75,394	**1,506,241**
Long term liabilities	(301,674)		
Total	**2,439,224**	**598,629**	**3,037,853**

	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**
Total	**1,925,673**	**529,684**	**2,455,357**

17. Operating lease commitment

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

	Land and Buildings		Other	
	2021	2020	**2021**	2020
	£	£	**£**	£
Due within one year	231,072	216,408	**40,167**	40,167
Between one and five years	558,884	486,926	-	40,167
After five years	319,292	29,945	-	-

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 £4,040 (2020: £3,492) were received from the trustees during the year.

20. Capital Commitments

At the year end Porchlight was committed to purchasing two properties; one completed on 21 May 2021 at a value of £205,000 and one on 25 May 2021 at a value of £235,500.