

**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](http://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](https://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 £
<b>Income:</b>					
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
<b>Total income</b>		<b>10,311,694</b>	<b>2,330,949</b>	<b>12,642,643</b>	<b>12,328,624</b>
<b>Expenditure:</b>					
Raising funds	5	216,739	-	216,739	212,789
Charitable activities	6	9,581,404	2,262,004	11,843,408	11,850,362
<b>Total expenditure</b>		<b>9,798,143</b>	<b>2,262,004</b>	<b>12,060,147</b>	<b>12,063,151</b>
<b>Net (expenditure)/income</b>		<b>513,551</b>	<b>68,945</b>	<b>582,496</b>	<b>265,473</b>
<b>Transfers between funds</b>	13	-	-	-	-
<b>Net movement in funds</b>		<b>513,551</b>	<b>68,945</b>	<b>582,496</b>	<b>265,473</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		1,925,673	529,684	2,455,357	2,189,884
<b>Total funds carried forward</b>		<b>2,439,224</b>	<b>598,629</b>	<b>3,037,853</b>	<b>2,455,357</b>

The notes on pages 35 to 44 form part of these financial statements.

**Porchlight  
Balance Sheet  
as at 31 March 2021**

	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Fixed assets</b>			
Tangible assets	9	1,177,389	719,967
Investment property	10	<u>354,223</u>	<u>354,223</u>
		<b>1,531,612</b>	<b>1,074,190</b>
<b>Current assets</b>			
Debtors	11	2,103,964	836,942
Cash at bank and in hand		<u>1,945,909</u>	<u>1,716,336</u>
		<b>4,049,873</b>	<b>2,553,278</b>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	12	<u>(2,241,958)</u>	<u>(1,172,111)</u>
<b>Net current assets</b>		<b>1,807,915</b>	<b>1,381,167</b>
<b>Total assets less current liabilities</b>		<b>3,339,527</b>	<b>2,455,357</b>
Creditors: Amounts falling due after one year	13	<u>(301,674)</u>	<u>-</u>
<b>Total Net Assets</b>		<b><u>3,037,853</u></b>	<b><u>2,455,357</u></b>
<b>The funds of the charity</b>			
Restricted income funds	15	598,629	529,684
Unrestricted funds	15	<u>2,439,224</u>	<u>1,925,673</u>
<b>Total charity funds</b>		<b><u>3,037,853</u></b>	<b><u>2,455,357</u></b>

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**

	<b>Note</b>	<b>Total Funds 2021 £</b>	<b>Total Funds 2020 £</b>
<b>Cash provided by operating activities</b>	A	<u>774,987</u>	<u>730,347</u>
<b>Cash flows from investing activities</b>			
Interest		9,870	11,089
Proceeds from the sale of fittings and equipment		29,000	-
Purchase of fixed assets		<u>(584,285)</u>	<u>(92,436)</u>
<b>Cash used in investing activities</b>		<u>(545,415)</u>	<u>(81,347)</u>
<b>Change in cash and cash equivalents in the year</b>		<u>229,572</u>	<u>649,000</u>
<b>Cash and cash equivalents at the beginning of the year</b>	B	1,716,336	1,067,336
<b>Total cash and cash equivalents at the end of the year</b>	B	<u>1,945,908</u>	<u>1,716,336</u>

**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 £
<b>Net income for the year (as per the statement of financial activities)</b>	582,496	265,473
<b>Adjustments for:</b>		
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
<b>Net cash provided by operating activities</b>	<u>774,987</u>	<u>730,347</u>

**Note B**

**Analysis of cash and cash equivalents**

	2021 £	2020 £
Cash in hand	<u>1,945,909</u>	<u>1,716,336</u>

**Porchlight**  
**Notes to the accounts**  
**For the year ended 31 March 2021**

**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
<b>Total</b>	<b>814,602</b>	<b>158,495</b>	<b>973,097</b>
	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Gifts and donations	543,683	33,033	576,716
General grants	10,250	-	10,250
Donated goods and services	14,400	-	14,400
<b>Total</b>	<b>568,333</b>	<b>33,033</b>	<b>601,366</b>

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 £
<b>Homelessness Services</b>			
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
	<b>4,685,378</b>	<b>803,981</b>	<b>5,489,359</b>
<b>Community and Preventative Services</b>			
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
	<u>3,882,693</u>	<u>1,029,837</u>	<u>4,912,530</u>
<b>Employment, Education and Training</b>			
RBLI income	-	14,462	14,462
Other grants receivable	-	23,904	23,904
	-	38,366	38,366
<b>Youth and Families' Services</b>			
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
	<u>913,099</u>	<u>300,270</u>	<u>1,213,369</u>
<b>Total</b>	<u>9,481,170</u>	<u>2,172,454</u>	<u>11,653,624</u>

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

Government grants are received for the provision of support within accommodation, floating support and outreach services, adolescent support services and mental health and wellbeing services.  
Government grants received during the year totalled £8,546,524 (2020: £8,906,029).

There were no unfulfilled conditions attached to government grants recognised in the year (2020: None).

**4. Investment income**

	Unrestricted Funds	Unrestricted Funds
	2021	2020
	£	£
Bank interest	-	3,289
Rental income from investment property	9,870	7,800
<b>Total</b>	<b>9,870</b>	<b>11,089</b>

**5. Raising funds**

	Unrestricted Funds	Unrestricted Funds
	2021	2020
	£	£
Expenditure on raising donations and legacies	216,739	212,789
<b>Total</b>	<b>216,739</b>	<b>212,789</b>

**6. Charitable activities**

	Homeless- ness Services	Community and Preventative Services	Employment, Education and Training	Youth and Families' Services	Total	2021
	£	£	£	£		£
<b>Activities undertaken directly</b>						
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	
	<u>4,937,296</u>	<u>4,459,916</u>	<u>221,094</u>	<u>1,023,078</u>	<u>10,641,384</u>	
<b>Support Costs</b>						
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	
	<u>609,983</u>	<u>444,287</u>	<u>23,570</u>	<u>124,184</u>	<u>1,202,024</u>	
<b>Total</b>	<b>5,547,279</b>	<b>4,904,203</b>	<b>244,664</b>	<b>1,147,262</b>	<b>11,843,408</b>	

**Charitable activities 2020**

	Homeless- ness Services	Community and Preventative Services	Employment, Education and Training	Youth and Families' Services	Total	2020
	£	£	£	£		£
<b>Activities undertaken directly</b>						
Staff costs	2,429,741	1,708,996	191,795	1,415,917	5,746,449	
Premises Costs	1,031,821	102,576	28,783	41,550	1,204,730	
Delivery Network fees	638,150	2,699,440	-	27,034	3,364,624	
Office costs	190,818	115,597	5,749	94,969	407,133	
Tenant Welfare fund	82,059	94,831	12,318	19,258	208,466	
Sundry expenses	1,953	2,309	375	263	4,900	
	<u>4,374,542</u>	<u>4,723,749</u>	<u>239,020</u>	<u>1,598,991</u>	<u>10,936,302</u>	

### 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
	<u>403,646</u>	<u>338,537</u>	<u>21,564</u>	<u>150,313</u>	<u>914,060</u>
<b>Total</b>	<b>4,778,188</b>	<b>5,062,286</b>	<b>260,584</b>	<b>1,749,304</b>	<b>11,850,362</b>

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

Expenditure on charitable activities was £11,843,408 (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
<b>Total</b>	<b>6,217,696</b>	<b>6,228,165</b>

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
<b>Total</b>	<b>224</b>	<b>226</b>

### 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 £
<b>Cost</b>				
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)
<b>At 31 March 2021</b>	<b>636,735</b>	<b>610,999</b>	<b>637,133</b>	<b>1,884,867</b>
<b>Depreciation</b>				
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)
<b>At 31 March 2021</b>	<b>16,117</b>	<b>203,013</b>	<b>488,348</b>	<b>707,478</b>
<b>Net book value</b>				
<b>At 31 March 2021</b>	<b>620,618</b>	<b>407,986</b>	<b>148,785</b>	<b>1,177,389</b>
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 £
<b>Fair value</b>	
<b>At 1 April 2020 and 31 March 2021</b>	<b>354,223</b>

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
<b>Total</b>	<b>2,103,964</b>	<b>836,942</b>

## 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
<b>Total</b>	<b>2,241,958</b>	<b>1,172,111</b>
<b>Deferred income:</b>		
	2021 £	2020 £
Brought forward	85,282	85,282
New amounts deferred	1,162,804	269,465
Released to SOFA	(85,282)	(85,282)
<b>Total</b>	<b>1,162,804</b>	<b>269,465</b>

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 £
<b>Bank loan:</b>		
Between 2 - 5 years	34,924	-
After more than 5 years	266,750	-
	<u>301,674</u>	<u>-</u>

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	<u>354,223</u>	<u>354,223</u>

**15. Analysis of charity funds**

	Balance at 1 Apr 20 £	Income £	Expenditure £	Balance at 31 Mar 21 £
<b>Restricted funds</b>				
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
<b>Total Restricted funds</b>	<u>529,684</u>	<u>2,330,949</u>	<u>(2,262,004)</u>	<u>598,629</u>

	Balance at 1 Apr 19 £	Income £	Expenditure £	Balance at 31 Mar 20 £
<b>Restricted funds</b>				
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
<b>Total Restricted funds</b>	<u>528,757</u>	<u>1,921,938</u>	<u>(1,921,011)</u>	<u>529,684</u>

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.

	Balance at 1 Apr 20 £	Income £	Expenditure £	Transfers £	Balance at 31 Mar 21 £
<b>Unrestricted funds</b>					
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
<b>Total Unrestricted funds</b>	<u>1,925,673</u>	<u>10,311,694</u>	<u>(9,798,143)</u>	<u>-</u>	<u>2,439,224</u>

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

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.

	Balance at 1 Apr 20 £	Income £	Expenditure £	Balance at 31 Mar 21 £
<b>Summary of funds</b>				
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
<b>Total Funds</b>	<b>2,455,357</b>	<b>12,642,643</b>	<b>(12,060,147)</b>	<b>3,037,853</b>

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

#### 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)		
<b>Total</b>	<b>2,439,224</b>	<b>598,629</b>	<b>3,037,853</b>

  

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

#### 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.