

HESTIA HOUSING AND SUPPORT

England & Wales · Charity number 294555

Details

Status	Registered
Legal form	Charitable company
Company number	02020165
Registered	1986-07-10
Register	View on the Charity Commission register

Contact

Address	68 Alie Street London E1 8PX
Phone	02073783100
Email	info@hestia.org
Website	www.hestia.org

Activities

Objects: 1.1. TO RELIEVE HARDSHIP AND DISTRESS BY PROVIDING SUPPORT AND CARE FOR INDIVIDUALS WHO SUFFER MENTAL OR PHYSICAL INFIRMITY, ARE AFFECTED BY DOMESTIC VIOLENCE, ARE OFFENDERS OR AT RISK OF OFFENDING, ARE IN NEED DUE TO AGE OR YOUTH, ARE HOMELESS, SUFFER SUBSTANCE ABUSE OR ARE OTHERWISE IN NEED OF ASSISTANCE (THE BENEFICIARIES); 1.2. TO PROVIDE HOUSING, HOUSING RELATED SUPPORT OR CARE FOR THE BENEFICIARIES SO THAT THEY CAN LIVE MORE INDEPENDENT LIVES AND FULFIL THEIR POTENTIAL IN THE COMMUNITY; AND 1.3. TO FURTHER SUCH OTHER EXCLUSIVELY CHARITABLE PURPOSES ACCORDING TO THE LAW OF ENGLAND AND WALES AS THE TRUSTEES IN THEIR ABSOLUTE DISCRETION FROM TIME TO TIME DETERMINE

Activities: Hestia delivers high quality & empowering housing, support, protection & care services in partnership with service users & local communities in 22 London boroughs. Hestia provides services to people with mental health needs, physical disability, substance misusers, offenders, women & children fleeing domestic abuse, older & young people, personal budget holders & other wider community groups.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, Accommodation/housing, Economic/community Development/employment, Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Defined Groups, The General Public/mankind

Geography

- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£56,783,162	£56,215,384	£21,086,457	814
2024-03-31	£54,249,820	£52,430,584	£19,833,308	714
2023-03-31	£48,243,903	£46,909,887	£18,339,234	742
2022-03-31	£42,336,632	£41,427,495	£16,921,524	734
2021-03-31	£37,443,021	£36,925,390	£15,097,703	680

Trustees

Name	Role	Appointed
DAME MOIRA GIBB	Chair	2023-09-25
Ailsing Thompson		2023-07-25
Brendan Sarsfield		2021-03-23
Elizabeth Meek		2020-10-06
Jessamy Rose Gould		2024-10-22
Joanna Mark-Richards		2022-02-08
Lynette Romeo		2024-10-22
Mariana Catalina Cernica		2023-09-13
Roger Geoffrey Rawlinson		2024-02-01
Zeynep Cagla Bekbolet		2025-12-02

Accounts

Company number: 02020165
Charity number: 294555

HESTIA HOUSING AND SUPPORT

Report and consolidated financial statements
For the year ended 31 March 2025

HESTIA HOUSING AND SUPPORT

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HESTIA HOUSING AND SUPPORT

Reference and administrative information

For the year ended 31 March 2025

Company number	02020165
Country of incorporation	United Kingdom
Charity number	294555
Country of registration	England & Wales

Registered office and operational address Fourth Floor, Beaufort House, 15 St Botolph Street, London EC3A 7DT

Trustees

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

Dame Moira Gibb	Chair
Joanna Mark-Richards	Vice Chair
Brendan Sarsfield	Treasurer
Elizabeth Zacharias	
Rebecca Pritchard (resigned 01/09/25)	
Lauren Bowes-Byatt	
Elizabeth Meek	
Aisling Thompson	
Catalina Cernica	
Roger Rawlinson (Co-opted 01/02/24 and Board appointed 03/12/24)	
Jessamy Gould (Co-opted 22/10/24 and Board appointed 03/12/24)	
Lynette Romeo (Co-opted 22/10/24 and Board appointed 03/12/24)	
Helen Christina Marriott (resigned 25/06/24)	

Key management personnel	Patrick Ryan	Chief Executive and Secretary
	Christopher Clarke	Executive Director – Finance (to 01/10/24)
	Colin Farmer	Executive Director – Finance (from 02/10/24)
	Mel Cox	Executive Director – People, Technology and Change
	Gayle Lowery-Jones	Executive Director of Development
	Naomi Neiland	Executive Director of Fundraising and Communications (from 06/09/23)
	Oliver Jacobs	Chief Executive – Twining Enterprise

Bankers	Barclays Bank PLC 74 Shepherds Bush Green LONDON W12 8QB

HESTIA HOUSING AND SUPPORT

Reference and administrative information

For the year ended 31 March 2025

Solicitors Russell Cooke
 2 Putney Hill
 LONDON
 SW15 6AB

Auditor Sayer Vincent LLP
 Chartered Accountants and Statutory Auditor
 110 Golden Lane
 LONDON
 EC1Y 0TG

Trustees' annual report (including the strategic report)

For the year ended 31 March 2025

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

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

Twining Enterprise (Twining), the wholly owned subsidiary of Hestia was fully integrated into the Hestia business on 31 March 2025. This is reflected in the financial statements presented in this report – which is why the Group and Company accounts Balance Sheet are the same, following this integration.

Objectives and activities

Purposes and aims

Hestia's objects as outlined in the Memorandum and Articles of Association are for the public benefit:

- To relieve hardship and distress by providing support and care for individuals who suffer mental or physical infirmity, are affected by domestic violence, are offenders or at risk of offending, are in need due to age or youth, are homeless, suffer substance abuse or are otherwise in need of assistance.
- To provide housing, housing related support or care for the Beneficiaries so that they can live more independent lives and fulfil their potential in the community.
- To further such other exclusively charitable purposes according to the law of England and Wales as the Trustees in their absolute discretion from time to time determine.

Vision and Mission

Hestia's vision is 'Empowering People, Changing Lives' and our mission is 'To support adults and children who have experienced trauma to find safety, hope and purpose'. Our core values are: Respectful, Collaborative, Genuine, Dedicated and Courageous.

Strategic Objectives

In 2024, the Trustees agreed a new 5-year strategy to empower more adults and children across London and the South East who have experienced trauma to find safety, hope and purpose. We aim to achieve this through the provision of high-quality services and trauma and resilience informed support for people experiencing mental health challenges, adults and children escaping domestic abuse, survivors of modern slavery, and people leaving prison. We foster trusting relationships at crucial points in their recovery which enable individuals to build a life beyond crisis.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2025

Strategy Ambition 2024 – 29

Over the remaining four years of this strategy period, Hestia's ambition is to support more people across London and the South East who've experienced trauma to achieve safety, hope and purpose.

Our commitment to high quality services with our service users at the centre will sit at the heart of our strategy and ability to grow. Guided by the reality of their experience, we will bring the voice of service users to the attention of policy makers, partners and communities and use our insight, evidence, and expertise to push for the change that matters.

Alongside continued excellence in the delivery of our core services, we aim to achieve this through five strategic priorities:

- i. Being a trusted voice for people in crisis
- ii. Growing our non-clinical mental health services.
- iii. Innovating domestic abuse services.
- iv. Digitally enabling our service user journey.
- v. Growing our philanthropic support

Public benefit

The Trustees have referred to the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

Hestia's year in numbers:

OUR SERVICE USERS	2024-25	2023-24
Total number of service users supported across the year	22,606	20,035
Number of accommodation units managed across our service groups	809	733
% of service users satisfied with their care and support	93%	95%

- Further information on our service users is outlined in our strategic review on pages 11 to 14

OUR FINANCES	2024-25	2023-24
Total Income for the year	£56.786m	£54.249m
Fundraised income in the year	£1.290m	£1.104m
Annual Operating Surplus for the year	£0.568m	£1.819m
Net current assets	£7.377m	£6.900m
Total unrestricted reserves	£18.015m	£16.938m

- Further information on our finances is outlined in our financial review on pages 15 to 21

OUR PEOPLE	2024-25	2023-24
No. of colleagues directly employed by Hestia	814	757
Staff retention rate	76%	69%
Staff sickness rate	3.6%	3.6%
Staff wellbeing and engagement	79%	79%

- Further information on our people is outlined in our strategic review on pages 23 to 29

Trustees' annual report (including the strategic report)

For the year ended 31 March 2025

Strategic Report 2024 – 2029

The analysis below considers, for each of our five strategic priorities, what we achieved in 2024–25 and our ambitions for 2025–26. At the end of this section, we have included an additional table to show progress with core activities.

Strategic Objective 1 – Being a trusted voice for people in crisis

In 2024–25 we:	• Developed a set of measures to demonstrate achievement of Safety, Hope and Purpose, incorporated into our Service User Survey. Findings showed high proportions of people experience Safety 94%, Hope 90% and Purpose 88%. • Brought survivors of modern slavery's voices to the public and policy makers through: 'On Our Streets: The Changing Face of Modern Slavery in London' which shines a spotlight on the realities of modern slavery, happening in every borough of London; and our tenth Underground Lives research report which is focused on mental health support for survivors of modern slavery. • Hosted our Art is Freedom exhibition over two weeks in Trafalgar Square, Victoria and London Bridge and a virtual display on World Anti-Slavery Day (18th October) in the Piccadilly Circus lights. This reached a potential audience of 7.2 million. • Published our London Mental Health Index which surveyed the mental health of Londoners and identified the need for more mental health crisis support like that provided by Hestia. This linked to our crisis services directory for London.
In 2025–26 we will:	• Position Hestia as a trusted voice on mental health, growing donor and political engagement in this work. • Continue to bring our survivors' stories to the public and policy makers through our publications. • Grow engagement of business in tackling domestic abuse and sexual violence. • Host a number of local events to profile and celebrate our work to stakeholders. • Undertake a Communications review and develop a new strategy.

Strategic Objective 2 – Growing our non-clinical mental health services

In 2024–25 we:	Exceeded £4.5 million target and secured £7 million annual income increase this year, including new mental health crisis alternative cafes and a recovery house, offering safe places where people can de-escalate from crisis and distress and are supported to create plans to keep themselves guarded against risks associated with their crises. In addition, we have delivered new supported housing services for individuals with severe and enduring mental health issues and been successful in growing Hestia's Employment Services (£1.5 million), alongside retaining existing contracts at retender.
In 2025–26 we will:	- Build on our track record for success and secure £6.0 million net new business with a significant part of this coming from developing nonclinical mental health services. - Integrate Employment within Hestia's services, ensuring that there is 'no wrong front door' across the organisation, and embedding effective internal referral routes between Hestia's legacy service lines (mental health, domestic abuse, modern slavery and support for those involved in the criminal justice system) and our new line of employment support services. - Where new business specifications and financial envelopes allow, build employment support into non-clinical mental health service tender submissions, bringing employment aspirations and a focus on purpose to a cohort of service users who may not have traditionally had this support.

Strategic Objective 3 – Innovating in domestic abuse services

In 2024–25 we:	- Secured £1m fundraising grant over 3 years from the Julia Rausing Trust to support our work to transform domestic abuse services. - Commenced the transformation of our domestic abuse services. The four areas underpinning the transformation plan are Vision and Service Model, Staffing, Health and Safety and Accreditation - We scoped the research brief for the evaluation of our support models for children, families and adults to demonstrate its impact and effectiveness. - We continue to grow our specialist domestic abuse offer for employers and have worked with 36 new employers reaching over 480,000 staff. - Following a relaunch, we continue to see growth in the use of our Bright Sky app with now circa 4,000 downloads per month and we have been showcasing it to business and parliamentary audiences.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2025

	Progressing our ambition to embed Safe Spaces as national response to domestic abuse, with a Safe Space on every high street. Currently have over 4,400 high street Safe Spaces as well as a number of partners providing Online Safe Spaces – although we have seen high street Safe Space numbers decline as a result of bank closures and the roll back of Ask ANI in pharmacies.
In 2025–26 we will:	- Progress with the transformation plan for Hestia's Domestic Abuse services. - Continue to strengthen and grow our Domestic Abuse and Sexual Violence Prevention (DASVP) offer in order to raise awareness and equip more people with routes to safety. This includes expanding employer partnerships and establishing a sustainable business model for Safe Spaces and our digital products - Engage policymakers and business to build the understanding that Hestia's partnerships and innovations provide a cost-effective solution to reducing Violence Against Women and Girls (VAWG)

Strategic Objective 4 – Digitally enabling our service user journey

In 2024–25 we:	- Prepared for the organisational roll out of 'Connect and Learn' – Hestia's online recovery college, focused at reducing social isolation and bringing joy into the lives of our service users. - Completed the detailed work to specify the system solution and service user needs to automate the current manual processes within Volunteering. We also agreed the technical solution and have commenced the work to automate processes. - Developed the training modules for hybrid contact with service users and this is being implemented. - Completed the digital inclusion assessment. This is now integrated into the Wheel of LIFE, Hestia's coaching tool to help define achievable goals with service users, and Needs Assessment for all service users and these assessments are being used to identify digital equipment and skills support requirements to enable service users to engage digitally.
In 2025–26 we will:	- Develop a Digital strategy to support delivery of the next phase of digitalising the service user journey - Develop a Digital Inclusion plan - Engage 1,500 service users in our 'Connect and Learn' digital recovery college.

Strategic Objective 5 – Growing our philanthropic support

In 2024–25 we:	- Developed a new fundraising strategy putting us on track to grow our total fundraised income over our 5 year strategy period to £3.2 million and unrestricted income to £1.2 million. - Exceeded our fundraised income targets for 2024–25 and secured Hestia's first £1m grant to support the transformation of domestic abuse services.
In 2025–26 we will:	- Develop compelling funding propositions to meet the need of the growing proportion of our service users who are accessing our mental health services, growing philanthropic interest in this area. - Secure £2.2 million fundraised income of which £630K is unrestricted.

Delivery of core priorities

In 2024–25 we:	- Completed as planned the full integration of the Twining subsidiary by 31 March 2025. All Twining colleagues TUPE transferred into Hestia and the wholly owned subsidiary will be closed when the 2024–25 final accounts are concluded in 2025–26. - Progressed with our Equality, Diversity and Inclusion (EDI) Strategy and our ambition to become an anti-racist organisation (AR). Our EDI / AR forum is now in place and meets regularly to share progress against the strategy, all our teams have EDI/AR objectives with representation targets and EDI is incorporated into all training. - Continued to develop The Hestia Approach, our psychologically informed way of working focused on recovery to bring safety, hope and purpose to the lives of our service users. Trauma informed practice is now rolled out across the organisation, along with a training programme for new starters / refresher training. - As part of our plan to move to a new head office by December 2025, we developed a specification of our future requirements. We have now signed a lease on our chosen property and are progressing the office fit-out. - Got the retender of the Support for Victims of Modern Slavery contract underway, although the current contract has been extended meaning the new service will now commence in 2027. - Progressed plans to develop a legal services hub having secured funding for the first 2 phases of this project. A Legal Directory of law firms and their services have been rolled out and we are working with law partners to develop the legal health check tool and train staff.

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For the year ended 31 March 2025

In 2025–26 we will:	• Work with Prime Providers to position Hestia to secure the Support for Victims of Modern Slavery (SVMS25) contract • Implement a new recruitment model that increases permanent staffing, reduces the current spend on agency workers and improves the agency to permanent staff conversion rate. • Deliver phase 1 of the data strategy, which includes a review of KPIs, changes to our service user database, InForm, to create a better user experience. We will also improve data accuracy and quality across the organisation to enable better informed decision making. • Develop the next 5-year People Strategy to include our approach to engagement and belonging, staff retention, talent development and the next phase of organisational culture development. • Create and mobilise the resolution hub – train employees and managers in skills to engage in difficult conversations and mediation training for hub facilitators. • Progress year 2 of the EDI/AR strategy • Move to a new head office by the end of December 2025. • Develop a Procurement Strategy • Develop a Housing Management Strategy • Reduce lost income through voids and achieve the void target across the year • Relaunch the Hestia website.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2025

Strategic Report: – Our Performance

Hestia's ambition is to provide more people across London and the South East who have experienced crisis and trauma with safety, hope and purpose.

The support we provide varies depending on the services that we are commissioned to deliver but irrespective of how individuals come into Hestia, we aim to build trusted relationships and recognise and work with their unique needs and aspirations.

During 2024–25 Hestia supported 22,606 men, women and children who accessed our services during the year – an increase of 2,571 on the previous year. Support was delivered across a range of client groups:

Client Group	Financial Year 2024–2025	Financial Year 2023–2024
Mental Health	12,163	10,979
Domestic Abuse (including children in refuges), Sexual Violence and VAWG	3,158	3,867
Homelessness and Housing Support	1,223	1,295
Modern Slavery (including children in safe houses)	2,362	2,839
Criminal Justice	424	304
Young People	57	68
Older People and Dementia	562	683
Employment Services	2,657	–
TOTAL	22,606	20,035

* Where individuals accessed more than one Hestia service, they were counted more than once to be able to assign them to a client group for each service they received.

Partnership Working

Partnership working is at the heart of what we do. Our work is commissioned by a wide range of public and private sector organisations and we collaborate across sectors to effect change:

- Central and Regional Government – the Home Office, Ministry of Justice, Ministry of Housing, Communities and Local Government (MHCLG), Department for Work and Pensions, Department for Business and Trade, Mayor's Office for Policing and Crime (MOPAC).
- Local Authorities –we have support contracts with the majority of London Local Authorities.
- NHS Mental Health Trusts and Integrated Commissioning Boards across London and the South East.

To deliver our services we work with a wide range of other organisations including:

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For the year ended 31 March 2025

- Registered Providers and private landlords, who make available property for our accommodation-based services.
- Charitable trusts and foundations, businesses and individual donors who provide funding, volunteer and pro bono support for key programmes.
- Employers ranging from FTSE 250 companies to police forces to recognise and respond to domestic abuse and sexual violence in their workforces.
- High street banks and pharmacies to deliver community Safe Spaces for people experiencing domestic abuse.
- Statutory Health Services who provide clinical and other support to our service users.

Service Quality

We measure service quality in two ways:

- A set of Quality KPIs, measured quarterly and reported to the Trustees.
- Our annual satisfaction survey of service users to understand their views on the quality of services that we deliver.

KPI Reporting

We introduced quality KPIs in 2022 for both service users and staff indicators by combining data sets across systems. Performance over the last 2 years was as follows:

Indicator		Target	March 2025	March 2024
User Experience:	Satisfaction	90%	93%	95%
	Independence	90%	90%	85%
	Involvement	90%	72%	66%
User Outcomes		75%	70%	70%
Staff Wellbeing and Engagement		75%	79%	79%

We are pleased to report that two of the above quality metrics (user experience) have improved this year, and the other two metrics performance have remained unchanged.

Service User Satisfaction Survey

We surveyed our Service Users in September 2024 and achieved 1,338 responses – a 27% increase from last year's figure of 1,050 responses. This represents a 13% response rate for all service users.

Service users from 153 of 239 operational services responded to the survey, representing 64% of services, and a 5% increase on the 2023 survey.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2025

In terms of our strategy to enable our service users to recover and find safety, hope and purpose, an outstanding 94% stated they felt “safe and secure” in the service; 90% felt hopeful for the future; and 88% had a greater sense of purpose. Providing direct outcome indicators to evidence we are achieving our strategy.

Industry benchmarking indicated our findings were significantly more positive than the rest of the adult social care sector.

External Benchmarking

We use our annual service user satisfaction survey to report against the ASCOF which measures how well care and support services achieve the outcomes that matter most to people. The ASCOF is used both locally and nationally to set priorities for care and support, measure progress and strengthen transparency and accountability. We are pleased to see how service users consistently rate their experience at Hestia against comparative London wide measures (last reported for 2023/24):

Question	Hestia Positive Response rate 2024-25	Hestia Positive Response rate 2023-24	ASCOF Positive response rate London 2023-24
I am satisfied with my service / service user satisfaction with care and support	93%	95%	60%
I know how the service works and what I am entitled to / I find it easy to get information	90%	92%	67%
I can control the kind of support I receive / Proportion of people who feel they have control over their daily life.	95%	89%	72%
I feel safe and secure in the service. / Proportion of people whose service help them to feel safe	94%	95%	67%
I am able to have as much social contact as I want with people I like. / Proportion of people who have as much social contact as they would like.	90%	88%	41%

Comparison with the Communities and Local Government Outcomes Framework

Most of Hestia’s services are commissioned to achieve positive outcomes against the five domains from the Communities and Local Government outcomes framework.

HESTIA HOUSING AND SUPPORT

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For the year ended 31 March 2025

Domain	Indicator	Target	2024–25 reporting achieved and partly achieved	2023–24 reporting achieved and partly achieved
Maximise economic well being	Achieve positive outcomes for those needing support to maximise their income	95%	91%	95%
Enjoy and achieve	Service users received support to improve overall quality of life for children	95%	95%	91%
	Service users received support to enable participation in activities	90%	89%	84%
	Service users agreeing the service enabled them to develop independence and linked them into other services	95%	92%	91%
	Service users confirming they have as much social contact as they would like	90%	90%	88%
Being Healthy	Received support to better manage physical health	95%	89%	94%
	Received support to better manage mental health	95%	94%	94%
Staying Safe	Reduce the risk of harm from others	95%	98%	95%
	Received support to maintain accommodation	95%	92%	94%
	Service users confirming they felt safe and secure in the service	100%	94%	95%
Making a positive contribution	Received support to be more confident in accessing services	95%	95%	94%
	Service users agreed that they were given information that they could easily understand, agreeing they were in control of their support, understanding how the service delivered the support they needed, and understanding their entitlements.	90%	92%	92%

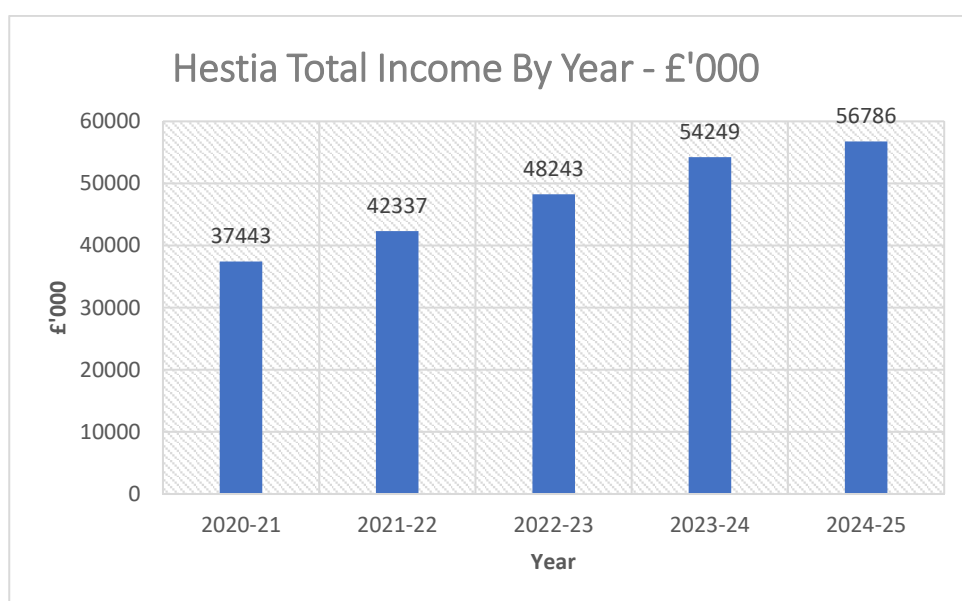
Our results show performance to be consistent year on year and around target. The results of the survey continue to drive improvements in service delivery with a major focus in 2024–25 being to increase service user involvement opportunities.

Financial review

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

Income

Since 2020–21, income has grown steadily from £37.443 million in 2020–21 to £56.786 million – an increase of 52% (£19.343 million):



The income growth over the past five years has been achieved largely through the addition of contracts and annual increases in contract income, although only 51% of Hestia's contracts attract annual increases. Annual increases are applied to rents and service charges, where rents are linked to the Government rent increase limits and service charges are set to achieve full cost recovery.

Income Breakdown – 2024–25

Income Area	2024–25 £m	2023–24 £m	Change %
Support Contracts and Other Grants	£32.376	£32.028	+1%
Restricted Grants	£5.674	£4.684	+21%
Rents and Service Charges	£13.520	£12.674	+6.7%
Approved Premises	£3.579	£3.457	+4%
Donations and Legacies	£1.290	£1.104	+17%
Investment Income	£0.347	£0.302	+15%
Total	£56.786	£54.249	5%

Income Breakdown – 2024–25 (continued)

- Income from Support Contracts and Other Grants continue to make up the largest part of Hestia's income. However, this income has increased by just 1% this year. This is primarily due to 4 large support contracts ending, along with a significant reduction in service user referrals to our Modern Slavery service – these have collectively reduced income this year, which has mostly offset the in-year growth achieved and the extra income now included following the merger with Twining.
- Income from Restricted Grants had the largest increase of 21% due to the increased contact value of the VCS services across three boroughs and opening of crisis cafes.
- Rents and Service charges increased due to the rent increase applied from April 2024 (7.7%) and due to new accommodation-based services that opened in Lewisham and Tower Hamlets. Also, the service losses suffered this year had minimal Housing services and therefore, rent and service charge losses were low.
- The Approved Premises income increased due to the annual inflation award from April 2024.

Annual Surplus

Hestia continues to deliver operating surpluses (defined as net income before gains / losses on investments and pensions):

Year	Net Income – Unrestricted	Net Income – Restricted	Total Operating Surplus	Net Income as a % of Total Income
2019–20	£38k	£92k	£130k	0.41%
2020–21	£503k	£416k	£919k	2.45%
2021–22	£494k	£416k	£910k	2.16%
2022–23	£1,487k	(£155k)	£1,332k	2.76%
2023–24	£1,603k	£216k	£1,819k	3.35%
2024–25	£392k	£176k	£568k	1.00%

The 2024–25 operating surplus is lower than previous years due to the purchase of staff vouchers for an end of year celebration payment made to staff (as we reached 1,000 permanent employees), higher spend this year on replacing IT digital equipment and a drop in modern slavery contribution following the decline in service user referrals and income.

When adding in the impact of Investment gains and the actuarial pension loss (last year), the overall group surplus this year was £1.253 million, which is slightly down on last year (£1.496 million).

Hestia's aim is to continue to generate surpluses on unrestricted funds that add to reserves, ensuring funds are available to support our work with service users.

Trustees' annual report (including the strategic report)**For the year ended 31 March 2025**

Balance Sheet

Hestia's balance sheet remains strong with total group assets increasing from £19.833 million at 31 March 2024 to £21.086 million at 31 March 2025 due to the retained surplus for the year.

Key financial indicators

Trustees consider three financial performance indicators which are those traditionally used by our commissioners as part of their financial monitoring analysis, and we have comfortably met or exceeded these over the last 2 years:

Indicator	Target	Hestia 2024-25	Hestia 2023-24
Annual Operating Surplus	> £0	£568k	£1,819k
Current Assets: Current Liabilities	> 1:1	1.81	1.87
Gearing (Debt / Equity)	< 40%	0%	0%

Investments

Hestia's investment policy aims are to: (a) preserve the real capital value of the funds held over a 5-year period; (b) provide an income stream of 2% with low volatility; and (c) procure a long-term return, net of all charges, of 1% p.a. in real terms.

There were no capital additions or withdrawals in the year, therefore changes in the value of investments are a result of:

- Re-investment of dividend income.
- Management fees deducted by the fund managers.
- Net Investment gains and losses on stock disposals, reinvested in the portfolio.
- Net increases in portfolio valuations at 31 March 2025.

Hestia currently divides its investments between two managers:

- UBS AG – who manage a Sustainable Investment Portfolio of fixed interest securities, equities and property. The portfolio is managed on the basis of positive inclusion of stocks taking into account environmental, social and governance impacts. At 31 March 2025, the value of the portfolio had increased to £8.901 million from £8.121 million.
- Ruffer LLP – Hestia's investment is in a common investment fund which has an absolute return approach. The fund aims to invest in complementary stocks which provide a counterbalance against market swings and the fund also aims to generate a positive return over cash. At 31 March 2025, the value of the portfolio had increased to £1.931 million from £1.858 million.

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The Finance and Fundraising Committee monitor performance quarterly and meet with both fund managers annually. During the year Trustees reaffirmed their intention to remain invested in the medium to long term irrespective of short-term market fluctuations.

Pensions

All colleagues are entitled to join Hestia's defined contribution scheme operated by Legal and General and new employees are automatically enrolled on joining. Hestia match any employee contributions up to 5% subject to maintaining minimum contribution levels under pensions legislation. Employees are entitled to opt out but to date less than 5% of staff have done so.

There is now just one employee who retains membership of the Royal Borough of Kensington & Chelsea's defined benefits scheme. This scheme is linked to the contract to provide day centre services which we expect to be retendered in 2025–26.

The FRS102 valuation position as reported by the actuaries showed an increase in the net value of the pension asset of £210k to stand at £1,148k at 31 March 2025. The present value of liabilities was decreased by £169k, with the share of the scheme assets increasing by £41k. Trustees have agreed not to recognise the asset in the financial statements, as we believe it is unlikely that this would be realised if our participation in the scheme were to cease.

Contributions to the scheme for 2025–26 have remained unchanged at 17.7%.

Hestia also contributes into the NHS pension scheme for two employees linked to the Wandsworth Recovery & Rehabilitation service and employer contributions on this scheme are fixed at 14.38% p.a.

Principal risks and uncertainties

The Board of Trustees is responsible for ensuring that Hestia has in place systems of internal control that are appropriate to the various business environments in which it operates. These enable the organisation to manage rather than eliminate risks and so provide a reasonable but not necessarily absolute degree of assurance.

Hestia's operating model predominantly relies on income generated from contracts awarded by commissioning partners. Many of these are for a fixed number of years and subject to retendering at various intervals. In previous years, Hestia was able to manage these fixed price contracts due to the low inflation environment. Rents and service charge income is also linked to commissioned contracts – Hestia owns very few properties.

The commissioning environment provides opportunities for Hestia as contracts currently provided by others are also put out of tender which provides potential to increase the contract base.

Traditionally, the main aim of our fundraising activity has been linked to added value initiatives to support the contracts that we deliver rather than achieving core unrestricted income.

The majority of income risk lies therefore with our contract base.

Approach to Risk Management

Hestia operates both a bottom-up and top-down approach to risk management: operational services each develop their own local risk management plans, and this informs the strategic risk register. The strategic risk register defines the risks that have the potential to seriously affect Hestia's ability to continue to operate as an independent organisation delivering services to our beneficiaries. Risks can be added or deleted depending on the environmental assessment which is considered as part of each Board meeting.

For 2024-25 the following were identified as the top risks:

- Delivering service user outcomes / safeguarding
- Internal performance management
- Compliance – health and safety / information governance / business continuity planning
- Workforce management
- Contract retention / Victim Care Contract
- Cost control
- Fundraising
- External reputation

Top Strategic Risks

In 2024-25 Trustees identified that the two biggest risks facing Hestia are contract retention (with a focus on the Victim Care Contract which represents 17% of Hestia's income and workforce management given the buoyant job market, the impact of inflation on salary requests and workforce burnout.

Trustees received detailed updates on both these areas at each of their Board meetings, including a review of internal / external challenges, relevant KPIs, any independent third-party information and management activities. This ensures the Board is sighted on those major risk areas likely to affect Hestia.

Controls

The Board of Trustees have put in place appropriate procedures and controls to adequately mitigate against the various risks Hestia faces including:

- An organisational set of values which commits us to managing the Charity's affairs with integrity.
- Operational services having clear local plans to manage risk, linked to annual business plans.
- The risk assessment process embedded in a comprehensive business planning process.
- An agreed quality strategy which is monitored as part of regular KPI reporting.
- Robust budgeting and quarterly review and reporting of financial performance.

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- Clear and regularly reviewed delegated authorities.
- Appropriate authorisation levels and segregation of accounting duties.
- Clear staff roles, responsibilities and accountabilities.

The Board delegates authority to Hestia's Committees to monitor the review and outcome of the application of controls through regular reporting and deeper analysis of issues of concern. During 2024–25 the Board received reports on Fundraising, Safeguarding, Health and Safety, Voids, Face to Face service user meetings, Assessments, key performance indicators and service user experience.

Reserves policy and going concern

Reserves

Hestia's reserves policy is designed to reflect the underlying risk facing us and ensure we have an appropriate level of reserves to safeguard our operations and provide services to our beneficiaries. We hold restricted funds to meet commissioner and donor requirements around unspent income. Restricted reserves include amounts associated with fixed asset investments to reflect where property may be charged to external agencies.

Trustees have also agreed to hold designated reserves to meet non-operational activities, linked to property management requirements and organisational development. Funds held at 31 March 2025 totalled £1.226 million broken down as follows:

	£'000
Property upkeep / maintenance	537
Service design improvements	436
Digital / I.T. Infrastructure improvements	205
Head Office Relocation Fund	48
TOTAL	1,226

During the year expenditure from reserves was incurred on property renovations, legal costs connected with the Twining merger and implementation of the new housing system introduced this year.

The Trustees consider the minimum level of free reserves annually – excluding restricted and designated reserves – required to support our operations. Relevant factors include projected financial performance with an assessment of risk to our income streams and cash flow requirements. Hestia's income is largely contract linked which provides a degree of certainty in terms of understanding future income but also incorporates risks of contracts being cancelled or lost on re-tender. Our risk assessment considers the impact of potential contract losses taking account of the impact of contract cancellations (which have larger impact on staff and beneficiaries) compared to contracts which are transferred to alternative organisations to continue delivery.

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Having undertaken a review of projected cash flows and contract end dates, Trustees have determined that Hestia requires three months' worth of operating costs to manage short term cash flow variations and the potential loss of contracts. This must be held in liquid assets.

Following this review, Trustees have determined that the minimum level of free reserves is £13.0 million at 31 March 2025. The actual level of free reserves is £15.0 million (excluding the value of fixed assets). The Trustees review this amount annually and as such this minimum amount will change from time to time. Liquid assets (cash / short term investments and long-term investments all of which are accessible at short notice) are £18.7 million.

Forecast and Budgets / Going Concern

The budget for 2025–26 predicts that we will make a small deficit as we draw down on restricted reserves and invest in project restructuring. Unrestricted reserves are forecast to grow slightly. As a result, we expect overall reserves to be largely unchanged subject to any changes in our investments and pensions.

Projecting forward into 2026–27, Trustees have also considered a number of downside scenarios to test financial resilience. The mitigated worst case scenario assumes:

- 4% inflation on salaries and other costs (salaries account for 65% of expenditure).
- Contract inflation is held at 2%.
- The Victim Care Contract is lost at retender. The outcome of this retender is due to be awarded by Spring 2026, with a 1 year phased mobilisation and the new contract commencing from Spring 2027. Therefore, any contract loss is likely to be phased out during 2026/27 but for the purpose of this downside testing, the full loss is assumed from April 2026.

Without taking corrective in year action, the deficit for 2026–27 would be £1.933 million; general funds would decrease to £15.2 million and cash at bank would remain positive at £5.8 million. The loss in year would be mostly due to the unfunded element of the salary inflation and the loss of central overhead funding from the Victim Care Contract. Mitigating actions that would be taken include reducing central overhead costs in line with the income lost and we are also underway with an initiative to change our recruitment processes with the specific aim of reducing the current level of agency use. In addition to this, we would also enter contract renegotiations with commissioners to address any loss-making services and work to secure additional growth to replace any lost contracts / income. The increased performance arising from these mitigating actions would remove the loss shown in this worst case scenario and restore our financial performance.

Fundraising

Hestia's fundraising strategy seeks to ensure we can help more people to a life beyond crisis.

The fundraising team works to achieve strategic impact and funding partnerships with a range of government agencies, charitable trusts, community groups, corporate donors and individuals on a wide range of activities. During the year the team raised £1.290 million from donations, legacies and gifts in kind and a further £0.712 million in other grants.

We would like to thank all of those who have supported programmes and made donations to provide safety, hope and purpose after crisis and trauma for the people in Hestia's services:

- Our Children and Families programmes – providing practical and emotional support from dedicated children and families workers, tailored therapeutic interventions, and activities that help families connect and experience joy together – have been made possible by Greater London Authority and MOPAC, Julia Rausing Trust, BBC Children in Need, Compass Wellbeing and North Central and East London CAMHS Provider Collaborative (NCEL), Childhood Trust and individual donors supporting our Big Give campaigns, Wimbledon Community Foundation, Wandsworth Combined Charities, TUUT Charitable Trust, John Lyon's Charity, London Boroughs of Brent and Merton, Hardy Family Foundation, Hargreaves Foundation, Hasbro, Tokio Marine HCC, HSBC Branch Network, Polen Capital, PZ Cussons Beauty, BCD Meetings and Events, and WE Soda.
- Our wrap-around support for survivors in our Domestic Abuse Refuges across London – including our dedicated refuge referral helpline, our empowerment, well-being and counselling support, and resettlement and move-on support – has been made possible by grants and donations from the Greater London Authority and MOPAC, City Bridge Foundation, LB Merton, Uber, Sapio Research, KKR and Tokio Marine HCC.
- Our Domestic Abuse Prevention Programmes, including our Safe Spaces initiative in pharmacies and banks, UK Says No More and Everyone's Business, have been supported by grants from the Home Office as well as by a range of corporate partners purchasing Independent Domestic Violence Advocate (IDVA) services. Our digital innovation to support more survivors of domestic abuse – including the Bright Sky domestic abuse app and Online Safe Spaces – has expanded with the support of the Home Office, Kingfisher Plc, and the Vodafone Foundation.
- Our holistic support for people in our mental health and complex needs services – including fun and joyful activities, and the Hestia Choir, have been made possible thanks to the MK Charitable Trust, Chapman Charitable Trust and the National Lottery Community Fund's Awards for All.

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- Our wrap-around support for survivors of Modern Slavery – including urgent essential items, social inclusion, independent living skills, dedicated support for children of survivors, and research and advocacy to raise awareness and giving survivors a voice – has been made possible through the generous support of the David and Ruth Lewis Family Charitable Trust, Swire Charitable Trust, Sigrid Rausing Trust, and corporate donations from Bird & Bird, Ashurst, and WE Soda.

We are grateful for the sustained support from the Social Business Trust (SBT). The focused funding and deep expertise brought by Clifford Chance, Bain, Permira and other SBT partners has been invaluable in refocusing our organisational strategy and transforming our data infrastructure to effectively demonstrate our impact.

Our Fundraising Practices

Hestia's fundraising team is focused on relationship fundraising: securing philanthropic support via partnerships with trusts and foundations, central and local government grants, corporate partnerships, and individuals. Hestia does not use any third-party fundraising agencies or involve commercial participators.

Our Fundraising Policy was updated in March 2024 and confirms that we adhere to the Fundraising Regulator's Code of Fundraising Practice and that all data we handle is compliant with GDPR regulations. There have been no complaints about fundraising activity in the past year and there have been no failures to comply with the Code of Fundraising Practice. Our adherence to the Code of Fundraising Practice sets out the main ways we ensure that we protect vulnerable people and members of the public from unreasonable or unwanted behaviour.

Structure, governance and management

Structure

Hestia Housing and Support ("Hestia") is a registered charity and is incorporated as a company limited by guarantee governed by its Memorandum and Articles of Association.

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

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

Governance

The Trustees constitute the Directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of the Charities Act 2011 and provide leadership, direction and

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control in pursuit of the Charity's charitable objectives. Trustees serve for a term of three years with a possible appointment for a second term of another three years.

Trustees are recruited based on an evaluation of the range of skills and experience needed to govern Hestia covering strategic and operational experience as well as a range of business and commercial experience, including financial and HR knowledge.

Dame Moira Gibb was appointed as Chair of the Board in 2023. Dame Moira is a qualified social worker and was Director of Social Services at the Royal Borough of Kensington and Chelsea and Chief Executive of Camden Council. She has held a number of Board and Trustee appointments, including at NHS England and she was Chair of Skills for Care from 2014 – 2022.

During the year three co-opted Board members Roger Rawlinson, Jessamy Gould and Lynette Romeo were all formally appointed to the Board. Roger had previously been a Twining Board member and is an HR consultant and leader of organisational change with many years' experience of executive responsibility for HR, Learning and Development and Communications across the retail, manufacturing and health sectors. Jessamy has many years' experience developing and delivering partnerships and fundraising strategies across the voluntary sector and Lynette has extensive experience working with children and families, adults social care, mental health and palliative care. Lynette is a qualified social worker and was the first ever Chief Social worker for adults in England.

Helen Christina Marriott and Sonal Shah left the Board in 2024 and we thank them for their contribution to Hestia.

Trustee Induction / Training / Involvement

Trustees receive an induction pack which contains information about Hestia, its structure and operations, the Board and Committee structures, Trustee duties and responsibilities and the organisation's key policies. Trustees are encouraged to participate in visits to Hestia projects to provide first hand exposure to the services delivered and the operating environment. Trustees also get the opportunity to meet Hestia's service users at social events, on recruitment panels, and at planned scheme inspections and visits. Over the course of the year, service users are also invited to attend Board meetings to provide direct and personal updates on their experiences at Hestia.

Training is provided to the Board aligned to identified needs. All Trustees undertake safeguarding training and the Board has appointed Lynette Romeo as the Board safeguarding lead. Trustees also receive training on modern slavery annually reflecting the importance of this to Hestia's overall operations. Trustees also attend annual away days to consider the operating environment and plan strategic direction.

The full Board of Trustees meets six times a year to discuss strategy, to formulate policy and to oversee operational matters. The Board is supported by four standing committees who review specific areas in detail and report back to the full Board:

- Governance
- Finance and Fundraising

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- Performance Review
- Digital and I.T.

Committees may co-opt non-Trustee members to bring wider experience to specialist areas and the following individuals are currently co-opted to Hestia Committees:

- Claudette Mercano and Anil Shenoy who sit on the Finance and Fundraising Committee.
- Tori Ellaway sits on the Digital and I.T. Committee:
- Matthew Kelly sits on the Performance Review Committee.

Hestia's Trustees have agreed to work towards full compliance with the Charity Governance Code and to review Hestia's practices against the seven key areas which make up the code. In 2024/2025 Trustees focussed on the 'Integrity' element of the code as part of completing the merger between Hestia and Twining Enterprise. With continued support from Social Business Trust and pro bono support from EY a cultural assessment was undertaken to guide the next steps for the merged organisation and further support integration and secure the ambitions of the merger to enable more people to recover from crisis and trauma marked by safety, hope, and purpose. This assessment has informed a plan across 25/26 to further build on and integrate the cultural synergies and strengths across the merged organisation to ensure the nurturing of a culture which helps achieve the organisation's charitable purposes.

Management

Day to day management of the organisation is delegated to the Chief Executive and Senior Management Team. The Chief Executive is not a member of the company and has no legal status as Director although he acts as executive within the authority delegated by the Trustees.

The Chief Executive and Senior Management Team attend Trustee Board Meetings, Committee meetings and Trustee Away Days, presenting reports and analyses for discussion and to support decision making.

Pay Policy for Senior Colleagues

The pay of senior colleagues is reviewed by the Governance Committee considering market conditions and pay rates in comparable organisations. A detailed market comparison is sought at the time any senior recruitment takes place.

Trustees' duty to promote the success of Hestia Housing and Support – section 172 statement

Trustees have a duty to promote the success of Hestia Housing and Support, and in doing so, are required by section 172(1) of the Companies Act 2006 to have regard to the following specific factors:

- The likely consequences of any decision in the long term

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Trustees work to an approved 5-year strategy (2024–2029), which was approved by the Board in March 2024. This included an assessment of Hestia's strengths and weaknesses, how those interlinked with the external environment and how that affected our ability to meet our objectives. Trustees agree an annual operation plan which includes an assessment of the longer-term impacts and ensures appropriate monitoring arrangements are in place. The Board may choose to delegate to its Committees to undertake detailed analysis of plans and report back on their findings.

- The interest of Hestia's employees

The impact on colleagues of decisions to be taken are discussed by Trustees, who also receive an annual people update covering remuneration, retention, wellbeing, health and safety, and safeguarding. Hestia has a Trade Union recognition agreement in place with Unison, and also works closely with its internal colleague consultative forum.

- The need to foster Hestia's business relationships with suppliers, customers and others

Trustees have approved a Quality Strategy which outlines the standards of how we wish to work with our stakeholders – commissioners of our services, our service users and other interested parties. Quality KPIs have been developed which are reported to the Board on a quarterly basis, along with an annual review of the Quality Strategy.

One of Hestia's core values is 'Collaborative' which includes engaging service users in shaping our policies and procedures as well as the strategic direction of the Charity.

As the largest single provider of services to victims of human trafficking we have worked with suppliers to support them in the development and implementation of their Modern Slavery Statements, providing support, guidance and training on the subject.

- The impact of Hestia's operations on the community and the environment

Our services are rooted in community provision and key to the success of our service delivery is the harnessing of community support. All projects are required to produce an annual business plan that looks at community assets and resources and how these might be utilised in supporting our service users.

- The desirability of Hestia a reputation for high standards of business conduct

As a charity, the maintenance of Hestia's reputation for keeping high standards is of particular importance. Appropriate systems and processes are in place to ensure the highest standards in business conduct. The Senior Management Team will also update the board with any matters that may have given rise to a reputational risk including any mitigating actions being taken.

- The need to act fairly between members of Hestia

As a registered charity Hestia does not have shareholders. The Trustees, who are members of the company, ensure that any surpluses are invested back into the business for the benefit of those for whom we provide care and support.

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Policy for employment of disabled persons and employee Information

Hestia is committed to promoting equality, preventing discrimination and valuing diversity in all our services and across our workforce.

This continues to be progressed through our collaboratively developed and newly launched EDI/AR strategy and our organisational change programme one aspect of which focuses on building a more diverse, inclusive and equitable culture which promotes a sense of belonging in our colleagues. One of our key ambitions here is to achieve Disability Confident level 3 and membership of Race at Work Charter and Stonewall accreditation having gained membership already.

A major element of this work was improving our Equality, Diversity and Inclusion data to support strategic decision making and overlaying an EDI lens to all our people reporting. By encouraging people to self-report and automate data collection into easily accessible platforms we will be able to improve the robustness and quality of our data and by overlaying an EDI lens in this way we can gain insight on the experiences of our people from different heritage backgrounds. In addition, this year we are creating our EDI/AR dashboard to ensure that we can be fully transparent with our colleagues on a range of EDI data and progress against targets within our strategy.

Employee wellbeing continues to be a key focus. We work in partnership with two external organisations to offer our colleagues a very broad range of well-being support and information which includes helplines on legal, financial and personal issues, webinars, live zoom sessions, face to face support and access to information to meet their individual wellbeing needs. More recently we have developed our Trauma Informed approach to self, which supports colleagues to consider and manage vicarious trauma. We provide clinical supervision for colleague groups every six weeks across our services and have responded to the cost-of-living crisis by developing a dedicated site for colleagues to access support, advice and information from trusted sources with our earnt wage, early access scheme called Wagestream.

Hestia is committed to the continuing development of all our people. We have an established learning platform through which all colleagues can access dedicated induction and personal development opportunities whether face to face or virtual workshops, e learning modules or through our knowledge hub. The second phase of The Hestia approach introduces Trauma Informed working and training to support the integration of this into our service delivery.

All colleagues have supervisions every six weeks, annual appraisals which include 360-degree feedback about how they reflect our values, objectives development which flow from the organisational strategic plan and the creation of a personal development plan.

Learning and Development provision is provided by a specialist Social Care provider who can meet all our specialist subject development needs with increasing opportunities to engage in degree and level 2-7 apprenticeships, an established Leadership Excellence Programme with a set of newly determined strategic principles for talent development and retention.

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Policy for employment of disabled persons and Employee Information (continued)

Hestia has supported 214 student placements from a range of universities and professional development institutions which enable our staff to gain line management experience and enhance the professional knowledge in our services from interactions and working with Social Work, Mental Health, Nurse students, Children and Family Practitioners students and trainee counsellors.

Hestia's Gender Pay Gap was 0.54% in 2024/25 which has decreased slightly from 0.74% the previous year.

Trustees agree our Modern Slavery Statement each year and this is publicly available on our website.

Relationships with stakeholders

Service Users

Hestia aims to put service users at the heart of everything that we do – and the Hestia Approach, our in-house recovery model has working together at its heart. We focus on building on service users' capacity through our Strengths and Aspirations review which is one of the main elements of every key working session. The Hestia Approach is subject to regular formal review and updates.

Service users are encouraged to participate at all levels of the organisation, including: leading and directing house meetings; contributing to service business plans; joining the service user liaison group which undertakes service reviews; interviewing Hestia job applicants; and engaging with Senior Management and Trustees. We have also been driving for more engagement with service users through our Connect and Learn online community. A key area of participation is through our service users' forum; the Together Network. A main focus for this network is consideration of how we engage with those service users who only access Hestia' service for a short time, including those who access our IDVA services and anyone who visits our drop-in crisis centres.

We survey our service users every year to better understand their view of the services we provide, and this is reported to Trustees along with annual actions plans to address areas of poor performance.

Commissioners and donors

As well as meeting with our commissioners and donors regularly via contract monitoring meetings, we seek to engage with this group on a less formal basis via monthly newsletters and invitations to relevant events.

We offer commissioners and donors direct support to increase awareness of Domestic Abuse and Modern Slavery in the workplace, with access to some of the tools we have developed, including our Bright Sky and Respond to Abuse Apps and help with Modern Slavery Statements.

We encourage funders to visit projects and participate in events: over the year, this has included painting and improving accommodation, gardening, and organising Christmas and Summer events

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for service users and their families. This provides a direct opportunity for donors to meet service users first hand to and to see the real benefits of the contributions that they make.

Workforce

Hestia seeks to engage with our colleagues in a number of ways: we have a Hestia Intranet hub which acts as a single information and news hub for all colleagues to gain awareness of what is happening across Hestia. This is supported by a fortnightly Newsletter called Keep Connected.

Key messages and information are also cascaded through organisational reporting lines.

We actively engage with colleagues via our Employee Forum, Hestia Voice made up of 14 elected representatives drawn from across the organisation. This forum provides for a two-way dialogue between senior management and colleagues where representatives key concerns and organisational challenges and information are tabled by all parties. The Forum actively participated in discussions around changes in policies and procedure and working practices, our EDI/AR strategy and progress against objectives, and our work on creating a resolution focused culture. In addition to this, we work in partnership with Unison our recognised trade union.

Suppliers

Hestia aims to work positively with our suppliers and is committed to paying suppliers earlier than their payment terms. In the year to 31 March 2025, 94% of suppliers received payments early or on time.

As part of Hestia's Modern Slavery Statement, we aim to work with our major suppliers to support them develop their own Modern Slavery Statements and to understand the signs of modern slavery. Our aim is to develop a toolkit which we can make available to all suppliers to help them spot the risk of modern slavery in their own supply chains.

During 2024–25, our procurement activities were aimed at improving the quality of accommodation we provide. Central procurement contracts introduced this year include a standard furniture supplier / offer for operational services, new H&S compliance testing service along with a new document library and H&S management system as well as new printer / photocopier replacement service.

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Energy and carbon reporting

As part of the obligations set out under the Energy and Carbon Report Regulations 2018, we are required to disclose the energy and carbon created as an organisation over the year to 31 March 2025.

Most of our usage comes from the accommodation units provided to our service users but also office accommodation used by staff.

In completing this analysis, we have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2023 UK Government's Conversion Factors for Company Reporting.

Energy Usage

	01 April 2024 – 31 March 2025	01 April 2023 – 31 March 2024
Energy consumption used to calculate emissions (kWh)	7,563,073	7,771,399
Scope 1 emissions in metric tonnes CO ₂ e Gas Emissions	1,085.13	1,147.57
Scope 2 emissions in metric tonnes CO ₂ e Purchased Electricity	323.70	292.29
Scope 2 emissions in metric tonnes CO ₂ e Business Travel	17.41	20.08
Total gross emissions in metric tonnes CO₂e	1,426.24	1,459.94
Intensity ratio Tonnes CO ₂ e per occupant ¹	1.973	2.355

Note 1: The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per occupant.

Measures taken to improve energy efficiency

Hestia continues to implement smart metering across all our sites, strengthening energy governance and preparing for robust monthly reporting. In addition, gas and electricity meter readings are systematically recorded across all supplies to ensure accuracy, support responsible energy use, and reinforce Hestia's commitment to sustainability.

Statement of responsibilities of the trustees

The trustees (who are also directors of Hestia Housing and Support for the purposes of company law) are responsible for preparing the Trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

In so far as the Trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2025 was 12 (2024: 9). The Trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

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

The Trustees' annual report which includes the strategic report has been approved by the Trustees on 21 October 2025 and signed on their behalf by

Dame Moira Gibb
Chair – Board of Trustees

Independent auditor's report

To the members of

Hestia Housing and Support

Opinion

We have audited the financial statements of Hestia Housing and Support (the 'charitable company') and its subsidiary (the 'group') for the year ended 31 March 2025 which comprise the consolidated and parent charitable company statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows 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 group's and of the parent charitable company's affairs as at 31 March 2025 and of the group's and parent charitable company's 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
- 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 group financial statements section of our report. We are independent of the group and parent 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 Hestia Housing and Support'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' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group 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 group 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 group 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' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report including the strategic report. We have nothing to report in respect of the following matters in relation to which 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 in the trustees' annual report, 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

Independent auditor's report

To the members of

Hestia Housing and Support

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 group's and the parent 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 group or the parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance and fundraising committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.

Independent auditor's report

To the members of

Hestia Housing and Support

- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Fleur Holden (Senior statutory auditor)

Date: 3 November 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Hestia Housing and Support

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2025

	Note	Unrestricted £'000	Restricted £'000	2025 Total £'000	Unrestricted £'000	Restricted £'000	2024 Total £'000
Income from:							
Donations and legacies	2	748	542	1,290	519	585	1,104
Charitable activities							
Provision of Care and Support	3	42,017	5,674	47,691	44,059	4,546	48,605
Operation of Approved Premises	3	3,579	–	3,579	3,457	–	3,457
Provision of Employment Support	3	3,879	–	3,879	27	138	165
Investments	4	347	–	347	302	–	302
Other	13	–	–	–	617	–	617
Total income		50,570	6,216	56,786	48,980	5,269	54,249
Expenditure on:							
Raising funds	5	390	–	390	342	–	342
Charitable activities							
Provision of Care and Support	5	42,542	6,040	48,582	43,929	4,925	48,854
Operation of Approved Premises	5	3,183	–	3,183	2,883	–	2,883
Provision of Employment Support	5	4,063	–	4,063	223	128	351
Total expenditure		50,178	6,040	56,218	47,377	5,053	52,430
Net income before net gains on investments		392	176	568	1,603	216	1,819
Net gains on investments		685	–	685	331	–	331
Net income for the year	6	1,077	176	1,253	1,934	216	2,150
Transfers between funds		–	–	–	–	–	–
Net income before other recognised losses		1,077	176	1,253	1,934	216	2,150
Actuarial (losses) on defined benefit pension schemes		–	–	–	(654)	–	(654)
Net movement in funds		1,077	176	1,253	1,280	216	1,496
Reconciliation of funds:							
Total funds brought forward		16,938	2,895	19,833	15,658	2,679	18,337
Total funds carried forward		18,015	3,071	21,086	16,938	2,895	19,833

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 20a to the financial statements.

Hestia Housing and Support

Balance sheets

Company no. 2020165

As at 31 March 2025

	Note	The group 2025 £'000	2024 £'000	The charity 2025 £'000	2024 £'000
Fixed assets:					
Tangible assets	11	2,877	2,954	2,877	2,933
Investments	12	10,832	9,979	10,832	9,979
		13,709	12,933	13,709	12,912
Current assets:					
Debtors	15	8,593	8,680	8,593	8,468
Short term deposits		421	404	421	404
Cash at bank and in hand		7,457	5,755	7,457	5,236
		16,471	14,839	16,471	14,108
Liabilities:					
Creditors: amounts falling due within one year	16	(9,094)	(7,939)	(9,094)	(7,803)
Net current assets		7,377	6,900	7,377	6,305
Total net assets		21,086	19,833	21,086	19,217
Funds:	20a				
Restricted income funds		3,071	2,895	3,071	2,891
Unrestricted income funds:					
Designated funds		1,226	1,400	1,226	1,400
General funds		16,789	15,538	16,789	14,926
Pension reserve		–	–	–	–
Total unrestricted funds		18,015	16,938	18,015	16,326
Total funds		21,086	19,833	21,086	19,217

Approved by the trustees on 21 October 2025 and signed on their behalf by

Dame Moira Gibb
Chair – Board of Trustees

Brendan Sarsfield
Treasurer

Hestia Housing and Support

Consolidated statement of cash flows

For the year ended 31 March 2025

	Note	2025 £'000	£'000	2024 £'000	£'000
Cash flows from operating activities					
Net income for the reporting period (as per the statement of financial activities)		1,253		2,150	
Depreciation charges		77		73	
(Gains) on investments		(685)		(331)	
Dividends and interest from investments		(347)		(302)	
Decrease / (increase) in debtors		87		(1,115)	
Increase / (decrease) in creditors		1,155		(53)	
Net cash provided by operating activities			1,540		422
Cash flows from investing activities:					
Dividends and interest from investments		347		302	
Purchase of fixed assets		–		(26)	
Transfer in – fixed assets		–		(6)	
Proceeds from sale of investments		2,338		1,308	
Purchase of investments		(2,506)		(1,604)	
Net cash (used in) investing activities			179		(26)
Change in cash and cash equivalents in the year			1,719		396
Cash and cash equivalents at the beginning of the year			6,159		5,763
Cash and cash equivalents at the end of the year			7,878		6,159
Analysis of cash and cash equivalents					
	At 1 April 2024 £'000	Cash flows £'000	Other non- cash changes £'000	At 31 March 2025 £'000	
Short Term deposits	404	17	–	421	
Cash at bank and in hand	5,755	1,702	–	7,457	
Total cash and cash equivalents	6,159	1,719	–	7,878	

1 Accounting policies

a) Statutory information

Hestia Housing and Support a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 4th Floor, Beaufort House, 15 St Botolph Street, London, EC3A 7DT

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Twining Enterprise Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006, A summary of the result for the year is disclosed in the notes to the accounts.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

Key judgements that the charity has made which have a significant effect on the accounts include the carrying value of fixed assets, the market valuation of investments, the recoverability of debtors and the pension scheme asset. However, the Trustees do not consider that within these there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Trustees agree a 5 year strategic plan and annual business plans with associated budgets. Reports consider the risk to contract and fundraising income based on contract end dates, likelihood of retention and growth based on historic performance.

Trustees also consider the impact on expenditure of reduction in income: the majority of contracts are linked to the provision of services which would require staff and other resources to be transferred to alternative providers leaving Hestia with limited residual liabilities.

Various scenarios are tested within budgets to look at the impact on free reserves and these are compared to minimum reserve requirements.

1 Accounting policies (continued)

e) Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' 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 measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

1 Accounting policies (continued)

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the costs of overall direction and administration of central support services (salary and overhead costs), are apportioned on the estimates of direct costs.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £5,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Freehold land	Not depreciated
● Freehold buildings – residential	50 years
● Freehold buildings – non residential	50 years
● Fixtures, Fittings and Equipment	4 years
● Computer Equipment	3 years

m) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1 Accounting policies (continued)

o) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Cash held on behalf of service users

Cash held on behalf of service users under appointee ship programmes at 31 March 2025 was £36k (at 31 March 2024: £32k)

r) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

s) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value

t) Pensions

Hestia and Twining each operate one group personal pension plan. Hestia also make contributions to pension schemes of certain employees in accordance with their rights under TUPE. Employer contributions are charged to the Statement of Financial Activities in the year to which the contributions relate.

Hestia also has two members of staff who are members of the NHS Pension Schemes. Although these are defined benefit schemes, they are accounted for as defined contribution schemes, as assets/liabilities for each employer in the schemes cannot be reliably identified.

Hestia also participated in one multi-employer defined benefit scheme with the Royal Borough of Kensington & Chelsea Pension Fund.

The pension scheme Trustees informed Hestia in 2022 that the Defined Benefit Scheme was fully funded.

As at 31 March 2024 and 31 March 2025, Hestia's FRS102 actuarial valuation showed that the fair value of the scheme's assets exceeded the scheme's liabilities. After discussion with our auditors, Hestia's Trustees have decided that the prudent approach is not to recognise the net assets in the accounts. Further details of the scheme can be found in note 18 of the Annual Accounts.

An actuarial loss was recognised on the SOFA in the year ending 31 March 2024 to bring the value of the pension asset to NIL from the value of the previous year's asset.

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2025

2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2025 Total £'000	Unrestricted £'000	Restricted £'000	2024 Total £'000
Donations	424	542	966	355	585	940
Grants from Local Authorities	–	–	–	–	–	–
Legacies	2	–	2	1	–	1
Donated services	322	–	322	163	–	163
	<u>748</u>	<u>542</u>	<u>1,290</u>	<u>519</u>	<u>585</u>	<u>1,104</u>

Gifts and Legacies represent income received from individuals, charitable trusts and corporate donors to augment the charitable work that Hestia and Twining do. Donated services refers to support provided to Twining Enterprise by Social Business Trust and EY to support with operational delivery models and assistance through the merger process with Hestia.

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2025

3 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2025 Total £'000	Unrestricted £'000	Restricted £'000	2024 Total £'000
Income from support contracts	8,772	300	9,072	10,379	34	10,413
Income from other grants and fees	19,725	5,374	25,099	21,022	4,512	25,534
Residents fees and charges	13,520	–	13,520	12,658	–	12,658
Sub-total for provision of care and support	42,017	5,674	47,691	44,059	4,546	48,605
Approved Premises Grants	3,576	–	3,576	3,440	–	3,440
Residents charges	3	–	3	17	–	17
Sub-total for operation of Approved Premises	3,579	–	3,579	3,457	–	3,457
Income from grants and fees	3,879	–	3,879	27	138	165
Sub-total for provision of employment support	3,879	–	3,879	27	138	165
Total income from charitable activities	49,475	5,674	55,149	47,543	4,684	52,227

Grants are provided by a number of local, regional and central government departments and agencies, all linked to the delivery of the various services provided by Hestia and Twining.

4 Income from investments

	2025 £'000	2024 £'000
Interest Receivable	95	64
Dividends from equity shares	252	238
	347	302

All income from investments is unrestricted.

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2025

5a Analysis of expenditure (current year)

	Charitable activities							
	Raising funds £'000	Provision of Care and Support £'000	Operation of Approved Premises £'000	Provision of Employment Support £'000	Governance costs £'000	Support costs £'000	2025 Total £'000	2024 Total £'000
Staff costs (Note 7)	220	21,822	1,624	2,457	92	3,763	29,978	23,683
Agency Staff Costs	-	4,171	363	-	-	106	4,640	6,624
Investment managers' fees	61	-	-	-	-	-	61	54
Premises Running Costs	-	8,030	616	-	-	-	8,646	9,205
Project administration costs	35	3,292	(13)	641	-	-	3,955	3,484
Service users costs / welfare	-	4,420	144	8	-	-	4,572	6,246
Office running costs	-	-	-	-	10	3,760	3,770	2,995
Audit Fees	-	-	-	-	78	-	78	49
Legal and professional fees	-	12	-	-	20	486	518	90
	316	41,747	2,734	3,106	200	8,115	56,218	52,430
Support costs	72	6,679	439	925	-	(8,115)	-	-
Governance costs	2	156	10	32	(200)	-	-	-
Total expenditure 2025	390	48,582	3,183	4,063	-	-	56,218	
Total expenditure 2024	342	48,854	2,883	351	-	-		52,430

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2025

5b Analysis of expenditure (prior year)

	Charitable activities						2024 Total £'000
	Raising funds £'000	Provision of Care and Support £'000	Operation of Approved Premises £'000	Provision of Employment Support £'000	Governance costs £'000	Support costs £'000	
Staff costs (Note 7)	152	18,831	1,519	215	82	2,884	23,683
Agency Staff Costs	–	5,843	371	–	–	410	6,624
Investment managers' fees	54	–	–	–	–	–	54
Premises Running Costs	–	8,644	561	–	–	–	9,205
Project administration costs	70	3,405	(9)	18	–	–	3,484
Service users costs / welfare	2	6,154	88	2	–	–	6,246
Office running costs	–	–	–	–	40	2,955	2,995
Audit Fees	–	–	–	–	49	–	49
Legal and professional fees	–	8	–	–	8	74	90
	278	42,885	2,530	235	179	6,323	52,430
Support costs	62	5,808	343	110	–	(6,323)	–
Governance costs	2	161	10	6	(179)	–	–
Total expenditure 2024	342	48,854	2,883	351	–	–	52,430

6 Net income for the year

This is stated after charging / (crediting):

	2025 £'000	2024 £'000
Depreciation	64	73
Operating lease rentals:		
Property	623	636
Other	237	186
Auditor's remuneration (excluding VAT):		
Audit of charity	38	36
Fees payable to component auditor – audit of subsidiary	30	6
Other services – support with tax returns	–	5
	=====	=====

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2025 £'000	2024 £'000
Salaries and wages	26,373	20,784
Redundancy and termination costs	20	12
Social security costs	2,683	2,104
Employer's contribution to defined contribution pension schemes	902	783
	=====	=====
	29,978	23,683

The redundancy and termination costs were settled and paid at the balance sheet date.

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2025 No.	2024 No.
£60,000 – £69,999	7	9
£70,000 – £79,999	8	3
£80,000 – £89,999	3	2
£90,000 – £99,999	2	2
£120,000 – £129,000	1	1
	=====	=====

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £925,0248 (2024: £759,746).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2024: £nil). No charity trustee received payment for professional or other services supplied to the charity (2024: £nil).

Aggregate donations from Trustees, all of which were unrestricted were £1,075 (2024– £1,187).

No Trustees received expenses in the year to 31 March 2025 (2024: No Trustees received expenses in the year).

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 814 (2024: 757).

9 Related party transactions

There are no related party transactions to disclose for 2025 (2024: none) for either Hestia or Twining Enterprise, other than the transfer of the Twinings activities and balance sheet to Hestia as shown in Note 13.

10 Taxation

The charity and subsidiary are exempt from corporation tax as all their income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

The group	Freehold property £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost				
At the start of the year	3,570	327	24	3,921
Disposals in year	–	(63)	–	(63)
At the end of the year	3,570	264	24	3,858
Depreciation				
At the start of the year	656	290	21	967
Charge for the year	43	18	3	64
Eliminated on disposal	–	(50)	–	(50)
At the end of the year	699	258	24	981
Net book value				
At the end of the year	2,871	6	–	2,877
At the start of the year	2,914	37	3	2,954

Land with a value of £1,785,000 (2024: £1,785,000) is included within freehold property and not depreciated.

Ealing, Hammersmith and Hounslow Health Authority has a charge over the freehold property at Lynton Terrace which would require the property to be transferred back to the authority if it were to cease to provide qualifying services.

Hestia is also the registered owner of the freehold property in Streatham. Full funding was received from the Home Office for the purchase of this property and Hestia has entered an undertaking to pass the proceeds of any sale on this property to the Home Office.

The properties in Battersea, Hounslow, Wandsworth, Kent and Bromley are owned outright by Hestia and are not subject to any charges.

All of the above assets are used for charitable purposes.

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2025

The charity	Freehold property £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost				
At the start of the year	3,570	264	24	3,858
At the end of the year	3,570	264	24	3,858
Depreciation				
At the start of the year	656	248	21	925
Charge for the year	43	10	3	56
At the end of the year	699	258	24	981
Net book value				
At the end of the year	2,871	6	–	2,877
At the start of the year	2,914	16	3	2,933

Land with a value of £1,785,000 (2024: £1,785,000) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

12 Listed investments

	The group		The charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Fair value at the start of the year	9,979	9,352	9,979	9,352
Additions at cost	2,506	1,604	2,506	1,604
Disposal proceeds	(2,338)	(1,308)	(2,338)	(1,308)
Net gain / (loss) on change in fair value	685	331	685	331
Fair value at the end of the year	10,832	9,979	10,832	9,979

Investments comprise:

	The group		The charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
UK Common investment funds	1,931	1,858	1,931	1,858
Shares listed on the London Stock Exchange	8,901	8,121	8,901	8,121
	10,832	9,979	10,832	9,979

13 Subsidiary undertaking

The charity is the sole trustee of Twining Enterprise Limited, a company registered in England. The company number is 03045939 and charity number is 1048191. The registered office address is First Floor, 85 Great Portland Street, London W1W 7LT

Twining provides employment support under contracts from Local Authorities and Integrated Commissioning Boards. All activities have been consolidated on a line by line basis in the statement of financial activities.

On 31 January 2024, Hestia acquired Twining Enterprise Limited by means of a transfer of assets. The amount recognised in this transaction was £616k. All activities during the year ended 31 March 2024 have been consolidated on a line by line basis in the statement of financial activities.

The two organisations formally merged on 31 March 2025, with all assets and liabilities of Twining being passed into the control of the parent charity, Hestia. The trustees of Twining who served during the year were Zeynep Bekbolet, Shivana Louwerse, Rebecca Pritchard, Brendan Sarsfield and Richard White.

A summary of the results of the subsidiary is shown below:

	2025 £'000	2024 £'000
Income from Donations and Legacies	332	199
Income from Charitable Activities	4,041	1,883
Investment Income	20	10
Other Income	–	2
Expenditure on Charitable Activities	(4,063)	(1,930)
Intercompany write-off	(947)	–
Net movement in Funds	(617)	164
Fund Balances		
Total funds brought forward	617	453
Net movement in funds	(617)	164
Total funds carried forward	–	617
The aggregate of the assets, liabilities and reserves was:		
Assets	–	752
Liabilities	–	(135)
Reserves	–	617

14 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2025 £'000	2024 £'000
Gross income	56,786	54,249
Result for the year	1,253	2,150

15 Debtors

	The group		The charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade debtors	1,736	1,541	1,736	1,344
Other debtors	938	774	938	774
Prepayments	594	616	594	601
Accrued income	5,325	5,749	5,325	5,749
	8,593	8,680	8,593	8,468

16 Creditors: amounts falling due within one year

	The group		The charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade creditors	2,447	1,969	2,447	1,945
Taxation and social security	912	751	912	713
Other creditors	398	214	398	204
Accruals	2,907	2,569	2,907	2,505
Deferred income (note 17)	2,430	2,436	2,430	2,436
	9,094	7,939	9,094	7,803

17 Deferred income

Deferred income comprises contract income for services received in advance

	The group		The charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Balance at the beginning of the year	2,436	2,733	2,436	2,733
Amount released to income in the year	(2,436)	(2,733)	(2,436)	(2,733)
Amount deferred in the year	2,430	2,436	2,430	2,436
Balance at the end of the year	2,430	2,436	2,430	2,436

18 Pension schemes

During the year, Hestia and Twining operated defined contribution schemes. Hestia also operated a defined benefit pension scheme which required additional contributions to be made separately to administered funds for the benefit of the employees. Contributions payable by Hestia and Twining in respect of the defined contribution schemes totalled £902,445 for the year (2024: £814,585), including those contributed to the NHS Pension Schemes.

Final Salary Pension Scheme

During the year Hestia was an admitted body of one defined benefit pension scheme with the Royal Borough of Kensington and Chelsea Pension Fund (RBKCPF).

The RBKCPF is a multi-employer scheme administered by the Royal Borough of Kensington and Chelsea under the regulations governing the Local Government Pension Scheme (LGPS) a defined benefit scheme.

Hestia has reviewed the FRS102 actuarial valuation carried out on 31st March 2024. The note below shows the details of this valuation for information only, as the value of the pension asset on the balance sheet has been capped at NIL and the pension asset at 31 March 2025 and there is no debit back in the SOFA in the year ended 31st March 2025.

The employer's B260, relating to current employees, to the RBKCPF by the Charity for the year ended 31 March 2025 was fixed at 17.7% of pensionable pay up to 31 March 2025.

	At 31 March 2025	At 31 March 2024
Assumptions		
Inflation Rate (CPI)	2.75%	2.75%
Rate of increase in salaries	3.75%	3.75%
Rate of increase in pensions in payment	2.75%	2.75%
Discount rate	5.80%	4.85%
The Fair Value of the Assets of the Scheme and the Expected Return were:		
	At 31 March 2025 £'000	At 31 March 2024 £'000
Equities	1,858	1,781
Bonds	91	111
Property	295	223
Cash (including cash plus funds)	23	111
Total market value of assets	2,267	2,226
Present Value of Scheme Liabilities	(1,119)	(1,288)
Net pension asset	1,148	938
Net pension asset for Balance Sheet purposes	-	-
Analysis of the amount charged to the Statement of Financial Activities:		
	2025 £'000	2024 £'000
Net interest on defined liability	(46)	(31)
	(46)	(31)

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2025

	At 31 March 2025 £'000	At 31 March 2024 £'000
Movement in defined benefit obligation in the year		
Opening defined benefit obligation	1,288	1,261
Current service cost	5	19
Interest cost	62	60
Changes in finance assumptions	(212)	(79)
Changes in demographic assumptions	(2)	(7)
Experience gain / (loss) on defined benefit obligations	(11)	39
Estimated benefits paid net of transfers in	(12)	(9)
Contributions by scheme participants and other employers	1	4
Closing defined benefit obligation	1,119	1,288

	At 31 March 2025 £'000	At 31 March 2024 £'000
Movement in fair value of fund assets in the year		
Opening fair value of fund assets	2,226	1,915
Interest on assets	108	91
Return on assets less interest	(59)	214
Contributions by employers including unfunded	3	11
Contributions by scheme participants and other employers	1	4
Benefits paid	(12)	(9)
Closing fair value of fund assets	2,267	2,226

The employee numbers in the Scheme at 31 March were;	2025	2024
Active employees	1	3
Deferred pensioners	10	10
Pensioners	1	1

	2025 £'000	2024 £'000
Contributions from scheme participants	1	4
Expected employer's contribution for the year ended 31 March	3	11

	2025	2024	2023	2022	2020
History of experience gains and losses	£'000	£'000	£'000	£'000	£'000
Defined benefit obligations	(1,119)	(1,288)	(1,261)	(1,697)	(1,790)
Scheme assets	2,267	2,226	1,915	2,071	1,754
Surplus / (Deficit)	1,148	938	654	374	(36)

NHS Pension Schemes

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions.

Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2025, is based on valuation data as at 31 March 2023, updated to 31 March 2025 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (considering recent demographic experience), and to recommend the contribution rate payable by employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027.

19a Analysis of group net assets between funds (current year)

	General unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Tangible fixed assets	1,814	–	1,063	2,877
Investments	7,598	1,226	2,008	10,832
Net current assets	7,377	–	–	7,377
Net assets at 31 March 2025	16,789	1,226	3,071	21,086

19b Analysis of group net assets between funds (prior year)

	General unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Tangible fixed assets	1,848	–	1,106	2,954
Investments	6,790	1,400	1,789	9,979
Net current assets	6,900	–	–	6,900
Net assets at 31 March 2024	15,538	1,400	2,895	19,833

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2025

20a Movements in funds (current year)

	At 1 April 2024 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2025 £'000
Restricted funds:					
<u>Capital</u>					
Property expenditure:					
Purchase of Lynton Terrace	370	–	(5)	–	365
Purchase of Leigham Court Road	221	–	(3)	–	218
Improvements to:					
Leigham Court Road	305	–	(35)	–	270
Cologne Road	12	–	–	–	12
DOH – property purchase grant	198	–	–	–	198
<u>Revenue</u>					
Donations	401	124	(233)	–	292
Outreach services	129	120	(177)	–	72
Children & family services	282	226	(220)	–	288
Community Engagement	774	4,529	(4,065)	–	1,238
Domestic Abuse Prevention	108	1,064	(1,067)	–	105
The Phoenix Project	82	153	(222)	–	13
Age Activity Centre	9	–	(9)	–	–
Digital Impact Fund	4	–	(4)	–	–
Total restricted funds	2,895	6,216	(6,040)	–	3,071
Unrestricted funds:					
Designated funds:					
Development, maintenance and refurbishment of existing projects	635	129	(227)	–	537
Infrastructure and new project developments	765	–	(76)	–	689
Total designated funds	1,400	129	(303)	–	1,226
General funds	15,538	51,126	(49,875)	–	16,789
Total unrestricted funds	16,938	51,255	(50,178)	–	18,015
Total funds	19,833	57,471	(56,218)	–	21,086

The narrative to explain the purpose of each fund is given at the foot of the note below.

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2025

20b Movements in funds (prior year)

	At 1 April 2023 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At March 2024 £'000
Restricted funds:					
<u>Capital</u>					
Property expenditure:					
Purchase of Lynton Terrace	375	–	(5)	–	370
Purchase of Leigham Court Road	224	–	(3)	–	221
Improvements to:					
Leigham Court Road	309	–	(4)	–	305
Cologne Road	12	–	–	–	12
DOH – property purchase grant	202	–	(4)	–	198
<u>Revenue</u>					
Donations	317	193	(109)	–	401
Outreach services	186	105	(162)	–	129
Children & family services	302	177	(197)	–	282
Community Engagement	576	3,643	(3,445)	–	774
Digital Transformation	–	10	(6)	–	4
Domestic Abuse Prevention	114	823	(829)	–	108
The Phoenix Project	62	155	(135)	–	82
Age Activity Centre	–	35	(26)	–	9
Community Fund and ESF Better Opportunities Grant	–	128	(128)	–	–
Total restricted funds	2,679	5,269	(5,053)	–	2,895
Unrestricted funds:					
Designated funds:					
Development, maintenance and refurbishment of existing projects	586	84	(35)	–	635
Infrastructure and new project developments	800	–	(35)	–	765
Total designated funds	1,386	84	(70)	–	1,400
General funds	13,618	49,227	(47,307)	–	15,538
Total unrestricted funds	15,004	49,311	(47,377)	–	16,938
Pension reserve	654	–	(654)	–	–
Total funds	18,337	54,580	(53,084)	–	19,833

Purposes of restricted funds

- a** Restricted property funds comprise funding received for the purchase and improvement of the properties stated. The properties at Lynton Terrace, Hestia Streatham and Chatsworth Crescent are recorded in fixed assets. Depreciation of these properties and other specified property costs are charged against these funds.
- b** The donations restricted reserve represents numerous, one off donations made for specific purposes e.g. grants to support service user move on, contributions to activities across Hestia services.
- c** Outreach funding comprises various restricted grants to fund the provision of community based services in Hestia's women's services in Ealing, Slough and Harrow and performance related awards in the Kingston Integrated Mental Health Service.
- d** Children & family funds support children in Hestia's Domestic Abuse refuges through the provision of dedicated children and family workers. These are funded by a combination of Support grants, MOPAC grants and other charitable donations.
- e** Community Engagement funds are provided by partnering health boards across London and the South East to provide accommodation and out of hours crisis services for individuals experiencing mental health trauma. Services are complementary to acute hospital services and seek to provide cost effective support aimed at preventing hospital presentation.
- f** Domestic Abuse prevention funds support a range of Hestia programmes – UKSNM, Everyone's Business, Safe Spaces and Ask For ANI aimed at providing information and guidance as well as practical support to victims of domestic abuse, funded by grants from the Home Office, the Julia and Hans Rausing Trust as well as contract income from purchasers of our Everyone's Business IDVA services.
- g** The Phoenix Project provides in reach support to survivors of Modern Slavery after they have received their positive CG decision – funding has been made available from the David and Ruth Lewis Foundation and the Rayne Foundation.
- h** The Age Activity Centre grant is a grant provided by JTi to provide additional support at Hestia's Older People's Day Centre in Wandsworth by extending lunch provision and other well being activities.
- i** The Digital Impact Fund is a grant received by Twining to develop and implement an in house CRM system.

Purposes of designated funds

The designated fund for the development, maintenance and refurbishment of existing projects includes:

- a Cyclical maintenance – funds required for regular maintenance and decoration of buildings for which responsibility is not assumed by the owning landlord.
- b Sinking funds – funds required for long-term major repairs of buildings including the potential for costs associated with decant of residents during any refurbishment works for which responsibility is not assumed by the owning landlord. The organisation has prepared five yearly maintenance plans for all owned properties and the funds set aside are compared to these estimated commitments.

The funds for infrastructure and new project development have been designated in relation to planned strategic developments which assist the organisation to respond to the external operating environment. These include:

- a Funding to meet the costs of organisational development, including bidding for new/ replacement contracts, merger activities and requirements necessary to adapt internal frameworks to meet external requirements. Current approved projects include: The Hestia Approach (three years); the Fundraising Strategy (five years); and the Digital Strategy (two years).
- b Project Assistance Funds to support upfront running costs of developed projects which cannot be funded from the annual revenue budget. These are reviewed on an annual basis linked to strategic plans.

21 Operating lease commitments payable as a lessee

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Less than one year	522	640	36	149
One to five years	373	928	197	–
Over five years	–	–	10	–
	895	1,568	243	149

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Less than one year	522	744	36	149
One to five years	373	1,011	197	–
Over five years	–	133	10	–
	895	1,888	243	149

22 Capital commitments

At the balance sheet date, the group had no capital commitments outstanding (31 March 2024: £Nil).

23 Contingent assets or liabilities

At the balance sheet date, the group had no contingent assets or liabilities (31 March 2024: £Nil).

24 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

Accounts

Company number: 02020165
Charity number: 294555

HESTIA HOUSING AND SUPPORT

Report and consolidated financial statements
For the year ended 31 March 2024

HESTIA HOUSING AND SUPPORT

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For the year ended 31 March 2024

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HESTIA HOUSING AND SUPPORT

Reference and administrative information

For the year ended 31 March 2024

Company number 02020165
Country of incorporation United Kingdom

Charity number 294555
Country of registration England & Wales

Registered office and operational address Fourth Floor, Beaufort House, 15 St Botolph Street,
London EC3A 7DT

Trustees

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

Dame Moira Gibb	Chair (appointed 25/09/23)
Terrie Alafat	Chair (term of office ended 25/09/23)
Joanna Mark-Richards	Vice Chair
Brendan Sarsfield	Treasurer
Elizabeth Zacharias	
Helen Christina Marriott	
Rebecca Pritchard	
Lauren Bowes	
Elizabeth Meek	
Sonal Shah	
Aisling Thompson (appointed 05/12/23)	
Catalina Cernica (appointed 05/12/23)	
Roger Rawlinson (co-opted 01/02/24)	

Key management personnel	Patrick Ryan	Chief Executive and Secretary
	Christopher Clarke	Executive Director – Finance
	Mel Cox	Executive Director – People, Technology and Change
	Gayle Lowery-Jones	Executive Director Business Development
	Naomi Neiland	Executive Director of Fundraising and Communications (from 06/09/23)
	Oliver Jacobs	Chief Executive – Twining Enterprise

Bankers Barclays Bank PLC
74 Shepherds Bush Green
LONDON
W12 8QB

HESTIA HOUSING AND SUPPORT

Reference and administrative information

For the year ended 31 March 2024

Solicitors Russell Cooke
 2 Putney Hill
 LONDON
 SW15 6AB

Auditor Sayer Vincent LLP
 Chartered Accountants and Statutory Auditor
 110 Golden Lane
 LONDON
 EC1Y 0TG

Trustees' annual report (including the strategic report)

For the year ended 31 March 2024

The Trustees present their report and the audited financial statements for the year ended 31 March 2024.

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

On 31st January 2024, Hestia became the sole trustee of Twining Enterprise (Twining), a charity registered in England. This is reflected in the report and financial statements presented in this report, incorporating the assets of Twining from 31st January 2024 and their results for February – March 2024 in the Consolidated Statement of Financial Activities.

Both organisations are working on an integration plan which will see the two organisations achieve full merger by 31 March 2025.

Objectives and activities

Purposes and aims

Hestia's objects as outlined in the Memorandum and Articles of Association are for the public benefit:

- To relieve hardship and distress by providing support and care for individuals who suffer mental or physical infirmity, are affected by domestic violence, are offenders or at risk of offending, are in need due to age or youth, are homeless, suffer substance abuse or are otherwise in need of assistance.
- To provide housing, housing related support or care for the Beneficiaries so that they can live more independent lives and fulfil their potential in the community.
- To further such other exclusively charitable purposes according to the law of England and Wales as the Trustees in their absolute discretion from time to time determine.

The objectives of Twining Enterprise are:

The relief of need in people with mental health conditions in such ways as may be thought fit, including by (but not limited to):

- supporting them into work and towards being ready and available for work through the provision of educational, vocational and other training opportunities; and
- promoting the employment and retention in employment of people with mental health conditions by working with employers and others concerned with improving prospects of people with mental health conditions;
- promoting public understanding and awareness of mental health conditions;
- Working with others to relieve the needs of those suffering from disorders which commonly co-occur with mental health conditions, including by (but not limited to) addiction, musculoskeletal conditions and other disabilities.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2024

Vision and Mission

Hestia's vision is "Empowering People, Changing Lives" and our mission is 'Together we will deliver high quality and empowering services through our core values'. Our core values are: Respectful, Collaborative, Genuine, Dedicated and Courageous.

Strategic Objectives

In 2019, the Trustees agreed a 5-year strategy with 3 overarching aims:

- Service transformation.
- Growing with a diverse income portfolio.
- Building our profile and influence.

During 2023-24, with support from Social Business Trust and Bain Consulting, Trustees and staff across the Charity worked together and set the next strategy to be approved by Trustees in March 2024.

Strategy Ambition 2024 – 29

Over the next five years Hestia's ambition is to support more people across London and the Southeast who've experienced trauma with safety, hope and purpose.

Our service-user focused Hestia Approach, and our ability to deliver excellence in commissioned contracts and philanthropic partnerships, will sit at the heart of our strategy and ability to grow.

Guided by the reality of our service users' experience, we will bring their voice to the attention of policy makers, partners and communities and use our insight, evidence, and expertise to push for the change that matters.

We aim to achieve this by:

- i. Building our reputation as a voice of authority in supporting people in crisis or with trauma to recover
- ii. Grow our mental health offer.
- iii. Innovate in domestic abuse services.
- iv. Digitally enable our service user journey.
- v. Grow our philanthropic support

Trustees believe that these aims are consistent with and applicable to, the objectives of Twining Enterprise.

Public benefit

The Trustees 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 its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

Hestia's year in numbers:

OUR SERVICE USERS	2023-24	2022-23
Total number of service users supported across the year	20,035	19,134
Number of accommodation units managed across our service groups	733	741
% of clients satisfied with their care and support	95%	95%
% of clients feeling safe and secure in our services	95%	95%
% of stated service user outcomes achieved	70%	69%

- Further information on our service users is outlined in our strategic review on pages 10 to 13

OUR PEOPLE	2023-24	2022-23
No. of staff directly employed by Hestia	720	750
Staff retention rate	69%	71%
Staff sickness rate	3.6%	3.6%
Staff wellbeing and engagement	79%	78%

- Further information on our people is outlined in our strategic review on pages 14 to 17

OUR FINANCES	2023-24	2022-23
Total Income for the year	£53,282m	£48.243m
Fundraised income in the year	£923k	£593k
Annual Surplus for the year	£1.203m	£1.332m
Net current assets	£6.305m	£5.336m
Total unrestricted reserves	£16.326m	£15.658m

- Further information on our finances is outlined in our financial review on pages 25 to 26

Strategic Report

The analysis below considers, under each of our 2019 – 2024 strategic objectives, what we achieved in 2023–24, where we faced challenges and our ambitions for 2024–25.

Strategic Objective 1 – Service Transformation

In 2023–24 we:	Services: • Augmented our commissioned support by: • Providing up to one year's free in-house counselling to 217 service users • Making available placements across our services for 44 mental health nursing students and 132 student social work placements. • Providing longer term post contract support for survivors of Modern Slavery through our Phoenix Project and Reach In service supporting 190 service users. • Providing children and family support through the appointment of Children and Family workers in our refuges and Modern Slavery Safe houses, supporting 397 children over the year. • Continuing to develop our digital inclusion and mentoring programme for service users, supporting hybrid delivery and developing our in-house recovery college (RISE). • Delivering 27,113 volunteer hours by 1,092 volunteers with a financial value estimated at £1.5 million. 78 of our volunteers were service users and 12 of those volunteers moved into paid employment. • Introduced Eye Movement Desensitisation and Reprocessing (EMDR) therapy for adults and also for children (supported by Children and Wellbeing Practitioners) to improve mental health outcomes and psychoeducation for women and children in our Domestic Abuse refuges. • Implemented a transformation programme across our Modern Slavery Contract to better reflect service user journeys providing intensive support when it is most needed. • Expanded our national Safe Spaces programme into 6,450 pharmacies and bank branches as well as online with 40 corporate partners. Over the year we achieved 4.5 million visits in person / online. • Supported witnesses, core participants and staff groups across three major Public Inquiries: the Covid Inquiry, the Post Office Horizon IT Inquiry, and the Angiolini Inquiry. We worked on-site at public hearings, witness interviews and community engagement events, as well as providing telephone and online support sessions for participants. Our

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	team also worked with Grenfell Testimony Week to support the bereaved, survivors and residents from the Grenfell community. • Began the process of streamlining and improving the quality, understanding and use of data from the disparate sources, supported by the appointment of a Director of Data in part funded by Social Business Trust. Staff • Worked with Commissioners to fund increases in front line salaries of up to 13%, addressing staff cost of living concerns and supporting recruitment and retention. We also funded the London Living Wage increase 6 months early from November 2022 instead of May 2023. • Implemented our new recruitment system and on line checks which achieved a 10 day reduction in time to recruit with further enhancements expected.. • Launched our EDI and Anti Racism Strategy focussing on embedding our approach throughout the organisation with the ambition of becoming an Anti Racist Organisation. • 89% of service users in our annual satisfaction survey agreed that their accommodation was welcoming and helped to improve their recovery. We trained 10 service users to be PIPE inspectors who undertook inspections across 27 of Hestia's operational services supporting improvements to the physical environment.
Our challenges	Services • Addressing the increasing complexity of needs presented by service users being referred to us / visiting our self-referral services. • Reduction in the availability of supporting / complementary external services which are available to support service users – many of these are being cut or scaled back due to the challenging public / philanthropic funding environments. • Having to use numerous commissioner-based and internal systems to record service users' journeys makes using data to drive and demonstrate improvements and outcomes for our service users is more complex. • We are only seeing 69% of our service users face to face – often at the service user's request. • Only 65% of service users tell us they feel they have sufficient opportunities to become involved in the way their services are delivered. • We failed to retain our Enabling Environments accreditation at our Approved Premise in Streatham despite raising concerns about the quality of the inspection. • Our Registered Care Home at Lynton Terrace in Ealing failed to retain its Overall Good rating – 2 of the 5 areas investigated were rated as Good

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	whilst 3 (Safe, Effective and Well Led) were identified as requiring improvement. Staff Recruitment and retention in the buoyant UK employment market, with our retention rate dropping from 71% last year to 69% this year.
In 2024–25 we will:	- Build on the opportunities arising from the partnership with Twining Enterprise to offer new and complementary employment services - Continue to innovate in domestic abuse service provision building on our track record in community and employer responses, digital and survivor support especially children. - Continue to embed Safe Spaces as a national response to domestic abuse with a Safe Space on every high street. - Reconfigure all our current domestic abuse service into complex needs services. - Evaluate and profile our 3-part support models for children to demonstrate its positive impact and effectiveness. - Grow our special domestic abuse offer for employers. - Launch project RISE which offers closed facilitated groups to combat service user isolation and enhance skills development. - Ensure that all service users will have the opportunity to engage digitally through the provision of skills, kit, and data. - Implement protocols and standards for hybrid contact with service users in place. - Build opportunities for digital engagement with service users which complement the support offer - Refocus efforts on KPI delivery – delivering improvements in: - Voids – currently 7.7% compared to 7% target. - Assessment completion – currently 71% compared to 95% target. - SU Satisfaction with involvement opportunities – currently 65% compared to the target of 90%. - Deliver at least 70% of our client contact face to face. - Develop and implement improvement plans to upgrade CQC and Enabling Environment ratings across all our services.

Strategic Objective 2 – Growing with a Diverse Income Portfolio

In 2023–24 we:	- Agreed the merger with Twining Enterprise, adding £2 million of business in employment related support contracts to our income. - Opened a 6 bedspace house in Gillingham in partnership with Kent County Council to support people experiencing short term mental health

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	crisis. In total Hestia now provides 3 such services which provide a valuable alternative to presenting at accident and emergency and represent a potential future growth area. • We expanded community services to be delivered from our CNWL Crisis Cafes, including supporting the mental health offer with NHS 111. We also successfully retained the Tower Hamlets Crisis Café following external tender. • Opened a new 6 bed complex needs domestic abuse refuge in Wandsworth to complement our existing service in Brent. • Retained our Meron Domestic Abuse service and our complex needs service in Lambeth. • Continued to increase the support we provide to many of the public enquiries happening across the UK – including the COVID19 Inquiry, the Post Office Inquiry and the Grenfell Inquiry. • Expanded our Everyone's Business service using social enterprise principles, providing Domestic Abuse Support to 5 external organisations. • Achieved external funding to support children and families living in our domestic abuse refuges and modern slavery safe houses and additional wrap around support for victims of domestic abuse and survivors of modern slavery to fill external gaps in provision of key interventions to support service users recovery journeys. • Managed discussion with Commissioners to afford the 13% uplift in front line salaries by (a) agreeing increases in contracts – many of which have no in-built uplifts; or (b) by restructuring services to fit funding envelopes. This was achieved with no redundancies.
Our challenges:	• Increasing competition in the sector, with more organisations chasing fewer / reduced grants. • Financial pressures on Commissioners with many contracts being retendered at lower grant values or seeking longer term grant awards with no in-built increases. • Cancellation of the Approved Premise Expansion Programme and re-tendering largely limited to existing provision. • Commissioning of bigger / wider services encompassing areas of work in which Hestia has no experiences e.g. domiciliary care. • Reduced numbers coming through the Modern Slavery Victim Care Contract on the back of antiimmigration legislation. • Health related contracts are more short-term in nature which increases risk in medium to long term planning although our experience is that these tend to be extended beyond the original contract end date. • Addressing the return of inflation and its impact on our cost bases – in an environment where many contracts historically were let on a fixed price.

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	• Facing an increase in the London Living Wage of 8.1% and supporting our staff and their personal cost of living crises. • 2 long standing services were sot on re-tender in the year our Hounslow LIFE floating support contract, our domestic abuse contract in Kensington & Chelsea. 2 of our crisis café service – Newham and Folkestone were also lost at tender. • We halted implementation of our property strategy as increased interest rates made this unviable in the short to medium term
In 2024–25 we will:	• Build on our successes in the 2019– 2024 strategy to win £4.5 million net new business each year with a significant part of this coming from developing nonclinical mental health offers with our NHS partners particularly crisis services, recovery houses, and hospital discharge services. • Continue to address the cost-of-living challenge by seeking increases in contract funding or implement restructures to match service delivery with funding available. • Focus retention activity on contracts which are deemed to be viable. • Address the tender due in 2025–26 for our Victim Care Contract (Modern Slavery) which accounts for 25% of our income. • Grow our fundraised income to £3.2 million over the life of the 2024–2029 strategy of which £1.2 million will be unrestricted income. • Achieve net unrestricted income (income less the cost of fundraising by 2026–27 of £200K. • Expand our Everyone's Business services to other external agencies.

Strategic Objective 3 – Building Our Profile and Influence

In 2023–24 we:	- Continued to bring our survivors' stories to the public and policy makers, publishing 'On Our Streets: The Changing Face of Modern Slavery in London' which shines a spotlight on the realities of modern slavery, happening in every borough of London and beyond; our tenth Underground Lives research which focuses on mental health support for survivors of modern slavery; and our London Mental Health Index which surveyed the mental health of Londoners and identified the need for more mental health crisis support like that provided by Hestia. - Hosted our Art is Freedom exhibition over two weeks in Trafalgar Square, Victoria and London Bridge and a virtual display on World Anti-Slavery Day (18th October) in the Piccadilly Circus lights. - Launched our Modern Slavery Manifesto for a new government alongside 12 other leading support providers who are part of the Modern Slavery Victim Care Contract, engaging policy makers in practical ways they can re-new the UK's approach to supporting victims of this serious and brutal crime. - Invested in developing our relationships with Health Commissioners beyond our traditional partners e.g. Kent County Council, opening the crisis house in Gillingham and the retention of our Tower Hamlets crisis café. - Continued to expand our support to people in the community experiencing domestic abuse via our over 6,300 Safe Spaces on local high streets, online Safe Spaces, and our Bright Sky app. This included media and social media activity to publicise Safe Spaces during the Euros in response to the expected rise in domestic abuse incidences, so that people knew where to go to access routes to support and safety.
Our challenges:	- Obtaining sufficiently robust data which demonstrates evidence and impact to support system change. - Decreasing resources for domestic abuse programmes, bringing their viability into question. - An increasingly hostile environment for victims of modern slavery.
In 2024–25 we will:	- Build our reputation as a voice of authority in supporting people in crisis or with trauma to recover: - We will build on our existing measures to better demonstrate our expertise to enable hope, safety, and purpose. - We will identify discrete areas of our work which can profile this expertise through research and/or evaluation focussing on: - The mental health experience of survivors of modern slavery

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	○ Supporting interventions with women and children in our domestic abuse refuges ○ The experience of those using our innovative crisis mental health

Strategic Report: – Our Performance

Hestia's ambition is to provide more people across London and the Southeast who've experienced trauma with safety, hope and purpose.

The support we provide varies depending on the services that we are commissioned to deliver but irrespective of how individuals come into Hestia, we aim to recognise and work with their unique needs and aspirations.

During 2023–24 Hestia supported 20,035 men, women and children who accessed our services during the year – an increase of 585 from the previous year. Support was delivered across a range of client groups:

Client Group	31 March 2024	31 March 2023
Domestic Abuse (including children)	3,855	4,218
Mental Health	9,499	7,991
Modern Slavery	2,839	2,712
Criminal Justice	304	217
Young People at Risk	68	70
Older People	544	550
Generic	2,876	3,334
Substance Misuse	50	42
TOTAL	20,035	19,134

Partnership Working

Partnership working is at the heart of what we do, and our work is commissioned by a wide range of public and private sector organisations:

- Central and Regional Government – the Home Office, Ministry of Justice, Ministry of Housing, Communities and Local Government (MHCLG), Mayor's Office for Policing and Crime (MOPAC).
- Local Authorities – currently we have contracts with 23 London Local Authorities and contracts in Kent and Berkshire.
- NHS Trusts and Integrated Commissioning Boards across London and the South-East.

To deliver our services we work with a wide range of other agencies including:

- Registered Providers and private landlords, who make available property for our accommodation-based services.

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- Charitable foundations, businesses and private donors who provide funding for key programmes.
- Statutory Health Services who provide clinical and other support to our service users.

Service Quality

We measure service quality in two ways:

- A set of Quality KPI's, measured quarterly and reported to the Trustees.
- Our annual satisfaction survey of service users to understand their views on the quality of services that we deliver.

KPI Reporting

We introduced quality KPIs in 2022 for both service users and staff indicators by combining data sets across systems. Performance over the last 2 years was as follows:

Indicator		Target	March 2024	March 2023
User Experience:	Satisfaction	90%	88%	95%
	Independence	90%	85%	79%
	Involvement	90%	66%	52%
User Outcomes		75%	70%	69%
Staff Wellbeing and Engagement		75%	79%	78%

The dip in satisfaction is disappointing in the year – but is contrary to the figure that we achieve in our satisfaction surveys which recorded a satisfaction level of 95% (see below). We believe this may be a data recording issue which we are exploring further as part of 2024–25 business plan. It was pleasing to see increases in the rates for independence and involvement, although the latter remains well below target: we are also working on introducing new co-produced initiatives to improve our involvement rating.

Service User Satisfaction Survey

We surveyed our Service Users in September 2023 and achieved 1,050 responses – a 5% increase from last year's figure of 1,000 responses. This represents a 13% response rate for all service users.

Responses were received from 149 out of 47 active services (approx. 59%).

This year, 86% of responses were positive and 11% were negative which compares favourably to the 2022 survey where 73% were positive and 27% were negative, neutral or skipped.

External Benchmarking

We use our annual service user satisfaction survey to report against the ASCOF which measures how well care and support services achieve the outcomes that matter most to people. The ASCOF is used both locally and nationally to set priorities for care and support, measure progress and strengthen transparency and accountability. We are pleased to see how service users consistently rate their experience at Hestia against comparative London wide measures (last reported in 2021):

Question	Hestia Positive Response rate 2023–24	Hestia Positive Response rate 2022–23	ASCOF Positive response rate London
I am satisfied with my service / client satisfaction with care and support	95%	95%	60%
I know how the service works and what I am entitled to / I find it easy to get information	92%	89%	65%
I can control the kind of support I receive / Proportion of people who feel they have control over their daily life.	89%	88%	72%
I feel safe and secure in the service. / Proportion of people whose service help them to feel safe	95%	95%	82%
I am able to have as much social contact as I want with people I like. / Proportion of people who have as much social contact as they would like.	88%	84%	40%

Comparison with the Communities and Local Government Outcomes Framework

Most of Hestia's services are commissioned to achieve positive outcomes against the five domains from the Communities and Local Government outcomes framework.

Domain	Indicator	Target	2023–24 reporting achieved and partly achieved	2022–23 reporting achieved and partly achieved
Maximise economic well being	Achieve positive outcomes for those needing support to maximise their income	95%	95%	93%

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Domain	Indicator	Target	2023–24 reporting achieved and partly achieved	2022–23 reporting achieved and partly achieved
Enjoy and achieve	Service users seeking to improve the quality of life for children	95%	91%	98%
	Service users requiring support to participate in activities	90%	84%	84%
	Service users agreeing the service enabled them to develop independence and linked them into other services	95%	91%	89%
	Service users confirming they have as much social contact as they would like	90%	88%	84%
Being Healthy	Received support to better manage physical health	95%	94%	95%
	Received support to better manage mental health	95%	94%	94%
Staying Safe	Reduce the risk of harm from others	95%	95%	97%
	Received support to maintain accommodation	95%	94%	93%
	Service users confirming they felt safe and secure in the service	100%	95%	95%
Making a positive contribution	Received support to be more confident in accessing services	95%	94%	96%
	Service users agreed that they were given information that they could easily understand, agreeing they were in control of their support, understanding how the service delivered the support they needed, and understanding their entitlements.	90%	92%	91%

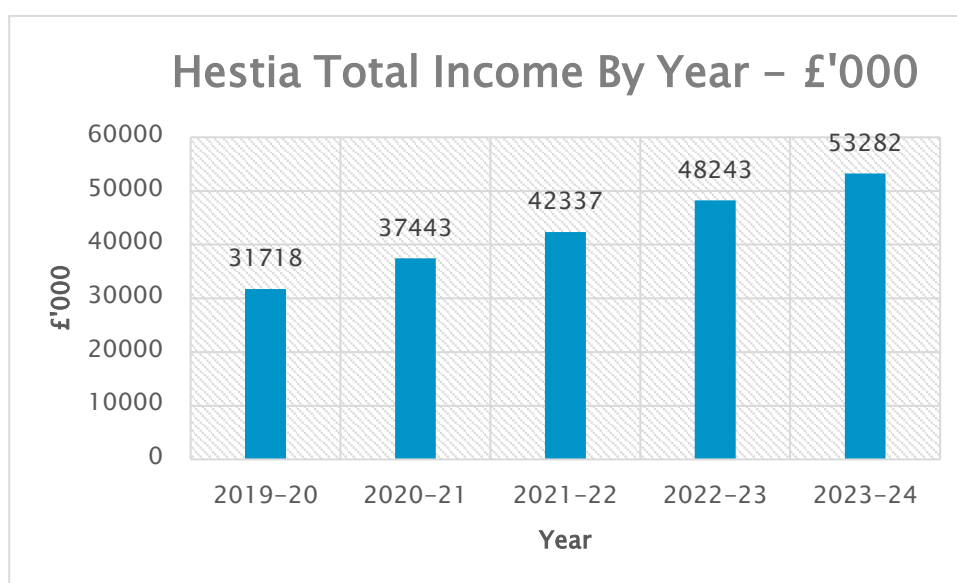
Our results show performance to be consistent year on year and around target. The results of the survey continue to drive improvements in service delivery with a major focus in 2024–25 being to increase service user involvement opportunities.

Financial review

The results for the year are set out in Statement of Financial Activities. The assets and liabilities of the Charity at 31 March 2024 are shown in the Balance Sheet. The financial statements should be read in conjunction with their related notes.

Income

Since 2019–20, income has grown steadily from £31,718 million in 2019–20 to £53.282 million – an increase of 68% (£21.564 million):



The 5-year growth in income has been achieved largely through the addition of contracts and annual increases in contract income although only 50% of Hestia's contracts attract annual increases. Annual increases are applied to rents and service charges, where rents are linked to the Government rent increase limits and service charges are set to achieve full cost recovery.

Income Breakdown – 2023–24

Income Area	2023–24 £m	2022–23 £m	Change %
Unrestricted Supporting People and Other Grants	£31,435	£28.612	+10%
Restricted Grants	£4,512	£4.686	–4%
Rents and Service Charges	£12,675	£11.530	+10%
Approved Premises Grant	£3,440	£2.585	+33%
Donations and Legacies	£0.921	£0.593	+55%
Investment Income	£0.299	£0.237	+26%
Total	£53,282	£48.243	+10%

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Income Breakdown – 2023–24 (continued)

- Income from Unrestricted Supporting People and Other Grants continue to form most Hestia's income – the 10% year on year increase was largely due to new contracts in the year (Kent and Wandsworth) and inflation increases achieved through negotiation with Commissioners.
- Income from Restricted Grants fell slightly as some grant programmes with the Home Office came to an end.
- Rents and Service charges increased due to the rent increase applied in April 2023 (11%) and increased recovery from service charges offset by an increase in void losses.
- The Approved Premises Grant increased as the Highbury services was open for a full year and an inflation award from April 2023.

Annual Surplus

Hestia continues to deliver operational surpluses (defined as net income before gains / losses on investments and pensions):

Year	Net Income – Unrestricted	Net Income – Restricted	Total	Net Income as a % of Total Income
2019–20	£38k	£92k	£130k	0.41%
2020–21	£503k	£416k	£919k	2.45%
2021–22	£494k	£416k	£910k	2.16%
2022–23	£1.487k	(£155k)	£1,332k	2.76%
2023–24	£0.991k	£212k	£1,203k	2.25%

The overall surplus was down slightly despite the challenging inflationary environment and the pay award made in April 2023.

Hestia's aim is to continue to generate surpluses on unrestricted funds that add to reserves, ensuring funds are available to support our work with service users.

Balance Sheet

Hestia's balance sheet remains strong with total assets increasing from £18.337 million at 31 March 2023 to £19.217 million at 31 March 2024 mainly through the retained surplus for the year.

Reserves were reduced by £654k as Trustees decided not to recognise the pension asset due to the uncertainty around being able to recover any calculated surplus from the scheme.

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Key financial indicators

Trustees consider 3 financial performance indicators which are those traditionally used by our commissioners as part of their financial monitoring analysis, and we have comfortably met or exceeded these over the last 2 years:

Indicator	Target	Hestia 2023-24	Hestia 2022-23
Annual Surplus	>£0	£1,203k	£1,332k
Current Assets: Current Liabilities	>1:1	1.80	1.67
Gearing (Debt / Equity)	<40%	0%	0%

Investments

Hestia's investment policy aims are to: (a) preserve the real capital value of the funds held over a 5-year period; (b) provide an income stream of 2% with low volatility; and (c) procure a long-term return, net of all charges, of 1% p.a. in real terms.

There were no capital additions or withdrawals in the year, therefore changes in the value of investments are a result of:

- Re-investment of dividend income.
- Management fees deducted by the fund managers.
- Net Investment gains and losses on stock disposals, reinvested in the portfolio.
- Net increases in portfolio valuations at 31 March 2024.

Hestia currently divides its investments between two managers:

- UBS AG – who manage a Sustainable Investment Portfolio of fixed interest securities, equities and property. The portfolio is managed on the basis of positive inclusion of stocks taking into account environmental, social and governance impacts. At 31 March 2024, the value of the portfolio had increased to £8.121 million from £7.601 million.
At 28th August 2024, the value of the portfolio had increased to £8.6 million in line with increases in the Stock Market.
- Ruffer LLP – Hestia's investment is in a common investment fund which has an absolute return approach. The fund aims to invest in complementary stocks which provide a counterbalance against market swings and over the year the value of the fund decreased from £2.005 million to £1.858 million.
At 28th August 2024 the value of the investment had recovered some of the previous losses to stand at £1.91 million.

The Finance and Fundraising Sub Committee monitor performance quarterly and meet with both fund managers annually. During the year Trustees reaffirmed their intention to remain invested in the medium to long term irrespective of short-term market fluctuations.

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Pensions

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

There are 4 employees who retain membership of the Royal Borough of Kensington & Chelsea's defined benefits scheme. This scheme is linked to the contract to provide day centre services which we expect to be retendered in 2024–25.

The FRS102 valuation position as reported by the actuaries showed an increase in the net value of the pension asset of £284k to stand at £938k at 31 March 2024. The present value of liabilities was largely unchanged, however the share of the scheme assets increased by £315k in line with increases in the Stock Market. Trustees have agreed not to recognise the asset in the financial statements, as we believe it is unlikely that this would be realised if our participation in the scheme were to cease due to the upcoming re-tender.

Contributions to the scheme for 2024–25 have remained unchanged at 21.1%.

Hestia also contributes into the NHS pension scheme for two employees linked to the Wandsworth Recovery & Rehabilitation service and employer contributions on this scheme are fixed at 14.38% p.a.

Twining Enterprise

Twining Enterprise became a fully owned subsidiary on 31st January 2024. Net assets of £616k were transferred into that Group on that date.

Details of their financial performance for the year to 31 March 2024 and assets and liabilities at 31 March 2024 are contained in Note 13 to the accounts on Page 54–55.

Principal risks and uncertainties

The Board of Trustees is responsible for ensuring that Hestia has in place systems of internal control that are appropriate to the various business environments in which it operates. These enable the organisation to manage rather than eliminate risks and so provide a reasonable but not necessarily absolute degree of assurance.

Hestia's operating model predominantly relies on income generated from contracts awarded by commissioning partners. Many of these are for a fixed number of years and subject to retendering at various intervals. In previous years, Hestia was able to manage these fixed price contracts due to the low inflation environment. Rents and service charge income is also linked to commissioned contracts – Hestia owns very few properties.

The commissioning environment provides opportunities for Hestia as contracts currently provided by others are also put out of tender which provides potential to increase the contract base.

Traditionally, the main aim of our fundraising activity has been linked to added value initiatives to support the contracts that we deliver rather than achieving core unrestricted income.

The majority of income risk, lies therefore with our contract base.

Approach to Risk Management

Hestia operates both a bottom-up and top-down approach to risk management: operational services each develop their own local risk management plans, and this informs the strategic risk register. The strategic risk register defines the risks that have the potential to seriously affect Hestia's ability to continue to operate as an independent organisation delivering services to our beneficiaries. Risks can be added or deleted depending on the environmental assessment which is considered as part of each Board meeting.

For 2023–24 the following were identified as the top risks:

- Delivering service user outcomes / safeguarding
- Internal performance management
- Compliance – health and safety / information governance / business continuity planning
- Workforce management
- Contract retention / Victim Care Contract
- Cost control
- Fundraising
- External reputation

Top Strategic Risks

In 2023–24 Trustees identified that the two biggest risks facing Hestia are contract retention (with a focus on the Victim Care Contract which represents 25% of Hestia's income and is due for retender in 2024–25) and workforce management given the buoyant job market, the impact of inflation on salary requests and workforce burnout.

Trustees received detailed updates on both these areas at each of their Board meetings, including a review of internal / external challenges, relevant KPIs, any independent third-party information and management activities. This ensures the Board is sighted on those major risk areas likely to affect Hestia.

Controls

The Board of Trustees have put in place appropriate procedures and controls to adequately mitigate against the various risks Hestia faces including:

- An organisational set of values which commits us to managing the Charity's affairs with integrity.
- Operational services having clear local plans to manage risk, linked to annual business plans.
- The risk assessment process embedded in a comprehensive business planning process.
- An agreed quality strategy which is monitored as part of regular KPI reporting.
- Robust budgeting and quarterly review and reporting of financial performance.
- Clear and regularly reviewed delegated authorities.
- Appropriate authorisation levels and segregation of accounting duties.
- Clear staff roles, responsibilities and accountabilities.

The Board delegates authority to Hestia's Sub Committees to monitor the review and outcome of the application of controls through regular reporting and deeper analysis of issues of concern. During 2023–24 the Board received reports on Fundraising, Void Management and Assessment reviews.

Reserves policy and going concern

Reserves

Hestia's reserves policy is designed to reflect the underlying risk facing us and ensure we have an appropriate level of reserves to safeguard our operations and provide services to our beneficiaries. We hold restricted funds to meet commissioner and donor requirements around unspent income. Restricted reserves include amounts associated with fixed asset investments to reflect where property may be charged to external agencies.

Trustees have also agreed to hold designated reserves to meet non-operational activities, linked to property management requirements and organisational development. Funds held at 31 March 2024 totalled £1.400 million broken down as follows:

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	£'000
Property upkeep / maintenance	425
Service delivery improvements	210
Service design improvements	463
Digital / I.T. Infrastructure improvements	254
Head Office Relocation Fund	48
TOTAL	1,400

During the year expenditure from reserves was incurred on property renovations, and updating the organisational 5 year strategy. For 2024–25, the main areas of expenditure to be incurred are linked to the digital and fundraising strategies.

The £654k which was set off in the March 2023 accounts to reflect the FRS17 pension asset has been written off aside as it is not expected to be realised.

The Trustees consider the minimum level of free reserves annually – excluding restricted and designated reserves – required to support our operations. Relevant factors include projected financial performance with an assessment of risk to our income streams and cash flow requirements. Hestia's income is largely contract linked which provides a degree of certainty in terms of understanding future income but also incorporates risks of contracts being cancelled or lost on re-tender. Our risk assessment considers the impact of potential contract losses taking account of the impact of contract cancellations (which have larger impact on staff and beneficiaries) compared to contracts which are transferred to alternative organisations to continue delivery.

Having undertaken a review of projected cash flows and contract end dates, Trustees have determined that Hestia requires 3 months' worth of operating costs to manage short term cash flow variations and the potential loss of contracts. This must be held in liquid assets.

Following this review, Trustees have determined that the minimum level of free reserves is £12.0 million at 31 March 2024. The actual level of free reserves is £12.3 million (excluding the value of fixed assets). The Trustees review this amount annually and as such this minimum amount will change from time to time. Liquid assets (cash / short term investments and long-term investments all of which are accessible at short notice) are £16.6 million.

Forecast and Budgets / Going Concern

The budget for 2024–25 predicts, that we will make a small deficit as we draw down on restricted reserves and invest in project restructuring. Unrestricted reserves are forecast to grow slightly. As a result, we expect overall reserves to be largely unchanged subject to any changes in our investments and pensions.

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Projecting forward into 2025–26, Trustees have also considered an initial “no growth” budget which assumes:

- 5% inflation on salaries. 2% inflation on other costs (salaries account for 65% of expenditure).
- Contract inflation is restricted to 2%.
- 1 major contract due for retender is not retained.
- The Victim Care Contract reduces by 20% over the year as referrals drop off.

Without taking corrective in year action, the deficit for 2025–26 would be £628k; general funds would decrease to £15.6 million and net current assets would remain positive at £5.8 million.

Fundraising

Hestia's fundraising strategy seeks to ensure we can help more people to a life beyond crisis.

The fundraising team works with a range of government agencies, charitable trusts, community groups, corporate donors and individuals on a wide range of activities. During the year the team raised £1.104 million from donations, legacies and gifts in kind and a further £0.504 million in other grants.

We would like to thank all of those who have supported programmes and made donations to provide safety, hope and purpose after crisis and trauma for the people in Hestia's services:

- Our Children and Family Programmes – aimed at providing children and family workers and for activities in all our Domestic Abuse Refuges – has been made possible by the Greater London Authority and MOPAC, Compass Wellbeing and North Central and East London CAMHS Provider Collaborative (NCEL), Permira Foundation, John Lyon's Charity, Childhood Trust, Croydon Relief in Need, De Brie Charitable Trust, Wimbledon Community Foundation, Hardy Family Foundation, Tower Hamlets Community Fund, B&Q Foundation, Sapio Research, Hasbro, Kingfisher Plc, WE Soda and HSBC Branch Network.
- Our wrap-around support for survivors in our Domestic Abuse Refuges across London – including our dedicated refuge referral helpline, our empowerment, well-being and counselling support, and resettlement and move-on support – has been made possible by grants and donations from the Greater London Authority and MOPAC, City Bridge Foundation, Uber, Tokio Marine HCC and KKR.
- Our Domestic Abuse Prevention Programmes, including our Safe Spaces initiative in pharmacies and banks, UK Says No More and Everyone's Business, have been supported by grants from the Home Office as well as by a range of corporate partners purchasing Independent Domestic Violence Advocate (IDVA) services. Our digital innovation to support more survivors of domestic abuse – including the Bright Sky domestic abuse app and Online Safe Spaces – has expanded with the support of the Home Office, the Permira Foundation/Social Business Trust's Digital Impact Fund, Vodafone, and the Royal Mail Group.

Fundraising (continued)

- Our wrap-around support for survivors of Modern Slavery – including urgent essential items, social inclusion, independent living skills, dedicated support for children of survivors, and research and advocacy to raise awareness and giving survivors a voice – has been made possible through the generous support of the David and Ruth Lewis Family Charitable Trust, the Garfield Weston Foundation, and corporate donations from Bird & Bird, Ashurst, and WE Soda.

We are grateful for the sustained support from the Social Business Trust (SBT). The focused funding and deep expertise brought by Clifford Chance, Bain, Permira and other SBT partners has been invaluable in refocusing our organisational strategy and transforming our data infrastructure to effectively demonstrate our impact.

Our Fundraising Practices

Hestia's fundraising team is focused on raising money from trusts and foundations, central and local government grants and corporate partnerships. Hestia does not use any third-party fundraising agencies or involve commercial participators.

Our Fundraising Policy was updated in March 2024 and confirms that we adhere to the Fundraising Regulator's Code of Fundraising Practice and that all data we handle is compliant with GDPR regulations. There have been no complaints about fundraising activity in the past year and there have been no failures to comply with the Code of Fundraising Practice. Our adherence to the Code of Fundraising Practice sets out the main ways we ensure that we protect vulnerable people and members of the public from unreasonable or unwanted behaviour.

Structure, governance and management

Structure

Hestia Housing and Support ("Hestia") is a registered charity and is incorporated as a company limited by guarantee governed by its Memorandum and Articles of Association.

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

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

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Governance

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

Trustees are recruited based on an evaluation of the range of skills and experience needed to govern Hestia covering strategic and operational experience as well as a range of business and commercial experience, including financial and HR knowledge.

Dame Moira Gibb was appointed Chair of the Board of Trustees in November following the retirement of the previous Chair, Terrie Alafat at the end of her period in office. Dame Moira is a qualified social worker and was Director of Social Services at the Royal Borough of Kensington and Chelsea and Chief Executive of Camden Council. She has held a number of Board and Trustee appointments, including at NHS England and she was Chair of Skills for Care from 2014 – 2022.

We are extremely grateful to Terrie for her support and contribution during her tenure, and in particular, her oversight of the development and implementation of the strategic plan 2019 – 2024.

During the year, Aisling Thompson and Catalina Cernica who had been co-opted to the Board in 2023 were formally appointed to the Board. The Board were also pleased to welcome Roger Rawlinson to the Board of Hestia's Trustees – Roget had previously been a Board Member of Twining. Roger is an HR consultant and a leader of organisational change with many years' experience of executive responsibility for HR, Learning and Development and Communications across the retail, manufacturing and health sectors.

We were also pleased to welcome back former Treasurer and Vice Chair, Anil Shenoy as a co-opted member of the Finance and Fundraising Committee with a specific brief to support the management of our investment funds.

Trustee Induction / Training / Involvement

Trustees receive an induction pack which contains information about Hestia, its structure and operations, the Board and sub-committee structures, Trustee duties and responsibilities and the organisation's key policies. Trustees are encouraged to participate in visits to Hestia projects to provide first hand exposure to the services delivered and the operating environment. Trustees also get the opportunity to meet Hestia's service users at social events, on recruitment panels, and at planned scheme inspections and visits. Over the course of the year, service users are also invited to attend Board meetings to provide direct and personal updates on their experiences at Hestia.

Training is provided to the Board aligned to identified needs. All Trustees undertake safeguarding training and the Board has appointed Rebecca Pritchard who has more than 30 years' experience in the homelessness and social care sector as the Board safeguarding lead. Trustees also receive training on

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For the year ended 31 March 2024

modern slavery annually reflecting the importance of this to Hestia's overall operations. Trustees also attend annual away days to consider the operating environment and plan strategic direction.

The full Board of Trustees meets six times a year to discuss strategy, to formulate policy and to oversee operational matters. The Board is supported by four standing committees who review specific areas in detail and report back to the full Board:

- Governance
- Finance and Fundraising
- Performance Review
- Digital and I.T.

Sub Committees may co-opt non-Trustee members to bring wider experience to specialist areas and the following individuals are currently co-opted to Hestia Sub Committees:

- Claudette Majomi and Anil Shenoy who sit on the Finance and Fundraising Sub Committee.
- Tori Ellaway sits on the Digital and I.T. Sub Committee:
- Matthew Kelly sits on the Performance Review Committee. Chris Fry who previously sat on the Performance Review Committee resigned his membership in May 2023.

Hestia's Trustees have agreed to work towards full compliance with the Charity Governance Code and to review Hestia's practices against the seven key areas which make up the code. In 2023-24 Trustees focussed on the "Organisational Purpose" element of the code as part of the process of developing the organisational strategy for 2024-29. Supported by investment partners, Social Business Trust and with significant pro bono support from Bain Consulting, an international agency aimed at supporting organisations update their strategic ambitions, the Board worked extensively with stakeholders across Hestia. This involved a detailed review of Hestia's aspirations, its strengths and weaknesses, and undertook a detailed review of the external environment and market opportunities. From this work the Board and Directors co-produced the organisational strategy for 2024-29 to be implemented through annual operational plans which are subject to regular monitoring and review.

Twining Enterprise

On 31st January 2024, Hestia became the sole Trustee of Twining Enterprise (Twining) who provide employment related support to individuals who have experienced mental health trauma either to retain their employment or to rejoin the workforce.

The details of the transfer were agreed by a joint working party of Trustees and Directors from both organisations which included a statement of the aim of, and the benefits to be achieved by merger. Under the terms of the agreement, Twining's Board resigned to be replaced by a shadow Board comprising 2 Trustees from the existing Board, 2 Trustees from Hestia and an independent chair. In addition, Hestia appointed one of the former Trustees from Twining, Roger Rawlinson, to its Board of Trustees.

Hestia nominated Brendan Sarsfield and Rebecca Pritchard to the Twining Board.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2024

Twining has the right to withdraw from the arrangement within a twelve month period should the shadow board consider that the aims and objectives of the merger are not being realised.

Management

Day to day management of the organisation is delegated to the Chief Executive and Senior Management Team. The Chief Executive is not a member of the company and has no legal status as Director although he acts as executive within the authority delegated by the Trustees.

The Chief Executive and Senior Management Team attend Trustee Board Meetings, Sub Committee meetings and Trustee Away Days, presenting reports and analyses for discussion and to support decision making.

Pay Policy for Senior Staff

The pay of senior staff is reviewed by the Governance Sub Committee considering market conditions and pay rates in comparable organisations. A detailed market comparison is sought at the time any senior recruitment takes place.

Trustees' duty to promote the success of Hestia Housing and Support – section 172 statement

Trustees have a duty to promote the success of Hestia Housing and Support, and in doing so, are required by section 172(1) of the Companies Act 2006 to have regard to the following specific factors:

- The likely consequences of any decision in the long term
Trustees work to an approved 5-year strategy and in March 2024, with the support of Social Business Trust and Bain Consulting, approved the new strategy for 2024–2029. This included an assessment of Hestia's strengths and weaknesses, how those interlinked with the external environment and how that affected our ability to meet our objectives. Trustees agree an annual operation plan which includes an assessment of the longer-term impacts and ensures appropriate monitoring arrangements are in place. The Board may choose to delegate Sub Committees to undertake detailed analysis of plans and report back on their findings.
- The interest of Hestia's employees
The impact on staff of decisions to be taken are discussed by Trustees, who also receive an annual people update covering staff remuneration, retention, wellbeing, health and safety, and safeguarding. Hestia has a Trade Union recognition agreement in place with Unison, and also works closely with the Employee Forum, the internal staff consultative body.
- The need to foster Hestia's business relationships with suppliers, customers and others

Trustees' annual report (including the strategic report)

For the year ended 31 March 2024

Trustees have approved a Quality Strategy which outlines the standards of how we wish to work with our stakeholders – commissioners of our services, our service users and other interested parties. Quality KPIs have been developed which are reported to the Board on a quarterly basis, along with an annual review of the Quality Strategy.

One of Hestia's core values is Collaborative and Co-production which underpins our work wherever possible to ensure that our service users participate in the development of policies and procedures as well as the strategic direction of the Charity.

As the largest single provider of services to victims of human trafficking we have worked with suppliers to support them in the development and implementation of their Modern Slavery Statements, providing support, guidance and training on the subject.

- The impact of Hestia's operations on the community and the environment
Our services are rooted in community provision and key to the success of our service delivery is the harnessing of community support. All projects are required to produce an annual business plan that looks at community assets and resources and how these might be utilised in supporting our service users.
As part of the annual Quality Strategy review, the Board receives regular quality updates on the services provided to ensure contracts are delivered efficiently and effectively with particular attention paid to CQC reviews and our own internal audit reviews.
- The desirability of Hestia's reputation for high standards of business conduct
As a charity, the maintenance of Hestia's reputation for keeping high standards of particular importance. Appropriate systems and processes are in place to ensure the highest standards in business conduct. The Senior Management Team will also update the board with any matters that may have given rise to a reputational risk including any mitigating actions being taken.
- The need to act fairly between members of Hestia
As a registered charity Hestia does not have shareholders. The Trustees, who are members of the company, ensure that any surpluses are invested back into the business for the benefit of those for whom we provide care and support.

Policy for employment of disabled persons and Employee Information

Hestia is committed to promoting equality, preventing discrimination and valuing diversity in all our services and across our workforce.

This continues to be progressed through our collaboratively developed and newly launched EDI/AR strategy and our organisational change programme one aspect of which focuses on building a more diverse, inclusive and equitable culture which promotes a sense of belonging in our colleagues. One of our key ambitions here is to achieve Disability Confident level 3 and membership of Race at Work Charter and Stonewall accreditation having gained membership already.

A major element of this work was improving our Equality, Diversity and Inclusion data to support strategic decision making and overlaying an EDI lens to all our people reporting. By encouraging people to self-report and automate data collection into easily accessible platforms we will be able to improve the robustness and quality of our data and by overlaying an EDI lens in this way we can gain insight on the experiences of our people from different heritage backgrounds. In addition, this year we are creating our EDI/AR dashboard to ensure that we can be fully transparent with our staff on a range of EDI data and progress against targets within our strategy.

Employee wellbeing continues to be a key focus for us. We work in partnership with two external organisations to offer our employees a very broad range of well-being support and information which includes helplines on legal, financial and personal issues, webinars, live zoom sessions, face to face support and access to information to meet their individual wellbeing needs. More recently we have developed our Trauma Informed approach to self, which supports colleagues to consider and manage vicarious trauma. We provide clinical supervision for staff groups every 4 weeks across our services and have responded to the cost-of-living crisis by developing a dedicated site for staff to access support, advice and information from trusted sources with the more recent introduction of an earned wage access scheme called Wagestream.

Hestia is committed to the continuing development of all employees. We have an established learning platform through which all staff can access dedicated induction and personal development opportunities whether face to face or virtual workshops, e learning modules or through our knowledge hub. The second phase of The Hestia approach introduces Trauma Informed working and training to support the integration of this into our service delivery.

All staff have 6 weekly supervisions, annual appraisals which include 360-degree feedback about how they reflect our values, objectives development which flow from the organisational strategic plan and the creation of a personal development plan.

Learning and Development provision is provided by a specialist Social Care provider who can meet all our specialist subject development needs. and have just developed and piloted our first Leadership Excellence Programme. We now have 5 employees undertaking the fully funded social work degree apprenticeship and have identified 4 candidates about to start training via our Health and Social Care academy.

Policy for employment of disabled persons and Employee Information (continued)

Hestia has supported 200 student placements from a range of universities and professional development institutions which enable our staff to gain line management experience and enhance the professional knowledge in our services from interactions and working with Social Work, Mental Health, Nurse students, Children and Family Practitioners students and trainee counsellors.

Hestia's Gender Pay Gap was 4.31% in 2023/24 which has decreased slightly from 5.19% the previous year.

Trustees agree our Modern Slavery Statement each year and this is publicly available on our website.

Relationships with stakeholders

Service Users

Hestia aims to put service users at the heart of everything that we do – and the Hestia Approach, our in-house recovery model has co-production at its heart. We focus on building on service users' capacity through our Strengths and Aspirations review which is one of the main elements of every key working session. The Hestia Approach is subject to regular formal review and updates.

Service users are encouraged to participate at all levels of the organisation, from leading and directing house meetings and contributing to service business plans, to joining the service user liaison group which undertakes service reviews, interviewing from staff and engaging with Senior Management and Trustees. During the year, in consultation with service users, the forum, previously referred to as the Better Lives Forum, was rebranded and refreshed as the Stronger Together Network. A main focus for the network is consideration of how we engage with those service users who only access Hestia's service for a short time, including those who access our IDVA services and anyone who visits our drop-in crisis centres.

We survey our service users every year to better understand their view of the services we provide, and this is reported to Trustees along with annual actions plans to address areas of poor performance.

Commissioners and Funders

As well as meeting with our commissioners and funders regularly via contract monitoring meetings, we seek to engage with this group on a less formal basis via monthly newsletters and invitation to events such as our "Art is Freedom" exhibition which showcases artworks created by survivors of Modern Slavery.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2024

We offer commissioners and funders direct support to increase awareness of Domestic Abuse and Modern Slavery in the workplace, with access to some of the tools we have developed, including our Bright Sky and Respond to Abuse Apps and help with Modern Slavery Statements.

We encourage funders to visit projects and participate in events: in the year, funders have built play equipment in refuges, painted rooms, and planted gardens. This provides a direct opportunity for funders to meet service users first hand to and to see the real benefits of the contributions that they make.

Workforce

Hestia seeks to engage with our staff in a number of ways: we have a Hestia Intranet hub which acts as a single information and news hub for all staff to gain awareness of what is happening across Hestia. This is supported by a fortnightly Newsletter called Keep Connected.

Key messages and information are also cascaded through organisational reporting line.

We actively engage with staff via our Employee Forum, Hestia Voice made up of 10 elected staff representatives covering the whole organisation. This forum provides for a two-way dialogue between senior management and staff where representatives key concerns and organisational challenges and information are tabled both all parties. The Forum actively participated in discussions around the April 2024 pay award as well as supporting the development of an upfront expenses policy aimed at preventing staff from being out of pocket awaiting re-imbursement.

Hestia has entered into a recognition agreement with the trade union, UNISON to further support intelligence gathering and staff engagement. 15% of staff joined the union since the agreement was implemented.

Biannual employee engagement surveys and quarterly wellbeing and engagement questionnaires feed into our internal Quality Dashboard, the findings are shared with Trustees and staff groups for transparency and to encourage involvement.

Suppliers

Hestia aims to work positively with our suppliers and is committed to paying suppliers earlier than their payment terms. In the year to 31 March 2024, 93% of suppliers received payments early or on time.

As part of Hestia's Modern Slavery Statement, we aim to work with our major suppliers to support them develop their own Modern Slavery Statements and to understand the signs of modern slavery. Our aim is to develop a toolkit which we can make available to all suppliers to help them spot the risk of modern slavery in their own supply chains.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2024

During 2024–25 we aim to review our approach to procurement, driven in part, by our aim to improve the quality of accommodation and improve working relationships with suppliers by opening up dialogue channels.

Energy and carbon reporting

As part of the obligations set out under the Energy and Carbon Report Regulations 2018, we are required to disclose the energy and carbon created as an organisation over the year to 31 March 2024.

Most of our usage comes from the accommodation units provided to our service users but also office accommodation used by staff.

In completing this analysis, we have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2023 UK Government's Conversion Factors for Company Reporting.

Energy Usage

	01 April 2023 – 31 March 2024	01 April 2022 – 31 March 2023
Energy consumption used to calculate emissions (kWh)	7,771,399	7,584,032
Scope 1 emissions in metric tonnes CO ₂ e Gas Emissions	1,147.57	1,110.75
Scope 2 emissions in metric tonnes CO ₂ e Purchased Electricity	292.29	268.50
Scope 2 emissions in metric tonnes CO ₂ e Business Travel	20.08	26.46
Total gross emissions in metric tonnes CO₂e	1,459.94	1,405.70
Intensity ratio Tonnes CO ₂ e per occupant ¹	2.355	2.086

Note 1: The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per occupant.

Measures taken to improve energy efficiency

Hestia continues to implement smart metering across all our sites. This is laying the foundation for energy management and reporting. Additionally, Hestia runs a programme for reading meters for both gas and electricity across all managed supplies.

Statement of responsibilities of the trustees

The trustees (who are also directors of Hestia Housing and Support for the purposes of company law) are responsible for preparing the Trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

In so far as the Trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2023 was 9 (2022: 12). The Trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Post Balance Sheet Event

In August 2023, the Board agreed a merger with Twining Enterprise to take effect from 1st February 2024 when Twining became a wholly owned subsidiary of Hestia. During 2024–25 the boards of both Hestia and Twining will work through an integration plan to fully integrate Twining into Hestia, making Twining dormant and effectively collapsing the group structure. The Boards have agreed for this to take place in the final quarter of 2024–25.

Twining support people who have experienced mental health issues into employment which complements much of the work already carried out by Hestia.

Auditor

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

The Trustees' annual report which includes the strategic report has been approved by the Trustees on 3rd December 2024 and signed on their behalf by

Dame Moira Gibb
Chair – Board of Trustees

Independent auditor's report

To the members of

Hestia Housing and Support

Opinion

We have audited the financial statements of Hestia Housing and Support (the 'charitable company') and its subsidiary (the 'group') for the year ended 31 March 2024 which comprise the consolidated and parent charitable company statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows 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 group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's and parent charitable company's 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
- 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 group financial statements section of our report. We are independent of the group and parent 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 Hestia Housing and Support'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' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group 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 group 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 group 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' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report including the strategic report. We have nothing to report in respect of the following matters in relation to which 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 in the trustees' annual report, 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

Independent auditor's report

To the members of

Hestia Housing and Support

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 group's and the parent 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 group or the parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance and fundraising committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.

Independent auditor's report

To the members of

Hestia Housing and Support

- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Fleur Holden (Senior statutory auditor)

12 December 024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

Hestia Housing and Support

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2024

	Note	Unrestricted £'000	Restricted £'000	2024 Total £'000	Unrestricted £'000	Restricted £'000	2023 Total £'000
Income from:							
Donations and legacies	2	519	585	1,104	325	268	593
Charitable activities							
Provision of Care and Support	3	44,059	4,546	48,605	40,036	4,770	44,806
Operation of Approved Premises	3	3,457	–	3,457	2,607	–	2,607
Provision of Employment Support	3	27	138	165	–	–	–
Investments	4	302	–	302	237	–	237
Other	13	616	–	616	–	–	–
Total income		48,980	5,269	54,249	43,205	5,038	48,243
Expenditure on:							
Raising funds	5	342	–	342	259	–	259
Charitable activities							
Provision of Care and Support	5	43,929	4,925	48,854	38,829	5,193	44,022
Operation of Approved Premises	5	2,883	–	2,883	2,630	–	2,630
Provision of Employment Support	5	223	128	351	–	–	–
Total expenditure		47,377	5,053	52,430	41,718	5,193	46,911
Net income / (expenditure) before net gains / (losses) on investments		1,603	216	1,819	1,487	(155)	1,332
Net gains / (losses) on investments		331	–	331	(196)	–	(196)
Net income / (expenditure) before other recognised gains and losses		1,934	216	2,150	1,291	(155)	1,136
Actuarial (losses) / gains on defined benefit pension schemes		(654)	–	(654)	280	–	280
Net movement in funds		1,280	216	1,496	1,571	(155)	1,416
Reconciliation of funds:							
Total funds brought forward		15,658	2,679	18,337	14,087	2,834	16,921
Total funds carried forward		16,938	2,895	19,833	15,658	2,679	18,337

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 20a to the financial statements.

Hestia Housing and Support

Balance sheets

Company no. 2020165

As at 31 March 2024

	Note	The group 2024 £'000	2023 £'000	The charity 2024 £'000	2023 £'000
Fixed assets:					
Tangible assets	11	2,954	2,995	2,933	2,995
Investments	12	9,979	9,352	9,979	9,352
		12,933	12,347	12,912	12,347
Current assets:					
Debtors	15	8,680	7,565	8,468	7,565
Short term deposits		404	513	404	513
Cash at bank and in hand		5,755	5,250	5,236	5,250
		14,839	13,328	14,108	13,328
Liabilities:					
Creditors: amounts falling due within one year	16	(7,939)	(7,992)	(7,803)	(7,992)
		6,900	5,336	6,305	5,336
Net current assets		19,833	17,683	19,217	17,683
Total assets less current liabilities		19,833	17,683	19,217	17,683
Net assets excluding pension asset / (liability)		19,833	17,683	19,217	17,683
Defined benefit pension scheme asset	18	–	654	–	654
Total net assets		19,833	18,337	19,217	18,337
Funds:	20a				
Restricted income funds		2,895	2,679	2,891	2,679
Unrestricted income funds:					
Designated funds		1,400	1,386	1,400	1,386
General funds		15,538	13,618	14,926	13,618
Pension reserve		–	654	–	654
Total unrestricted funds		16,938	15,658	16,326	15,658
Total funds		19,833	18,337	19,217	18,337

Approved by the trustees on 3rd December 2024 and signed on their behalf by

Dame Moira Gibb
Chair – Board of Trustees

Brendan Sarsfield
Treasurer

Hestia Housing and Support

Consolidated statement of cash flows

For the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Cash flows from operating activities			
Net income for the reporting period (as per the statement of financial activities)		2,150	1,136
Depreciation charges		73	68
(Gains)/losses on investments		(331)	196
Dividends and interest from investments		(302)	(237)
(Increase) in debtors		(1,115)	(1,004)
(Decrease) / increase in creditors		(53)	1,450
Net cash provided by operating activities		422	1,609
Cash flows from investing activities:			
Dividends and interest from investments		302	237
Purchase of fixed assets		(26)	(30)
Transfer in – fixed assets		(6)	–
Proceeds from sale of investments		1,308	1,961
Purchase of investments		(1,604)	(2,514)
Net cash (used in) investing activities		(26)	(346)
Change in cash and cash equivalents in the year		396	1,263
Cash and cash equivalents at the beginning of the year		5,763	4,500
Cash and cash equivalents at the end of the year a		6,159	5,763
Analysis of cash and cash equivalents and of net debt			
	At 1 April 2023 £'000	Cash flows £'000	Other non-cash changes £'000
Short Term deposits	513	(109)	404
Cash at bank and in hand	5,250	505	5,755
a Total cash and cash equivalents	5,763	396	6,159

1 Accounting policies

a) Statutory information

Hestia Housing and Support a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 4th Floor, Beaufort House, 15 St Botolph Street, London, EC3A 7DT

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Twining Enterprise Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006, A summary of the result for the year is disclosed in the notes to the accounts.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

Key judgements that the charity has made which have a significant effect on the accounts include the carrying value of fixed assets, the market valuation of investments, the recoverability of debtors and the pension scheme asset. However, the Trustees do not consider that within these there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Trustees agree a 5 year strategic plan and annual business plans with associated budgets. Reports consider the risk to contract and fundraising income based on contract end dates, likelihood of retention and growth based on historic performance.

Trustees also consider the impact on expenditure of reduction in income: the majority of contracts are linked to the provision of services which would require staff and other resources to be transferred to alternative providers leaving Hestia with limited residual liabilities.

Various scenarios are tested within budgets to look at the impact on free reserves and these are compared to minimum reserve requirements.

1 Accounting policies (continued)

e) Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' 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 measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

1 Accounting policies (continued)

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the costs of overall direction and administration of central support services (salary and overhead costs), are apportioned on the estimates of direct costs.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £5,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Freehold land	Not depreciated
● Freehold buildings – residential	50 years
● Freehold buildings – non residential	50 years
● Fixtures, Fittings and Equipment	4 years
● Computer Equipment	3 years

m) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities.

Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1 Accounting policies (continued)

o) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash held on behalf of service users under appointee ship programmes at 31 March 2024 was £32k (at 31 March 2023: £35k)

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

r) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value

s) Pensions

Hestia and Twining each operate one group personal pension plan. Hestia also make contributions to pension schemes of certain employees in accordance with their rights under TUPE. Employer contributions are charged to the Statement of Financial Activities in the year to which the contributions relate.

Hestia also has two members of staff who are members of the NHS Pension Schemes. Although these are defined benefit schemes, they are accounted for as defined contribution schemes, as assets/liabilities for each employer in the schemes cannot be reliably identified.

Hestia also participated in one multi-employer defined benefit scheme with the Royal Borough of Kensington & Chelsea Pension Fund.

The pension scheme Trustees informed Hestia in 2022 that the Defined Benefit Scheme was fully funded.

As at 31 March 2024, Hestia's FRS102 actuarial valuation showed that the fair value of the scheme's assets exceeded the scheme's liabilities. After discussion with our auditors, Hestia's Trustees have decided that the prudent approach is not to recognise the net assets in the accounts. Further details of the scheme can be found in note 18 of the Annual Accounts.

An actuarial loss has been recognised on the SOFA to bring the value of the pension asset to NIL from the value of last year's asset.

2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2024 Total £'000	Unrestricted £'000	Restricted £'000	2023 Total £'000
Donations	355	585	940	291	268	559
Grants from Local Authorities	–	–	–	28	–	28
Legacies	1	–	1	6	–	6
Donated services	163	–	163	–	–	–
	<u>519</u>	<u>585</u>	<u>1,104</u>	<u>325</u>	<u>268</u>	<u>593</u>

Gifts and Legacies represent income received from individuals, charitable trusts and corporate donors to augment the charitable work that Hestia and Twining do. Donated services refers to support provided to Twining Enterprise by Social Business Trust and EY to support with operational delivery models and assistance through the merger process with Hestia.

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2024

3 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2024 Total £'000	Unrestricted £'000	Restricted £'000	2023 Total £'000
Income from support contracts	10,379	34	10,413	10,023	84	10,107
Income from other grants and fees	21,022	4,512	25,534	18,505	4,686	23,191
Residents fees and charges	12,658	–	12,658	11,508	–	11,508
Sub-total for provision of care and support	44,059	4,546	48,605	40,036	4,770	44,806
Approved Premises Grants	3,440	–	3,440	2,585	–	2,585
Residents charges	17	–	17	22	–	22
Sub-total for operation of Approved Premises	3,457	–	3,457	2,607	–	2,607
Income from grants and fees	27	138	165	–	–	–
Sub-total for provision of employment support	27	138	165	–	–	–
Total income from charitable activities	47,543	4,684	52,227	42,643	4,770	47,413

Grants are provided by a number of local, regional and central government departments and agencies, all linked to the delivery of the various services provided by Hestia and Twining.

4 Income from investments

	2024 £'000	2023 £'000
Interest Receivable	64	18
Dividends from equity shares	238	219
	302	237

All income from investments is unrestricted.

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2024

5a Analysis of expenditure (current year)

	Charitable activities							
	Raising funds £'000	Provision of Care and Support £'000	Operation of Approved Premises £'000	Provision of Employment Support £'000	Governance costs £'000	Support costs £'000	2024 Total £'000	2023 Total £'000
Staff costs (Note 7)	152	18,831	1,519	215	82	2,884	23,683	23,001
Agency Staff Costs	-	5,843	371	-	-	410	6,624	4,589
Investment managers' fees	54	-	-	-	-	-	54	53
Premises Running Costs	-	8,644	561	-	-	-	9,205	7,926
Project administration costs	70	3,405	(9)	18	-	-	3,484	2,920
Service users costs / welfare	2	6,154	88	2	-	-	6,246	5,226
Office running costs	-	-	-	-	40	2,955	2,995	3,116
Audit Fees	-	-	-	-	49	-	49	40
Legal and professional fees	-	8	-	-	8	74	90	40
Trustee Expenses	-	-	-	-	-	-	-	-
	278	42,885	2,530	235	179	6,323	52,430	46,911
Support costs	62	5,808	343	110	-	(6,323)	-	-
Governance costs	2	161	10	6	(179)	-	-	-
Total expenditure 2024	342	48,854	2,883	351	-	-	52,430	
Total expenditure 2023	259	44,022	2,630	-	-	-		46,911

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2024

5b Analysis of expenditure (prior year)

	Charitable activities				Governance costs £'000	Support costs £'000	2023 Total £'000
	Raising funds £'000	Provision of Care and Support £'000	Operation of Approved Premises £'000	Provision of Employment Support £'000			
Staff costs (Note 7)	111	18,957	1,309	–	86	2,538	23,001
Agency Staff Costs	3	4,129	125	–	–	332	4,589
Investment managers' fees	53	–	–	–	–	–	53
Premises Running Costs	–	7,213	713	–	–	–	7,926
Project administration costs	29	2,882	9	–	–	–	2,920
Service users costs / welfare	1	5,094	131	–	–	–	5,226
Office running costs	–	–	–	–	28	3,088	3,116
Audit Fees	–	–	–	–	40	–	40
Legal and professional fees	–	3	–	–	–	37	40
Trustee Expenses	–	–	–	–	–	–	–
	197	38,278	2,287	–	154	5,995	46,911
Support costs	60	5,601	334	–	–	(5,995)	–
Governance costs	2	143	9	–	(154)	–	–
Total expenditure 2023	259	44,022	2,630	–	–	–	46,911
Total expenditure 2022	259	44,022	2,630	–	–	–	

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2024 £'000	2023 £'000
Depreciation	73	68
Operating lease rentals:		
Property	636	662
Other	186	150
Auditor's remuneration (excluding VAT):		
Audit of charity	36	33
Audit of subsidiary	6	–
Other services – support with tax returns	5	–

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024 £'000	2023 £'000
Salaries and wages	20,784	19,739
Redundancy and termination costs	12	–
Social security costs	2,104	2,089
Employer's contribution to defined contribution pension schemes	783	1,037
Operating costs of defined benefit pension schemes	–	136
	23,683	23,001

The redundancy and termination costs were settled and paid at the balance sheet date.

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2024 No.	2023 No.
£60,000 – £69,999	9	5
£70,000 – £79,999	3	1
£80,000 – £89,999	2	3
£90,000 – £99,999	2	1
£100,000 – £109,999	–	–
£110,000 – £119,999	1	–

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £579,666 (2023: £596,232).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil).

Aggregate donations from Trustees, all of which were unrestricted were £1,137 (2023 – £1,000).

No Trustees received expenses in the year to 31 March 2024 (2023: No Trustees received expenses in the year).

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 714 (2023: 742).

9 Related party transactions

There are no related party transactions to disclose for 2024 (2023: none) for either Hestia or Twining Enterprise.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

The group	Freehold property £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost				
At the start of the year	3,570	267	24	3,861
Transfers In	–	54	–	54
Additions in year	–	26	–	26
Disposals in year	–	(20)	–	(20)
At the end of the year	3,570	327	24	3,921
Depreciation				
At the start of the year	613	235	18	866
Transfers In	–	48	–	48
Charge for the year	43	27	3	73
Eliminated on disposal	–	(20)	–	(20)
At the end of the year	656	290	21	967
Net book value				
At the end of the year	2,914	37	3	2,954
At the start of the year	2,957	32	6	2,995

Land with a value of £1,785,000 (2023: £1,785,000) is included within freehold property and not depreciated.

Ealing, Hammersmith and Hounslow Health Authority has a charge over the freehold property at Lynton Terrace which would require the property to be transferred back to the authority if it were to cease to provide qualifying services.

Hestia is also the registered owner of the freehold property in Streatham. Full funding was received from the Home Office for the purchase of this property and Hestia has entered an undertaking to pass the proceeds of any sale on this property to the Home Office.

The properties in Battersea, Hounslow, Wandsworth, Kent and Bromley are owned outright by Hestia and are not subject to any charges.

All of the above assets are used for charitable purposes.

The charity	Freehold property £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost				
At the start of the year	3,570	267	24	3,861
Additions in year	–	–	–	–
Disposals in year	–	(3)	–	(3)
At the end of the year	3,570	264	24	3,858
Depreciation				
At the start of the year	613	235	18	866
Charge for the year	43	16	3	62
Eliminated on disposal	–	(3)	–	(3)
At the end of the year	656	248	21	925
Net book value				
At the end of the year	2,914	16	3	2,933
At the start of the year	2,957	32	6	2,995

Land with a value of £1,785,000 (2023: £1,785,000) is included within freehold property and not

All of the above assets are used for charitable purposes.

12 Listed investments

	The group		The charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Fair value at the start of the year	9,352	8,995	9,352	8,995
Additions at cost	1,604	2,514	1,604	2,514
Disposal proceeds	(1,308)	(1,961)	(1,308)	(1,961)
Net gain / (loss) on change in fair value	331	(196)	331	(196)
Fair value at the end of the year	9,979	9,352	9,979	9,352

Investments comprise:

	The group		The charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
UK Common investment funds	1,858	2,005	1,858	2,005
Shares listed on the London Stock Exchange	8,121	7,347	8,121	7,347
	9,979	9,352	9,979	9,352

13a Subsidiary undertaking

The charity is the sole trustee of Twining Enterprise Limited, a company registered in England. The company number is 03045939 and charity number is 1048191. The registered office address is First Floor, 85 Great Portland Street, London W1W 7LT

Twining provides employment support under contracts from Local Authorities and Integrated Commissioning Boards. All activities have been consolidated on a line by line basis in the statement of financial activities.

Trustees at 31 March 2024 are Shivana Lawrence, Richard White, Brendan Sarsfield, Rebecca Pritchard and Zeynap Bekbolet.

A summary of the results of the subsidiary is shown below:

	2024 £'000	2023 £'000
Income from Donations and Legacies	199	226
Income from Charitable Activities	1,883	1,642
Investment Income	10	3
Other Income	2	2
Expenditure on Charitable Activities	(1,930)	(1,756)
Net income for the year / Net movement in Funds	164	117
Fund Balances		
Total funds brought forward	453	336
Net movement in funds	164	117
Total funds carried forward	617	453
The aggregate of the assets, liabilities and reserves was:		
Assets	752	561
Liabilities	(135)	(108)
Reserves	617	453

There were no amounts owed to / from the parent undertaking at 31 March 2024.

13b Subsidiary undertaking at acquisition

On 31 January 2024, the charity acquired the above entity, Twinnig Enterprise Limited by means of a transfer of assets. The amount recognised in this transaction was £616k, details of which are presented below.

The aggregate of the assets, liabilities and reserves was:

Assets	744
Liabilities	(128)
Reserves	616

13c Subsidiary undertaking results since acquisition

A summary of the results of the subsidiary for the period from 1 February – 31 March 2024, which has been included in these consolidated accounts, is as follows.

	1 February 2024 – 31 March 2024 £'000
Income from Donations and Legacies	184
Income from Charitable Activities	166
Investment Income	3
Expenditure on Charitable Activities	(352)
Net income for the period / Net movement in Funds	1

14 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2024 £'000	2023 £'000
Gross income	53,282	48,243
Result for the year	1,625	1,136

15 Debtors

	The group		The charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade debtors	1,541	1,436	1,344	1,436
Other debtors	774	1,351	774	1,351
Prepayments	616	344	601	344
Accrued income	5,749	4,434	5,749	4,434
	8,680	7,565	8,468	7,565

16 Creditors: amounts falling due within one year

	The group		The charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade creditors	1,969	1,467	1,945	1,467
Taxation and social security	751	663	713	663
Other creditors	214	136	204	136
Accruals	2,569	2,993	2,505	2,993
Deferred income (note 17)	2,436	2,733	2,436	2,733
	7,939	7,992	7,803	7,992

17 Deferred income

Deferred income comprises contract income for services received in advance

	The group		The charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Balance at the beginning of the year	2,733	2,597	2,733	2,597
Amount released to income in the year	(2,733)	(2,597)	(2,733)	(2,597)
Amount deferred in the year	2,436	2,733	2,436	2,733
Balance at the end of the year	2,436	2,733	2,436	2,733

18 Pension schemes

During the year, Hestia and Twining operated defined contribution schemes. Hestia also operated a defined benefit pension scheme which required additional contributions to be made separately to administered funds for the benefit of the employees. Contributions payable by Hestia and Twining in respect of the defined contribution schemes totalled £783,910 for the year (2023: £1,023,048), including those contributed to the NHS Pension Schemes.

Final Salary Pension Scheme

During the year Hestia was an admitted body of one defined benefit pension scheme with the Royal Borough of Kensington and Chelsea Pension Fund (RBKCPF).

The RBKCPF is a multi-employer scheme administered by the Royal Borough of Kensington and Chelsea under the regulations governing the Local Government Pension Scheme (LGPS) a defined benefit scheme.

Hestia has reviewed the FRS102 actuarial valuation carried out on 31st March 2024. The note below shows the details of this valuation for information only, as the value of the pension asset on the balance sheet has been capped at NIL and the pension asset at 31 March 2024 (£654k) has been debited back in the SOFA in the year ended 31st March 2024.

The employer's B260, relating to current employees, to the RBKCPF by the Charity for the year ended 31 March 2024 was fixed at 21.1% of pensionable pay up to 31 March 2025.

Assumptions	At 31 March 2024	At 1 April 2023
Inflation Rate (RPI)	3.00%	3.20%
Inflation Rate (CPI)	2.75%	2.95%
Rate of increase in salaries	3.75%	3.95%
Rate of increase in pensions in payment	2.75%	2.95%
Discount rate	4.85%	4.75%

The Fair Value of the Assets of the Scheme and the Expected Return were:

	At 31 March 2024 £'000	At 1 April 2023 £'000
Equities	1,781	1,590
Bonds	111	-
Property	223	153
Cash (including cash plus funds)	111	172
Total market value of assets	2,226	1,915
Present Value of Scheme Liabilities	(1,288)	(1,261)
Net pension asset	938	654
Net pension asset for Balance Sheet purposes	-	654

Analysis of the amount charged to the Statement of Financial Activities:

	2024 £'000	2023 £'000
Current service costs	-	29
Net interest on defined liability	(31)	(10)
Administration expenses	-	-
	(31)	19

	At 31 March 2024 £'000	At 1 April 2023 £'000
Movement in defined benefit obligation in the year		
Opening defined benefit obligation	1,261	1,697
Current service cost	19	29
Interest cost	60	47
Changes in finance assumptions	(79)	(708)
Changes in demographic assumptions	(7)	(109)
Experience gain / (loss) on defined benefit obligations	39	305
Estimated benefits paid net of transfers in	(9)	(4)
Contributions by scheme participants and other employers	4	4
Closing defined benefit obligation	1,288	1,261

	At 31 March 2024 £'000	At 1 April 2023 £'000
Movement in fair value of fund assets in the year		
Opening fair value of fund assets	1,915	2,071
Interest on assets	91	57
Return on assets less interest	214	(117)
Administration expenses	–	–
Contributions by employers including unfunded	11	14
Contributions by scheme participants and other employers	4	4
Benefits paid	(9)	(4)
Other experience	–	(110)
Closing fair value of fund assets	2,226	1,915
The employee numbers in the Scheme at 31 March were;	2024	2023
Active employees	3	3
Deferred pensioners	10	10
Pensioners	1	1
	2024	2023
	£'000	£'000
Actuarial return less expected return on fund assets	–	–
Contributions from scheme participants	4	4
Expected employer's contribution for the year ended 31 March	11	12

	2024	2023	2022	2020	2019
	£'000	£'000	£'000	£'000	£'000
History of experience gains and losses					
Defined benefit obligations	(1,288)	(1,261)	(1,697)	(1,790)	(1,331)
Scheme assets	2,226	1,915	2,071	1,754	1,331
Surplus / (Deficit)	938	654	374	(36)	–

NHS Pension Schemes

Past and present employees are covered by the provisions of the NHS Pension Scheme(s) relevant to their membership. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at: www.nhsbsa.nhs.uk/pensions.

Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the Financial Reporting Manual (FReM) requires that 'the period between formal valuations shall be four years, with approximate assessments in intervening years'. An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from April 2024. The Department of Health and Social Care has recently laid Scheme Regulations confirming the employer contribution rate will increase to 23.7% of pensionable pay from 1 April 2024 (previously 20.6%). The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

19a Analysis of group net assets between funds (current year)

	General unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Tangible fixed assets	1,848	–	1,106	2,954
Investments	6,790	1,400	1,789	9,979
Net current assets	6,900	–	–	6,900
Net assets at 31 March 2024	15,538	1,400	2,895	19,833

19b Analysis of group net assets between funds (prior year)

	General unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Tangible fixed assets	1,873	–	1,122	2,995
Investments	9,352	1,386	1,557	12,295
Net current assets	2,393	–	–	2,393
Defined benefit pension asset	654	–	–	654
Net assets at 31 March 2023	14,272	1,386	2,679	18,337

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2024

20a Movements in funds (current year)

	At 1 April 2023 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2024 £'000
Restricted funds:					
<u>Capital</u>					
Property expenditure:					
Purchase of Lynton Terrace	375	–	(5)	–	370
Purchase of Leigham Court Road	224	–	(3)	–	221
Improvements to:					
Leigham Court Road	309	–	(4)	–	305
Cologne Road	12	–	–	–	12
DOH – property purchase grant	202	–	(4)	–	198
<u>Revenue</u>					
Donations	317	193	(109)	–	401
Outreach services	186	105	(162)	–	129
Children & family services	302	177	(197)	–	282
Community Engagement	576	3,643	(3,445)	–	774
Digital Transformation	–	10	(6)	–	4
Domestic Abuse Prevention	114	823	(829)	–	108
The Phoenix Project	62	155	(135)	–	82
Age Activity Centre	–	35	(26)	–	9
Community Fund and ESF Better Opportunities Grant	–	128	(128)	–	–
Total restricted funds	2,679	5,269	(5,053)	–	2,895
Unrestricted funds:					
Designated funds:					
Development, maintenance and refurbishment of existing projects	586	84	(35)	–	635
Infrastructure and new project developments	800	–	(35)	–	765
Total designated funds	1,386	84	(70)	–	1,400
General funds	13,618	49,227	(47,307)	–	15,538
Total unrestricted funds	15,004	49,311	(47,377)	–	16,938
Pension reserve	654	–	(654)	–	–
Total funds	18,337	54,580	(53,084)	–	19,833

The narrative to explain the purpose of each fund is given at the foot of the note below.

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2024

20b Movements in funds (prior year)

	At 1 April 2022 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 1 April 2023 £'000
Restricted funds:					
<u>Capital</u>					
Property expenditure:					
Purchase of Lynton Terrace	380	–	(5)	–	375
Purchase of Hestia Streatham	227	–	(3)	–	224
Improvements to:					
Hestia Streatham	313	–	(4)	–	309
Hestia Battersea	12	–	–	–	12
DOH – property purchase grant	206	–	(4)	–	202
<u>Revenue</u>					
Donations	324	90	(97)	–	317
Outreach services	187	195	(196)	–	186
Children & family services	255	317	(270)	–	302
Community Engagement	520	3,189	(3,133)	–	576
Digital Transformation	57	–	(57)	–	–
Domestic Abuse Prevention	288	597	(771)	–	114
The Phoenix Project	51	108	(97)	–	62
People's Postcode Lottery	7	327	(334)	–	–
Starting Well Grant	7	215	(222)	–	–
Total restricted funds	2,834	5,038	(5,193)	–	2,679
Unrestricted funds:					
Designated funds:					
Development, maintenance and refurbishment of existing projects	551	84	(49)	–	586
Infrastructure and new project developments	876	–	(76)	–	800
Total designated funds	1,427	84	(125)	–	1,386
General funds	12,286	42,925	(41,593)	–	13,618
Total unrestricted funds	13,713	43,009	(41,718)	–	15,004
Pension reserve	374	280	–	–	654
Total funds [including pension reserve]	16,921	48,327	(46,911)	–	18,337

Purposes of restricted funds

- a** Restricted property funds comprise funding received for the purchase and improvement of the properties stated. The properties at Lynton Terrace, Hestia Streatham and Chatsworth Crescent are recorded in fixed assets. Depreciation of these properties and other specified property costs are charged against these funds.
- b** The donations restricted reserve represents numerous, one off donations made for specific purposes e.g. grants to support service user move on, contributions to activities across Hestia services.
- c** Outreach funding comprises various restricted grants to fund the provision of community based services in Hestia's women's services in Ealing, Slough and Harrow and performance related awards in the Kingston Integrated Mental Health Service.
- d** Children & family funds support children in Hestia's Domestic Abuse refuges through the provision of dedicated children and family workers. These are funded by a combination of Supporting People grants, MOPAC grants and other charitable donations.
- e** Community Engagement funds are provided by partnering health boards across London and the South East to provide accommodation and out of hours crisis services for individuals experiencing mental health trauma. Services are complementary to acute hospital services and seek to provide cost effective support aimed at preventing hospital presentation.
- f** Digital transformation funds included grants from the Fidelity Trust to support the development of Hestia's InForm Client Management System and a grant from Vodafone to support the ongoing development of the Bright Sky Domestic Abuse app.
Both grants were fully expended by 31 March 2023.
The outstanding balance relates to a grant awarded to Twining from Social Business Trust to assist in the transformation of their CRM system.
- g** Domestic Abuse prevention funds support a range of Hestia programmes – UKSNM, Everyone's Business, Safe Spaces and Ask For ANI aimed at providing information and guidance as well as practical support to victims of domestic abuse, funded by grants from the Home Office, the Julia and Hans Rausing Trust as well as contract income from purchasers of our Everyone's Business IDVA services.
- h** The Phoenix Project provides in reach support to survivors of Modern Slavery after they have received their positive CG decision – funding has been made available from the David and Ruth Lewis Foundation and the Rayne Foundation.
- i** The People's Postcode Lottery project is funded by a grant from the Postcode Innovation Trust brings together partners across England, Wales and Scotland to scale up a new model of support for victims of domestic abuse created through Hestia's Safe Spaces initiative and so provide additional community-based support for victims.
- j** Starting Well Grant is part of the VCSE (Voluntary, Community & Social Enterprise) Health and Wellbeing Fund with the theme of Starting Well. The aim is improving health outcomes for children from preconception to two and a half years old. Hestia work in partnership with the Happy Baby Community's community-based model of perinatal support to highly disadvantaged pregnant women who have suffered multiple traumas.
- k** The Age Activity Centre grant is a grant provided by JTi to provide additional support at Hestia's Older People's Day Centre in Wandsworth by extending lunch provision and other well being activities.
- l** The Community Fund Government Grant was provided to Twining with the aim of delivering activities specifically aimed to support communities and to help overcome any immediate liquidity or staffing issues through the COVID 19 pandemic.
- m** The Digital Impact Fund is a grant received by Twining to develop and implement an in house CRM system.

Purposes of designated funds

The designated fund for the development, maintenance and refurbishment of existing projects includes:

- a** Cyclical maintenance – funds required for regular maintenance and decoration of buildings for which responsibility is not assumed by the owning landlord.
- b** Sinking funds – funds required for long-term major repairs of buildings including the potential for costs associated with decant of residents during any refurbishment works for which responsibility is not assumed by the owning landlord. The organisation has prepared five yearly maintenance plans for all owned properties and the funds set aside are compared to these estimated commitments.
- c** Furniture fund – funds for replacement of furniture on a three-year cycle which cannot be funded from the annual revenue budget.

The funds for infrastructure and new project development have been designated in relation to planned strategic developments which assist the organisation to respond to the external operating environment. These include:

- a** Funding to meet the costs of organisational development, including bidding for new/ replacement contracts, merger activities and requirements necessary to adapt internal frameworks to meet external requirements. Current approved projects include: The Hestia Approach (three years); the Fundraising Strategy (five years); and the Digital Strategy (two years).
- b** Project Assistance Funds to support upfront running costs of developed projects which cannot be funded from the annual revenue budget. These are reviewed on an annual basis linked to strategic plans.

21 Operating lease commitments payable as a lessee

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2024	2023	2024	2023
	£	£	£	£
Less than one year	640	744	149	120
One to five years	928	1,145	–	140
	1,568	1,889	149	260

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2024	2023	2024	2023
	£	£	£	£
Less than one year	640	744	149	120
One to five years	928	1,145	–	140
	1,568	1,889	149	260

22 Capital commitments

At the balance sheet date, the group had no capital commitments outstanding (31 March 2023: £Nil).

23 Contingent assets or liabilities

At the balance sheet date, the group had no contingent assets or liabilities (31 March 2023: £Nil).

24 Post balance sheet events

The Boards of both Hestia and Twining have agreed to fully integrate the activities of Twining into Hestia, making Twining dormant and collapsing the existing group structure. The intention is to have that completed before the end of the current financial year i.e. 31 March 2025.

25 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

Accounts

Company number: 02020165
Charity number: 294555

HESTIA HOUSING AND SUPPORT

Report and financial statements
For the year ended 31 March 2023

Contents

For the year ended 31 March 2023

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HESTIA HOUSING AND SUPPORT

Reference and administrative information

For the year ended 31 March 2023

Company number 02020165
Country of incorporation United Kingdom

Charity number 294555
Country of registration England & Wales

Registered office and operational address Fourth Floor, Beaufort House, 15 St Botolph Street,
London EC3A 7DT

Trustees

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

Terrie Alafat Chair (term of office ended 25/09/23)
Dame Moira Gibb Chair (appointed 25/09/23)
Joanna Mark-Richards Vice Chair
Anil Shenoy Vice Chair (term of office ended 14/02/23)
Brendan Sarsfield Treasurer
Elizabeth Zacharias
Vic Rayner (term of office ended 14/02/23)
Michael Trup (resigned 29/03/23)
Helen Christina Marriott
Rebecca Pritchard
Lauren Bowes
Elizabeth Meek
Sonal Shah
Aisling Thompson (co-opted 25/07/23)
Catalina Cernica (co-opted 13/09/23)

Key management personnel	Patrick Ryan	Chief Executive and Secretary
	Christopher Clarke	Executive Director – Finance
	Mel Cox	Executive Director – People, Technology and Change
	Gayle Lowery-Jones	Executive Director of Services
	Nahar Choudhury	Regional Director of Operations (until 28/02/23)
	Jo Tilley-Riley	Executive Director of Fundraising and Communications (until 23/06/23)

Bankers Barclays Bank PLC
74 Shepherd's Bush Green
LONDON
W12 8QB

HESTIA HOUSING AND SUPPORT

Reference and administrative information

For the year ended 31 March 2023

Solicitors Russell Cooke
 2 Putney Hill
 LONDON
 SW15 6AB

Auditor Sayer Vincent LLP
 Chartered Accountants and Statutory Auditor
 Invicta House
 108-114 Golden Lane
 LONDON
 EC1Y 0TL

Trustees' annual report (including the strategic report)

For the year ended 31 March 2023

The Trustees present their report and the audited financial statements for the year ended 31 March 2023.

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

Objectives and activities

Purposes and aims

Hestia's objects as outlined in the Memorandum and Articles of Association are for the public benefit:

- To relieve hardship and distress by providing support and care for individuals who suffer mental or physical infirmity, are affected by domestic violence, are offenders or at risk of offending, are in need due to age or youth, are homeless, suffer substance abuse or are otherwise in need of assistance.
- To provide housing, housing related support or care for the Beneficiaries so that they can live more independent lives and fulfil their potential in the community.
- To further such other exclusively charitable purposes according to the law of England and Wales as the Trustees in their absolute discretion from time to time determine.

Vision and Mission

Hestia's vision is "Empowering People, Changing Lives" and our mission is "Together we will deliver high quality and empowering services through our core values". Our core values are: Respectful, Collaborative, Genuine, Dedicated and Courageous.

Strategic Objectives

In 2019, the Trustees agreed a 5-year strategy with 3 overarching aims:

- Service transformation.
- Growing with a diverse income portfolio.
- Building our profile and influence.

During 2023–24, with support from Social Business Trust, Trustees and staff across the Charity will be working together to develop and set the next strategy to be approved by Trustees in March 2024.

Public benefit

The Trustees 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 its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

Hestia's year in numbers:

OUR SERVICE USERS	2022-23	2021-22
Total number of service users supported across the year	19,346	18,519
Number of accommodation units managed across our service groups	741	660
% of clients satisfied with their care and support	95%	95%
% of clients feeling safe and secure in our services	95%	95%
% of stated service user outcomes achieved	69%	55%

- Further information on our service users is outlined in our strategic review on pages 10 to 13

OUR PEOPLE	2022-23	2021-22
No. of staff directly employed by Hestia	742	734
Staff retention rate	71%	71%
Staff sickness rate	3.6%	4.4%
Staff wellbeing and engagement	78%	78%

- Further information on our people is outlined in our strategic review on pages 14 to 17

OUR FINANCES	2022-23	2021-22
Total Income for the year	£48.243m	£42,337m
Fundraised income in the year	£593k	£555k
Annual Surplus for the year	£1.332m	£910k
Net current assets	£5.336m	£4.519m
Total unrestricted reserves	£15.658m	£14.087

- Further information on our finances is outlined in our financial review on pages 25 to 26

Strategic Report

The analysis below considers, under each of our strategic objectives, what we achieved in 2022–23, where we faced challenges and our ambitions for 2023–24.

Strategic Objective 1 – Service Transformation

In 2022–23 we:	• Implemented a new specialist operational management structure. • Funded a digital inclusion and mentoring programme for service users, supporting hybrid delivery and developing our in-house recovery college (RISE). • Provided up to one year's free in-house counselling to 183 service users. • Developed our integrated student model, providing work-based placements for 40 mental health nurses and 140 social work students. • Established auditable standards to improve the physical environments across our accommodation to support service user recovery journeys. • Provided longer term post contract support for survivors of modern slavery through our Phoenix Project and the VCC Reach In contract, reaching 210 service users (with 90 dependents). • Expanded our national Safe Spaces programme into 7,500 pharmacies and bank branches as well as online with 70 corporate partners. Over the year we achieved 4.5 million visits in person / online. • Offered Counselling Support to individuals across 4 public enquiries, continuing to support survivors of the Grenfell disaster. We also supported witnesses at the Angiolini (Sarah Everard) enquiry, the Post Office Enquiry and the COVID enquiry. • Followed up the 2022 independent review into Black Lives Matter, holding workshops across the organisation and undertaking a data review to understand EDI issues across Hestia. From that, work has begun to develop a co-produced revised EDI strategy. • Retained our Good CQC rating across our 3 registered care homes. Our Modern Slavery Houses also had positive CQC outcomes following inspection. • 628 volunteers contributed 24,800 hours of volunteering support with a financial value estimated at £1.3 million. 86 of our volunteers were service users and 39 volunteers moved into paid employment. • Reviewed staffing models across our services which resulted in 60% of front-line staff being designated as specialist workers – up from 30% 3 years ago. We also chose to adopt the London Living Wage recommendations 6 months early to support front line staff facing personal cost of living crises.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2023

Our challenges	• Recruitment and retention in the buoyant UK employment market – however, we were able to maintain our retention rate at 71% which is comparable to the sector average. • Increased union focus on the social care workforce and the first strike activity in Hestia's history. • Addressing the increasing complexity of needs presented by service users being referred to us / visiting our self-referral services. • Reduction in the availability of supporting / complementary external services which are available to support service users – many of these are being cut or scaled back due to the challenging public / philanthropic funding environments. • Having to use numerous commissioner-based and internal systems to record service users' journeys makes using data to drive and demonstrate improvements and outcomes for our service users is more complex. • Post COVID we are only seeing 63% of our service users face to face – often at the service user's request. • Only 52% of service users tell us they feel they have sufficient opportunities to become involved in the way their services are delivered.
In 2023–24 we will:	• Follow up our specialist management restructure with service transformation plans for domestic abuse, mental health, and criminal justice. • Strengthen our organisational culture through implementation of the Hestia Approach Phase 2, our internal support planning method based on relational approaches to trauma informed recovery. • Complete our Black Lives Matter Review with a refreshed, co-produced EDI strategy. • Refocus efforts on KPI delivery – delivering improvements in: ○ Voids – currently 8.6% compared to 7% target. ○ Assessment completion – currently 83% compared to 95% target. ○ SU Satisfaction with involvement opportunities – currently 52% compared to the target of 90%. • Deliver at least 70% of our client contact face to face. • Further develop the digital and IT strategy, our approach to hybrid working and our virtual recovery college (RISE). • Strengthen our support for victims of Modern Slavery. • Implement our new recruitment system, targeting a 12-week period from vacancy notification to start of employment. • Streamline and improve the quality, understanding and use of data from the disparate sources, supported by the appointment of a Director of Data in part funded by Social Business Trust.

Strategic Objective 2 – Growing with a Diverse Income Portfolio

In 2022–23 we:	- Increased the percentage of health funded contracts to 8.2% of total income, including: - Opening of 7 new bedspaces in Bexley to support people experiencing short term mental health crisis – a valuable alternative to presenting at accident and emergency. - Opening a crisis drop in café in Camden making us the biggest provider of these services in London (9 in total). - Retaining the 4 Crisis Cafes in Central North–West London following re–tender. - Expansion of our work with Haringey which support local adults to access mental health services where and when they need it. - Opened the only new Approved Premise in London for 40 years, supporting up to 15 women leaving prison. - In Brent, we transferred in 100 units of accommodation to support people with mental health issues, 32 units for women and children escaping domestic violence and a further 6 units for people with complex needs. Services provided are a mix of 24/7 on site service support and floating or visiting support. - In Croydon we opened our mental health service, delivering 750 hours per week to service users across accommodation and floating support services. - Expanded our Everyone's Business service using social enterprise principles, providing Domestic Abuse Support to 3 external organisations.
Our challenges:	- Addressing the return of inflation and its impact on our cost bases – in an environment where many contracts historically were let on a fixed price. - Facing an increase in the London Living Wage of 8.1% and supporting our staff and their personal cost of living crises. - Losing two services on re–tender in the year. We reluctantly declined to bid for one contract where the funding available had remained unchanged since last tendered in 2012 which we considered unsustainable. This is indicative of the lack of resource availability to fund the quality of support our service users require. - Despite being successful in winning / retaining health related business, these contracts are more short–term in nature which increases risk in medium to long term planning. - Increasing challenges in attracting fundraised income – as some traditional sources (trust and foundation) reduces post COVID.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2023

	During the year, Trustees approved £200k as an innovation fund to be drawn from our designated reserves for infrastructure and development to support research and development into alternative fundraising sources. • Little progress on our property strategy which we see as a route into other service delivery models.
In 2023–24 we will:	• Continue to address the cost-of-living challenge by seeking increases in contract funding or implement restructures to match service delivery with funding available. • Focus retention activity on contracts which are deemed to be viable. • Address the tender due in 2024–25 for our Victim Care Contract (Modern Slavery) which accounts for 25% of our income. • Temporarily reduce the fundraising target whilst we scope and test new fundraising initiatives. • Expand our Everyone's Business services to other external agencies. • Review social investment opportunities to support the property strategy.

Strategic Objective 3 – Building Our Profile and Influence

In 2022–23 we:	• Invested in developing our relationships with Health Commissioners, opening the crisis house in Bexley, retention of our CNWL crisis cafes and the expansion of the Haringey contract. • Used our experience from our domestic abuse services to lobby for changes to the Victims Bill to help child survivors of domestic abuse. • Expanded the provision of the Safe Spaces programme across the UK, working with the Home Office on the Ask for Ani programme and widening the service into an on-line platform. • Continued to advocate for survivors of modern slavery by publishing our eighth Underground Lives research and hosting our sixth Art is Freedom Display which achieved over 4.5 million visits to our physical and virtual displays. • Sought to influence the Nationality and Borders Bill to protect the rights of victims of Modern Slavery through lobbying with sector partners and parliamentarians using our experience as the largest provider of outreach services to victims and our research programme.
Our challenges:	• Obtaining sufficiently robust data which demonstrates evidence and impact to support system change. • Decreasing resources for domestic abuse programmes, bringing their viability into question. • An increasingly hostile environment for victims of modern slavery. • Reduced ability to challenge injustices due to onerous contract terms.
In 2023–24 we will:	• Nurture relationships with key stakeholders, including health commissioners, local authorities and registered providers. • Continue to advocate for the needs of victims of modern slavery in response to enacted legislation. • Consider how to use our mental health crisis experience to innovate services in the non-clinical space, particularly to address the shortfall wrap around services.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2023

Strategic Report: – Our Performance

Hestia's aim is to support vulnerable adults and children in crisis to realise their aspirations, fulfil their potential and to have a life beyond crisis.

The support we offer varies depending on the services that we are commissioned to deliver but irrespective of how individuals come into Hestia, we aim to recognise and work with their unique needs and aspirations.

During 2022–23 Hestia supported 19,134 men, women and children who accessed our services during the year – an increase of 615 from the previous year. Support was delivered across a range of client groups:

Client Group	31 March 2023	31 March 2022
Domestic Abuse (including children)	4,218	3,651
Mental Health	7,991	6,304
Modern Slavery	2,712	5,669
Criminal Justice	217	224
Young People at Risk	70	62
Older People	550	438
Generic	3,334	2,108
Substance Misuse	42	63
TOTAL	19,134	18,519

Partnership Working

Partnership working is at the heart of what we do, and our work is commissioned by a wide range of public and private sector organisations:

- Central and Regional Government – the Home Office, Ministry of Justice, Ministry of Housing, Communities and Local Government (MHCLG), Mayor's Office for Policing and Crime.
- Local Authorities – currently we have contracts with 23 London Local Authorities.
- NHS Trusts and Integrated Commissioning Boards across London and the South-East.

To deliver our services we work with a wide range of other agencies including:

- Registered Providers and private landlords, who make available property for our accommodation-based services.
- Charitable foundations, businesses and private donors who provide funding for key programmes.
- Statutory Health Services who provide clinical and other support to our service users.

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Service Quality

We measure service quality in two ways:

- A set of Quality KPI's, measured quarterly and reported to the Trustees.
- Our annual satisfaction survey of service users to understand their views on the quality of services that we deliver.

KPI Reporting

We introduced quality KPIs in 2022 for both service users and staff indicators by combing data sets across systems.

Indicator		Target	March 2023 Result	March 2022 Result
User Experience:	Satisfaction	90%	95%	95%
	Independence	90%	79%	88%
	Involvement	90%	52%	60%
User Outcomes		75%	69%	55%
Staff Wellbeing and Engagement		75%	78%	76%

The dip in satisfaction is disappointing in the year – but is contrary to the figure that we achieve in our satisfaction surveys (see below). We believe this may be a data recording issue which we are exploring further as part of 2023–24 business plan. We are also working on introducing new co-produced initiatives to improvement our involvement rating.

Service User Satisfaction Survey

We surveyed our Service Users in November 2022 and achieved 1,000 responses (16,284 feedback items) – a 28% increase from last year's figure of 784 responses. This represents a 14% response rate for all service users.

Responses were received from 148 out of the 262 (approx. 56%) active services – a 30% increase in the number of services that responded compared to last year, where only 114 services participated in the survey.

This year, 73.4% of responses were positive and 15.2% were negative. The rest of the responses were neutral as they were either skipped questions, or not applicable questions.

External Benchmarking

We are able to compare our results with the Adult Social Care Outcomes Framework (ASCOF).

ASCOF measures how well care and support services achieve the outcomes that matter most to people. The ASCOF is used both locally and nationally to set priorities for care and support, measure progress and strengthen transparency and accountability. We are pleased to see how service users consistently rate their experience at Hestia above comparative London wide measures (last reported in 2021):

Question	ASCOF Positive Response rate 2021	Hestia Positive Response rate 2022	Hestia Positive Response rate 2021
I am satisfied with my service / client satisfaction with care and support	58%	95%	95%
I know how the service works and what I am entitled to / I find it easy to get information	63%	89%	87%
I can control the kind of support I receive / Proportion of people who feel they have control over their daily life.	72%	89%	89%
I feel safe and secure in the service. / Proportion of people whose service help them to feel safe	82%	95%	95%
I am able to have as much social contact as I want with people I like. / Proportion of people who have as much social contact as they would like.	38%	84%	84%

Comparison with the Communities and Local Government Outcomes Framework

We also report outcomes against the five domains from the Communities and Local Government outcomes framework. The following table outlines those respondents who replied that their outcome was achieved either fully or in part:

Domain	Indicator	Target	2022-2023	2021-2022
Maximise economic well being	Achieve positive outcomes for those needing support to maximise their income	95%	93%	94%
Enjoy and achieve	Service users seeking to improve the quality of life for children	95%	98%	99%
	Service users requiring support to participate in activities	90%	84%	84%
	Service users agreeing the service enabled them to develop independence and linked them into other services	95%	89%	92%
	Service users confirming they have as much social contact as they would like	90%	84%	84%
Being Healthy	Received support to better manage physical health	95%	95%	94%
	Received support to better manage mental health	95%	94%	94%
Staying Safe	Reduce the risk of harm from others	95%	97%	99%
	Received support to maintain accommodation	95%	93%	92%
	Service users confirming they felt safe and secure in the service	100%	95%	95%
Making a positive contribution	Received support to be more confident in accessing services	95%	96%	93%
	Service users confirming they could access information about their service when needed; agreeing they were in control of their support; understanding how the service delivered the support they need and understanding their entitlements.	90%	91%	91%

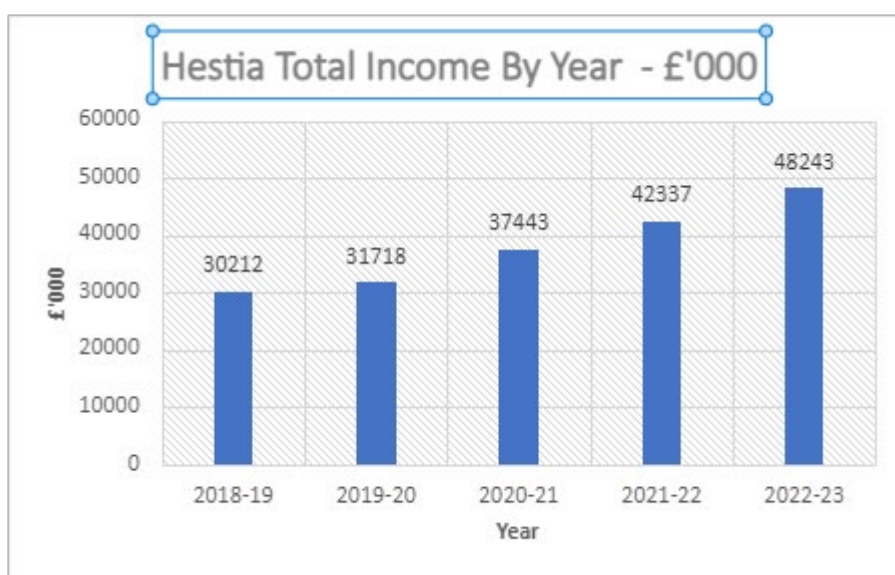
Our results show performance to be consistent year on year and around target. The results of the survey continue to drive improvements in service delivery with one major focus for 2023-24 being increasing service user involvement opportunities.

Financial review

The results for the year are set out in Statement of Financial Activities. The assets and liabilities of the Charity at 31 March 2023 are shown in the Balance Sheet. The financial statements should be read in conjunction with their related notes.

Income

Since 2018–19, income has grown steadily from £30.212 million in 2019–19 to £48.243 million – an increase of 60% (£18.022 million):



The 5-year growth in income has been achieved largely through the addition of contracts – few of Hestia's contracts attract annual increases. Annual increases are applied to rents and service charges, where rents are linked to the Government rent increase limits and service charges are set to achieve full cost recovery.

Income Breakdown – 2022–23

Income Area	2022–23 £m	2021–22 £m	Change %
Unrestricted Supporting People and Other Grants	£28.612	£24.997	+15%
Restricted Grants	£4.686	£5.497	–15%
Rents and Service Charges	£11.530	£9.065	+27%
Approved Premises Grant	£2.585	£2.045	+26%
Donations and Legacies	£0.593	£0.555	+7%
Investment Income	£0.237	£0.178	+33%
Total	£48.243	£42.337	+14%

Income Breakdown – 2022–23 (continued)

- Income from Unrestricted Supporting People and Other Grants continue to form most Hestia's income – the 15% year on year increase was largely due to new contracts in the year (Brent and Croydon) and inflation increases awarded to the Victim Care Contract with the Salvation Army.
- Income from Restricted Grants fell as some grant programmes with the Home Office came to an end.
- Rents and Service charges increased due to the rent increase applied in April 2022 (4.1%), increased recovery from service charges and the increase in accommodation units under management.
- The Approved Premises Grant increased with the opening of the new project in Highbury.

Annual Surplus

Hestia continues to deliver operational surpluses (defined as net income before gains / losses on investments and pensions):

Year	Net Income – Unrestricted	Net Income – Restricted	Total	Net Income as a % of Total Income
2018–19	£187k	£49k	£236k	0.78%
2019–20	£38k	£92k	£130k	0.41%
2020–21	£503k	£416k	£919k	2.45%
2021–22	£494k	£416k	£910k	2.16%
2022–23	£1,487k	(£155k)	£1,332k	2.76%

The increase in the surplus was achieved through increasing income while continuing to control costs, managing the inflationary environment whilst continuing to meet all contracted outcomes.

The surplus this year was delivered after incurring the following additional expenditure:

- Completion of the refurbishment of the Bexley Crisis House.
- Up-front investment in the opening of the Highbury Approved Premise.
- Continuing to support the digital programme through designated reserves.
- Adopting the increase in the London Living Wage early in October 2022.
- Making an additional non-consolidated payment to staff (excluding executive directors) of £500 per person in December 2022.

Hestia's aim is to continue to generate surpluses on unrestricted funds that add to reserves, ensuring funds are available to support our work with service users.

Balance Sheet

Hestia's balance sheet remains strong with total assets increasing from £16.921 million at 31 March 2022 to £18.337 million at 31 March 2023 mainly through the retained surplus for the year.

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Key financial indicators

Trustees consider 3 financial performance indicators which are those traditionally used by our commissioners as part of their financial monitoring analysis, and we have comfortably met or exceeded these over the last 2 years:

Indicator	Target	Hestia 2022-23	Hestia 2021-22
Annual Surplus	>£0	£1,332k	£910k
Current Assets: Current Liabilities	>1:1	1.67	1.69
Gearing (Debt / Equity)	<40%	0%	0%

Investments

Hestia's investment policy aims are to: (a) preserve the real capital value of the funds held over a 5-year period; (b) provide an income stream of 2% with low volatility; and (c) procure a long-term return, net of all charges, of 1% p.a. in real terms.

Although one capital withdrawal was made in the year, this was repaid before the end of the financial year meaning Hestia's net investment was unchanged. Changes in the value of investments are a result of:

- Re-investment of dividend income.
- Management fees deducted by the fund managers.
- Net Investment gains and losses on stock disposals, reinvested in the portfolio.
- Net decreases in portfolio valuations at 31 March 2023.

Hestia currently divides its investments between two managers:

- UBS AG – who manage a Sustainable Investment Portfolio of fixed interest securities, equities and property. The portfolio is managed on the basis of positive inclusion of stocks taking into account environmental, social and governance impacts. At 31 March 2023, the value of the portfolio had increased to £7.601 million from £7.009 million.
By September 2023, the value of the portfolio had fallen by £100k to £7.5 million in line with changes in the Stock Market.
- Ruffer LLP – Hestia's investment is in a common investment fund which has an absolute return approach. The fund aims to invest in complementary stocks which provide a counterbalance against market swings and over the year the value of the fund increased from £1.985 million to £2.005 million.
By September 2023 the value of the investment had fallen back to £1.84 million.

The Finance and Fundraising Sub Committee monitor performance quarterly and meet with both fund managers annually. During the year Trustees reaffirmed their intention to remain invested in the medium to long term irrespective of short-term market fluctuations.

Pensions

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

There are 4 employees who retain membership of the Royal Borough of Kensington & Chelsea's defined benefits scheme. This scheme is linked to the contract to provide day centre services.

The FRS102 valuation position as reported by the actuaries increased the pension asset of £374k at 31 March 2023 to £654k. Whilst the value of assets decreased, the present value of liabilities also decreased due to an increase in the discount rate from 2.75% to 4.75%. Whilst we have recognised the asset in the financial statements, we believe it is unlikely that this would be realised if our participation in the scheme were to cease if the contract were to be re-tendered.

Contributions to the scheme for 2023–24 have remained unchanged at 21.1%.

Hestia also contributes into the NHS pension scheme for two employees linked to the Wandsworth Recovery & Rehabilitation service and employer contributions on this scheme are fixed at 14.38% p.a.

Principal risks and uncertainties

The Board of Trustees is responsible for ensuring that Hestia has in place systems of internal control that are appropriate to the various business environments in which it operates. These enable the organisation to manage rather than eliminate risks and so provide a reasonable but not necessarily absolute degree of assurance.

Hestia's operating model predominantly relies on income generated from contracts awarded by commissioning partners. Many of these are for a fixed number of years and subject to retendering at various intervals. In previous years, Hestia was able to manage these fixed price contracts due to the low inflation environment. Rents and service charge income is also linked to commissioned contracts – Hestia owns very few properties in our own right.

The commissioning environment provides opportunities for Hestia as contracts currently provided by others are also put out of tender which provides potential to increase the contract base.

Traditionally, the main aim of our fundraising activity has been linked to added value initiatives to support the contracts that we deliver rather than achieving core unrestricted income.

The majority of income risk, lies therefore with our contract base.

Approach to Risk Management

Hestia operates both a bottom-up and top-down approach to risk management: operational services each develop their own local risk management plans, and this informs the strategic risk register. The strategic risk register defines the risks that have the potential to seriously affect Hestia's ability to continue to operate as an independent organisation delivering services to our beneficiaries. Risks can be added or deleted depending on the environmental assessment which is considered as part of each Board meeting.

For 2022–23 the following were agreed as the top risks:

- Delivering service user outcomes / safeguarding
- Internal performance management
- Compliance – health and safety / information governance / business continuity planning
- Workforce management
- Contract retention / Victim Care Contract
- Cost control
- Fundraising
- External reputation

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Top Strategic Risks

In 2022–23 Trustees identified that the two biggest risks facing Hestia are contract retention (with a focus on the Victim Care Contract which represents 25% of Hestia's income and is due for retender in 2025) and workforce management given the buoyant job market, the impact of inflation on salary requests and workforce burnout.

Trustees received detailed updates on both these areas at each of their Board meetings, including a review of internal / external challenges, relevant KPIs, any independent third-party information and management activities. This ensures the Board is sighted on those major risk areas likely to affect Hestia.

Controls

The Board of Trustees have put in place appropriate procedures and controls to adequately mitigate against the various risks Hestia faces including:

- An organisational set of values which commits us to managing the Charity's affairs with integrity.
- Operational services having clear local plans to manage risk, linked to annual business plans.
- The risk assessment process embedded in a comprehensive business planning process.
- An agreed quality strategy which is monitored as part of regular KPI reporting.
- Robust budgeting and quarterly review and reporting of financial performance.
- Clear and regularly reviewed delegated authorities.
- Appropriate authorisation levels and segregation of accounting duties.
- Clear staff roles, responsibilities and accountabilities.

The Board delegates authority to Hestia's Sub Committees to monitor the review and outcome of the application of controls through regular reporting and deeper analysis of issues of concern. During 2022–23 the Board received reports on Fundraising, Void Management and Assessment reviews.

Reserves policy and going concern

Reserves

Hestia's reserves policy is designed to reflect the underlying risk facing us and ensure we have an appropriate level of reserves to safeguard our operations and provide services to our beneficiaries. We hold restricted funds to meet commissioner and donor requirements around unspent income. Restricted reserves include amounts associated with fixed asset investments to reflect where property may be charged to external agencies.

Trustees have also agreed to hold designated reserves to meet non-operational activities, linked to property management requirements and organisational development. Funds held at 31 March 2023 totalled £1.386 million broken down as follows:

	£'000
Property upkeep / maintenance	376
Service delivery improvements	210
Service design improvements	470
Digital / I.T. Infrastructure improvements	282
Head Office Relocation Fund	48
TOTAL	1,386

During the year expenditure from reserves was incurred on property upgrades, our Head Office move the implementation of the development strategy and to support the fundraising strategy. For 2023–24, the main areas of expenditure to be incurred are linked to the digital and fundraising strategies.

In addition, £654k has been set aside to reflect the FRS17 pension asset which is not expected to be realised.

The Trustees consider the minimum level of free reserves annually – excluding restricted and designated reserves – required to support our operations. Relevant factors include projected financial performance with an assessment of risk to our income streams and cash flow requirements. Hestia's income is largely contract linked which provides a degree of certainty in terms of understanding future income but also incorporates risks of contracts being cancelled or lost on re-tender. Our risk assessment considers the impact of potential contract losses taking account of the impact of contract cancellations (which have larger impact on staff and beneficiaries) compared to contracts which are transferred to alternative organisations to continue delivery.

Having undertaken a review of projected cash flows and contract end dates, Trustees have determined that Hestia requires 3 months' worth of operating costs to manage short term cash flow variations and the potential loss of contracts. This must be held in liquid assets.

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Reserves (continued)

Following this review, Trustees have determined that the minimum level of free reserves is £11.6 million at 31 March 2023. The actual level of free reserves is £11.7 million (excluding the value of fixed assets). The Trustees review this amount annually and as such this minimum amount will change from time to time. Liquid assets (cash / short term investments and long-term investments all of which are accessible at short notice) are £13.3 million.

Forecast and Budgets / Going Concern

The forecast for 2023–24 predicts, that, we will make a small deficit as we draw down on restricted reserves. Unrestricted reserves are forecast to grow slightly. As a result, we expect overall reserves to be largely unchanged subject to any changes in our investments and pensions.

Projecting forward into 2024–25, Trustees have also considered an initial “no growth” budget which assumes:

- 5% inflation on salaries. 3% inflation on other costs (salaries account for 65% of expenditure).
- Contract inflation is restricted to 3%.
- 4 major contracts due for retender are not retained.
- The Victim Care Contract reduces by 50% over the year as referrals drop off.

Without taking corrective in year action, the deficit for 2024–25 would be £1.4 million: general funds would decrease to £12.9 million and net current assets would remain positive at £3 million.

Fundraising

Hestia's fundraising strategy seeks to ensure we can deliver holistic and high impact support that complements our core services.

The fundraising team works with a range of government agencies, charitable trusts, community groups, corporate donors and individuals on a wide range of activities. During the year the team raised £0.593 from donations and legacies and a further £1.127 million in other grants.

We would like to thank all of those who have supported programmes and made donations to help us to improve the life chances of our service users and to innovate new responses to urgent social needs:

- Our Domestic Abuse Prevention Programmes, including UK Says No More and Everyone's Business have been supported by Uber along with grants from the Home Office as well as by a range of corporate partners purchasing (Independent Domestic Violence Advocate (IDVA) services. Our Safe Spaces initiative in pharmacies and banks has been generously supported by the Postcode Innovation Trust's Dream Fund. Our digital innovation to support more survivors of domestic abuse – including the Bright Sky domestic abuse app and Online Safe Spaces – has expanded with the support of the Home Office, the Permira Foundation/Social Business Trust's Digital Impact Fund, Vodafone, and the Royal Mail Group.
- Our Children and Family Programmes – aimed at providing children and family workers and for activities in all our Domestic Abuse Refuges – continue to be supported by the John Lyon's Charity, the Permira Foundation, Ikano Insight, Hasbro, City Bridge Trust, City of Westminster Charitable Trust, Croydon Relief in Need, Merton Giving Fund, Wimbledon Community Foundation, L&Q Place Makers Fund, Swire Charitable Trust, KKR & Co., the Childhood Trust, Kingfisher Plc, Uber, PZ Cussons Beauty, Wunderman Thompson, HSBC Private Bank, the Barratt Foundation, and BBC Children in Need.
- Our wrap-around support for survivors in our Domestic Abuse Refuges across London – including our dedicated refuge referral helpline, our empowerment, well-being and counselling support, and resettlement and move-on support – has been made possible by grants and donations from MOPAC, the Tower Hamlets Local Community Fund, the Hobson Charity, Hampstead Parish Church, Keystream, Kindred Nannies, Kingfisher Plc, and HSBC Branch Network.

Fundraising (continued)

- Our Phoenix Project – which provides ongoing support to victims of Modern Slavery after they have left our services – has been made possible through grants from the David and Ruth Lewis Family Charitable Trust, the Rayne Foundation, the Austin and Hope Pilkington Trust, and the Highway One Trust, and corporate donations from Hasbro, Great Portland Estates, Anthony Gold and WE Soda. Additional perinatal support for pregnant survivors has been made possible by funding from Department for Health and Social Care's Starting Well Fund, and support for children of survivors through the Garfield Weston Foundation.

Our Fundraising Practices

Hestia's fundraising team is focused on raising money from trusts and foundations, central and local government grants and corporate partnerships. Hestia does not use any third-party fundraising agencies or involve commercial participants.

Our Fundraising Policy was updated in March 2022 and confirms that we adhere to the Fundraising Regulator's Code of Fundraising Practice and that all data we handle is compliant with GDPR regulations. There have been no complaints about fundraising activity in the past year and there have been no failures to comply with the Code of Fundraising Practice. Our adherence to the Code of Fundraising Practice sets out the main ways we ensure that we protect vulnerable people and members of the public from unreasonable or unwanted behaviour.

Structure, governance and management

Structure

Hestia Housing and Support ("Hestia") is a registered charity and is incorporated as a company limited by guarantee governed by its Memorandum and Articles of Association.

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

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

Governance

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

Trustees are recruited based on an evaluation of the range of skills and experience needed to govern Hestia covering strategic and operational experience as well as a range of business and commercial experience, including financial and HR knowledge.

Terrie Alafat has chaired the Board since 2018 and will retire as her term of office comes to an end in November 2023. Following an external recruitment process, Dame Moira Gibb has been appointed as Chair of the Board following Terrie's retirement. Dame Moira is a qualified social worker and was Director of Social Services at the Royal Borough of Kensington and Chelsea and Chief Executive of Camden Council. She has held a number of Board and Trustee appointments, including at NHS England and she was Chair of Skills for Care from 2014 – 2022.

Anil Shenoy also retired from the Board and stood down as Vice Chair in November 2022. Anil joined the Board in 2015 and chaired the Finance and Fundraising Sub Committee until April 2022. Joanna Mark Richards was appointed as Vice Chair in November 2022.

During the year Vic Raynor and Michael Trup also resigned from the Board. Vic resigned when her term of office ended and Michael resigned mid term due to other personal commitments.

We are extremely grateful to Terrie, Anil, Vic and Michael for their support over their periods on the Board and their help in guiding the Charity. In particular, Terrie in her role as Chair has overseen the implementation of the 5-year strategy and the development of the next strategic plan.

We are also pleased to note that Aisling Thompson who previously resigned from the Board has agreed to rejoin the Board bringing valuable experience of health commissioning and Catalina Cernica who was previously co-opted onto the Digital and I.T. Sub Committee also agreed to join the full Board.

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Trustee Induction / Training / Involvement

Trustees receive an induction pack which contains information about Hestia, its structure and operations, the Board and sub-committee structures, Trustee duties and responsibilities and the organisation's key policies. Trustees are encouraged to participate in visits to Hestia projects to provide first hand exposure to the services delivered and the operating environment. Trustees also get the opportunity to meet Hestia's service users at social events, on recruitment panels, and at planned scheme inspections and visits. Over the course of the year, service users are also invited to attend Board meetings to provide direct and personal updates on their experiences at Hestia.

Training is provided to the Board aligned to identified needs. All Trustees undertake safeguarding training and the Board has appointed Rebecca Pritchard who has more than 30 years' experience in the homelessness and social care sector as the Board safeguarding lead. Trustees also receive training on modern slavery annually reflecting the importance of this to Hestia's overall operations. Trustees also attend annual away days to consider the operating environment and plan strategic direction.

The full Board of Trustees meets six times a year to discuss strategy, to formulate policy and to oversee operational matters. The Board is supported by four standing committees who review specific areas in detail and report back to the full Board:

- Governance
- Finance and Fundraising
- Performance Review
- Digital and I.T.

Sub Committees may co-opt non-Trustee members to bring wider experience to specialist areas and the following individuals are currently co-opted to Hestia Sub Committees:

- Claudette Majomi sits on the Finance and Fundraising Sub Committee.
- Tori Ellaway sits on the Digital and I.T. Sub Committee: Catalina Cernica who was previously co-opted onto this Committee joined the full Board in September 2023.
- Matthew Kelly and Chris Fry sit on the Performance Review Committee.

During the year, Greg Solomon who was co-opted onto the Digital and I.T. Sub Committee, resigned as his term of office came to an end. Greg has been a long-term supporter of Hestia and has provided us with valuable assistance across both I.T. and investment management.

Hestia's Trustees have agreed to work towards full compliance with the Charity Governance Code and to review Hestia's practices against the seven key areas which make up the code. Trustees agreed to review the "Diversity" element of the code and, following an external review of organisational practices and application, the Board created the Black Lives Matter Steering Group with Joanna Mark Richard and Christiana Marriott from the Board to oversee the implementation of the review recommendation. This has been supported by Hestia's Equality and Diversity lead. To date the Steering Group has worked to strengthen internal networks, co-develop courageous conversations and develop inclusive leadership alongside our Learning and Development and external EDI partners. We have also completed further cultural inquiry conversations and data improvement plans to help support the areas of enquiry for a cross organisational consultation to enable us to co-produce our EDI strategy for delivery in 2023.

Management

Day to day management of the organisation is delegated to the Chief Executive and Senior Management Team. The Chief Executive is not a member of the company and has no legal status as Director although he acts as executive within the authority delegated by the Trustees.

The Chief Executive and Senior Management Team attend Trustee Board Meetings, Sub Committee meetings and Trustee Away Days, presenting reports and analyses for discussion and to support decision making.

Pay Policy for Senior Staff

The pay of senior staff is reviewed by the Governance Sub Committee considering market conditions and pay rates in comparable organisations. A detailed market comparison is sought at the time any senior recruitment takes place.

Trustees' duty to promote the success of Hestia Housing and Support – section 172 statement

Trustees have a duty to promote the success of Hestia Housing and Support, and in doing so, are required by section 172(1) of the Companies Act 2006 to have regard to the following specific factors:

- The likely consequences of any decision in the long term
Trustees work to an approved 5-year strategy and are in the process of developing a new strategy for 2024–25 onward. This includes an assessment of the external environment and how that is likely to impact on the organisation. Trustees agree an annual operation plan which includes an assessment of the longer-term impacts and ensures appropriate monitoring arrangements are in place. The Board may choose to delegate Sub Committees to undertake detailed analysis of plans and report back on their findings.
- The interest of Hestia's employees
The impact on staff of decisions to be taken are discussed by Trustees, who also receive an annual people update covering staff remuneration, retention, wellbeing, health and safety, and safeguarding. Hestia has a Trade Union recognition agreement in place with Unison, and also works closely with the Employee Forum, the internal staff consultative body.
- The need to foster Hestia's business relationships with suppliers, customers and others
Trustees have approved a Quality Strategy which outlines the standards of how we wish to work with our stakeholders – commissioners of our services, our service users and other interested parties. Quality KPIs have been developed which are reported to the Board on a quarterly basis, along with an annual review of the Quality Strategy.

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One of Hestia's core values is Collaborative and Co-production underpins our work wherever possible to ensure that our service users participate in the development of policies and procedures as well as the strategic direction of the Charity.

As the largest single provider of services to victims of human trafficking we have worked with suppliers to support them in the development and implementation of their Modern Slavery Statements, providing support, guidance and training on the subject.

- The impact of Hestia's operations on the community and the environment

Our services are rooted in community provision and key to the success of our service delivery is the harnessing of community support. All projects are required to produce an annual business plan that looks at community assets and resources and how these might be utilised in supporting our service users.

As part of the annual Quality Strategy review, the Board receives regular quality updates on the services provided to ensure contracts are delivered efficiently and effectively with particular attention paid to CQC reviews and our own internal audit reviews.

- The desirability of Hestia a reputation for high standards of business conduct

As a charity, the maintenance of Hestia's reputation for keeping high standards of particular importance. Appropriate systems and processes are in place to ensure the highest standards in business conduct. The Senior Management Team will also update the board with any matters that may have given rise to a reputational risk including any mitigating actions being taken.

- The need to act fairly between members of Hestia

As a registered charity Hestia does not have shareholders. The Trustees, who are members of the company, ensure that any surpluses are invested back into the business for the benefit of those for whom we provide care and support.

Policy for employment of disabled persons and Employee Information

Hestia is committed to promoting equality, preventing discrimination and valuing diversity in all our services and across our workforce.

Following the independent Black Lives Matter review commenced in 2021 we continue to build positive practice and identify areas that will support us to develop a more inclusive culture to ensure equality and fairness for all people who use our services, employees and job applicants. We have held inclusive leadership development workshops and workshops supporting colleagues to have courageous conversations.

A major element of this work was improving our Equality, Diversity and Inclusion data to support strategic decision making. By encouraging people to self-report and automate data collection into easily accessible platforms we will be able to improve the robustness and quality of our data. Disability data is a key area where self-reporting will support us to enhance the experience of employees who have a disability and enable us to focus activity in areas of greatest need.

Employee wellbeing has been a key focus for us which started pre COVID but was heightened during the pandemic. We work in partnership with two external organisations to offer our employees a very broad range of support and information which includes helplines on legal, financial and personal issues, webinars, live zoom sessions, face to face support and access to information to meet their individual wellbeing needs. We provide clinical supervision for staff groups every 4 weeks across our services and have responded to the cost-of-living crisis by developing a dedicated site for staff to access support, advice and information from trusted sources.

Hestia is committed to the continuing development of all employees. We have an established learning platform through which all staff can access dedicated induction and personal development opportunities whether face to face or virtual workshops, e learning modules or through our knowledge hub.

All staff have 6 weekly supervisions, annual appraisals which include 360-degree feedback about how they reflect our values, objectives development which flow from the organisational strategic plan and the creation of a personal development plan.

We have outsourced our Learning and Development provision to a specialist Social Care provider who can meet all our specialist subject development needs and have just developed and piloted our first Leadership Excellence Programme. We now have 5 employees undertaking the fully funded social work degree apprenticeship and have identified 4 candidates about to start training via our Health and Social Care academy.

Hestia has supported 200 student placements from a range of universities and professional development institutions which enable our staff to gain line management experience and enhance the professional knowledge in our services from interactions and working with Social Work and Mental Health Nurse students and trainee counsellors.

Policy for employment of disabled persons and Employee Information (continued)

Hestia's Gender Pay Gap was 5.19% in 2021 / 22 which has increased slightly from 3.66% the previous year.

Trustees agree our Modern Slavery Statement each year and this is publicly available on our website.

Relationships with stakeholders

Service Users

Hestia aims to put service users at the heart of everything that we do – and the Hestia Approach, our in-house recovery model has co-production at its heart. We focus on building on service users' capacity through our Strengths and Aspirations review which is one of the main elements of every key working session. An review and update to the Hestia Approach is planned for 2023–24.

Service users are encouraged to participate at all levels of the organisation, from leading and directing house meetings and contributing to service business plans, to joining the Better Lives Forum, Hestia's service user liaison group which undertakes service reviews, interviewing from staff and engaging with Senior Management and Trustees.

We survey our service users every year to better understand their view of the services we provide, and this is reported to Trustees along with annual actions plans to address areas of poor performance.

We are actively considering how we engage with those service who only access Hestia' service for a short time, including those who access our IDVA services and anyone who presents at our drop-in crisis centres.

Commissioners and Funders

As well as meeting with our commissioners and funders regularly via contract monitoring meetings, we seek to engage with this group on a less formal basis via monthly newsletters and invitation to events such as our "Art is Freedom" exhibition which showcases artworks created by survivors of Modern Slavery.

We offer commissioners and funders direct support to increase awareness of Domestic Abuse and Modern Slavery in the workplace, with access to some of the tools we have developed, including our Bright Sky and Respond to Abuse Apps and help with Modern Slavery Statements.

We encourage funders to visit projects and participate in events: in the year, funders have built play equipment in refuges, painted rooms, and planted gardens. This provides a direct opportunity for funders to meet service users first hand to and to see the real benefits of the contributions that they make.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2023

Workforce

Hestia seeks to engage with our staff in a number of ways: we have a Hestia Intranet hub which acts as a single information and news hub for all staff to gain awareness of what is happening across Hestia. This is supported by a fortnightly Newsletter called Keep Connected.

Key messages and information are also cascaded through organisational reporting line.

We actively engage with staff via our Employee Forum, Hestia Voice made up of 10 elected staff representatives covering the whole organisation. This forum provides for a two-way dialogue between senior management and staff where representatives key concerns and organisational challenges and information are tabled both all parties. The Forum actively participated in discussions around the April 2023 pay award as well as supporting the development of an upfront expenses policy aimed at preventing staff from being out of pocket awaiting re-imbursement.

Hestia has entered into a recognition agreement with the trade union, UNISON to further support intelligence gathering and staff engagement. 15% of staff joined the union since the agreement was announced.

Biannual employee engagement surveys and quarterly wellbeing and engagement questionnaires feed into our internal Quality Dashboard, the findings are shared with Trustees and staff groups for transparency and to encourage involvement.

Suppliers

Hestia aims to work positively with our suppliers and is committed to paying suppliers earlier than their payment terms. In the year to 31 March 2023, 92% of suppliers received payments early or on time.

As part of Hestia's Modern Slavery Statement, we aim to work with our major suppliers to support them develop their own Modern Slavery Statements and to understand the signs of modern slavery. Our aim is to develop a toolkit which we can make available to all suppliers to help them spot the risk of modern slavery in their own supply chains.

During 2023–24 we aim to review our approach to procurement, driven in part, by our aim to improve the quality of accommodation and improve working relationships with suppliers by opening up dialogue channels.

Energy and carbon reporting

As part of the obligations set out under the Energy and Carbon Report Regulations 2018, we are required to disclose the energy and carbon created as an organisation over the year to 31 March 2023.

Most of our usage comes from the accommodation units provided to our service users but also office accommodation used by staff.

In completing this analysis, we have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

Energy Usage

	01 April 2022 – 31 March 2023	01 April 2021 – 31 March 2022
Energy consumption used to calculate emissions (kWh)	7,584,032	7,592,742
Scope 1 emissions in metric tonnes CO ₂ e Gas Emissions	1,110.75	1,137.85
Scope 2 emissions in metric tonnes CO ₂ e Purchased Electricity	268.50	270.57
Scope 2 emissions in metric tonnes CO ₂ e Business Travel	26.46	25.66
Total gross emissions in metric tonnes CO₂e	1,405.70	1,434.08
Intensity ratio Tonnes CO ₂ e per occupant ¹	2.086	2,266

Note 1: The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per occupant.

Measures taken to improve energy efficiency

Hestia is in the process of implementing SMETS2 smart metering across all its sites. Once completed, this will lay the foundation for energy management and reporting. Additionally, Hestia runs a programme for reading meters for both gas and electricity across all managed supplies.

Statement of responsibilities of the trustees

The trustees (who are also directors of Hestia Housing and Support for the purposes of company law) are responsible for preparing the Trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

In so far as the Trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2023 was 9 (2022: 12). The Trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2023

Post Balance Sheet Event

In August 2023, the Board agreed a merger with Twining Enterprise to take effect from 1st December 2023 when Twining will become a wholly owned subsidiary of Hestia. Twining support people who have experienced mental health issues into employment.

Auditor

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

The Trustees' annual report which includes the strategic report has been approved by the Trustees on 24th October 2023 and signed on their behalf by

Dame Moira Gibb
Chair – Board of Trustees

Independent auditor's report

To the members of

Hestia Housing and Support

Opinion

We have audited the financial statements of Hestia Housing and Support (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 Hestia Housing and Support'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' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The

Independent auditor's report

To the members of

Hestia Housing and Support

trustees are responsible for the other information contained within the annual 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' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report including the strategic report. We have nothing to report in respect of the following matters in relation to which 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 in the trustees' annual report, 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.

Independent auditor's report

To the members of

Hestia Housing and Support

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance and fundraising committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.

Independent auditor's report

To the members of

Hestia Housing and Support

- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Fleur Holden (Senior statutory auditor)

Date: 09 November, 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL

Hestia Housing and Support

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2023

	Note	Unrestricted £'000	Restricted £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	2022 Total £'000
Income from:							
Donations and legacies	2	325	268	593	455	100	555
Charitable activities							
Provision of care and support	3	40,036	4,770	44,806	34,061	5,497	39,558
Operation of Approved Premises	3	2,607	–	2,607	2,046	–	2,046
Investments	4	237	–	237	178	–	178
Total income		43,205	5,038	48,243	36,740	5,597	42,337
Expenditure on:							
Raising funds	5	184	22	206	286	90	376
Charitable activities							
Provision of care and support	5	38,904	5,171	44,075	33,939	5,091	39,030
Operation of Approved Premises	5	2,630	–	2,630	2,021	–	2,021
Total expenditure		41,718	5,193	46,911	36,246	5,181	41,427
Net income before net (losses) / gains on investments		1,487	(155)	1,332	494	416	910
Net (losses) / gains on investments		(196)	–	(196)	746	–	746
Net income before other recognised gains and losses		1,291	(155)	1,136	1,240	416	1,656
Actuarial gains on defined benefit pension schemes		280	–	280	167	–	167
Net movement in funds		1,571	(155)	1,416	1,407	416	1,823
Reconciliation of funds:							
Total funds brought forward		14,087	2,834	16,921	12,680	2,418	15,098
Total funds carried forward		15,658	2,679	18,337	14,087	2,834	16,921

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18a to the financial statements.

Hestia Housing and Support

Balance sheet

Company no. 2020165

As at 31 March 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Fixed assets:					
Tangible assets	11		2,995		3,033
Investments	12		9,352		8,995
			<u>12,347</u>		<u>12,028</u>
Current assets:					
Debtors	13	7,565		6,561	
Short term deposits		513		931	
Cash at bank and in hand		5,250		3,569	
		<u>13,328</u>		<u>11,061</u>	
Liabilities:					
Creditors: amounts falling due within one year	14	(7,992)		(6,542)	
			<u>5,336</u>		<u>4,519</u>
Net current assets					
			<u>17,683</u>		<u>16,547</u>
Total assets less current liabilities					
Defined benefit pension scheme asset	16		654		374
Total net assets			<u>18,337</u>		<u>16,921</u>
The funds of the charity:	18a				
Restricted income funds			2,679		2,834
Unrestricted income funds:					
Designated funds		1,386		1,427	
General funds		13,618		12,286	
Pension reserve		654		374	
		<u></u>	<u>15,658</u>	<u></u>	<u>14,087</u>
Total unrestricted funds					
			<u>18,337</u>		<u>16,921</u>
Total charity funds					

Approved by the trustees on 24 October 2023 and signed on their behalf by

Dame Moira Gibb
Chair – Board of Trustees

Brendan Sarsfield
Board Member

Hestia Housing and Support

Statement of cash flows

For the year ended 31 March 2023

	2023 £'000	2022 £'000	2022 £'000	£'000
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	1,136		1,656	
Depreciation charges	68		68	
Losses / (Gains) on investments	196		(746)	
FRS 102 Adjustment	–		(243)	
Dividends, interest and rent from investments	(237)		(178)	
(Increase)in debtors	(1,004)		(1,042)	
Increase in creditors	1,450		1,304	
Net cash provided by operating activities		1,609		819
Cash flows from investing activities:				
Dividends, interest and rents from investments	237		178	
Purchase of fixed assets	(30)		(602)	
Proceeds from sale of investments	1,961		2,460	
Purchase of investments	(2,514)		(1,999)	
Net cash provided by investing activities		(346)		37
Change in cash and cash equivalents in the year		1,263		856
Cash and cash equivalents at the beginning of the year		4,500		3,644
Cash and cash equivalents at the end of the year		5,763		4,500
Analysis of cash and cash equivalents				
	At 1 April 2022 £'000	Cash flows £'000	Other non- cash changes £'000	At 31 March 2023 £'000
Short Term deposits	931	(418)	–	513
Cash at bank and in hand	3,569	1,681	–	5,250
Total cash and cash equivalents	4,500	1,263	–	5,763

1 Accounting policies

a) Statutory information

Hestia Housing and Support is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 4th Floor, 165 St Botolph Street, London, EC3A 7DT.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

Key judgements that the charity has made which have a significant effect on the accounts include the carrying value of fixed assets, the market valuation of investments, the recoverability of debtors and the pension scheme asset or liability.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Trustees agree a 5 year strategic plan and annual business plans with associated budgets. Reports consider the risk to contract and fundraising income based on contract end dates, likelihood of retention and growth based on historic performance.

Trustees also consider the impact on expenditure of reduction in income: the majority of contracts are linked to the provision of services which would require staff and other resources to be transferred to alternative providers leaving Hestia with limited residual liabilities.

Various scenarios are tested within budgets to look at the impact on free reserves and these are compared to minimum reserve requirements.

1 Accounting policies (continued)

e) Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' 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 measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

1 Accounting policies (continued)

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the costs of overall direction and administration of central support services (salary and overhead costs), are apportioned on the estimates of direct costs.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £5,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Freehold land	Not depreciated
● Freehold buildings – residential	50 years
● Freehold buildings – non residential	50 years
● Fixtures, Fittings and Equipment	4 years
● Computer Equipment	3 years

m) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1 Accounting policies (continued)

o) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash held on behalf of service users under appointee ship programmes at 31 March 2023 was £35k (at 31 March 2022: £78k)

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

r) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

s) Pensions

Hestia operates one group personal pension plan. Contributions are also made to pension schemes of certain employees in accordance with their rights under TUPE. Employer contributions are charged to the Statement of Financial Activities in the year to which the contributions relate.

Hestia also has two members of staff who are members of the NHS Pension Schemes. Although these are defined benefit schemes, they are accounted for as defined contribution schemes, as assets/liabilities for each employer in the schemes cannot be reliably identified.

Hestia also participated in one multi-employer defined benefit scheme with the Royal Borough of Kensington & Chelsea Pension Fund.

For this scheme, the operating costs of providing retirement benefits to participating employees are recognised in the accounting periods to which the benefits are earned. The related finance costs, expected return on assets and any other changes in fair value of the assets and liabilities, are recognised in the accounting period in which they arise. The operating costs, finance costs, expected return on assets and any other changes in fair value of assets and liabilities are recognised in the statement of financial

2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	2022 Total £'000
Donations	291	268	559	159	100	259
Grants from Local Authorities	28	–	28	21	–	21
Legacies	6	–	6	275	–	275
	<u>325</u>	<u>268</u>	<u>593</u>	<u>455</u>	<u>100</u>	<u>555</u>

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2023

3 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	2022 Total £'000
Income from support contracts	10,023	84	10,107	8,508	–	8,508
Income from other grants and fees	18,505	4,686	23,191	16,489	5,497	21,986
Residents fees and charges	11,508	–	11,508	9,064	–	9,064
Sub-total for provision of care and support	40,036	4,770	44,806	34,061	5,497	39,558
Approved Premises Grants	2,585	–	2,585	2,045	–	2,045
Residents charges	22	–	22	1	–	1
Sub-total for operation of Approved Premises	2,607	–	2,607	2,046	–	2,046
Total income from charitable activities	42,643	4,770	47,413	36,107	5,497	41,604

4 Income from investments

	2023 Total £'000	2022 Total £'000
Interest Receivable	18	–
Dividends from equity shares	219	178
	237	178

All income from investments is unrestricted.

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2023

5a Analysis of expenditure (current year)

	Charitable activities						
	Raising funds £'000	Provision of Care and Support £'000	Operation of Approved Premises £'000	Governance costs £'000	Support costs £'000	2023 Total £'000	2022 Total £'000
Staff costs (Note 7)	111	18,957	1,309	86	2,538	23,001	21,484
Agency Staff Costs	3	4,129	125	–	332	4,589	2,866
Investment managers' fees	–	53	–	–	–	53	52
Premises Running Costs	–	7,213	713	–	–	7,926	6,149
Project administration costs	29	2,882	9	–	–	2,920	2,844
Service users costs / welfare	1	5,094	131	–	–	5,226	4,775
Office running costs	–	–	–	28	3,088	3,116	3,158
Audit Fees	–	–	–	40	–	40	29
Legal and professional fees	–	3	–	–	37	40	70
Trustee Expenses	–	–	–	–	–	–	–
	144	38,331	2,287	154	5,995	46,911	41,427
Support costs	60	5,601	334	–	(5,995)	–	–
Governance costs	2	143	9	(154)	–	–	–
Total expenditure 2023	206	44,075	2,630	–	–	46,911	
Total expenditure 2022	376	39,030	2,021	–	–		41,427

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2023

5b Analysis of expenditure (Prior year)

	Charitable activities					
	Raising funds £'000	Provision of Care and Support £'000	Operation of Approved Premises £'000	Governance costs £'000	Support costs £'000	2022 Total £'000
Staff costs (Note 7)	280	17,447	1,021	84	2,652	21,484
Agency Staff Costs	–	2,641	124	1	100	2,866
Investment managers' fees	52	–	–	–	–	52
Premises Running Costs	–	5,703	446	–	–	6,149
Project administration costs	–	2,793	51	–	–	2,844
Service users costs / welfare	–	4,694	81	–	–	4,775
Office running costs	44	–	–	33	3,081	3,158
Audit Fees	–	–	–	29	–	29
Legal and professional fees	–	2	–	7	61	70
Trustee Expenses	–	–	–	–	–	–
	376	33,280	1,723	154	5,894	41,427
Support costs	–	5,604	290	–	(5,894)	–
Governance costs	–	146	8	(154)	–	–
Total expenditure 2022	376	39,030	2,021	–	–	41,427

6 Net income for the year

This is stated after charging :

	2023 £'000	2022 £'000
Depreciation	68	68
Operating lease rentals payable:		
Property	662	937
Other	150	214
Auditor's remuneration (excluding VAT):		
Audit	33	29
Over accrual in prior year	-	(5)
	<u> </u>	<u> </u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023 £'000	2022 £'000
Salaries and wages	19,739	19,085
Redundancy and termination costs	-	62
Social security costs	2,089	1,855
Employer's contribution to defined contribution pension schemes	1,037	708
Operating costs / (income) of defined benefit pension schemes (note 16)	136	(226)
	<u>23,001</u>	<u>21,484</u>

The redundancy and termination costs were settled and paid at the balance sheet date.

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2023 No.	2022 No.
£60,000 – £69,999	5	4
£70,000 – £79,999	1	3
£80,000 – £89,999	3	1
£90,000 – £99,999	1	-
£100,000 – £109,999	-	-
£110,000 – £119,999	1	1
	<u> </u>	<u> </u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £596,232 (2022: £624,020).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

No Trustees' received expenses in the year to 31 March 2023 (2022: £153 paid to 1 member relating to attendance at meetings of the trustees).

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 742 (2022: 734).

9 Related party transactions

There are no related party transactions to disclose for this financial year (2022: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

	Freehold property £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost				
At the start of the year	3,570	268	16	3,854
Additions in year	–	22	8	30
Disposals in year	–	(23)	–	(23)
At the end of the year	3,570	267	24	3,861
Depreciation				
At the start of the year	569	238	14	821
Charge for the year	43	21	4	68
Eliminated on disposal	–	(23)	–	(23)
At the end of the year	612	236	18	866
Net book value				
At the end of the year	2,958	31	6	2,995
At the start of the year	3,001	30	2	3,033

Land with a value of £1,785,000 (2022: £1,785,000) is included within freehold property and not depreciated.

Ealing, Hammersmith and Hounslow Health Authority has a charge over the freehold property at Lynton Terrace which would require the property to be transferred back to the authority if it were to cease to provide qualifying services.

Hestia is also the registered owner of the freehold property in Streatham. Full funding was received from the Home Office for the purchase of this property and the Charity has entered an undertaking to pass the proceeds of any sale on this property to the Home Office.

The properties in Battersea, Hounslow, Wandsworth Kent and Bromley are owned outright by the Charity and are not subject to any charges.

All of the above assets are used for charitable purposes.

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2023

12 Listed investments

	2023 £'000	2022 £'000
Fair value at the start of the year	8,995	8,710
Additions at cost	2,514	1,999
Disposal proceeds	(1,961)	(2,460)
Net (loss) / gain on change in fair value	(196)	746
Fair value at the end of the year	9,352	8,995

Investments comprise:

	2023 £'000	2022 £'000
UK Common investment funds	2,005	1,985
Shares listed on the London Stock Exchange	7,347	7,010
	9,352	8,995

13 Debtors

	2023 £'000	2022 £'000
Trade debtors	1,436	738
Other debtors	1,351	629
Prepayments	344	345
Accrued income	4,434	4,849
	7,565	6,561

14 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	1,467	1,482
Taxation and social security	663	511
Other creditors	136	130
Accruals	2,993	1,822
Deferred income (note 15)	2,733	2,597
	7,992	6,542

15 Deferred income

Deferred income comprises contract income for services received in advance

	2023 £'000	2022 £'000
Balance at the beginning of the year	2,597	1,329
Amount released to income in the year	(2,597)	(1,329)
Amount deferred in the year	2,733	2,597
Balance at the end of the year	2,733	2,597

16 Pension schemes

During the year, Hestia operated both defined contribution and a defined benefit pension schemes which required additional contributions to be made separately to administered funds for the benefit of the employees. Contributions payable by Hestia in respect of the defined contribution schemes totalled £1,023,048 for the year (2022: £709,255), including those contributed to the NHS Pension Schemes.

Final Salary Pension Scheme

During the year Hestia was an admitted body of one defined benefit pension scheme with the Royal Borough of Kensington and Chelsea Pension Fund (RBKCPF).

The RBKCPF is a multi-employer scheme administered by the Royal Borough of Kensington and Chelsea under the regulations governing the Local Government Pension Scheme (LGPS) a defined benefit scheme.

The RBKCPF defined benefit scheme has been reported under Section 28 of FRS102 'Employee Benefits'. The figures included in the financial statements in respect of this scheme are based on an actuarial valuation carried out on 31 March 2023.

The employer's B260, relating to current employees, to the RBKCPF by the Charity for the year ended 31 March 2023 was fixed at 21.1% of pensionable pay up to 31 March 2024.

The financial assumptions used by the actuary to calculate the scheme liabilities under FRS102 for the RBKCPF were as follows:

Assumptions	At 31 March 2023	At 31 March 2022
Inflation Rate (CPI)	2.95%	3.15%
Rate of increase in salaries	3.95%	4.15%
Rate of increase in pensions in payment	2.95%	3.15%
Discount rate	4.75%	2.75%

The Fair Value of the Assets of the Scheme and the Expected Return were:	At 31 March 2023	At 31 March 2022
	£'000	£'000
Equities	1,590	1,574
Property	153	124
Cash (including cash plus funds)	172	373
Total market value of assets	1,915	2,071
Present Value of Scheme Liabilities	(1,261)	(1,697)
Net pension asset	654	374

Analysis of the amount charged to the Statement of Financial Activities:	2023	2022
	£'000	£'000
Current service costs	29	37
Net interest on defined liability	(10)	1
Administration expenses	–	–
	19	38

16 Pension schemes (continued)

	At 31 March	At 31 March			
	2023	2022			
	£'000	£'000			
Movement in defined benefit obligation in the year					
Opening defined benefit obligation	1,697	1,790			
Current service cost	29	37			
Interest cost	47	36			
Changes in finance assumptions	(708)	(173)			
Changes in demographic assumptions	(109)	4			
Experience gain / (loss) on defined benefit obligations	305	2			
Estimated benefits paid net of transfers in	(4)	(4)			
Contributions by scheme participants and other employers	4	5			
Closing defined benefit obligation	1,261	1,697			
	At 31 March	At 31 March			
	2023	2022			
	£'000	£'000			
Movement in fair value of fund assets in the year					
Opening fair value of fund assets	2,071	1,754			
Interest on assets	57	35			
Return on assets less interest	(117)	264			
Administration expenses	–	–			
Contributions by employers including unfunded	14	17			
Contributions by scheme participants and other employers	4	5			
Benefits paid	(4)	(4)			
Other experience	(110)	–			
Closing fair value of fund assets	1,915	2,071			
The employee numbers in the Scheme at 31 March were;	2023	2022			
Active employees	3	5			
Deferred pensioners	10	7			
Pensioners	1	1			
	2023	2022			
	£'000	£'000			
Actuarial return less expected return on fund assets	–	–			
Contributions from scheme participants	4	5			
Expected employer's contribution for the year ended 31 March	12	16			
	2023	2022	2021	2020	2019
History of experience gains and losses	£'000	£'000	£'000	£'000	£'000
Defined benefit obligations	(1,261)	(1,697)	(1,790)	(1,331)	(1,536)
Scheme assets	1,915	2,071	1,754	1,331	1,339
Surplus / (Deficit)	654	374	(36)	–	(197)

16 Pension schemes (continued)

NHS Pension Schemes

Past and present employees are covered by the provisions of the NHS Pension Scheme(s) relevant to their membership. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at: www.nhsbsa.nhs.uk/pensions.

Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the Financial Reporting Manual (FRM) requires that 'the period between formal valuations shall be four years, with approximate assessments in intervening years'. An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FRM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account its recent demographic experience), and to recommend the contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

17a Analysis of net assets between funds (current year)

	General unrestricted £'000	Designated £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	1,873	–	1,122	2,995
Investments	9,352	–	–	9,352
Net current assets	2,393	1,386	1,557	5,336
Defined benefit pension asset	654	–	–	654
Net assets at 31 March 2023	14,272	1,386	2,679	18,337

17b Analysis of net assets between funds (prior year)

	General unrestricted £'000	Designated £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	1,895	–	1,138	3,033
Investments	8,995	–	–	8,995
Net current assets	1,396	1,427	1,696	4,519
Defined benefit pension liabilities	374	–	–	374
Net assets at 31 March 2022	12,660	1,427	2,834	16,921

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2023

18a Movements in funds (current year)

	At 1 April 2022 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2023 £'000
Restricted funds:					
<u>Capital</u>					
Property expenditure:					
Purchase of Lynton Terrace	380	–	(5)	–	375
Purchase of Leigham Court Road	227	–	(3)	–	224
Improvements to:					
Leigham Court Road	313	–	(4)	–	309
Cologne Road	12	–	–	–	12
DOH – property purchase grant	206	–	(4)	–	202
<u>Revenue</u>					
Donations	324	90	(97)	–	317
Outreach services	187	195	(196)	–	186
Children & family services	255	317	(270)	–	302
Women without recourse fund	–	–	–	–	–
Community Engagement	520	3,189	(3,133)	–	576
Digital Transformation	57	–	(57)	–	–
Domestic Abuse Prevention	288	597	(771)	–	114
The Phoenix Project	51	108	(97)	–	62
Sport England	–	–	–	–	–
People's Postcode Lottery	7	327	(334)	–	–
Starting Well Grant	7	215	(222)	–	–
Vodafone – Bright Sky development	–	–	–	–	–
Infection Control Funds	–	–	–	–	–
Total restricted funds	2,834	5,038	(5,193)	–	2,679
Unrestricted funds:					
Designated funds:					
Development, maintenance and refurbishment of existing projects	551	84	(49)	–	586
Infrastructure and new project developments	876	–	(76)	–	800
Total designated funds	1,427	84	(125)	–	1,386
General funds	12,286	42,925	(41,593)	–	13,618
Total unrestricted funds	13,713	43,009	(41,718)	–	15,004
Pension reserve	374	280	–	–	654
Total funds	16,921	48,327	(46,911)	–	18,337

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2023

18b Movements in funds (prior year)

	At 1 April 2021 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2022 £'000
Restricted funds:					
<u>Capital</u>					
Property expenditure:					
Purchase of Lynton Terrace	385	–	(5)	–	380
Purchase of Leigham Court Road	230	–	(3)	–	227
Improvements to:					
Leigham Court Road	317	–	(4)	–	313
Cologne Road	12	–	–	–	12
DOH – property purchase grant	210	–	(4)	–	206
<u>Revenue</u>					
Donations	276	100	(52)	–	324
Outreach services	154	298	(265)	–	187
Children & family services	220	333	(298)	–	255
Women without recourse fund	20	–	(20)	–	–
Community Engagement	227	2,979	(2,686)	–	520
Digital Transformation	139	49	(131)	–	57
Domestic Abuse Prevention	129	489	(330)	–	288
The Phoenix Project	43	107	(99)	–	51
Sport England	39	14	(53)	–	–
People's Postcode Lottery	–	328	(321)	–	–
Starting Well Grant	–	280	(273)	–	7
Vodafone – Bright Sky development	17	–	(17)	–	7
Infection Control Funds	–	620	(620)	–	–
Total restricted funds	2,418	5,597	(5,181)	–	2,834
Unrestricted funds:					
Designated funds:					
Development, maintenance and refurbishment of existing projects	530	67	(46)	–	551
Infrastructure and new project developments	959	2	(85)	–	876
Total designated funds	1,489	69	(131)	–	1,427
General funds	11,155	37,417	(36,341)	55	12,286
Total unrestricted funds	12,644	37,486	(36,472)	55	13,713
Pension reserve	36	167	226	(55)	374
Total funds	15,098	43,250	(41,427)	–	16,921

18 Movements in funds (continued)

Purposes of restricted funds

Restricted property funds comprise funding received for the purchase and improvement of the properties stated. The properties at Lynton Terrace, Hestia Streatham and Chatsworth Crescent are recorded in fixed assets. Depreciation of these properties and other specified property costs are charged against these funds.

Home Office refurbishment grants represented grants made by the Home Office to fund refurbishment of Hestia's Approved Premises which were spent in 2021 refurbishing the Hestia Streatham premises.

Other Home Office/ Ministry of Justice grants comprised various sundry grants for drugs testing, security training and scheme development / relocation across Hestia's Approved Premises. All funds were utilised in 2021.

The Home Office funds (£50.5k) the Provision of ask for ANI codeword scheme rollout with stakeholders, specifically pharmacies.

The Home Office has provided a grant (£80k) for the national prevention and awareness raising campaign around domestic violence, to continue speaking to victims via the UK Says No More campaigning and maintenance of Bright Sky, support for employers and respond to abuse advice line

Outreach funding comprises various restricted grants to fund the provision of outreach services in Hestia's women's services in Ealing, Slough and Harrow and Thames Valley and performance related awards in the Kingston Integrated Mental Health Service.

Children & family funds support children in Hestia's Domestic Abuse refuges, funded by a combination of Supporting People grants, other external grants and charitable donations.

The Women Without Recourse fund was set up in 2008 to support women in Hestia's Domestic Abuse Refuges until such time as they become eligible for UK benefits. The fund has been largely supported by the Henry Smith Charity.

Community Engagement funds are provided by various health trusts across London and the South East to provide accommodation and out of hours crisis services for individuals experiencing mental health trauma – the provision is made as a complement and alternative to acute hospital services.

Digital transformation funds include grants from the Fidelity Trust to support the development of the InForm Client Management System focussing on increased direct access by service users as well as funds from the National Lottery and Barclays Bank plc to support staff and service user digital and training initiatives.

Domestic Abuse prevention funds support a range of Hestia programmes – UKSNM, Everyone's Business, Safe Spaces and Ask For ANI aimed at providing information and guidance as well as practical support to victims of domestic abuse, funded by grants from the Home Office, the Julia and Hans Rausing Trust as well as contract income from purchasers of our Everyone's Business IDVA services.

The Phoenix Project provides in reach support to survivors of Modern Slavery after they have received their positive CG decision – funding has been made available from the David and Ruth Lewis Foundation and the Rayne Foundation.

The Sport England Initiative was funded by the Department of Culture, Media and Sport aimed at encouraging children in our refuges to participate in sport: the programme was extended up until 30th September 2022 when it closed.

The People's Postcode Lottery project is funded by a grant from the Postcode Innovation Trust brings together partners across England, Wales and Scotland to scale up a new model of support for victims of domestic abuse created through Hestia's Safe Spaces initiative and so provide additional community-based support for victims.

18 Movements in funds (continued)

Purposes of restricted funds (continued)

Starting Well Grant is part of the VCSE (Voluntary, Community & Social Enterprise) Health and Wellbeing Fund with the theme of Starting Well. The aim is improving health outcomes for children from preconception to two and a half years old. Hestia work in partnership with the Happy Baby Community's community-based model of perinatal support to highly disadvantaged pregnant women who have suffered multiple traumas.

The Vodafone Bright Sky fund was a donation from Vodafone to support the ongoing development of the Bright Sky app available to people experiencing domestic abuse – the balance of the donation was utilised in the year to upgrade the app including multi language options.

Infection controls funds were provided by commissioning partners to reduce the risk of COVID infection across Hestia's services including staffing support, workforce retention, provision of PPE, additional cleaning and testing. All funds were utilised in the year.

Purposes of designated funds

The designated fund for the development, maintenance and refurbishment of existing projects includes:

- Cyclical maintenance – funds required for regular maintenance and decoration of buildings for which responsibility is not assumed by the owning landlord.
- Sinking funds – funds required for long-term major repairs of buildings including the potential for costs associated with decant of residents during any refurbishment works for which responsibility is not assumed by the owning landlord. The organisation has prepared five yearly maintenance plans for all owned properties and the funds set aside are compared to these estimated commitments.
- Furniture fund – funds for replacement of furniture on a three-year cycle which cannot be funded from the annual revenue budget.

The funds for infrastructure and new project development have been designated in relation to planned strategic developments which assist the organisation to respond to the external operating environment. These include:

- Funding to meet the costs of organisational development, including bidding for new/ replacement contracts, merger activities and requirements necessary to adapt internal frameworks to meet external requirements. Current approved projects include: The Hestia Approach (three years); the Fundraising Strategy (five years); and the Digital Strategy (two years).
- Project Assistance Funds to support upfront running costs of developed projects which cannot be funded from the annual revenue budget. These are reviewed on an annual basis linked to strategic plans.

19 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property		Equipment	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Less than one year	744	1,030	149	120
One to five years	1,011	926	149	259
More than five years	133	–	–	–
	1,888	1,956	298	379

20 Capital commitments

At 31 March 2023, the charity had no capital commitments outstanding (31 March 2022: £143,000).

21 Post Balance Sheet Event

On 16th September 2023, the charity concluded acquisition discussions with Twining Enterprise, a charity registered in 1995 (charity number 1048191).

Under the terms of the agreement Twining Enterprise will become a fully owned subsidiary of Hestia, pending full integration in the future.

22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

Accounts

Company number: 02020165

Charity number: 294555

HESTIA HOUSING AND SUPPORT

Report and financial statements

For the year ended 31 March 2022

HESTIA HOUSING AND SUPPORT

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For the year ended 31 March 2022

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HESTIA HOUSING AND SUPPORT

Reference and administrative information

For the year ended 31 March 2022

Company number 02020165
Country of incorporation United Kingdom

Charity number 294555
Country of registration England & Wales

Registered office and operational address Fourth Floor, Beaufort House, 15 St Botolph Street,
London EC3A 7DT

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

Terrie Alafat	Chair
Anil Shenoy	Vice Chair
Brendan Sarsfield	Treasurer
Elizabeth Zacharias	
Vic Rayner	
Michael Trup	
Helen Christina Marriott	
Aisling Thompson (resigned 07/12/2021)	
Rebecca Pritchard	
Lauren Bowes	
Elizabeth Meek	
Joanna Mark-Richards (appointed 08/02/2022)	
Sonal Shah (appointed 08/02/2022)	

Key management personnel	Patrick Ryan	Chief Executive and Secretary
	Christopher Clarke	Director of Finance
	Mel Cox	Director of Human Resources
	Jo Tilley-Riley	Director of Fundraising and Communications
	Gayle Lowery-Jones	Director of Services
	Nahar Choudhury	Regional Director of Operations
	Paula Murphy	Director of Performance and Development (until 31/10/2021)

Bankers Barclays Bank PLC
74 Shepherds Bush Green
LONDON
W12 8QB

HESTIA HOUSING AND SUPPORT

Reference and administrative information

For the year ended 31 March 2022

Solicitors Russell Cooke
 2 Putney Hill
 LONDON
 SW15 6AB

Auditor Sayer Vincent LLP
 Chartered Accountants and Statutory Auditor
 Invicta House
 108-114 Golden Lane
 LONDON
 EC1Y 0TL

Trustees' annual report (including the strategic report)

For the year ended 31 March 2022

The Trustees present their report and the audited financial statements for the year ended 31 March 2022.

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

Objectives and activities

Purposes and aims

Hestia's objects as outlined in the Memorandum and Articles of Association are for the public benefit:

- To relieve hardship and distress by providing support and care for individuals who suffer mental or physical infirmity, are affected by domestic violence, are offenders or at risk of offending, are in need due to age or youth, are homeless, suffer substance abuse or are otherwise in need of assistance.
- To provide housing, housing related support or care for the Beneficiaries so that they can live more independent lives and fulfil their potential in the community.
- To further such other exclusively charitable purposes according to the law of England and Wales as the Trustees in their absolute discretion from time to time determine.

Vision and Mission

Hestia's vision is "Empowering People, Changing Lives" and our mission is "Together we will deliver high quality and empowering services through our core values". Our core values are: Respectful, Collaborative, Genuine, Dedicated and Courageous.

Strategic Objectives

In 2019, the Trustees agreed a 5-year strategy with 3 overarching aims:

- Service transformation.
- Growing with a diverse income portfolio.
- Building our profile and influence.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2022

Our Work

Hestia's aim is to support vulnerable adults and children in crisis to realise their aspirations, fulfil their potential and to have a life beyond crisis.

The support we offer varies depending on the services that we are commissioned to deliver but irrespective of how individuals come into Hestia, we aim to recognise and work with their unique needs and aspirations.

During 2021–22, Hestia supported 18,519 men, women and children who accessed our services during the year – an increase of 4,512 from the previous year. Support was delivered across a range of client groups:

Client Group	31 March 2022	31 March 2021
Domestic Abuse (including children)	3,651	3,877
Mental Health	6,304	4,078
Modern Slavery	5,669	2,599
Criminal Justice	224	111
Young People at Risk	62	62
Older People	438	490
Generic	2,108	2,764
Substance Misuse	63	26
TOTAL	18,519	14,007

Partnership Working

Partnership working is at the heart of what we do, and our work is commissioned by a wide range of public and private sector organisations:

- Central Government – the Home Office and Ministry of Justice
- Regional Agencies – MHCLG, Mayor's Office for Policing and Crime
- Local Authorities – currently we have contracts with 22 London Local Authorities
- NHS Trusts and Integrated Commissioning Boards across London and the South

To deliver our services we work with a wide range of other agencies including:

- Registered Providers and private landlords, who make available property for our accommodation-based services
- Charitable foundations, businesses and private donors who provide funding for key programmes.
- Statutory Health Services who provide clinical and other support to our service users.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2022

To support their recovery journey, we aim to offer our service users access to the widest range of community-based assets and support as possible. The offers are tailored to our clients' preferences and aspirations, and contribute a vital element to their development, independence, resilience and wellbeing. From yoga, gardening initiatives, and language teaching to peer support, money and financial management, training, education and employability activities and structured mental health support.

Review

The Trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The Trustees 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 its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

Strategic report

Achievements and performance

Service Users

In 2021–22 the number of people that we supported rose from 14,007 to 18,519 across our client groups. In our annual satisfaction survey carried out in November 2021, 95% of service users who replied said they were satisfied with the service they receive, whilst 95% also reported that they felt safe and secure in our services.

Some 2021–22 Highlights

1. Our Mental Health Crisis Response

- We expanded our Mental Health Crisis Alternative Model of out of hours Cafes, Coves, Havens and Sanctuaries and opened our ninth service in Camden. These critical community-based services provide open access and referral support for people experiencing mental health issues as an alternative to presentation at Accident & Emergency. In these centres we provide de-escalation interventions, safety planning, therapeutic and peer support as well as signposting and referrals onto other provision or community resources.
- We opened our temporary 5 bed Recovery House in the London Borough of Greenwich to provide short stays for people facing mental health crises, whilst we purchased and

Trustees' annual report (including the strategic report)

For the year ended 31 March 2022

renovated a permanent facility in Bexley. The Bexley Recovery House supports up to 7 residents with short stays of 5 days to avert hospital admission and co-produce an individualised recovery and safety plan with the residents. This opened in July 2022.

2. Safe Spaces

Safe Spaces provide somewhere for anyone experiencing domestic abuse to safely call a helpline, support service or loved one and receive the support to escape their situation. Launched during COVID and they are now available at over 6,000 locations across the UK including HSBC and TSB Banks, Boots, Superdrug, Morrisons and Well pharmacies.

Safe Spaces is supported by the players of People's Postcode Lottery Recovery Fund and operates through Hestia's national domestic abuse and sexual violence campaign, UK SAYS NO MORE.

In September 2020 we launched Online Safe Spaces in partnership with the Royal Mail Group. The service provides support, advice, and helpful contact numbers for those at risk of domestic abuse and is now available on over 65 websites including Network Rail, Post Office, and Thames Water. Between November 2020 and September 2022, there were approximately 1.5 million visits across all Online Safe Spaces.

In 2021, the government launched the Ask for ANI (Action Needed Immediately) codeword scheme, which operates in conjunction with the Safe Spaces scheme. When a victim of domestic abuse 'Asks For ANI' at their local pharmacy, they are taken to a Safe Space, where they can access immediate help from the police or other support services. It provides a way for victims to discreetly tell pharmacy staff that they need urgent help in phoning the police or another specialist service. The service is now operated by Hestia and our UK SAYS NO MORE campaign

2. Independent Approved Premise (IAP) Provision

In partnership with Home Group, we are pleased to be part of the Ministry of Justice's APEX expansion programme who have commissioned Hestia to provide a new female only AP in London – one of only 3 new APs commissioned in England and Wales in the last 40 years. We are very proud to treble the number of Approved Premises bed spaces available to women in London.

3. Modern Slavery

We increased our work with victims and survivors of modern slavery through our Victim Care Contract with the Salvation Army – supporting more than 1,700 men and women in the community at any one point in time and opening a further 22 units of accommodation in partnership with Network Homes.

Hestia has a 96.6% success rate in securing positive Conclusive Grounds for our service users compared to the national average of 89%.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2022

We also expanded our post service provision through our Reach In programme and our Phoenix Project supported by the Rayne Foundation. Pilgrim Trust and the David and Ruth Lewis Family Charitable Trust,

We also continued to provide survivors with a voice, with our fifth "Art is Freedom" Exhibition in October 2021 and publication of our seventh Underground Lives Report.

4. Back in Brent

Following successful tenders, we were successful in re-establishing accommodation services in Brent being contracted to provide support to more than 100 service users experiencing mental health issues, and 40 women and children escaping Domestic Abuse. The Domestic Abuse brings services back into Hestia that were previously managed up until 2012.

2021–22 In Detail

Service Quality

We measure service quality in two ways:

- We have built in a set of Quality KPI's which we measure quarterly and report to the Trustees.
- We undertake an annual satisfaction survey of service users to understand their views on the quality of services that we deliver.

KPI Reporting

We commenced reporting against service users and staff indicators in the year involving a combination of data sets across systems. We are still embedding the system but can report the results at both March 2022 and an update for September 2022.

Indicator		Target	March 2022 Result	September 2022 Result
User Experience:	Satisfaction	90%	95%	94%
	Independence	90%	88%	82%
	Involvement	90%	60%	56%
User Outcomes		75%	55%	72%
Staff Wellbeing and Engagement		75%	76%	78%

Within User Experience, both satisfaction and safety remain high, but involvement is consistently around 60%: we will follow this up with a review of co-production activity across Hestia and report that to the Board during 2022–23.

Service User Satisfaction Survey

In November 2021 we surveyed our service users and 784 responded to our surveys.

HESTIA HOUSING AND SUPPORT

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For the year ended 31 March 2022

Comparison With Adult Social Care Outcomes Framework (ASCOF)

We use our annual service user satisfaction survey to report against the ASCOF which measures how well care and support services achieve the outcomes that matter most to people. The ASCOF is used both locally and nationally to set priorities for care and support, measure progress and strengthen transparency and accountability. We are pleased to see how service users consistently rate their experience at Hestia against comparative London wide measures (last reported in 2020):

Question	ASCOF Positive response rate London 2020	Hestia Positive Response rate 2021	Hestia Positive Response rate 2020
I am satisfied with my service / client satisfaction with care and support	59%	95%	95%
I know how the service works and what I am entitled to / I find it easy to get information	66%	87%	89%
I can control the kind of support I receive / Proportion of people who feel they have control over their daily life.	71%	89%	93%
I feel safe and secure in the service. / Proportion of people whose service help them to feel safe	83%	95%	95%
I am able to have as much social contact as I want with people I like. / Proportion of people who have as much social contact as they would like.	43%	84%	84%

Comparison with the Communities and Local Government Outcomes Framework

Most Hestia's services are commissioned to achieve positive outcomes against the five domains from the Communities and Local Government outcomes framework.

Domain	Indicator	Target	2021 reporting achieved and partly achieved	2020 reporting achieved and partly achieved
Maximise economic well being	Achieve positive outcomes for those needing support to maximise their income by applying for the correct benefits	95%	94%	94%
Enjoy and achieve	Service users seeking to improve the quality of life for children	95%	99%	100%
	Service users requiring support to participate in activities	90%	84%	83%

HESTIA HOUSING AND SUPPORT

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Domain	Indicator	Target	2021 reporting achieved and partly achieved	2020 reporting achieved and partly achieved
	Service users agreeing the service enabled them to develop independence and linked them into other services	95%	93%	96%
	Service users confirming they have as much social contact as they would like	90%	84%	84%
Being Healthy	Received support to better manage physical health	95%	94%	95%
	Received support to better manage mental health	95%	94%	93%
Staying Safe	Reduce the risk of harm from others	95%	99%	94%
	Received support to maintain accommodation	95%	92%	91%
	Service users confirming they felt safe and secure in the service	100%	95%	95%
Making positive contribution	Received support to be more confident in accessing services	95%	93%	93%
	Service users confirming they could access information about their service when needed; agreeing they were in control of their support; understanding how the service delivered the support they need and understanding their entitlements.	90%	89%	89%

Financial review

The results for the year are set out in Statement of Financial Activities. The assets and liabilities of the Charity at 31 March 2022 are shown in the Balance Sheet. The financial statements should be read in conjunction with their related notes.

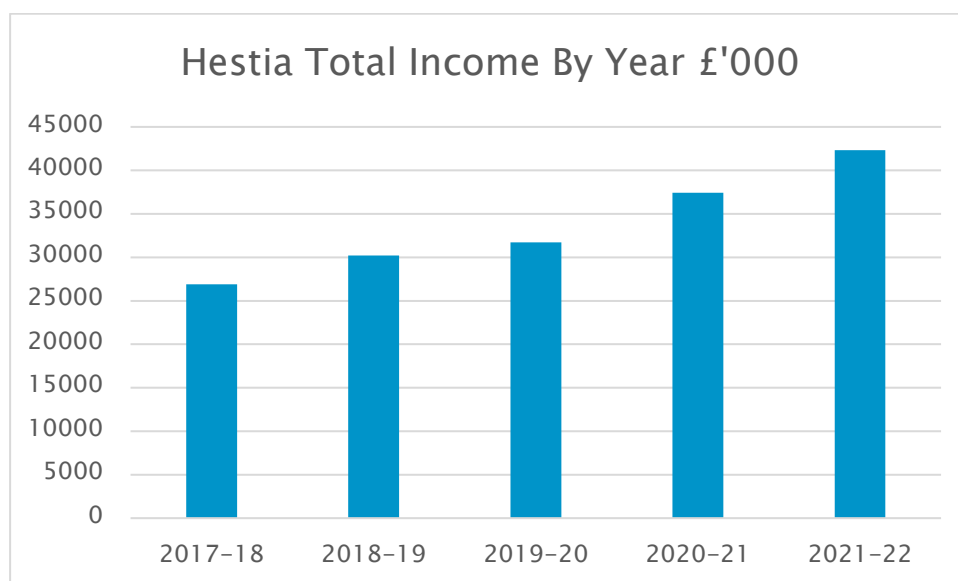
Income

Since 2017–18, income has grown steadily from £26.885 million in 2017–18 to £42.337 million – an increase of 57% (£15.451 million):

HESTIA HOUSING AND SUPPORT

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The 5-year growth in income has been achieved largely through the addition of contracts – few of Hestia's contracts attract annual increases. The only annual increases are in rents and service charges, where rents are linked to the Government rent increase limits and service charges are set to achieve full cost recovery.

Income Breakdown – 2021–22

Income Area	2021–22 £m	2020–21 £m	Change %
Unrestricted SP and Other Grants	£24.997	£22.569	+11%
Restricted Grants	£5.497	£3.594	+53%
Rents and Service Charges	£9.065	£8.353	+9%
Approved Premises Grant	£2.045	£1.694	+21%
Donations and Legacies	£0.555	£1.026	–46%
Investment Income	£0.178	£0.207	–14%
Total	£42.337	£37.443	+13%

- Income from Unrestricted Supporting People and Other Grants continue to form most Hestia's income – the 11% year on year increase was largely due to new contracts in the year and the impact of the re-negotiated Victim Care Contract with the Salvation Army which started in January 2020.
- Income from Restricted Grants grew as Hestia's health portfolio increased with the increase in crisis services.
- Rents and Service charges increased due to the rent increase applied in April 2021 (1.5%) and increased recovery from service charges.

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For the year ended 31 March 2022

- The Approved Premises Grant increased year on year as the Approved Premise at Streatham was closed for major works in 2020-21 for major works.
- Donations and Legacy income fell year on year after the successful COVID related appeals in 2020-21.

Annual Surplus

Hestia continues to deliver operational surpluses (defined as net income before gains / losses on investments and pensions):

Year	Net Income – Unrestricted	Net Income – Restricted	Total –	Net Income as a % of Total Income
2017-18	£62k	£8k	£70k	0.26%
2018-19	£187k	£49k	£236k	0.78%
2019-20	£38k	£92k	£130k	0.41%
2020-21 ¹	£503k	£416k	£919k	2.45%
2021-22 ¹	£494k	£416k	£910k	2.16%

Note 1 – in 2020-21 and 2021-22 the accounting statement of the defined benefits pension scheme was changed to reflect in year changes in the pension fund. This brings accounting treatment into line with required accounting practice however as the resulting increase in the value of value is unlikely to be accessible, we believe this treatment overstates the result for the year. Excluding the pension adjustment, the comparative figures would be:

Year	Net Income – Unrestricted	Net Income – Restricted	Total – £'000	Net Income as a % of Total Income
2020-21	£101k	£416k	£517k	1.38%
2021-22	£213k	£416k	£629k	1.49%

On an annual basis Trustees consider the forecast results for the year and have been able to make one off non-consolidated staff awards of around £250k shared equally across all staff. The unrestricted surplus is stated net of that provision.

Hestia's aim is to continue to generate surpluses on unrestricted funds that add to reserves, ensuring funds are spent on supporting our service users.

Balance Sheet

Hestia's balance sheet remains strong with total assets increasing from £15.098 million at 31 March 2021 to £16.921 million at 31 March 2022.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2022

Key financial indicators

Trustees consider 3 financial performance indicators which are those traditionally used by our commissioners as part of their financial monitoring analysis, and we have comfortably met or exceeded these over the last 2 years:

Indicator	Target	Hestia 2021-22	Hestia 2020-21
Annual Surplus	> £0	£910k	£919k
Current Assets: Current Liabilities	> 1:1	1.68	1.71
Gearing (Debt / Equity)	< 40%	0%	0%

Investments

Hestia's investment policy aims are to: (a) preserve the real capital value of the funds held over a 5-year period; (b) provide an income stream of 2% with low volatility; and (c) procure a long-term return, net of all charges, of 1% p.a. in real terms.

No capital additions or withdrawals were made in 2021-22, so changes in the value of investments are a result of:

- Re-investment of dividend income.
- Management fees deducted by the fund managers.
- Net Investment gains and losses on stock disposals, reinvested in the portfolio.
- Net increases in stock valuations at 31 March 2022.

Hestia currently divides its investments between two managers. In line with capital market performance since 31 March 2022, Hestia's investments have increased in value since then.

The Finance and Fundraising Sub Committee monitor performance quarterly and meet with fund managers annually.

During the year Trustees reaffirmed their intention to remain invested in the medium to long term irrespective of short-term market fluctuations.

The two investment managers are:

- UBS AG – who manage a Sustainable Investment Portfolio of fixed interest securities, equities and property. The portfolio is managed on the basis of positive inclusion of stocks taking into account environmental, social and governance impacts. At 31 March 2022 the value of the portfolio had increased to £7.009 million from £6.872 million.
At 18th November 2022 the value of the portfolio had increased to £7.437 million.
- Ruffer LLP – Hestia's investment is in a common investment fund which has an absolute return approach. The fund aims to invest in complementary stocks which provide a counterbalance against market swings and over the year the value of the fund increased from £1.838 million to £1.985 million.
At 30th September the value of the fund had increased to £2.014 million.

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For the year ended 31 March 2022

Pensions

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

There are 4 employees who retain membership of the Royal Borough of Kensington & Chelsea's defined benefits scheme. This scheme is linked to the contract to provide day centre services and the Commissioners have signalled their intention to retender the service in 2023.

The FRS102 valuation position as reported by the actuaries changed from a liability of £36k at 31 March 2021 to an asset of £374k at 31 March 2022 because of an increase in the valuation of assets and a reduction in the present value of liabilities due to changes in actuarial assumptions around salary and pension increases and the discount rate. Whilst we have recognised the asset in the financial statements, we believe it is unlikely that this would be realised if our participation were to cease in 2023.

Contributions to the scheme for 2021–22 have remained unchanged at 21.1%.

Hestia also contributes into the NHS pension scheme for two employees linked to the Wandsworth Recovery & Rehabilitation service and employer contributions on this scheme are fixed at 14.38% p.a.

Principal risks and uncertainties

Hestia's Operating Model

Most of Hestia's income arises from contracts awarded by commissioning partners. The majority of these are fixed for a number of years and subject to retendering at various intervals. This also provides opportunities for Hestia as contracts currently provided by others are also put out of tender which gives the potential to increase the contract base.

Our rents and service charges are also linked to commissioned contracts – Hestia owns very few properties in our own right.

Most of our fundraising activity has been linked to added value initiatives to support the contracts that we deliver.

Historically contracts have been awarded with no index linking and Hestia has been able to manage these in the recent low inflation environment.

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For the year ended 31 March 2022

The current economic environment provides a number of challenges for Hestia:

- (a) The return of inflation puts pressure on costs which are challenging to recover against fixed price contracts.
- (b) The biggest cost pressure will be on salaries which account for 65% of Hestia's costs.
- (c) As the government struggles to balance the books, a second round of austerity is likely. This will affect our commissioning partners who will have less funding available and will be looking for efficiencies either through price reductions, increased outputs for fixed prices, or, in worst case scenarios, potentially cancelling services outright.

Increasing Demand

At the same time, we can only see an increase in the demand for Hestia's services, i.e.

- The cost of living crisis places strain on people, affecting their mental health, exacerbated by the ongoing and continuing effects of COVID.
- There is evidence that cost of living pressures within families can increase domestic abuse.
- The UK prison population remains at an all time high therefore community provision will be essential as a cost-effective alternative to imprisonment.
- The number of victims of modern slavery we support has remained consistently high for Hestia over the last two years and whether it is increased awareness and/ or more exploitation or both, we see the need and the level of the trauma experienced growing.

Hestia's Response

- Hestia has a history of working with Commissions to protect the services that we deliver and restructuring services to deliver positive outcome within both funding constraints and rising costs. We are committed to paying our staff, as a minimum, the London Living Wage (LLW) and following on from the work we did in 2021–23, seek to create further opportunities for salary enhancements to recruit and retain a quality workforce.
- We will be ready to say no to opportunities which we do not believe will be sufficiently funded.
- We need to be creative in looking at how we deliver services and to support that Trustees have agreed an updated Digital and I.T. strategy which looks at how we can deliver services differently and more cost effectively.
- We will continue to promote our Health Strategy, building on models of care and support which deliver real savings – focussing on the prevention of presentation at acute services (e.g., our older people's floating support services, our crisis cafes and our crisis home in Bexley) and providing short term accommodation that reduces bed blocking in hospitals – based on our Hounslow Hospital Discharge Scheme.
- We have fixed our gas and electricity for a period of 3 years from October 2022 and will continue to work to minimise the impact of rising energy costs on both the organisation and our service users.
- We will continue to speak for those who don't have the opportunity to put their points of view forward and will use our policy and communications framework to ensure the valuable services that we provide are not lost merely because of funding challenges.

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For the year ended 31 March 2022

- Our refreshed Fundraising Strategy focusses on Trusts, and corporate and major donor giving. Trustees have also agreed to provide funding to review new fundraising opportunities. For Hestia, fundraising raises our profile and increases the amount of unrestricted income that we can generate to provide service users with a range of additional support opportunities.

Monitoring

New areas of activity require detailed assessment of the different risk profiles they will face and any investment in these requires prior approval by Trustees following robust analysis and challenge. Trustees formally review the strategy on an annual basis and have re-affirmed Hestia's strategy which included growth ambitions. Hestia's Directorate subsequently produced a number of indicators for Trustees around commissioning and fundraising which are constantly monitored to produce views on the likelihood of forecasts. Linked to this are proposals about how we manage our cost base to ensure that we remain a financially viable organisation and do not draw unnecessarily on our reserves.

Management of Risk

The Board of Trustees is responsible for ensuring that Hestia has in place systems of internal control that are appropriate to the various business contexts in which it operates. These enable the organisation to manage rather than eliminate risks and so provide a reasonable but not necessarily absolute degree of assurance.

The Trustees have in place a formal risk management process to assess risks and implement risk management strategies. This process includes a review by Trustees, senior management and staff and identifies the types of risk faced by the organisation, prioritises the risks in terms of likelihood of occurrence and potential impact and identifies the means of managing or mitigating them.

Risk management is embedded in the day-to-day processes of the organisation and the monitoring of controls in place to manage risk is reviewed by the appropriate board committees.

The Board of Trustees has reviewed the operation and effectiveness of Hestia's system of internal controls. Key elements in Hestia's internal control systems are:

- an organisational set of values and commitment to manage the organisation's affairs with integrity;
- risk assessments embedded in a comprehensive business planning process;
- clear and regularly reviewed delegated authorities;
- a robust budget and quarterly review and reporting of financial performance;
- appropriate authorisation levels and segregation of accounting duties; and
- clear staff roles, responsibilities and accountabilities.

The Finance and Fundraising Sub Committee undertakes a detailed review of Hestia's quarterly management accounts reporting and oversees external audit activity.

Reserves policy and going concern

Reserves

Hestia's Trustees have adopted a reserves policy which they consider appropriate to safeguard the organisation's operations and to ensure stability, taking into account future strategic plans and their associated risks and uncertainties. The main aim is to ensure that Hestia can meet all future financial obligations during periods of financial uncertainty and to cover any restructuring costs that may be required depending on external circumstances. Trustees also wish to ensure that the Charity's reserves are sufficient to meet obligations to all stakeholders in the event that the decision was taken to cease operations entirely.

Restricted reserves are set up where the commissioner or funder has a requirement that unused funds are carried forward to future years to support project initiatives or are repayable if unspent. At 31 March 2022, total restricted funds were £2.834 million (31 March 2021: £2.418 million).

Hestia's Trustees have approved designated reserves to cover planned strategic developments, including the development of our Digital, Health and Quality Strategies, as well as to provide for the ongoing development, maintenance and refurbishment of Hestia owned and leased property. At 31 March 2022, total designated funds were £1.427 million (31 March 2021: £1.489 million).

After taking into account restricted and designated reserves, the General Fund of Hestia rose from £11.155 million at 31 March 2021 to £12.286 million at 31 March 2022.

Trustees have considered the level of reserves on an annual basis taking onto the external environment and at 31 March 2022 consider that Hestia requires a reserve level of £10.639 million – up from £8.874 million at 31 March 2021. The increase reflects the increasingly uncertain external environment currently faced by the Charity.

Hestia's free reserves – defined as investments plus net current assets less restricted funds – stand at £10.68 million, hence these equate to 100% of the reserve requirement. Hestia's tangible fixed assets include £3 million of freehold property assets (valued at historic cost) which could be disposed of or used to raise finance if required.

Forecast and Budgets / Going Concern

The forecast for 2022–23 suggests that overall, the Charity will make a surplus over the year, after allowing for up to £600k of expenditure approved by Trustees to cover a range of development initiatives, including property refurbishment, Digital transformation and Fundraising investment. As a result, we expect overall reserves to be largely unchanged.

Projecting forward into 2023–24, Trustees have also considered an initial “no growth” budget which takes into account increased inflation on salaries, energy and other costs, limited in year contract

Trustees' annual report (including the strategic report)

For the year ended 31 March 2022

uplifts and reduced fundraising. Without taking corrective in year action, General Funds would decrease to £9.610 million and net current assets would remain positive at £841k. As a result of that analysis, Trustees have agreed that it is appropriate to prepare the accounts on a going concern basis.

Fundraising

Hestia's fundraising strategy seeks to ensure we can deliver holistic and high impact support that complements our core services.

The fundraising team works with a range of government agencies, charitable trusts, community groups, corporate donors and individuals on a wide range of activities. During the year the team raised £0.555 million from donations and legacies and a further £1.442 million in other grants.

We would like to thank all of those who have supported programmes and made donations to help us to improve the life chances of our service users and to innovate new responses to urgent social needs:

- Our Domestic Abuse Prevention Programmes, including UK Says No More and Everyone's Business have been supported by Uber along with grants from the Home Office as well by a range of corporate partners purchasing (Independent Domestic Violence Advocate (IDVA) services. Our Safe Spaces initiative in pharmacies and banks has been supported by the Postcode Innovation Trust's Dream Fund.
- Our Children and Family Programmes – aimed at providing children and family workers and for activities in all our Domestic Abuse Refuges – continue to be supported by the John Lyon's Charity, the Permira Foundation, Ikano Insight, City Bridge Trust, City of Westminster Charitable Trust, The Carmela and Ronnie Pignatelli Foundation, The Scriveners' Company Sexcentenary Charity, Arnold Clark Community Fund, London and Quadrant Housing Trust, Swire Charitable Trust, KKR & Co.'s COVID Resilience Fund, the Childhood Trust, Uber, and BBC Children in Need.
- Our response to high levels of demand for our Domestic Abuse Refuges and community-based support during the ongoing COVID pandemic has been supported by grants and donations from MOPAC, the Tower Hamlets Local Community Fund, the Berkshire Community Foundation and the Safer Slough Partnership, Playtech's Recovery and Resilience Fund in partnership with the Charities Aid Foundation (CAF), Ikano Insight, HSBC Branch Network, the Hobson Charity and the Permira Foundation.
- Our digital innovation of hybrid support – including providing digital inclusion champions and a range of online support and activities with the support of the Fidelity Foundation, Barclays 100x100 UK COVID-19 Community Relief Funding, and the Permira Foundation/Social Business Trust's Digital Impact Fund.
- Our Phoenix Project – which provides ongoing support to victims of Modern Slavery after they have left our services – has been supported by corporate donations from Great Portland Estates, Hasbro, PZ Cussons, and Anthony Gold, and grants from the Rayne Foundation, Pilgrim Trust, the Albert Hunt Trust, the Austin and Hope Pilkington Trust, the Highway One Trust, and the David and Ruth Lewis Family Charitable Trust. Additional perinatal support for

Trustees' annual report (including the strategic report)

For the year ended 31 March 2022

pregnant survivors has been made possible by funding from Department for Health and Social Care's Starting Well Fund.

We are hugely grateful for the legacy left to Hestia by the late J. Mayers.

Our Fundraising Practices

Hestia's fundraising team is focused on raising money from trusts and foundations, central and local government grants and corporate partnerships. Hestia does not use any third-party fundraising agencies or involve commercial participators.

Our Fundraising Policy was updated in March 2022 and confirms that we adhere to the Fundraising Regulator's Code of Fundraising Practice and that all data we handle is compliant with GDPR regulations. There have been no complaints about fundraising activity in the past year and there have been no failures to comply with the Code of Fundraising Practice. Our adherence to the Code of Fundraising Practice sets out the main ways we ensure that we protect vulnerable people and members of the public from unreasonable or unwanted behaviour.

Plans for the future

Hestia's strategic plan for 2019–2024 was developed in consultation with service users, staff and Trustees, with three key objectives linked to Hestia's strategic aims:

- Service quality;
- Expanding our service offer; and
- Strengthening our advocacy for our service users.

In March each year, Trustees agree an annual operational plan under each strategic aim and progress is monitored throughout the year. This gives Trustees the opportunity to review progress and to address any internal or external factors which arise and therefore ensure the plan is interactive and dynamic.

Trustees also meet once a year for a full day as a group with the main executive directors to review sector developments, how they affect Hestia and how we should respond. In 2022 Trustees will begin their review as we look to renew our strategic plan for 2024 onwards.

Underpinning the delivery of these are several sub strategies focussed on delivering the different strands of these aims, including:

- Quality Strategy
- People Strategy
- Fundraising Strategy
- Digital and IT Strategy
- Property Strategy

Service Quality

Hestia believes that demand for the services that we provide will continue to grow. The agencies that we work with are under increasing financial pressures and the challenge of providing more support and targeted interventions with less resources is already a constant conversation. The challenge for us is to that whilst delivering the best outcomes for our service users.

In 2022–23, we will:

1. Focus resources on the successful implementation, delivery and transformation of new services, including Brent Mental Health, Brent Domestic Abuse and the Lewisham Calabash Day Centre.
2. Identify and renegotiate contracts where quality / viability is a concern. This will include refusing to bid for contracts – even ones currently managed by Hestia – where we believe these are underfunded and therefore unsafe.
3. Ensure a return to minimum levels of face-to-face contact with our service users.
4. Implement the Digital and IT strategy and build upon the experience gained during COVID to develop a co-produced effective approach to hybrid working.
5. Refine our new quality KPI and implement plans to respond to issues that arise.
6. Develop phase 2 of '*The Hestia Approach*', Hestia's unique inhouse approach to supporting our service users.
7. Review our understanding of outcomes data with analysis of our CRM, InForm, as well as considering how to understand and audit service quality source information from services where data is held outside InForm (Modern Slavery, Ministry of Justice, Health Contract).
8. Seek to increase front-line entry level salaries combined with a refresh of our approach to recruitment as part of our People Strategy.
9. Implement the next stage of our Black Lives Matter Review.

Expanding our Service Offer

Hestia believes that we need to grow in order to achieve the economies that will support the delivery of the high-quality services that we aspire to. This is particularly challenging in the current economic environment with the return of inflation and the cost pressures that we as an organisation face but are also faced daily by our staff and our service users. However, we are conscious of the need to balance our ambitions for the organisation, for staff and for service users with the need to remain competitive.

The Care Act and the NHS long term plan recognise the benefit of further integration in the health and social care sectors, and in response we have expanded our health-related services with our short-term crisis provision and hospital discharge programmes.

With many of our services attracting minimum levels of investment, we have increased our focus on augmenting the services we deliver wherever possible through value added activities including fundraising and through expanding our support base.

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For the year ended 31 March 2022

In 2022–23, we will:

1. Retain / replace 100% of existing Health commissioned work, which enables us to attract and retain more skilled and experienced staff allowing us to make interventions that are more effective.
2. Grow our net business by £2 million by April 2023.
3. Following a refresh of the Fundraising Strategy, we will aim to secure £2 million of fundraised income in 2022–23, whilst scoping and testing new fundraising approaches.
4. Continue to invest in Hestia's property strategy with a focus on replacing / increasing Hestia's registered care provision.
5. Continue to offer Social Work Students, Counselling Students, Mental Health Nurse Students and Occupational Health Students to provide learning opportunities and additional specific support to our service users.
6. Continue to support our Domestic Abuse Prevention programmes – UK Says No More, Safe Spaces and Everyone's Business, seeking to raise public awareness about the responsibility of everyone to tackle domestic abuse and sexual assault and to support businesses in their response to domestic abuse. We will also continue to provide our Domestic Abuse Referral Line and assist women without recourse to public funds.
7. Continue to promote opportunities for survivors of Modern Slavery to rebuild their lives – through creative activities (e.g., Art is Freedom) and by fundraising to fund the post NRM support project, the Phoenix Project.
8. Implement a new management structure across our operations directorate to create more subject expert service directors with fewer direct reports so that we can better assure service quality.
9. Pilot and evaluate the use of EMDR in a supported housing setting (NICE recognised trauma treatment) both for child victims of domestic abuse and adults with more complex needs.
10. Expand Safe Spaces.

Strengthening our advocacy for our Service Users

Our aim is to ensure that the lived experiences of the people we work with influence policy development and result in better service design. Where we believe we have opportunities to do this, we will apply our resources to getting the voices of our service users heard. We will commission relevant research and undertake appropriate advocacy activity and participate in national campaigns.

In 2022–23 we will:

1. Continue to build our profile and influence in the modern slavery and domestic abuse spaces.
2. Research the experience of those presenting at our crisis alternative services across London.
3. Research the employment skills, qualifications and aspirations of adult victims of Modern Slavery within the Victim Care Contract.
4. Seek to influence the Nationality and Borders Bill and the Victim's Bill and the new Modern Slavery Strategy.
5. Undertake value for money / effectiveness evaluation on Crisis Alternatives.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2022

6. Advocate through the Victims Bill currently in parliament to provide improved support for victims of domestic abuse with a particular on supporting children affected by Domestic Abuse.

Structure, governance and management

Structure

Hestia Housing and Support ("Hestia") is a registered charity and is incorporated as a company limited by guarantee governed by its Memorandum and Articles of Association.

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

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

Governance

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

Terrie Alafat has chaired the Board since her appointment in 2018. Terrie was Chief Executive of Chartered Institute of Housing and has a long career in the development of national housing policy and research. Anil Shenoy was appointed as Vice Chair in November 2021 having joined the Board of Hestia in 2015. Anil is currently Head of UK Institutional Investing at a global investment manager having previously worked in audit for PWC. He also chaired the Finance and Fundraising Sub Committee until April 2022.

During the year, Joanna Mark Richards and Sonal Shah joined the Board. Joanna is an experienced HR professional and previously served on the Board and was co-opted to the Governance Sub Committee. Sonal brings experience of fundraising to the Board having worked across a range of philanthropic organisations. Aisling Thompson resigned from the Board, and we are extremely grateful to Aisling for her contribution particularly in the development and implementation of Hestia's health strategy. Trustees are recruited based on an evaluation of the range of skills and experience needed to govern Hestia. They receive an induction pack which contains information about Hestia, its structure and operations, the Board and sub-committee structures, Trustee duties and responsibilities and the organisation's key policies. Trustees are encouraged to participate in visits to Hestia projects to provide first hand exposure to the services delivered and the operating environment. Trustees also get the opportunity to meet Hestia's service users at social events, on recruitment panels, and at planned scheme inspections and visits. Over the course of the year, service users are also invited to attend Board meetings to provide direct and personal updates on their experiences at Hestia.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2022

Training is provided to the Board in line with identified needs. All Trustees undertake safeguarding training as this is a core responsibility of the Board. The Board have also appointed Rebecca Pritchard who has more than 30 years' experience in the homelessness and social care sector as the Board safeguarding lead. Trustees recently also received training on modern slavery. Trustees also attend annual away days to consider the operating environment and plan strategic direction.

The full Board of Trustees meets six times a year to discuss strategy, to formulate policy and to oversee operational matters. The Board is supported by four standing committees who review specific areas in detail and report back to the full Board:

- Governance
- Finance and Fundraising
- Performance Review
- Digital and I.T.

Sub Committees may co-opt non-Trustee members to bring wider experience to specialist areas and the following individuals are currently co-opted to Hestia Sub Committees:

- Claudette Majomi sits on the Finance and Fundraising Sub Committee.
- Greg Solomon, Catalina Cernica and Tori Ellaway sit on the Digital and I.T. Sub Committee.
- Matthew Kelly and Chris Fry sit on the Performance Review Committee.

Hestia's Trustees have agreed to work towards full compliance with the Charity Governance Code and to review Hestia's practices against the seven key areas which make up the code. Trustees agreed to review the "Diversity" element of the code and, following an external review of organisational practices and application, the Board created the Black Lives Matter Steering Group with Joanna Mark Richard and Christiana Marriott from the Board to oversee the implementation of the review recommendation. This has been supported by the appointment of an Equality and Diversity lead. To date the Steering Group has worked to strengthen internal networks, co-develop courageous conversations and develop inclusive leadership alongside our Learning and Development and external EDI partners. We have also completed further cultural inquiry conversations and data improvement plans to help support the areas of enquiry for a cross organisational consultation to enable us to co-produce our EDI strategy for delivery in 2023.

Management

Day to day management of the organisation is delegated to the Chief Executive and senior management team. The Chief Executive is not a member of the company and has no legal status as Director although he acts as executive within the authority delegated by the Trustees.

The Chief Executive and Senior Management Team attend Trustee Board Meetings, Sub Committee meetings and Trustee Away Days, presenting reports and analyses for discussion and to support decision making.

Pay Policy for Senior Staff

The pay of senior staff is reviewed by the Governance Sub Committee considering market conditions and pay rates in comparable organisations. A detailed market comparison is sought at the time any senior recruitment takes place.

Public Benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Policy for employment of disabled persons and Employee Information

Hestia is committed to promoting equality, preventing discrimination and valuing diversity in all our services and across our workforce.

Following an independent Black Lives Matter review in 2021 we are embarking on building on the positives in our practices and identifying areas that will support us to develop a more inclusive culture to ensure equality and fairness for all people who use our services, employees and job applicants. We have inclusive leadership development workshops planned for 2023 and workshops supporting colleagues to have courageous conversations. A key element of this work is improving our Equality, Diversity and Inclusion data to support strategic decision making. By encouraging people to self-report and automate data collection into easily accessible platforms we will be able to improve the robustness and quality of our data. Disability data is a key area where self-reporting will support us to enhance the experience of employees who have a disability and enable us to focus activity in areas of greatest need. Recently we have embarked on our application to achieve Disability Confident level 3, greater awareness and support on neuro diversity and the development of a co-produced Reasonable Adjustments policy.

Employee wellbeing has been a key focus for us for the last 4 years which included partnership with two external organisations to offer our employees a very broad range of support and information which includes helplines on legal, financial and personal issues, webinars, live zoom sessions, face to face support and access to information to meet their individual wellbeing needs. More recently we have been rolling out clinical supervision for staff groups every 4 weeks across all 90 of our services and have responded to the cost-of-living crisis by developing a dedicated site for staff to access support, advice and information from trusted sources.

Hestia is committed to the continuing development of all employees. We have an established learning platform through which all staff can access dedicated induction and personal development opportunities whether face to face or virtual workshops, e learning modules or through our knowledge hub.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2022

All staff have 6 weekly supervisions, annual appraisals which include 360-degree feedback about how they reflect our values, objectives development which flow from the organisational strategic plan and the creation of a personal development plan.

We have outsourced our Learning and Development provision to a specialist Social Care provider who can meet all our specialist subject development needs and have just developed and piloted our first Leadership Excellence Programme. We have also offered another 3 employees the opportunity to engage in a fully funded social work degree apprenticeship and are soon to commence our Health and Social Care academy.

Hestia has supported over 200 student placements from a range of universities and professional development institutions which enable our staff to gain line management experience and enhance the professional knowledge in our services from interactions and working with Social Work and Mental Health Nurse students and trainee counsellors

Hestia's Gender Pay Gap was 0.74% in 2020/21 reducing from 2.9% in 2019. In the coming 12 months we aspire to publishing our Ethnicity Pay Gap data also.

Our Trustees agree our Modern Slavery Statement each year and this is placed on our website.

Relationships with stakeholders

Service Users

Hestia aims to put service users at the heart of everything that we do – and the Hestia Approach, our in-house recovery model has co-production at its heart. We focus on building on service users' capacity through our Strengths and Aspirations review which is one of the main elements of every key working session.

Service users are encouraged to participate at all levels of the organisation, from leading and directing house meetings and contributing to service business plans, to joining the Better Lives Forum, Hestia's service user liaison group which undertakes service reviews, interviewing from staff and engaging with Senior Management and Trustees.

We survey our service users every year to better understand their view of the services we provide, and this is reported to Trustees along with annual actions plans to address areas of poor performance.

We are actively considering how we engage with those service who only access Hestia' service for a short time, including those who access our IDVA services and anyone who presents at our drop-in crisis centres.

Trustees' annual report (including the strategic report)

For the year ended 31 March 2022

Commissioners and Funders

As well as meeting with our commissioners and funders regularly via contract monitoring meetings, we seek to engage with this group on a less formal basis via monthly newsletters and invitation to events such as our “Art is Freedom” exhibition which showcases artworks created by survivors of Modern Slavery.

We offer commissioners and funders direct support to increase awareness of Domestic Abuse and Modern Slavery in the workplace, with access to some of the tools we have developed, including our Bright Sky and Respond to Abuse Apps and help with Modern Slavery Statements.

We encourage funders to visit projects and participate in events: in the year, funders have built play equipment in refuges, painted rooms, and planted gardens. This provides a direct opportunity for funders to meet service users first hand to and to see the real benefits of the contributions that they make.

Workforce

Hestia seeks to engage with our staff in a number of ways: we have a Hestia Intranet hub which acts as a single information and news hub for all staff to gain awareness of what is happening across Hestia. This is supported by a fortnightly Newsletter called Keep Connected.

Key messages and information are also cascaded through organisational reporting line.

We have launched an Employee Forum, Hestia Voice made up of 10 elected staff representatives covering the whole organisation. This forum provides for a two-way dialogue between senior management and staff where representatives key concerns and organisational challenges and information are tabled both all parties.

Hestia has also recently negotiated a recognition agreement with a trade union to further support intelligence gathering and staff engagement. Biannual employee engagement surveys and quarterly wellbeing and engagement questionnaires feed into our internal Quality Dashboard, the findings are shared with Trustees and staff groups for transparency and to encourage involvement.

Suppliers

Hestia aims to work positively with our suppliers and is committed to paying suppliers earlier than their payment terms. In the year to 31 March 2022, 90% of suppliers received payments early or on time.

As part of Hestia's Modern Slavery Statement, we aim to work with our major suppliers to support them develop their own Modern Slavery Statements and to understand the signs of modern slavery. Our aim is to develop a toolkit which we can make available to all suppliers to help them spot the risk of modern slavery in their own supply chains.

Energy and carbon reporting

As part of the obligations set out under the Energy and Carbon Report Regulations 2018, we are required to disclose the energy and carbon created as an organisation over the year to 31 March 2022.

Most of our usage comes from the accommodation units provided to our service users but also office accommodation used by staff.

In completing this analysis, we have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Energy Usage

	01 April 2021 – 31 March 2022	01 April 2020 – 31 March 2021
Energy consumption used to calculate emissions (kWh)	7,592,742	7,469,636
Scope 1 emissions in metric tonnes CO ₂ e Gas Emissions	1,137.85	1,119.96
Scope 2 emissions in metric tonnes CO ₂ e Purchased Electricity	270.57	343.28
Scope 2 emissions in metric tonnes CO ₂ e Business Travel	25.66	13.47
Total gross emissions in metric tonnes CO₂e	1,434.08	1,476.71
Intensity ratio Tonnes CO ₂ e per occupant ¹	2,266	2,666

Note 1: The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per occupant.

Measures taken to improve energy efficiency

Gas and Electricity meter reads are taken regularly every month and saved into a meter read website which reports accurate consumption for billing and budgeting purposes. This helps control energy use and ensures energy bills are accurate and excessive consumption can be immediately targeted for investigation. We also have AMR metering installed on a significant number of sites which helps to manage energy use.

Statement of responsibilities of the trustees

The trustees (who are also directors of Hestia Housing and Support for the purposes of company law) are responsible for preparing the Trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

In so far as the Trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2022 was 12 (2021: 11). The Trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report which includes the strategic report has been approved by the Trustees on 6th December and signed on their behalf by

Terrie Alafat
Chair – Board of Trustees

Independent auditor's report

To the members of

Hestia Housing and Support

Opinion

We have audited the financial statements of Hestia Housing and Support (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 Hestia Housing and Support'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' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The

Independent auditor's report

To the members of

Hestia Housing and Support

trustees are responsible for the other information contained within the annual 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' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report including the strategic report. We have nothing to report in respect of the following matters in relation to which 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 in the trustees' annual report, 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.

Independent auditor's report

To the members of

Hestia Housing and Support

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance and fundraising committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.

Independent auditor's report

To the members of

Hestia Housing and Support

- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Fleur Holden (Senior statutory auditor)

15 December 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL

Hestia Housing and Support

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2022

	Note	Unrestricted £'000	Restricted £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	2021 Total £'000
Income from:							
Donations and legacies	2	455	100	555	519	507	1,026
Charitable activities							
Provision of care and support	3	34,061	5,497	39,558	30,920	3,594	34,514
Operation of Approved Premises	3	2,046	–	2,046	1,696	–	1,696
Investments	4	178	–	178	207	–	207
Total income		36,740	5,597	42,337	33,342	4,101	37,443
Expenditure on:							
Raising funds	5	286	90	376	241	61	302
Charitable activities							
Provision of care and support	5	33,939	5,091	39,030	30,907	3,624	34,531
Operation of Approved Premises	5	2,021	–	2,021	1,691	–	1,691
Total expenditure		36,246	5,181	41,427	32,839	3,685	36,524
Net income before net gains / (losses) on investments		494	416	910	503	416	919
Net gains on investments		746	–	746	1,822	–	1,822
Net income before other recognised gains and losses		1,240	416	1,656	2,325	416	2,741
Actuarial gains / (losses) on defined benefit pension schemes		167	–	167	(425)	–	(425)
Net movement in funds		1,407	416	1,823	1,900	416	2,316
Reconciliation of funds:							
Total funds brought forward		12,680	2,418	15,098	10,780	2,002	12,782
Total funds carried forward		14,087	2,834	16,921	12,680	2,418	15,098

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18a to the financial statements.

Hestia Housing and Support

Balance sheet

Company no. 2020165

As at 31 March 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Fixed assets:					
Tangible assets	11		3,033		2,499
Investments	12		8,995		8,710
			<u>12,028</u>		<u>11,209</u>
Current assets:					
Debtors	13	6,561		5,519	
Short term deposits		931		342	
Cash at bank and in hand		3,569		3,302	
		<u>11,061</u>		<u>9,163</u>	
Liabilities:					
Creditors: amounts falling due within one year	14	(6,542)		(5,238)	
Net current assets			<u>4,519</u>		<u>3,925</u>
Total assets less current liabilities			<u>16,547</u>		<u>15,134</u>
Defined benefit pension scheme asset / (liability)	16		374		(36)
Total net assets			<u>16,921</u>		<u>15,098</u>
The funds of the charity:	18a				
Restricted income funds			2,834		2,418
Unrestricted income funds:					
Designated funds		1,427		1,489	
General funds		12,286		11,155	
Pension reserve		374		36	
		<u></u>	<u>14,087</u>	<u></u>	<u>12,680</u>
Total unrestricted funds			<u>14,087</u>		<u>12,680</u>
Total charity funds			<u>16,921</u>		<u>15,098</u>

Approved by the trustees on 6th December 2022 and signed on their behalf by

Terrie Alafat
Chair – Board of Trustees

Brendan Sarsfield
Board Member

Hestia Housing and Support

Statement of cash flows

For the year ended 31 March 2022

	2022 £'000	£'000	2021 £'000	£'000
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	1,656		2,741	
Depreciation charges	68		69	
(Gains) on investments	(746)		(1,821)	
FRS 102 Adjustment	(243)		(425)	
Dividends, interest and rent from investments	(178)		(207)	
(Increase)in debtors	(1,042)		(1,067)	
Increase/(decrease) in creditors	1,304		(123)	
Net cash provided by / (used in) operating activities		819		(833)
Cash flows from investing activities:				
Dividends, interest and rents from investments	178		207	
Purchase of fixed assets	(602)		(28)	
Proceeds from sale of investments	2,460		5,019	
Purchase of investments	(1,999)		(3,189)	
Net cash provided by investing activities		37		2,009
Change in cash and cash equivalents in the year		856		1,176
Cash and cash equivalents at the beginning of the year		3,644		2,468
Cash and cash equivalents at the end of the year		4,500		3,644
Analysis of cash and cash equivalents				
	At 1 April 2021 £'000	Cash flows £'000	Other non- cash changes £'000	At 31 March 2022 £'000
Short Term deposits	342	589	–	931
Cash at bank and in hand	3,302	267	–	3,569
Total cash and cash equivalents	3,644	856	–	4,500

1 Accounting policies

a) Statutory information

Hestia Housing and Support is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is Maya House, 134 – 138 Borough High Street, London SE1 1LB.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

Key judgements that the charity has made which have a significant effect on the accounts include the carrying value of fixed assets, the market valuation of investments, the recoverability of debtors and the pension scheme asset or liability.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Trustees agree a 5 year strategic plan and annual business plans with associated budgets. Reports consider the risk to contract and fundraising income based on contract end dates, likelihood of retention and growth based on historic performance.

Trustees also consider the impact on expenditure of reduction in income: the majority of contracts are linked to the provision of services which would require staff and other resources to be transferred to alternative providers leaving Hestia with limited residual liabilities.

Various scenarios are tested within budgets to look at the impact on free reserves and these are compared to minimum reserve requirements.

1 Accounting policies (continued)

e) Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' 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 measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

1 Accounting policies (continued)

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the costs of overall direction and administration of central support services (salary and overhead costs), are apportioned on the estimates of direct costs.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

• Freehold land	Not depreciated
• Freehold buildings – residential	50 years
• Freehold buildings – non residential	100 years
• Fixtures, Fittings and Equipment	4 years
• Computer Equipment	3 years

m) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1 Accounting policies (continued)

o) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash held on behalf of service users under appointeeship programmes at 31 March 2022 was £78k (at 31 March 2021: £64k)

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

r) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

u) Pensions

Hestia operates one group personal pension plan. Contributions are also made to pension schemes of certain employees in accordance with their rights under TUPE. Employer contributions are charged to the Statement of Financial Activities in the year to which the contributions relate.

Hestia also has two members of staff who are members of the NHS Pension Schemes. Although these are defined benefit schemes, they are accounted for as defined contribution schemes, as assets/liabilities for each employer in the schemes cannot be reliably identified.

Hestia also participated in one multi-employer defined benefit scheme with the Royal Borough of Kensington & Chelsea Pension Fund.

For this scheme, the operating costs of providing retirement benefits to participating employees are recognised in the accounting periods to which the benefits are earned. The related finance costs, expected return on assets and any other changes in fair value of the assets and liabilities, are recognised in the accounting period in which they arise. The operating costs, finance costs, expected return on assets and any other changes in fair value of assets and liabilities are recognised in the statement of financial activities.

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2022

2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	2021 Total £'000
Donations	159	100	259	327	507	834
Grants from Local Authorities	21	–	21	102	–	102
Legacies	275	–	275	–	–	–
Donated services	–	–	–	90	–	90
	455	100	555	519	507	1,026

3 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	2021 Total £'000
Income from support contracts	8,508	–	8,508	8,787	–	8,787
Income from other grants and fees	16,489	5,497	21,986	13,782	3,594	17,376
Residents fees and charges	9,064	–	9,064	8,351	–	8,351
Sub-total for provision of care and support	34,061	5,497	39,558	30,920	3,594	34,514
Approved Premises Grants	2,045	–	2,045	1,694	–	1,694
Residents charges	1	–	1	2	–	2
Sub-total for operation of Approved Premises	2,046	–	2,046	1,696	–	1,696
Total income from charitable activities	36,107	5,497	41,604	32,616	3,594	36,210

4 Income from investments

	2022 Total £'000	2021 Total £'000
Interest Receivable	–	2
Dividends from equity shares	178	205
	178	207

All income from investments is unrestricted.

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2022

5a Analysis of expenditure (current year)

	Charitable activities						
	Raising funds £'000	Provision of Care and Support £'000	Operation of Approved Premises £'000	Governance costs £'000	Support costs £'000	2022 Total £'000	2021 Total £'000
Staff costs (Note 7)	280	17,447	1,021	84	2,652	21,484	20,025
Agency Staff Costs	–	2,641	124	1	100	2,866	2,994
Investment managers' fees	52	–	–	–	–	52	51
Premises Running Costs	–	5,703	446	–	–	6,149	4,944
Project administration costs	–	2,793	51	–	–	2,844	1,626
Service users costs / welfare	–	4,694	81	–	–	4,775	3,293
Office running costs	44	–	–	33	3,081	3,158	3,316
Audit Fees	–	–	–	29	–	29	36
Legal and professional fees	–	2	–	7	61	70	239
Trustee Expenses	–	–	–	–	–	–	–
	376	33,280	1,723	154	5,894	41,427	36,524
Support costs	–	5,604	290	–	(5,894)	–	–
Governance costs	–	146	8	(154)	–	–	–
Total expenditure 2022	376	39,030	2,021	–	–	41,427	
Total expenditure 2021	302	34,531	1,691	–	–		36,524

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2022

5b Analysis of expenditure (prior year)

	Charitable activities					2021 Total £'000
	Raising funds £'000	Provision of Care and Support £'000	Operation of Approved Premises £'000	Governance costs £'000	Support costs £'000	
Staff costs (Note 7)	251	16,520	932	87	2,235	20,025
Agency staff	–	2,994	–	–	–	2,994
Investment managers' fees	51	–	–	–	–	51
Premises Running Costs	–	4,375	569	–	–	4,944
Project Adminsitration Costs	–	1,600	26	–	–	1,626
Residents Expenditure	–	3,280	13	–	–	3,293
Office running costs	–	–	–	–	3,316	3,316
Audit Fees	–	–	–	36	–	36
Legal and Professional Fees	–	–	–	15	224	239
	302	28,769	1,540	138	5,775	36,524
Support costs	–	5,632	143	–	(5,775)	–
Governance costs	–	130	8	(138)	–	–
Total expenditure 2021	302	34,531	1,691	–	–	36,524

6 Net income for the year

This is stated after charging :

	2022 £'000	2021 £'000
Depreciation	68	69
Operating lease rentals payable:		
Property	937	627
Other	214	147
Auditor's remuneration (excluding VAT):		
Audit	29	24
Over accrual in prior year	(5)	-
	21,484	20,025

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £'000	2021 £'000
Salaries and wages	19,085	17,952
Redundancy and termination costs	62	159
Social security costs	1,855	1,621
Employer's contribution to defined contribution pension schemes	708	610
Operating (income)/costs of defined benefit pension schemes (note 16)	(226)	(317)
	21,484	20,025

The redundancy and termination costs were settled and paid at the balance sheet date.

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2022 No.	2021 No.
£60,000 – £69,999	4	1
£70,000 – £79,999	3	4
£80,000 – £89,999	1	1
£90,000 – £99,999	-	-
£100,000 – £109,999	-	1
£110,000 – £119,999	1	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £624,020 (2021: £649,691).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £153 (2021: £Nil) incurred by 1 (2021: 0) members relating to attendance at meetings of the trustees.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 734 (2021: 680).

9 Related party transactions

There are no related party transactions to disclose for this financial year (2021: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

	Freehold property £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost				
At the start of the year	2,988	249	47	3,284
Additions in year	582	19	1	602
Disposals in year	–	–	(32)	(32)
At the end of the year	3,570	268	16	3,854
Depreciation				
At the start of the year	526	215	44	785
Charge for the year	43	23	2	68
Eliminated on disposal	–	–	(32)	(32)
At the end of the year	569	238	14	821
Net book value				
At the end of the year	3,001	30	2	3,033
At the start of the year	2,462	34	3	2,499

Land with a value of £1,785,000 (2020: £1,494,000) is included within freehold property and not depreciated.

Ealing, Hammersmith and Hounslow Health Authority has a charge over the freehold property at Lynton Terrace which would require the property to be transferred back to the authority if it were to cease to provide qualifying services.

Hestia is also the registered owner of the freehold property in Streatham. Full funding was received from the Home Office for the purchase of this property and the Charity has entered an undertaking to pass the proceeds of any sale on this property to the Home Office.

The properties in Battersea, Hounslow, Wandsworth Kent and Bromley are owned outright by the Charity and are not subject to any charges.

All of the above assets are used for charitable purposes.

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2022

12 Listed investments

	2022 £'000	2021 £'000
Fair value at the start of the year	8,710	8,718
Additions at cost	1,999	3,189
Disposal proceeds	(2,460)	(5,019)
Net gain on change in fair value	746	1,822
	<u>8,995</u>	<u>8,710</u>

Investments comprise:

	2022 £'000	2021 £'000
UK Common investment funds	1,985	1,838
Shares listed on the London Stock Exchange	7,010	6,872
	<u>8,995</u>	<u>8,710</u>

13 Debtors

	2022 £'000	2021 £'000
Trade debtors	738	135
Other debtors	629	804
Prepayments	345	335
Accrued income	4,849	4,245
	<u>6,561</u>	<u>5,519</u>

14 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	1,482	1,227
Taxation and social security	511	483
Other creditors	130	299
Accruals	1,822	1,900
Deferred income (note 15)	2,597	1,329
	<u>6,542</u>	<u>5,238</u>

15 Deferred income

Deferred income comprises grants for services received in advance

	2022 £'000	2021 £'000
Balance at the beginning of the year	1,329	992
Amount released to income in the year	(1,329)	(992)
Amount deferred in the year	2,597	1,329
	<u>2,597</u>	<u>1,329</u>

16 Pension schemes

During the year, Hestia operated both defined contribution and a defined benefit pension schemes which required additional contributions to be made separately to administered funds for the benefit of the employees. Contributions payable by Hestia in respect of the defined contribution schemes totalled £709,255 for the year (2021: £666,955), including those contributed to the NHS Pension Schemes.

Final Salary Pension Scheme

During the year Hestia was an admitted body of one defined benefit pension scheme with the Royal Borough of Kensington and Chelsea Pension Fund (RBKCPF).

The RBKCPF is a multi-employer scheme administered by the Royal Borough of Kensington and Chelsea under the regulations governing the Local Government Pension Scheme (LGPS) a defined benefit scheme.

The RBKCPF defined benefit scheme has been reported under Section 28 of FRS102 'Employee Benefits'. The figures included in the financial statements in respect of this scheme are based on an actuarial valuation carried out on 31 March 2022.

The employer's B260, relating to current employees, to the RBKCPF by the Charity for the year ended 31 March 2022 was fixed at 21.1% of pensionable pay up to 31 March 2023.

The financial assumptions used by the actuary to calculate the scheme liabilities under FRS102 for the RBKCPF were as follows:

Assumptions	31 March 2022	31 March 2021
Inflation Rate (CPI)	3.15%	2.85%
Rate of increase in salaries	4.15%	3.85%
Rate of increase in pensions in payment	3.15%	2.85%
Discount rate	2.75%	2.00%
The Fair Value of the Assets of the Scheme and the Expected Return were:		
	31 March 2022	31 March 2021
	£'000	£'000
Equities	1,574	1,400
Property	124	90
Cash (including cash plus funds)	373	264
Total market value of assets	2,071	1,754
Present Value of Scheme Liabilities	(1,697)	(1,790)
Net pension asset / (liability)	374	(36)
Analysis of the amount charged to the Statement of Financial Activities:		
	2022	2021
	£'000	£'000
Current service costs	37	28
Net interest on defined liability	1	-
Administration expenses	-	1
	38	29

16 Pension schemes (continued)

	31 March	31 March			
	2022	2021			
	£'000	£'000			
Movement in defined benefit obligation in the year					
Opening defined benefit obligation	1,790	1,305			
Current service cost	37	28			
Interest cost	36	31			
Changes in finance assumptions	(173)	450			
Changes in demographic assumptions	4	(14)			
Experience gain / (loss) on defined benefit obligations	2	(11)			
Estimated benefits paid net of transfers in	(4)	(4)			
Contributions by scheme participants and other employers	5	5			
Closing defined benefit obligation	1,697	1,790			
	31 March	31 March			
	2022	2021			
	£'000	£'000			
Movement in fair value of fund assets in the year					
Opening fair value of fund assets	1,754	1,331			
Interest on assets	35	31			
Return on assets less interest	264	376			
Administration expenses	-	(1)			
Contributions by employers including unfunded	17	16			
Contributions by scheme participants and other employers	5	5			
Benefits paid	(4)	(4)			
Closing fair value of fund assets	2,071	1,754			
The employee numbers in the Scheme at 31 March were;	2022	2021			
Active employees	5	5			
Deferred pensioners	7	7			
Pensioners	1	1			
	2022	2021			
	£'000	£'000			
Actuarial return less expected return on fund assets	-	-			
Contributions from scheme participants	5	5			
Expected employer's contribution for the year ended 31 March	16	21			
	2022	2021	2020	2,019	2,018
History of experience gains and losses	£'000	£'000	£'000	£'000	£'000
Defined benefit obligations	(1,697)	(1,790)	(1,331)	(1,536)	(1,436)
Scheme assets	2,071	1,754	1,331	1,339	1,178
Surplus / (Deficit)	374	(36)	-	(197)	(258)

NHS Pension Schemes

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

16 Pension schemes (continued)

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at <https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports>.

17a Analysis of net assets between funds (current year)

	General unrestricted £'000	Designated £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	1,895	–	1,138	3,033
Investments	8,995	–	–	8,995
Net current assets	1,396	1,427	1,696	4,519
Defined benefit pension asset	374	–	–	374
Net assets at 31 March 2022	12,660	1,427	2,834	16,921

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2022

17b Analysis of net assets between funds (prior year)

	General unrestricted £'000	Designated £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	1,345	–	1,154	2,499
Investments	8,710	–	–	8,710
Net current assets	1,192	1,469	1,264	3,925
Defined benefit pension liabilities	(36)	–	–	(36)
Net assets at 31 March 2021	11,211	1,469	2,418	15,098

18a Movements in funds (current year)

	At 1 April 2021 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2022 £'000
Restricted funds:					
<u>Capital</u>					
Property expenditure:					
Purchase of Lynton Terrace	385	–	(5)	–	380
Purchase of Leigham Court Road	230	–	(3)	–	227
Improvements to:					
Leigham Court Road	317	–	(4)	–	313
Cologne Road	12	–	–	–	12
DOH – property purchase grant	210	–	(4)	–	206
<u>Revenue</u>					
Donations	276	100	(52)	–	324
Outreach services	154	298	(265)	–	187
Children & family services	220	333	(298)	–	255
Women without recourse fund	20	–	(20)	–	–
Community Engagement	227	2,979	(2,686)	–	520
Digital Transformation	139	49	(131)	–	57
Domestic Abuse Prevention	129	489	(330)	–	288
The Phoenix Project	43	107	(99)	–	51
Sport England	39	14	(53)	–	–
People's Postcode Lottery	–	328	(321)	–	7
Starting Well Grant	–	280	(273)	–	7
Vodafone – Bright Sky development	17	–	(17)	–	–
Infection Control Funds	–	620	(620)	–	–
Total restricted funds	2,418	5,597	(5,181)	–	2,834
Unrestricted funds:					
Designated funds:					
Development, maintenance and refurbishment of existing projects	530	67	(46)	–	551
Infrastructure and new project developments	959	2	(85)	–	876
Total designated funds	1,489	69	(131)	–	1,427
General funds	11,155	37,417	(36,341)	55	12,286
Total unrestricted funds	12,644	37,486	(36,472)	55	13,713
Pension reserve	36	167	226	(55)	374
Total funds	15,098	43,250	(41,427)	–	16,921

Hestia Housing and Support

Notes to the financial statements

For the year ended 31 March 2022

18b Movements in funds (prior year)

	At 1 April 2020 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2021 £'000
Restricted funds:					
<u>Capital</u>					
Property expenditure:					
Purchase of Lynton Terrace	390	–	(5)	–	385
Purchase of Leigham Court Road	233	–	(3)	–	230
Improvements to:					
Leigham Court Road	321	–	(4)	–	317
Cologne Road	12	–	–	–	12
DOH – property purchase grant	214	–	(4)	–	210
<u>Revenue</u>					
Donations	157	507	(388)	–	276
Home Office – Refurbishment Grants	44	–	(44)	–	–
Other Home Office/ MOJ Grants	2	–	(2)	–	–
Outreach services	131	265	(242)	–	154
Children & family services	147	220	(147)	–	220
Women without recourse fund	20	–	–	–	20
Community Engagement	–	1,513	(1,286)	–	227
Digital Transformation	72	163	(96)	–	139
Domestic Abuse Prevention	63	250	(229)	–	84
Everyones' Business	1	638	(594)	–	45
The Phoenix Project	33	65	(55)	–	43
Sport England	33	160	(154)	–	39
Hestia Counselling Service	33	–	(33)	–	–
Vodafone – Bright Sky development	96	–	(79)	–	17
Infection Control Funds	–	319	(319)	–	–
Total restricted funds	2,002	4,100	(3,684)	–	2,418
Unrestricted funds:					
Designated funds:					
Development, maintenance and refurbishment of existing projects	510	67	(47)	–	530
Infrastructure and new project developments	959	–	–	–	959
Total designated funds	1,469	67	(47)	–	1,489
General funds	9,311	35,037	(33,193)	–	11,155
Total unrestricted funds	10,780	35,104	(33,240)	–	12,644
Pension reserve	–	36	–	–	36
Total funds	12,782	39,240	(36,924)	–	15,098

18 Movements in funds (continued)

Purposes of restricted funds

Restricted property funds comprise funding received for the purchase and improvement of the properties stated. The properties at Lynton Terrace, Hestia Streatham and Chatsworth Crescent are recorded in fixed assets. Depreciation of these properties and other specified property costs are charged against these funds.

Home Office refurbishment grants represented grants made by the Home Office to fund refurbishment of Hestia's Approved Premises which were spent in 2021 refurbishing the Hestia Streatham premises.

Other Home Office/ Ministry of Justice grants comprised various sundry grants for drugs testing, security training and scheme development / relocation across Hestia's Approved Premises. All funds were utilised in 2021.

The Home Office funds (£50.5k) the Provision of ask for ANI codeword scheme rollout with stakeholders, specifically pharmacies.

The Home Office has provided a grant (£80k) for the national prevention and awareness raising campaign around domestic violence, to continue speaking to victims via the UK Says No More campaigning and maintenance of Bright Sky, support for employers and respond to abuse advice line

Outreach funding comprises various restricted grants to fund the provision of outreach services in Hestia's women's services in Ealing, Slough and Harrow and Thames Valley and performance related awards in the Kingston Integrated Mental Health Service.

Children & family funds support children in Hestia's Domestic Abuse refuges, funded by a combination of Supporting People grants, other external grants and charitable donations.

The Women Without Recourse fund was set up in 2008 to support women in Hestia's Domestic Abuse Refuges until such time as they become eligible for UK benefits. The fund has been largely supported by the Henry Smith Charity.

Community Engagement funds are provided by various health trusts across London and the South East to provide accommodation and out of hours crisis services for individuals experiencing mental health trauma – the provision is made as a complement and alternative to acute hospital services.

Digital transformation funds include grants from the Fidelity Trust to support the development of the InForm Client Management System focussing on increased direct access by service users as well as funds from the National Lottery and Barclays Bank plc to support staff and service user digital and training initiatives.

Domestic Abuse prevention funds support a range of Hestia programmes – UKSNM, Everyone's Business, Safe Spaces and Ask For ANI aimed at providing information and guidance as well as practical support to victims of domestic abuse, funded by grants from the Home Office, the Julia and Hans Rausing Trust as well as contract income from purchasers of our Everyone's Business IDVA services.

The Phoenix Project provides in reach support to survivors of Modern Slavery after they have received their positive CG decision – funding has been made available from the David and Ruth Lewis Foundation and the Rayne Foundation.

The Sport England Initiative was funded by the Department of Culture, Media and Sport aimed at encouraging children in our refuges to participate in sport: the programme was extended up until 30th September 2022 when it closed.

The People's Postcode Lottery project is funded by a grant from the Postcode Innovation Trust brings together partners across England, Wales and Scotland to scale up a new model of support for victims of domestic abuse created through Hestia's Safe Spaces initiative and so provide additional community-based support for victims.

18 Movements in funds (continued)

Purposes of restricted funds (continued)

Starting Well Grant is part of the VCSE (Voluntary, Community & Social Enterprise) Health and Wellbeing Fund with the theme of Starting Well. The aim is improving health outcomes for children from preconception to two and a half years old. Hestia work in partnership with the Happy Baby Community's community-based model of perinatal support to highly disadvantaged pregnant women who have suffered multiple traumas.

The Vodafone Bright Sky fund was a donation from Vodafone to support the ongoing development of the Bright Sky app available to people experiencing domestic abuse – the balance of the donation was utilised in the year to upgrade the app including multi language options.

Infection controls funds were provided by commissioning partners to reduce the risk of COVID infection across Hestia's services including staffing support, workforce retention, provision of PPE, additional cleaning and testing. All funds were utilised in the year.

Purposes of designated funds

The designated fund for the development, maintenance and refurbishment of existing projects includes:

- Cyclical maintenance – funds required for regular maintenance and decoration of buildings for which responsibility is not assumed by the owning landlord.
- Sinking funds – funds required for long-term major repairs of buildings including the potential for costs associated with decant of residents during any refurbishment works for which responsibility is not assumed by the owning landlord. The organisation has prepared five yearly maintenance plans for all owned properties and the funds set aside are compared to these estimated commitments.
- Furniture fund – funds for replacement of furniture on a three-year cycle which cannot be funded from the annual revenue budget.

The funds for infrastructure and new project development have been designated in relation to planned strategic developments which assist the organisation to respond to the external operating environment. These include:

- Funding to meet the costs of organisational development, including bidding for new/ replacement contracts, merger activities and requirements necessary to adapt internal frameworks to meet external requirements. Current approved projects include: The Hestia Approach (three years); the Fundraising Strategy (five years); and the Digital Strategy (two years).
- Project Assistance Funds to support upfront running costs of developed projects which cannot be funded from the annual revenue budget. These are reviewed on an annual basis linked to strategic plans.

19 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property		Equipment	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Less than one year	1,030	558	120	124
One to five years	926	129	259	365
	1,956	687	379	489

20 Capital commitments

At 31 March 2022, the charity had capital commitments of £143,000 outstanding (31 March 2021: £Nil).

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

Accounts

HESTIA HOUSING AND SUPPORT

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

Company Number: 02020165

Charity Number: 294555

Consolidated financial statements for the year ended 31 March 2021

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Reference and administrative details

Trustees	Committee Membership			
	Governance and Remuneration	Finance and Fundraising	Performance Review (Incorporating Approved Premises)	Digital and I.T.
Terrie Alafat – Chair	X			
Malcolm Jenkin – Vice Chair (retired 1 st December 2020)	X		Chair of Approved Premises	
Anil Shenoy - Treasurer	X	Chair		
Elizabeth Zacharias	X		Chair	
Vic Rayner				
Alex Hyde-Smith (resigned 7 th September 2020)		X		
Michael Trup		X		Chair
Helen Christina Marriott			X	
Aisling Thompson (appointed 3 rd December 2020)			X	
Rebecca Pritchard			X	
Lauren Bowes (appointed 24 th March 2020)			X	X
Liz Meek (appointed 6 th October 2020)		X		
Brendan Sarsfield (co-opted 23 rd March 2021)				

The Governance Committee is chaired by Joanna Mark-Richards, a non-Trustee member. Other non-Trustee members during the year were Narvind Johal who sat on the Finance and Fundraising Sub Committee until his resignation on 17th May 2021, and Greg Solomon, Catalina Cernica and Tori Ellaway who sit on the Digital & IT Sub Committee).

Key management personnel

Secretary and Chief Executive

Patrick Ryan

Director of Finance

Christopher Clarke

Human Resources Director

Melanie Cox

Regional Director of Operations

Gayle Lowery-Jones

Regional Director of Operations

Abigail Ampofo

Regional Director of Operations

Nahar Choudhury

Director of Performance and Development

Paula Murphy

Director of Fundraising and Communications

Jo Tilley-Riley

Reference and administrative details (continued)

Auditor

BDO LLP
Chartered Accountants
55 Baker Street
London
W1U 7EU

Registered office

Maya House
134-138 Borough High Street
London
SE1 1LB

Company number: 02020165

Charity number: 294555

Principal Bankers

Barclays Bank plc
74 Shepherds Bush Green
London
W12 8QB

Solicitors

Russell-Cooke
2 Putney Hill
London
SW15 6AB

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2021

The Trustees, being the Directors of the charitable company, present their report and the audited consolidated financial statements for the year ended 31 March 2021 of Hestia Housing and Support (Hestia).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

Hestia is a registered charity and is incorporated as a company limited by guarantee and its governing document is its Memorandum and Articles of Association. Every member of the company undertakes to contribute to its assets in the event of winding up such amount, as may be required, not exceeding one pound. Hestia has been appointed as Corporate Trustee for the Corporate Alliance Against Domestic Violence (CAADV). CAADV operates via its own Board of Trustees which include Patrick Ryan (CEO – Hestia) and Jo Tilly-Riley (Director of Fundraising and Communications – Hestia). During the year proceedings commenced to wind up CAADV and this is due to be completed by 31 December 2021.

Governance and Management

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

Terrie Alafat has been Chair of the Charity since December 2018. Terrie was Chief Executive of the Chartered Institute of Housing until 2019 and has had a long career in housing policy and research at both local and national government levels.

Malcolm Jenkin, Hestia's Vice Chair, retired from the Board in December having reached the end of his term of appointment and Alex Hyde-Smith resigned mid year. We are extremely grateful to both Malcolm and Alex for the contributions they made to the Charity over their years on the Board.

In December 2020, Aisling Thompson and Lauren Bowen who had been previously co-opted were formally appointed to the Board.

Liz Meek was appointed as a Trustee in December 2020: Liz had previously worked in the Civil Service and was Head of the Government Office for London and then the North West, delivering policies and programmes tackling poverty and disadvantage. Since leaving the Civil Service, Liz has been involved across a range of initiatives aimed at addressing mental health issues and chairs Twining Enterprise, a charity aimed at helping people with mental health problems into work.

Brendan Sarsfield was co-opted to the Board in March 2021: Brendan recently retired from his post as Chief Executive of Peabody, an RSL which owns and manages 68,000 homes across London and the South East. Brendan chairs the Sustainable Housing Standards Board which focusses on the relationship between housing and the finance sector on ESG issues.

Committee membership also includes members of Hestia who are not Trustees and the following have kindly agreed to contribute in the following roles:

- Joanna Mark-Richards, a former Trustee of Hestia, who chairs the Governance and Remuneration Committee;
- Narvind Johal, who sat on the Finance and Fundraising Sub Committee until his resignation on 17th May 2021; and
- Greg Solomon, Catalina Cernica and Tori Ellaway who sit on the Digital and I.T. Sub Committee.

New Trustees are recruited based on an evaluation of the balance of diverse skills and experience needed to govern Hestia. They receive an induction pack which contains information about Hestia, its structure and operations, the Board and sub-committee structures, Trustee duties and responsibilities and the organisation's key policies. Regular scheme visits are arranged to enable Trustees to obtain a better understanding of Hestia's services and operating environment.

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2021 (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance and Management (continued)

Trustees can take part in scheme inspections. Regular contact with Hestia's service users usually takes place via social events, recruitment, scheme inspections and visits and other operational activities. However, given the limited opportunities under COVID 19 and the resulting lockdowns for Trustees to visit services and have direct contact with service users, a number of service users and volunteers attended Board meetings to update on their experience and report back on relevant organisational surveys so that Trustees could hear directly from them in the absence of opportunities to meet in person.

Training is provided to the Board in line with identified needs. All Trustees undertake safeguarding training as this is a core responsibility of the Board. Trustees schedule away days to consider the operating environment and plan strategic direction.

The full Board of Trustees meets six times a year to discuss strategy, to formulate policy and to oversee operational matters. The Board is supported by three standing committees covering Governance; Finance and Fundraising, and Performance Review (which now oversees the work previously undertaken by the Approved Premises Committee). In addition, the Digital and I.T. Sub Committee is a time limited Sub Committee to oversee the development and implementation of Digital and I.T. Strategies. Sub Committees consider specific areas of activity in detail on behalf of the Trustees and to report to Trustees on key issues.

The Board have agreed that service transformation and service quality is a key strand in our strategic plans and in 2020 a new quality strategy was developed which will enable Trustees to have improved oversight on the quality of service delivery across Hestia. As well as an annual report to Trustees on quality, the Performance Review Committee will review performance against the quality strategy on a quarterly basis. Strategy outcome measures focus on service user outcomes, service user experience and staff experience as the key indicators of quality service delivery.

All Trustees receive an annual Governance update from the charity's Solicitors. During 2020 Trustees received legal advice with recommendations to adopt the Charity Governance Code and to review Hestia's practices against the seven key areas which make up the code. Trustees agreed to review the "Diversity" element of the code and, during the year, external consultants were appointed to undertake a review to examine organisational practices and challenge unconscious and institutional bias in response to the Black Lives Matter movement. The Board appointed a Steering Group to overview this work chaired by Joanna Mark Richard (Chair of Governance) supported by Christina Marriott who has a strong background in equality and diversity audits and reviews. Initial findings have been presented to Trustees in August 2021 with priorities for action to be reviewed in October 2021.

Day to day management of the organisation is delegated to the Chief Executive and senior management team. The Chief Executive is not a member of the company and has no legal status as Director although he acts as executive within the authority delegated by the Trustees.

The Corporate Alliance Against Domestic Violence operated through its own articles of association and Board of Trustees. Trustees were selected based on the range of skills required.

Pay Policy for Senior Staff

The pay of senior staff is reviewed by the Governance and Remuneration Sub Committee considering market conditions and pay rates in comparable organisations. A detailed market comparison is sought at the time any senior recruitment takes place.

Public Benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2021 (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Energy and Carbon Reporting

As part of the obligations set out under the Energy and Carbon Report Regulations 2018, we are required to disclose the energy and carbon created as an organisation over the year to 31 March 2021.

The majority of our usage comes from the accommodation units provided to our service users but also office accommodation used by staff.

In completing this analysis, we have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Usage: 2019-2020 and 2020-2021:

	01 April 2020 – 31 March 2021	01 April 2019 – 31 March 2020
Energy consumption used to calculate emissions (kWh)	7,469,636	7,185,005
Scope 1 emissions in metric tonnes CO ₂ e Gas Emissions	1119.96	1091.01
Scope 2 emissions in metric tonnes CO ₂ e Purchased Electricity	343.28	291.75
Scope 2 emissions in metric tonnes CO ₂ e Business Travel	13.47	-
Total gross emissions in metric tonnes CO₂e	1,476.71	1,382.76
Intensity ratio Tonnes CO ₂ e per occupant ¹	2,666	2,252

Note 1: The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per occupant.

Measures taken to improve energy efficiency

Gas and Electricity meter reads are taken regularly every month and saved into a meter read website which reports accurate consumption for billing and budgeting purposes. This helps control energy use and ensures energy bills are accurate and excessive consumption can be immediately targeted for investigation. We also have AMR metering installed on a significant number of sites which helps to manage energy use.

Strategic Review

The Trustees Report also incorporates the Strategic review with specific consideration of i) Review of Business on pages 9 to 16 ii) Key Performance Indicators on pages 11 to 12 and iii) and risks and uncertainties on pages 25 to 26.

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2021 (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Statement of Trustees' Responsibilities

The Trustees (who are also directors for the purposes of company law) are responsible for preparing the Report of the Board of Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the Trustees are aware:

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

The Trustees are responsible for the maintenance and integrity of 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.

HESTIA HOUSING AND SUPPORT

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2021 (continued)

OBJECTIVES

Hestia's objects as outlined in the Memorandum and Articles of Association are for the public benefit:

- To relieve hardship and distress by providing support and care for individuals who suffer mental or physical infirmity, are affected by domestic violence, are offenders or at risk of offending, are in need due to age or youth, are homeless, suffer substance abuse or are otherwise in need of assistance;
- To provide housing, housing related support or care for the Beneficiaries so that they can live more independent lives and fulfil their potential in the community; and
- To further such other exclusively charitable purposes according to the law of England and Wales as the Trustees in their absolute discretion from time to time determine.

Hestia's mission is 'Together we will deliver high quality and empowering services through our core values'. Our core values are: Respectful, Collaborative, Genuine, Dedicated and Courageous. Our aim is to support vulnerable adults and children in crisis to realise their aspirations and fulfil their potential and to have a life beyond crisis.

The support we offer varies depending on the needs and aspirations of the individuals. In the year to 31st March 2021, Hestia supported 14,007 individuals who accessed our services during the year, across a range of client groups broken down as follows:

Client Group	At 31 March 2021	At 31 March 2020
Domestic Abuse (including children)	3,877	2,830
Mental Health	4,078	3,720
Modern Slavery	2,599	3,308
Offenders, Ex-offenders and Mentally Disordered Offenders	111	388
Young People at Risk	62	72
Older People	490	713
Generic	2,764	3,450
Personal Budget Holders	-	803
Substance Misuse	26	24

Partnership Working

To meet the increasing and varied needs of vulnerable adults and children in crisis we work in partnership with a range of national and local government agencies, including 22 local authorities across London and the South East, Health Boards, Her Majesty's Prison and Probation Service, the Mayor's Office for Policing and Crime, the Department of Health, the Ministry of Justice, the Home Office and the Department of Culture, Media and Sport.

We work closely with a number of Registered Provider partners who provide most of the property which accommodates our service users.

We also work with a range of third sector partners on project-based work, including the Salvation Army, the Rayne Foundation, Pilgrim Trust and Great Portland Estates to work with people who have experienced Modern Slavery and the Employers Initiative on Domestic Abuse to provide guidance to a wide range of employers to support their employees identified as being at risk of domestic abuse.

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2021 (continued)

ACHIEVEMENTS AND PERFORMANCE

Our 5-year organisational strategy 2019 - 2024 focussed on:

- Service quality;
- Expanding our service offer; and
- Strengthening our advocacy for our service users.

These overarching themes continued to drive activities across the organisation in 2020-21 and framed our response to the COVID 19 Pandemic.

Hestia's COVID 19 Response

From March 2020, we moved quickly to address the challenges brought about the pandemic and sought to ensure service users and staff were supported, quality services were maintained, and risks minimised.

We established a crisis task force of senior staff which met weekly to review developments as they were happening and to formulate real time responses which we linked to regularly updated policies and procedures. The task force was supported by additional resources appointed to manage data analysis and oversee external intelligence. Specifically, we:

- Moved all non-accommodation based staff to home working with immediate effect, supporting staff to continue to work through the provision of suitable I.T. equipment and digital interfaces.
- Introduced measures to support accommodation-based services by reviewing rotas, sourced additional bank and agency workers to ensure that these services remained open with appropriate staffing levels.
- Undertook a risk assessment of all service users identifying appropriate levels and methods of support according to vulnerability.
- Implemented blended models of care across our floating support and outreach services, day centres and crisis centres using existing digital and I.T. facilities based on service user led requirements.
- Accessed and provided suitable Personal and Protective Equipment for all staff and implemented Infection Control measures across all our accommodation services using funds generously provided by our local authority partners.
- Recruited 170 volunteers to support vulnerable service users and those self isolating with grocery shopping / medication collection and other social interaction.
- Achieved increases in fundraising income to support service users, including I.T. equipment to support children in services maintain their education and food vouchers for vulnerable service users.
- Opened (in six weeks) 2 houses with 24 beds to support women escaping Domestic Abuse, supported by funding from MOPAC and MHCLG.
- Developed our Safe Spaces campaign in conjunction with The Royal Pharmaceutical Society to provide victims of Domestic Abuse with the opportunity to obtain information in private and to access relevant helplines using phones provided for that purpose. These services were available in pharmacies across the UK including Boots, Superdrug and Morrisons Supermarkets.
- Launched the Respond to Abuse advice line for employers concerned about staff who might be enduring domestic abuse.
- In addition to providing staff with equipment to enable them to work from home, we introduced a range of wellbeing initiatives aimed at supporting staff adapt to the changing work environments and those who became ill as a result of COVID. From a staff team of 650 we furloughed 6 staff who could not be redeployed into other services.

We maintained liaison with all of our Commissioner to agree appropriate changes to service delivery models all Hestia remained opened during the year. Only one service – the Lewisham Older People's Day Service – was closed by Commissioners in the year.

We managed service user exposure and experienced no major outbreaks in any of our services.

We continued to open services with six new services starting in the year, in addition to the emergency Domestic Abuse services noted above.

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2021 (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

During the year, we surveyed our service users to understand their experience of our response and see that else we could do. Over 3,200 service users were surveyed and 93% of respondents confirmed that they were happy with the support they received from us during the pandemic.

In terms of "business as usual" and linked to our strategic objectives in the year we achieved the following:

Objective 1: Service Quality

- New KPI measures were developed and we started to collect service user experience and outcomes and staff experience to support the quality strategy. These will be reported annually to Trustees and quarterly to the Performance and Review Committee.
- The transfer of all services across to InForm, our Client Management System was completed. This provides real time information on service user journeys linked to the Hestia Approach, our recovery focussed approach to working with service users. During the year, and working with service users, we have been developing a number of self service tools within InForm to increase and enhance direct service user involvement in their support journeys.
- Using funds provided by Barclays Bank plc, we worked with staff to develop approaches and skills in providing support remotely using a range of digital tools and we will use the knowledge gained from this to influence our Digital and I.T. Strategy.
- Senior specialist roles have been appointed to lead innovation and service quality across our mental health, criminal justice, digital, domestic abuse and modern slavery services. We have developed strategies for our offender and mental health services and have commenced a review of our Digital and I.T. strategies.
- We developed a property strategy with the support of external experts so that we can support increased numbers of service users in more appropriate environments.

The majority of Hestia's services are commissioned to achieve positive outcomes against the five domains from the Communities and Local Government outcomes framework.

As part of our annual service user satisfaction survey, we can report on the Adult Social Care Outcomes Framework (ASCOF) which measure how well care and support services achieve the outcomes that matter most to people. The ASCOF is used both locally and nationally to set priorities for care and support, measure progress and strengthen transparency and accountability. We are pleased to see positively how service users rate their experience at Hestia against comparative London wide measures:

Question	Overall Positive Response rate 2020	Overall Positive Response rate 2019	ASCOF Positive response rate London 2019-20
I am satisfied with my service / client satisfaction with care and support	95%	96%	58.6%
I know how the service works and what I am entitled to / I find it easy to get information	89%	89%	65.9%
I can control the kind of support I receive / Proportion of people who feel they have control over their daily life.	93%	93%	71.9%
I feel safe and secure in the service. / Proportion of people whose service help them to feel safe	95%	96%	83.1%
I am able to have as much social contact as I want with people I like. / Proportion of people who have as much social contact as they would like.	84%	88%	42.9%

HESTIA HOUSING AND SUPPORT

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2021 (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

Each year we conduct an annual service user survey to assess service user experience and the survey. The percentage of people requiring support in a given area who achieved an outcome was:

Domain	Indicator	% achieved	% achieved and partly achieved
Maximise economic well being	Achieve positive outcomes for those needing support to maximise their income by applying for the correct benefits	79%	94%
Enjoy and achieve	Service users seeking to improve the quality of life for children	89%	100%
	Service users requiring support to participate in activities	71%	83%
	Reported in our annual satisfaction survey, service users agreeing the service enabled them to develop independence and linked them into other services	96%	
	Reported in our annual satisfaction survey, service users confirming they have as much social contact as they would like	84%	
Being Healthy	Received support to better manage physical health	74%	95%
	Received support to better manage mental health	71%	93%
Staying Safe	Reduce the risk of harm from others	90%	94%
	Received support to maintain accommodation	89%	91%
	Reported in our annual satisfaction survey, service users confirming they felt safe and secure in the service	95%	
Making a positive contribution	Received support to be more confident in accessing services	90%	93%
	Reported in our annual satisfaction survey, service users confirming they could access information about their service when needed; agreeing they were in control of their support; understanding how the service delivered the support they need and understanding their entitlements.	89%	

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2021 (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

Objective 2: Expanding our Service Offer

In 2020/21:

- We opened three new services to provide safe spaces for individuals suffering mental health crises to meet outside a clinical environment which sit alongside four similar services previously opened. Six of these services are in London and one in Kent.

These services offer those in mental health crisis a supportive alternative to presenting at Accident and Emergency, which focusses on recovery and reduces pressure on the NHS.

Services which opened late March / April 2020 were switched to telephone support augmented by visit and drop services where necessary following the COVID-19 lockdown in March 2020. As a result we were able to maintain operational delivery and supported those in mental health crisis to access the support they needed whilst avoiding attending hospitals during the pandemic.

In 2021-22 we will open our eighth Crisis Alternative service in the London Borough of Camden.

- We opened a house in Greenwich to provide 5 units of short-term crisis accommodation as an alternative to presenting at Accident & Emergency. The house is presently leased and in May 2021 we purchased a property to expand the delivery this service by a further 7 units. Funding for this service is provided by the Oxleas NHS Foundation Trust and is one of the first of its kind in London
- We opened 24 additional refuge beds in May 2020 in response to requests from MOPAC and MHCLG to address the increase in domestic abuse cases following the COVID-19 lockdown. We have been able to keep these open into 2021-22 thanks to additional funding from MHCLG.
- We took on the contract for the support and management of Latch House in Lambeth on 1st April – this service provides 15 units of accommodation for ex-offenders with substance misuse issues. One of the first priorities on taking on the contract was to address the poor accommodation standards in the property in conjunction with the owning RSL.
- We were commissioned by the Brook House Public Inquiry to provide a free and confidential telephone support service to vulnerable witnesses. The Inquiry is investigating the mistreatment of detainees at Brook House Immigration Removal Centre. Hestia's support is delivered by a specialist counselling team, working with witnesses in multiple languages as they prepare and present their evidence for the Inquiry. Hestia counsellors will also be attending the Hearings when they begin in November 2021 to provide in-person support for witnesses.
- Hestia has been providing counselling and support to members of the Grenfell community attending the Grenfell Tower Inquiry since the start of the Inquiry in May 2018. We are now providing a hybrid service, with free telephone support as well as in-person support for people attending the Hearings. Hestia's team delivers a culturally responsive and trauma-informed approach, adapting therapeutic support within the setting of the Inquiry.
- We were appointed by Central and North West London NHS Foundation Trust to provide substance misuse, BME support and Arabic speaking outreach services across Westminster and Kensington & Chelsea.
- We undertook a major refurbishment of our Approved Premise in Streatham which required the property to be decanted. The project was successfully re-opened in December 2020.
- Over the year we attracted £319,000 of Infection Control Funds from commissioning partners to ensure our services were able to remain open safely and securely. We were able to supplement this by donations of both funds and in-kind supplies from a range of corporate and individual donors.

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2021 (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

Objective 2: Expanding our Service Offer (continued)

- Following a competitive tender, the Salvation Army were reappointed to deliver the Victim Care contract for victims of human trafficking and we were successful in our bid to continue to act as a sub contractor in the London and South East.
We increased the number of safe houses in London to seven as well as the existing two houses in Kent.
Our outreach programme continued to expand and in January 2021 were contracted to support approximately 1,800 clients at any given point in time. From January 2021 we were also contracted to provide reach in support to clients after they have received a positive Conclusive Grounds Decision.
In addition to our contractual requirements, we:
 - Provide longer term volunteer support to victims of modern slavery through our Phoenix Project supported by funding via The Rayne Foundation, the Pilgrim Trust, Great Portland Estates and the Home Office;
 - Offer bespoke modern slavery and homelessness training funded by MHCLG and the Homes Office to statutory and voluntary sector organisations; and
 - In partnership with Crisis, BAWSO and Belfast & Lisburn Women's Aid, we developed a database to improve national understanding of modern slavery across England, Wales and Northern Ireland.
- With partners including Boots, Superdrug and Morrisons, we launched the Safe Spaces initiative in pharmacies across the UK, ensuring victims of domestic abuse could still access support during the Covid-19 pandemic and beyond.
- We worked with Royal Mail Group to launch Online Safe Spaces on major consumer websites leading to around 1,400 users accessing an Online Safe Space every day.
- We opened the Respond to Abuse Advice Line along side our existing App to enable employers to access free support on responding to victims and perpetrators of domestic abuse in their workforce

Objective 3: Strengthening our advocacy for our service users.

In 2020/21:

- The third year of our #ArtIsFreedom exhibition show-cased photography by survivors of modern slavery through a social media takeover and Facebook lives with figures including the Bishop of London and the Independent Anti-Slavery Commissioner.
- Our latest Underground Lives report called for improved training for police and legal services to help identify victims of criminal exploitation and was published at a digital summit bringing together experts from across the sector.
- Through our campaign UK SAYS NO MORE, we secured changes to the Domestic Abuse Act including children being recognised in the definition of victims.
- More employers achieved the Everyone's Business Award including Hestia, Balfour Beatty, Wandle Housing and the Office of the Police and Crime Commissioner for Lincolnshire.
- Our Bright Sky app was launched in Welsh as part of an ongoing collaboration with Vodafone and TecSOS.
- Our Everyone's Business IDVA team was awarded a Met Police Public Protection Award
- Our Recovery Café in Tooting won the public vote in the Charity Today Awards recognising its invaluable role in supporting people who are experiencing a mental health crisis.

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2021 (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

2020-21 in detail:

- We provided support to a total of 14,007 adults and children in crisis across London, Kent and Berkshire.
- 1,629 adults were supported in our accommodation services, many of whom had previously been in hospital, prison, sleeping rough or living in an abusive relationship. Our accommodation gave them a safe place with the support to enable them to develop the skills and confidence they needed for a fresh start.
- 9,323 service users were supported in their own homes through outreach and floating support services, supporting their recovery, helping them to maintain their tenancies, avoid homelessness and actively participate in their local communities.
- 461 service users engaged with our mental health day centres in Kensington and Hounslow and our activities and older people's day centres in Kingston, Lewisham and Wandsworth.
- 388 children were accommodated in our Domestic Abuse refuges.
- Our Independent Domestic Violence Advocate (IDVA) Services supported 1,153 adults in Ealing, Slough and Harrow and across our Everyone's Business network, aimed at reducing risk, safety planning, police reporting, gaining legal advice and housing support and signposting to other specialist agencies.
- 2,599 service users (with 1,034 dependents) were provided with accommodation and / or outreach services to help them escape the trauma of modern slavery.
- 54 offenders were accommodated and supported to re-integrate into the community and address their offending behaviours in our two Approved Premises services.
- Our Brent Mental Health Service provided a range of services, including facilitation of a peer review network for users of local GP services, assistance with employment support. This year we supported 163 people towards employment and supported 548 people through the health service.
- The South West London Recovery Café received 1,662 visits across 2020-21 from 949 customers, when open for in-person visits; it also received 1,262 telephone calls during the periods it offered remote service. 95% of attendees reported improved quality of life in the three months following their first visit. In 2020-21 we expanded this provision with new services opening in Brent, Hillingdon, Kensington & Chelsea, Newham and Tower Hamlets, which provide support to 1,693 people through face-to-face and remote contact.
- The Ealing Single Homeless Prevention Service supported 522 service users in the year: the service aims to prevent and relieve homelessness in the Borough through interventions which aim to create personal housing plans.
- Our new Crisis House in Greenwich opened in February 2021 and we supported 28 individuals by offering an alternative to hospital admission in a non-clinical, homely environment with 24-hour support offered by experienced mental health support workers. The team supports people to utilise their own networks and resilience and community resources as an alternative to hospital admission or emergency department presentation. The service provides extended assessment, advice and guidance to service users and a safe, therapeutic environment.
- Our Integrated Student Model provided both training opportunities and additional support across Hestia services for 115 Social Work Students, 50 Mental Health nurses and 40 Trainee Counsellors.
- 600 volunteers provided 15,220 hours of support activities across Hestia with a further 230 corporate volunteers contributing and additional 636 hours.

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2021 (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

Added Value

In addition to our contracted services, we aim to offer added value through a range of activities to enhance the support we provide – either with the support of our commissioners or through fundraising activities. These included:

- Providing support to children in our Domestic Abuse refuges with dedicated Children's Workers, summer play schemes and our fitness programme supported via our Sport England Grant.
- Offering additional targeted support to our service users in conjunction with a range of universities and professional training bodies via Student Social Work Placements, Trainee Mental Health Nurses and Trainee Counsellors
- Funding a specific referral line aimed at ensuring women escaping domestic violence have access to a refuge space.
- Supporting women without recourse to public funds to access refuge accommodation, providing short term financial support whilst working with them to stabilise their longer term financial future.
- Providing post referral support programmes for victims of modern slavery, including carrying out a number of key research pieces on the effects of modern slavery on victims and hosting our annual Art is Freedom exhibitions to provide victims with voices.
- Continuing to develop our Bright Sky App to support victims of Domestic Abuse across the UK (including the introduction of a Welsh language version).
- Introducing a range of initiatives aimed at helping employers support victims of domestic abuse in their organisations.
- Providing our Respond to Abuse App to support HR professionals to respond to employees affected by domestic abuse.
- Provide a range of volunteering opportunities for service users supporting them with work experience and skills building providing a route into employment.

Post COVID-19 lockdown we were also able to provide support to our service users in direct ways, including food drops for those unable to leave home and buying additional equipment in our accommodation services (including laptops and tablets for children in refuges to support their ongoing education).

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2021 (continued)

FINANCIAL REVIEW

The results for the year are set out in Statement of Financial Activities on page 31. The assets and liabilities of the Group at 31 March 2021 are shown in the Balance Sheet on page 32. The financial statements should be read in conjunction with their related notes which appear on pages 35 to 55.

Income and funding

Total income increased by 18% from £31.719 million in 2019-20 to £37.443 million in 2020-21.

Income from charitable activities – from contracts, grants and associated charges to residents for rents – continue to form the largest element of our income (97%). In total, these rose by £5.442 million to £36.210 million in 2020-21 as a result of additional contracts and grants that we were successful in attracting over the year.

Income from donations and legacies increased from £0.726 million to £1.026 million in 2020-21 thanks to a number of appeals to support service users at the outset of the COVID 19 pandemic.

Investment income fell to £207,255 from £225,048 although the underlying value of investments assets recovered from the March 2020 fall.

£33.342 million of income was unrestricted, an increase on 11.7% on the previous year: restricted income increased by 221% to £4.101 million reflecting the range of grants made available to support a range of organisational activities in the early days of the COVID -19 pandemic.

Voluntary income

Hestia is grateful to our voluntary supporters whose help enables us to go beyond our contractual duties to improve the life chances of our service users. Over the year we worked with a range of government agencies, charitable trusts, community groups, corporate donors and individuals on a wide range of activities.

This includes:

- John Lyon's Charity, the Carole and Geoffrey Lawson Foundation, BBC Children In Need, Good Enough Mothering, London Borough of Hackney, and City Bridge Trust who supported our work with Children and Families in our refuges, and Sport England and the Nike Community Impact Fund (managed by the King Baudouin Foundation) who have continued to provide funding to support children in our refuges access a range of sports activities.
- Department for Culture, Media and Sport who through the Tampon Tax support a number of Domestic Abuse and modern slavery initiatives. We would also like to recognise the Pilgrim Trust, Trust for London, the Rayne Foundation and the Department for Health and Social Care who have also supported our modern slavery programme

We are also extremely grateful for the many supporters whose help enabled us to respond swiftly and comprehensively to the emerging needs of the Covid pandemic, including the David and Ruth Lewis Family Charitable Trust, CVC, the National Lottery Community Fund's Coronavirus Community Support Fund, Childhood Trust, the Mercers' Company, the Merchant Taylors' Foundation, the Master Charitable Trust, Enable Leisure and Culture, Great Portland Estates and Barclays 100x100 UK COVID-19 Community Relief Funding.

We would like to thank organisations who helped us to support of women and children fleeing domestic abuse under Covid 19, including: the Julia and Hans Rausing Trust, Tower Hamlets Local Community Fund, Cyril and Eve Jumbo Charitable Trust, Sutton Place Foundation, Permira, Lexington Partners, IKANO Insights, Talis Capital, Zoeva, JSF Pollitzer Charitable Trust, the Police and Crime Commissioner for Thames Valley, the Mayor's Office for Policing and Crime, the Ministry of Justice, the Ministry of Housing, Communities, and Local Government, the Home Office, Berkshire Community Foundation, Reckitt (via Berkshire Community Foundation), Vodafone, UBER, HSBC, KKR & Co., and Wunderman Thompson.

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2021 (continued)

FINANCIAL REVIEW (continued)

Expenditure

Total expenditure in 2020-21 was £36.925 million, a rise of 16.9% on 2019-20. Unrestricted expenditure rose by 11.5% to £33.342 million, whilst restricted expenditure rose by 209% to £3.685 million. Both increases were in line with increase in income.

As a result, the net income before investments on unrestricted activities rose to £101,441 (2019-20: £37,753) and on restricted activities the surplus was £416,190 (2019-20: £91,504). The increase in the restricted surplus reflects the unspent portion of grants carried forward into future years.

Staff costs continue to be the largest element of expenditure, accounting for 63.3% of costs (2019-20: 63.2%). No across the board increase in salaries was made during the year: instead salaries are benchmarked across the sector. It is our aim that entry level salaries will always be in line with or above the London Living Wage

Support and Governance costs at £5.913 million represented 16% of expenditure (2019-20: 17.6%) as we managed the overall increase in activity largely within existing resources.

Balance Sheet

At 31 March 2021, Hestia's total reserves totalled £15.098 million – up from £12.782 million at 31 March 2020 as a result of:

- The surpluses for the year; Unrestricted (£101,441) and Restricted (£416,190).
- Realised gains on the disposal of investments: £335,481.
- Unrealised gains on investments - £1,485,932.

These were offset by the increased in the defined benefit pension liability of £23,000.

Hestia's restricted reserves – those related to specific projects – rose to £2.418 million from £2.002 million reflecting the increase in grant income which carried restrictions on future uses.

Hestia maintains a positive Net Current Asset position at £3.925 million (31 March 2020: £1.523 million) to support effective working capital management. Debtor balances increased by £1.067 million to £5.520 million linked to timing of grant payments. More than 90% have been paid to date. Creditors decreased slightly by £159,036 to £5.238 million. Whilst we repaid more than £2 million to the London Borough funds in respect of funds held for Self Directed Support customers, at 31 March 2021 our accrual for annual leave increased from £30,000 to £900,000 reflecting the reduction in leave taken during the pandemic.

Hestia can call on its investment portfolio for funds to meet any shortfalls in working capital or significant items of expenditure.

Reserves

Hestia's Trustees have adopted a reserves policy which they consider appropriate to safeguard the organisation's operations and to ensure stability, taking into account future strategic plans and their associated risks and uncertainties. The main aim is to ensure that Hestia can meet all future financial obligations during any period when the charity needs to implement any required restructuring.

Hestia's Trustees have approved designated reserves to cover planned strategic developments, including the development of our Digital, Health and Quality Strategies, as well as to provide for the ongoing development, maintenance and refurbishment of Hestia owned and leased property. At 31 March 2021, total designated funds were £1.489 million (31 March 2020: £1.469 million).

After taking into account restricted and designated reserves, the Operating Fund of Hestia rose from £9.311 million at 31 March 2020 to £9.811 million at 31 March 2021. Trustees have reviewed the reserves level and considers that, in the light of ongoing challenges in the funding environment, exacerbated by the potential impact Covid-19 on public funds, Hestia requires a reserve level of £8.874 million up from £8.020 million at 31 March 2020. The majority of the change reflects the increased wage roll and assumptions around redundancies.

Hestia's operating of fund of £9.811 million equates to 111% of this requirement (31 March – Operating Fund of £9.311 million representing 116% of the risk requirement).

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2021 (continued)

FINANCIAL REVIEW (continued)

Reserves (Continued)

In January 2021, Trustees reviewed the organisational strategy and agreed to continue to support the use of a proportion of its reserves as forward investment to support transformation and diversification aims. The Trustees continue to monitor reserves to ensure that they remain adequate and at an appropriate level to meet the ongoing requirements of the charity.

Investments

Hestia's investment policy aims are to: (a) preserve the real capital value of the funds held over a 5 year period; (b) provide an income stream of 2% with low volatility; and (c) procure a long term return, net of all charges, of 1% p.a. in real terms.

During the year, Hestia withdrew £2 million from its investment portfolio to support working capital arrangements, including the return of £2 million of Self Directed Support Balances to Newham Council.

Hestia currently divides its investments between two managers:

- UBS AG – who manage a Sustainable Investment Portfolio of fixed interest securities, equities and property. The portfolio is managed on the basis of positive inclusion of stocks taking into account environmental, social and governance impacts. At 31 March 2021 the value of the portfolio had increased to £6.872 million from £6.257 million after allowing for a withdrawal of £1 million. This reflects the recovery in world stock markets following the initial falls in the early days of the COVID 19 pandemic.
- Ruffer LLP – Hestia's investment is in a common investment fund which has an absolute return approach. The fund aims to invest in complementary stocks which provide a counter balance against market swings and over the year the value of the fund decreased from £2.461 million to £1.837 million. After taking into account the withdrawal of £1 million from the fund, the value of the fund increased by £376,000 over the year.

The Finance and Fundraising Sub Committee meet the fund managers at least annually and receive performance reports quarterly.

Pensions

Most of Hestia's staff are in a defined contribution scheme operated by Legal and General and all new members of staff are automatically enrolled on joining. Hestia will match any employee contributions up to 5% subject to maintaining minimum contribution levels under pensions legislation.

Employees are entitled to opt out but to date less than 5% of staff have done so.

There are 4 employees who retain membership of the Royal Borough of Kensington & Chelsea's defined benefits scheme. This scheme is linked to the contract to provide day centre services and the Commissioners have signalled their intention to retender the service in 2021-22.

The FRS102 position as reported by the actuaries changed from an asset of £25,000 at 31 March 2020 to a liability of £36,000 at 31 March 2021 as a result of changes in actuarial assumptions around salary and pension increases and the discount rate). Due to the inherent uncertainties arising from the calculation of the asset, the charity chose not to recognise the asset in the 2019-20 accounts but has recognised the liability in 2020-21.

Contributions to the scheme for 2021-22 have remained unchanged at 21.1%.

Hestia also contributes into the NHS pension scheme for two employees linked to the Wandsworth Recovery & Rehabilitation service and employer contributions on this scheme are fixed at 14.38% p.a.

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2021 (continued)

FINANCIAL REVIEW (continued)

Our Fundraising Practices

Most of the work of our fundraising team is focused on raising money from trusts and foundations, central and local government grants and corporate partnerships. Hestia does not use any third-party fundraising agencies or involve commercial participators.

Our Fundraising Policy was updated in March 2020 and confirms that we adhere to the Fundraising Regulator's Code of Fundraising Practice and that all data we handle is compliant with GDPR regulations. There have been no complaints about fundraising activity in the past year and there have been no failures to comply with the Code of Fundraising Practice. Our adherence to the Code of Fundraising Practice sets out the main ways we ensure that we protect vulnerable people and members of the public from unreasonable or unwanted behaviour

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2021 (continued)

PLANNING FOR FUTURE PERIODS

Hestia's strategic plan for 2019-2024 was developed in consultation with service users, staff and Trustees, with three overarching strategic aims:

- Service quality;
- Expanding our service offer; and
- Strengthening our advocacy for our service users.

Underpinning the delivery of these are a number of sub strategies focussed on delivering the different strands of these aims.

Service Quality

Hestia recognises that demand for the services that we provide continues to grow. We appreciate that all the agencies that we work with are under significant financial pressures and the challenge of providing more support and targeted interventions with less resources is a constant conversation. At the same time, we have restated our commitment to delivering the best outcomes for our service users.

In 2021-22, we will:

- a) Improve performance of our current services through our quality strategy:
 - Monitor and report on service user experience against expected standards and use that information to drive improvements.
 - Continue to review, develop and embed safeguarding strategies and policies which meet best practice in protecting our service users.
 - Support the senior resources in our services (mental health, domestic abuse, digital, modern slavery and offender services) to deliver new and enhanced models of support across our services that support service users' recovery journeys.
 - Use the experiences gained during the pandemic to link our Digital Strategy into the development of alternative models of support and introduce service user access self management options.
 - Ensure our service users can participate across the organisation in a range of ways to maximise their input and provide opportunities for personal development, including participation in the Better Lives Forum and volunteering opportunities.
- b) Develop and expand the Hestia Approach, our in-house psychologically informed approach based on recovery and co-production to reflect the increasing trauma our staff have to support and build capacity to respond in a trauma informed manner.. The Hestia Approach aims to improve outcomes for our service users by working with them collaboratively to build their resilience by focusing on their strengths and resources in order to secure sustainable recovery.
 - All operational projects on the InForm case management system are aligned with the Hestia Approach.
 - Provide all staff with relevant updated training on the Hestia Approach.
 - Seek to develop increased access to Hestia systems by service users, enabling them to review and interact with recovery plans on line and gain access to a range of support services.
 - Review and improve the physical environments from which we deliver services to support our psychologically informed approach and support recovery.
- c) Implement the agreed property strategy. We recognise that access to secure housing is a priority for many of our service users and is a key part of their recovery journey. As a result, we have identified 3 strategic priorities for our strategy:
 - Use the experience of our crisis house provision in Greenwich to expand the provision of short term health interventions.
 - Seek to enhance the provision our mental health care homes.
 - Expand the provision of Approved Premises.
 - Develop models of move on using external funding initiatives.

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2021 (continued)

PLANNING FOR FUTURE PERIODS (continued)

Service quality (continued)

- d) Attract and retain a high-quality workforce through our People Strategy:
 - Review and investigate alternative recruitment methods to increase candidate and employee quality.
 - Develop employment offers to attract alternative/ better skilled & wider candidate populations.
 - Establish higher paid entry roles and more specialist positions as we influence and pursue joint commissioning and health funded contracts.
 - Support our employees to maintain their health and wellbeing.
 - Provide opportunities for professional development and career opportunities.
 - Create a performance culture, which supports the delivery of high-quality services.
 - Establish resource planning into the management DNA.
- e) In response to the Black Lives Matter (BLM) movement, in 2020 we commissioned an independent review to consider practices and culture across the organisation to ensure that that we identify, expose and address any areas of conscious or unconscious institutional or interpersonal racism and inequality so that all staff at Hestia can play their full part in the life of the organisation at all levels. The review has three distinct but interrelated parts:
 - Employment
 - Governance
 - Service delivery.

Having appointed an expert independent third party to conduct the review we have completed the initial stages of practice review and staff engagement and received summary findings which will assist us in determining next steps.

Expanding our Service Offer

Hestia believes that we need to grow in order to achieve the economies that will support the delivery of the high-quality services that we aspire to. This recognises the costs pressures that the organisation, our staff and our service users face living and working in high costs areas of the country

The Care Act and the NHS long term plan recognise the benefit of further integration in the health and social care sectors which provides us with an opportunity to build on the expertise that we have developed in building in health related aspects to a number of our current services

With many of our services attracting minimum levels of investment, we believe it is incumbent on us to augment the services we deliver wherever possible through value added activities including fundraising and through expanding our support base.

In 2021-22, we will:

- Continue to implement our Health Strategy to build on the successes in 2020-21:
 - Attract new income from health contracts with salaries that attract and retain more skilled and experienced staff allowing us to make interventions that are more effective.
- Innovate and add value through increased fundraising building on our track-record for innovative and added value activities which support recovery:
 - Continue to review our Fundraising Strategy to maintain and expand our existing supporter base to maximise the offers we can make to our service users.
 - Build upon our offer of Social Work Students, Counselling Students, Mental Health Nurse Students and Occupational Health Students to provide learning opportunities and additional specific support to our service users.

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2021 (continued)

PLANNING FOR FUTURE PERIODS (continued)

Expanding our Service Offer (continued)

- We will provide ongoing support victims of Modern Slavery after they have received their decision and remain in the country through the Phoenix Project.
- We will continue to support our national anti-domestic abuse and sexual assault campaign – UK Says No More that aims to raise public awareness about the responsibility of everyone to tackle domestic abuse and sexual assault. We will seek to expand and embed Safe Spaces across the UK and continue to support businesses in their response to domestic abuse through Everyone's Business.
- We will continue to support other initiatives including our Domestic Abuse Referral Line and supporting women without recourse to public funds.
- Assess which digital tools can be made available to our staff and service users to complement existing service delivery models and to build on the learning during Covid and lockdown when there was a greater use of digital support.
- Continue to work closely with our volunteers to enhance our service delivery offer.

Strengthening our advocacy for our Service Users.

Building on our work to-date we will continue to ensure that the lived experiences of the people we work with influence policy development and result in better service design. We will have two key areas of focus: domestic abuse, where we believe we can have a significant impact on the Domestic Abuse Bill and on the wider role of businesses to respond; and modern slavery, where we will continue to showcase the talents of survivors and publish our Underground Lives series of reports.

Our new digital strategy will seek to ensure we are at the forefront of relational approaches in the digital world, enabling us to complement our work in-person with appropriate digital tools and support. We will be developing these approaches across the whole organisation, but with an initial focus in our community-based mental health services.

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2021 (continued)

PLANNING FOR FUTURE PERIODS (continued)

Monitoring and reviewing the strategy

Trustees reviewed and reaffirmed the Strategy in January 2020. Following the outbreak of COVID-19 in March 2020, Trustees requested and received an update in June 2020. At that point in time Trustees agreed to maintain the strategy subject to further reviews at each subsequent Board meeting.

The main concerns were:

- (a) Continuing to support our service users and staff during the pandemic, understanding the impact in the initial phase, formulating initial responses and reviewing these to adapt to the constantly changing external environment.
- (b) Delivering our growth assumptions – in terms of both contracts and fundraising. We developed indicators to point us in the likelihood of our growth forecasts holding up – and what that means for our overhead base if those forecasts are not achieved.

Trustees kept the strategy under review throughout the year and received regular updates on management around the pandemic as well as wider strategic updates at Board meetings throughout the year.

We continue to prepare management accounts and operational work plan reports which enable managers and staff to monitor progress against their planned objectives and to assess how this relates to achieving Hestia's overall aims and objectives. This approach is underpinned by monitoring and reporting of key performance indicators from the in-house dashboard performance management system.

The Charity has a robust set of delegated authorities which outlines a detailed division of responsibilities between Trustees and Staff and the relationship between the Board and its sub committees.

Trustees review strategic risks on a quarterly basis, linking these to strategic plans and ensuring that an outward looking focus is incorporated. This approach is supported by detailed action plans at organisational, departmental and individual project level to ensure the successful delivery of both operational and strategic objectives.

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2021 (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

As Hestia's income is largely derived from contracts which are subject to regular re-tendering, the main risk to Hestia is around (a) the commissioning intentions of our partners and (b) our ability to retain and expand our contract base in a competitive environment.

Prior to the COVID-19 pandemic there were some signs that the future for public sector funding was looking more positive than it had for a number of years, however the cost to the UK government of the various measures taken during the pandemic – and the wider economic impact – suggest that a further round of austerity may be more likely than not.

At the same time there is much evidence to suggest that demand for crisis services will increase. Hestia speaks for many people who don't have the opportunity to put their points of view forward, so part of our strategy is to use our policy and communications framework to ensure the valuable services that we provide are not lost merely because of funding challenges.

Hestia has always worked with our commissioners to ensure that the services we deliver are protected as much as possible and we have restructured services to deliver outcomes within funding constraints. One of our biggest challenges is our commitment to pay at least the London Living Wage (LLW) and in 2019-20 we were able to move all our front line workers to a salary in excess of the LLW which we believe is important if we want to recruit and retain a quality workforce to deliver our essential services.

One of the unintended benefits of the COVID-19 pandemic was to force Hestia to look to deliver models of care and support differently. We believe this offers an opportunity for Hestia to harness those lessons and develop alternative delivery models that remain attractive – and cost effective – for commissioning partners.

In 2019 Hestia's Board of Trustees approved a Health Strategy where we have sought to build upon our experience of delivering health related services to develop models of care and support which deliver real savings. These models are focussed on two areas: prevent alternatives to presentation at acute services – using our examples of our older people's floating support services and our crisis cafes – and providing short term accommodation that reduces bed blocking in hospitals – based on our Hounslow Hospital Discharge Scheme. We have undertaken research on our service and proved that these services can produce net savings to the public purse. We now have a range of service funded by health partners, including seven Crisis Cafes and our first crisis house Greenwich.

We have also invested in a Digital Strategy which seeks to build upon the success of our Bright Sky App to look at how we maximise the use of digital tools in our delivery model – increasing our ability to reach service users in different ways – whilst making our offer to commissioners more attractive.

Our Fundraising Strategy developed an approach to focus on Trusts, and corporate and major donor giving and to resource the activity accordingly. By doing this we hoped to raise our profile and to improve the amount of unrestricted income that we can generate to support the added value that we believe provides our service users with a range of other opportunities they may not have always had.

New areas of activity require detailed assessment of the different risk profiles they will face and any investment in these requires prior approval by Trustees following robust analysis and challenge.

In June 2020, Trustees formally re-affirmed Hestia's strategy which included growth ambitions, whilst recognising that these may not be achievable. Hestia's Directorate subsequently produced a number of indicators for Trustees around commissioning and fundraising which are constantly measured to produce views on the likelihood of those forecasts. Linked to this are proposals about how we manage our cost base to ensure that we remain a financially viable organisation and do not draw unnecessarily on our reserves.

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2021 (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Management of Risk

The Board of Trustees is responsible for ensuring that Hestia has in place systems of internal control that are appropriate to the various business contexts in which it operates. These enable the organisation to manage rather than eliminate risks and so provide a reasonable but not necessarily absolute degree of assurance.

The Trustees have in place a formal risk management process to assess risks and implement risk management strategies. This process includes a review by Trustees, senior management and staff and identifies the types of risk faced by the organisation, prioritises the risks in terms of likelihood of occurrence and potential impact and identifies the means of managing or mitigating them.

Risk management is embedded in the day-to-day processes of the organisation and the monitoring of controls in place to manage risk is reviewed by the appropriate board committees.

The Board of Trustees has reviewed the operation and effectiveness of Hestia's system of internal controls. Key elements in Hestia's internal control systems are:

- an organisational set of values and commitment to manage the organisation's affairs with integrity;
- risk assessments embedded in a comprehensive business planning process;
- clear and regularly reviewed delegated authorities;
- a robust budget and quarterly review and reporting of financial performance;
- appropriate authorisation levels and segregation of accounting duties; and
- clear staff roles, responsibilities and accountabilities.

The Finance and Fundraising Sub Committee undertakes a detailed review of Hestia's quarterly management accounts reporting and oversees external audit activity.

Restrictions on Distribution

The Memorandum of Association prohibits the distribution of income and property of the charitable company to the members. Upon dissolution or winding up of the charitable company the assets shall be given or transferred to some similar institution or institutions having objects similar to the charitable company.

Going Concern

The Trustees receive and review three-year financial plans which assess the impact of various scenarios on the organisational free reserves. As the majority of Hestia's income arises from contracts and grants this review focusses on the likelihood of these being retained at the end of the contract term as well as taking into account historical growth experience. The likelihood of retention is measured against a number of internal (performance, viability and deliverability) and external indicators (economic, social and political).

Trustees consider the expenditure implication of reductions in income. Most contracts and grants are linked to the provision of services, which if Hestia is unsuccessful at re-tender, require staff and other resources to be transferred to the successful tenderer leaving Hestia with little or no residual liability linked to that contract. However, Trustees endeavour to ensure that non project expenditure is commensurate with income from projects and grants, supported by fundraising if appropriate.

Organisational free reserves are reviewed annually to ensure that these remain at an adequate level over a three year period to support the charity's strategy and to manage risks.

Having undertaken the review, Trustees have agreed that the accounts be prepared on a going concern basis.

Tax Status

Hestia Housing and Support is a registered charity and is therefore potentially exempt from taxation of its income and gains as it falls within the definition of a charitable company as defined in Part 1, Schedule 6 of the Finance Act 2010. No tax charge has arisen in the year.

Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 March 2021 (continued)

Auditor

BDO LLP has indicated its willingness to be re-appointed as auditor in accordance with section 487 (2) of the Companies Act 2006.

The Report of the Board of Trustees, incorporating the Directors' Report and Strategic Report was approved by the Board of Trustees on 7th December 2021.



Terrie Alafat
Chair/Trustee

Independent Auditor's Report to the Members of Hestia Housing and Support

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources 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.

We have audited the financial statements of Hestia Housing and Support ("the Parent Charitable Company") and its subsidiary ("the Group") for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, Group and Parent Balance sheets, Consolidated Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and Parent 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.

Conclusions related 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 Group and the Parent 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 Trustees are responsible for the other information. The other information comprises the information included in the Report of the Board of Trustees, incorporating the Directors' Report, other than the financial statements and our auditor's report thereon. The other information comprises: Report of the Board of Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Hestia Housing and Support

Other Companies Act 2006 reporting

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 Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines 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 Group's and the Parent 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 Group or the Parent 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Independent Auditor's Report to the Members of Hestia Housing and Support

- We obtained an understanding of the legal and regulatory frameworks through our accumulated knowledge and consideration of sector information that is applicable to the Charitable Company. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the financial reporting framework including but not limited to United Kingdom Generally Accepted Accounting Practice, the Charities Act 2011, the Companies Act 2006, Data Protection Act 2018 and Bribery Act 2010.
- We understood how the Charitable Company is complying with those legal and regulatory frameworks by making enquiries to management. We corroborated our enquiries through our review of minutes.
- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We assessed the susceptibility of the Charitable Company's financial statements to material misstatement, including how fraud might occur by discussing with management where it is considered there was a susceptibility of fraud relating to management override of controls and improper income recognition. In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition.
- We considered completeness of related party transactions; and evaluated the business rationale of any significant transactions that are inappropriate or unusual.

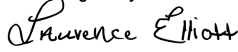
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://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.

DocuSigned by:

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Laurence Elliott (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK

Date: 29 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Financial Activities for the year ended 31 March 2021 (including a Consolidated Income and Expenditure Account)

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
Income and endowments from:		£	£	£	£
Donations	2	518,232	507,419	1,025,651	726,089
Charitable activities	3	32,616,490	3,593,625	36,210,115	30,767,477
Investments	4	207,255	-	207,255	225,048
Total income		33,341,977	4,101,044	37,443,021	31,718,614
Expenditure on:					
Raising funds:		190,378	60,844	251,222	287,998
Charitable activities	5	32,999,343	3,624,010	36,623,353	31,089,921
Investment management		50,815	-	50,815	51,055
Impairment of investments	11	-	-	-	160,383
Total expenditure		33,240,536	3,684,854	36,925,390	31,589,357
Net income before gains / (losses) on investments		101,441	416,190	517,631	129,257
Realised net gains on investments	11	335,481	-	335,481	207,550
Unrealised net gains / (losses) on investments	11	1,485,932	-	1,485,932	(753,777)
Net Income / (Expenditure)		1,922,854	416,190	2,339,044	(416,970)
Actuarial (losses) /gains on defined benefit pension schemes	19	(23,000)	-	(23,000)	237,000
Net movement in funds		1,899,854	416,190	2,316,044	(179,970)
Reconciliation of funds:					
Total funds brought forward		10,779,864	2,001,795	12,781,659	12,961,629
Total funds carried forward		12,679,718	2,417,985	15,097,703	12,781,659

All amounts relate to continuing activities of the Group.

The notes on pages 35 - 55 form part of these financial statements.

Comparative figures for the preceding year are attached as Note 23 on Page 55 of the accounts.

HESTIA HOUSING AND SUPPORT

Balance Sheets at 31 March 2021

		Group		Company	
	Notes	2021	2020	2021	2020
		£	£	£	£
Fixed assets					
Tangible assets	10	2,499,037	2,540,298	2,499,037	2,540,298
Investments	11	8,709,528	8,717,708	8,709,528	8,717,708
		11,208,565	11,258,006	11,208,565	11,258,006
Current assets					
Debtors	12	5,519,796	4,452,606	5,519,796	4,460,310
Short term deposits		342,108	357,281	342,108	357,281
Cash at bank and in hand		3,301,606	2,111,174	3,301,606	2,101,075
		9,163,510	6,921,061	9,163,510	6,918,666
Creditors: amounts falling due within one year	13	(5,238,372)	(5,397,408)	(5,238,372)	(5,395,968)
Net current assets		3,925,138	1,523,653	3,925,138	1,522,698
Total assets less current liabilities		15,133,703	12,781,659	15,133,703	12,780,704
Defined benefit pension scheme liabilities	19	(36,000)	-	(36,000)	-
Net assets including pension liabilities		15,097,703	12,781,659	15,097,703	12,780,704
Represented by:					
Unrestricted funds:					
Operating fund	14	9,811,395	9,310,510	9,811,395	9,309,555
Designated funds	14	1,488,914	1,469,354	1,488,914	1,469,354
Revaluation reserve	14	1,343,409	-	1,343,409	-
Pensions reserve	14	36,000	-	36,000	-
		12,679,718	10,779,864	12,679,718	10,778,909
Restricted funds	15	2,417,985	2,001,795	2,417,985	2,001,795
Total funds		15,097,703	12,781,659	15,097,703	12,780,704

The financial statements were approved by the Board of Trustees and authorised for issue on 7th December 2021 and signed on its behalf by:



Terrie Alafat
Chair of the Board of Trustees

HESTIA HOUSING AND SUPPORT

Company Number: 2020165

The notes on pages 35 - 55 form part of these financial statements.

Consolidated statement of cash flows for the year ended 31 March 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Cash flows (used in) / provided by operating activities	(c)	(833,841)	(2,122,711)
Cash flows from investment activities			
Investment income received		207,255	225,048
Purchase of investments		(3,189,381)	(4,854,679)
Proceeds from sale of investments		5,018,974	4,612,718
Purchase of tangible fixed assets		(27,748)	(17,636)
Transfer in of fixed Assets – CAADV		-	-
Net cash generated from / (used in) investing activities		2,009,100	(34,549)
Change in cash and cash equivalents in the reporting period		1,175,259	(2,157,260)
Cash and cash equivalents at 1 April 2020		2,468,455	4,625,715
Cash and cash equivalents at 31 March 2021	(a)	3,643,714	2,468,455

(a) **Analysis of cash and cash equivalents**

	2021 £	2020 £
Short term deposits	342,108	357,281
Cash at bank and in hand	3,301,606	2,111,174
	3,643,714	2,468,455

(b) **Analysis of changes in net debt**

	At 1 April 2020 £	Cash Flows £	At 31 March 2021 £
Short term deposits	357,281	(15,173)	342,108
Cash at bank and in hand	2,111,174	1,190,432	3,301,606
	2,468,455	1,175,259	3,643,714

The notes on pages 35 - 55 form part of these financial statements

Consolidated statement of cash flows for the year ended 31 March 2021 (continued)

(c) Reconciliation of net income / (expenditure) to net cash flow from operating activities	2021	2020
	£	£
Net income / (expenditure) for the year	2,339,044	(416,970)
(Gain) / Loss on sale of investments	(1,821,413)	706,610
Loss on sale of fixed assets	-	2,112
FRS 102 adjustment	(23,000)	237,000
Investment income received	(207,255)	(225,048)
Depreciation	69,009	75,992
(Increase) in debtors	(1,067,190)	(492,773)
(Decrease) in creditors	(123,036)	(2,009,634)
Net cash (used in) operating activities	(833,841)	(2,122,711)

The notes on pages 35 - 55 form part of these financial statements.

Notes to the financial statements for the year ended 31 March 2021

1. Accounting Policies

(a) Basis of accounting and assessment of going concern

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Hestia Housing and Support meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Trustees consider that there are no material uncertainties around Hestia's ability to continue as a going concern: they receive and review three-year financial plans, and which assess the impact of various scenarios on the organisational free reserves. As the majority of Hestia's income arises from contracts and grants this review focusses on the likelihood of these being retained at the end of the contract term as well as taking into account historical growth experience. The likelihood of retention is measured against a number of internal (performance, viability and deliverability) and external indicators (economic, social and political).

Trustees consider the expenditure implication of reductions in income. Most contracts and grants are linked to the provision of services, which if Hestia is unsuccessful at re-tender, require staff and other resources to be transferred to the successful tenderer leaving Hestia with little or no residual liability linked to that contract. However, Trustees endeavour to ensure that non project expenditure is commensurate with income from projects and grants, supported by fundraising if appropriate.

Organisational free reserves are reviewed annually to ensure that these remain at an adequate level over a three year period to support the charity's strategy and to manage risks.

(b) Basis of consolidation

The group financial statements consolidate the financial statements of the charity and its subsidiary, the Corporate Alliance Against Domestic Violence, on a line by line basis.

A separate statement of financial activities and income and expenditure account is not presented for the charity itself following the exemption afforded by section 408 of the Companies Act. The Charity's gross income was £37.443 million, and the result was £519,000 surplus.

(c) Income and expenditure recognition

- i) Charges to residents, interest from deposit accounts and tax refunds are included in the Statement of Financial Activities in the year in which they are receivable.
- ii) Voluntary income received by way of donations and gifts is included in the Statement of Financial Activities when received.
- iii) Grants are credited to the Statement of Financial Activities when receivable unless they related to a specified future period, in which case they are deferred. Grants are only recognised when the charity is satisfied that it has successfully met all contractual conditions.
- iv) Expenditure is stated inclusive of VAT as the organisation is not able to reclaim VAT on non-taxable activities.

Notes to the financial statements for the year ended 31 March 2021 (continued)

1. Accounting Policies (continued)

(d) Allocation of costs

The costs of functions which support more than one of Hestia's activities have been allocated to those activities based on time spent. Further information is set out in note 3. Costs classified as "governance" relate to the general running of Hestia and include the operations of the Trustee Board and addressing constitutional, audit and other statutory matters. Costs classified as "raising funds" comprise fundraising costs. Costs classified as "investment management" represent fees paid to investment managers.

(e) Leasing

Rentals payable under operating leases are taken to the Statement of Financial Activities on a straight-line basis over the lease term.

(f) Designated Funds

Designated funds are unrestricted funds allocated by the Trustees for particular purposes.

(g) Restricted funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund. Grants for the purchase of fixed assets are credited to a restricted fund when received. Depreciation on the related assets is charged against the fund. The exceptions to this are grants received for normal running expenses of the organisation's projects which are treated as unrestricted.

(h) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The investment portfolio does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Notes to the financial statements for the year ended 31 March 2021 (continued)

1. Accounting Policies (continued)

(i) Depreciation

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:

Freehold land	Nil
Freehold buildings – residential	2% straight line
Freehold buildings – non residential	1% straight line
Leasehold improvements	Over the anticipated term of the lease
Fixtures, fittings and equipment	25% straight line
Computer equipment	33.33% straight line
Motor vehicles	25% straight line

Items are capitalised where the purchase price exceeds £1,000.

In the case of land and buildings the capital cost includes the purchase price and alterations, but not associated professional fees which are written off to expenditure.

Capital expenditure within and for project premises not owned by the organisation is written off immediately, after allowing for grants receivable. Depreciation costs are allocated to projects based on the use of the related assets.

(j) Pensions

Hestia operates one group personal pension plan. Contributions are also made to pension schemes of certain employees in accordance with their rights under TUPE. Employer contributions are charged to the Statement of Financial Activities in the year to which the contributions relate.

Hestia also participated in one multi-employer defined benefit scheme – the Royal Borough of Kensington & Chelsea Pension Fund.

For this scheme, the operating costs of providing retirement benefits to participating employees are recognised in the accounting periods to which the benefits are earned. The related finance costs, expected return on assets and any other changes in fair value of the assets and liabilities, are recognised in the accounting period in which they arise. The operating costs, finance costs, expected return on assets and any other changes in fair value of assets and liabilities are recognised in the statement of financial activities.

(k) Critical accounting judgements and estimates

In preparing these financial statements, management has made following judgements, estimates and assumptions that affect the application of the charities accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements.

Housing property depreciation is calculated on an estimated economic life basis. The charity has undertaken a review of depreciation on a component by component basis and considered the difference between approaches to be immaterial.

Depreciation of assets is calculated based on the cost and the estimated useful lives of the assets. The expected useful lives for housing property components are estimated based on the expected replacement frequency used for asset management purposes.

Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expenses (as analysed in Note 19).

Notes to the financial statements for the year ended 31 March 2021 (continued)

2. Income from donations	2021	2020
	£	£
Donations	833,921	291,963
Grants:		
From local authorities	101,910	233,380
From other organisations and individuals	89,820	200,746
	1,025,651	726,089

In 2021, £518,232 (2020: £666,107) of donations income was attributable to unrestricted funds and £507,419 (2020: £59,982) to restricted funds.

3. Income from charitable activities	2021	2020
	£	£
Provision of care and support		
Income from support contracts	8,787,418	10,710,996
Income from other grants and fees	17,375,458	10,658,336
Residents' fees and charges	8,351,284	7,593,379
	34,514,160	28,962,711
Operation of Approved Premises		
Grants	1,694,444	1,791,815
Residents' charges	1,511	12,951
	1,695,955	1,804,766
	36,210,115	30,767,477

In 2021, £32,616,490 (2020: £28,968,842) of income from charitable activities was attributable to unrestricted funds and £3,539,625 (2020: £1,798,635) to restricted funds.

4. Income from investments	2021	2020
	£	£
Interest receivable	2,494	12,080
Dividends from equity shares	204,761	217,968
Deduct: interest payable on defined benefit pension schemes	-	(5,000)
	207,255	225,048

In 2021 all income from investments was attributable to unrestricted funds (2020: £225,048 – unrestricted).

HESTIA HOUSING AND SUPPORT

Notes to the financial statements for the year ended 31 March 2021 (continued)

5. Analysis of expenditure on charitable activities	Provision of care and support	Operation of Approved Premises	Total 2021
	£	£	£
Staff costs	19,915,370	932,032	20,847,402
Premises running costs	5,975,345	595,069	6,570,414
Residents' expenditure	3,279,597	13,360	3,292,957
Governance costs	129,741	8,557	138,298
Support costs	5,632,262	142,020	5,774,282
	34,932,315	1,691,038	36,623,353

	Provision of care and support	Operation of Approved Premises	Total 2020
	£	£	£
Staff costs	16,553,071	983,886	17,536,957
Premises running costs	4,981,040	263,244	5,244,284
Residents' expenditure	2,708,895	43,464	2,752,359
Governance costs	107,891	7,791	115,682
Support costs	5,230,319	210,320	5,440,639
	29,581,216	1,508,705	31,089,921

Expenditure on charitable activities was £36,623,353 (2020: £31,089,921) of which £32,999,343 (2020: £29,322,808) was unrestricted and £3,624,010 (2020: £1,787,113) was restricted.

6. Summary analysis of expenditure and related income for charitable purposes	Provision of care and support	Operation of Approved Premises	Total 2021
	£	£	£
Costs	(34,932,315)	(1,691,038)	(36,623,353)
Recharges to residents	8,351,284	1,511	8,352,795
	(26,581,031)	(1,689,527)	(28,270,558)
Direct grant support	26,162,876	1,694,444	27,857,320
Contribution to operations	(418,155)	4,917	(413,238)

	Provision of care and support	Operation of Approved Premises	Total 2020
	£	£	£
Costs	(29,581,216)	(1,508,705)	(31,089,921)
Recharges to residents	7,593,379	12,951	7,606,330
	(21,987,837)	(1,495,754)	(23,483,591)
Direct grant support	21,369,332	1,791,815	23,161,147
Contribution to operations	(618,505)	296,061	(322,444)

Notes to the financial statements for the year ended 31 March 2021 (continued)

7. Analysis of governance and support costs

	General Support	Governance Function	Total 2021	Basis of apportionment
	£	£	£	
Salaries, wages and related costs	2,234,689	86,990	2,321,679	Time spent
Office running costs	3,315,777	-	3,315,777	Staff nos. / no. of offices
Audit Fees	-	36,242	36,242	Governance
Legal and professional	223,816	15,066	238,882	Governance
Trustee expenses	-	-	-	Governance
	5,774,282	138,298	5,912,580	

	General Support	Governance Function	Total 2020	Basis of apportionment
	£	£	£	
Salaries, wages and related costs	2,099,668	86,989	2,186,657	Time spent
Office running costs	3,221,249	-	3,221,249	Staff nos. / no. of offices
Audit Fees	-	23,065	23,065	Governance
Legal and professional	119,722	4,944	124,666	Governance
Trustee expenses	-	684	684	Governance
	5,440,639	115,682	5,556,321	

8. Net income for the year

Net income is stated after charging:	2021	2020
	£	£
Operating lease rentals	774,254	746,280
Depreciation	69,008	75,992
Auditor's remuneration - Parent	28,502	21,625
- Subsidiaries	-	1,440

Notes to the financial statements for the year ended 31 March 2021 (continued)

9. Staff and Trustees	2021	2020
	£	£
Wages and salaries	18,203,834	14,587,647
Agency staff costs	3,411,053	3,411,053
Social security costs	1,621,361	1,336,373
Pension costs	695,066	616,212
	23,931,314	19,951,285

Staff in receipt of total employee benefits (excluding pension contributions) exceeding £60,000 in the year were as follows:

One employee earned between £100,000 and £110,000 (2020: none)

No employees earned between £90,000 and £100,000 (2020: one)

One employee earned between £80,000 and £90,000 (2020: one)

Four employees earned between £70,000 and £80,000 (2020: four)

One employee earned between £60,000 and £70,000 (2020: one)

Pension contributions in respect of the above higher paid employees totalled £26,430 in the year (2020: £21,377).

The average number of employees during the year was as follows:	2021	2020
	Number	Number
Project staff	604	537
Support staff	76	68
	680	605

No Trustee received any remuneration for services during the year (2020: nil). No Trustees claimed expenses during the year (2020: One trustee claimed expenses of £684 to reimburse travel costs). No Trustee had any beneficial interest in any contract with Hestia.

Indemnity insurance was arranged on behalf of the Trustees of Hestia for the 12 months commencing 1 July 2020 at no additional cost to the organisation (2020: £nil).

The key management personnel of the parent Charity, Hestia, comprise the Trustees, the Chief Executive and the Senior Management Team. The total employee benefits of the key management personnel of Hestia were £584,210 (2020: £558,749).

The key management personnel of the Group comprise those of Hestia and the key management personnel of the Corporate Alliance Against Domestic Violence. The key management personnel of the Corporate Alliance Against Domestic Violence are the Trustees who do not receive any remuneration or other benefits.

Notes to the financial statements for the year ended 31 March 2021 (continued)

10. Group tangible fixed assets	Freehold Land and Buildings £	Fittings and Equipment £	Computer Equipment £	Total £
Cost				
At 1 April 2020	2,988,118	233,712	210,806	3,432,636
Additions	-	23,756	3,992	27,748
Disposals	-	(8,464)	(167,665)	(176,129)
At 31 March 2021	2,988,118	249,004	47,133	3,284,255
Depreciation				
At 1 April 2020	488,755	196,366	207,217	892,338
Charge for the year	37,383	26,708	4,918	69,009
Eliminated on disposals	-	(8,464)	(167,665)	(176,129)
At 31 March 2021	526,138	214,610	44,470	785,218
Net Book Value				
At 31 March 2021	2,461,980	34,394	2,663	2,499,037
At 31 March 2020	2,499,363	37,346	3,589	2,540,298

Ealing, Hammersmith and Hounslow Health Authority has a charge over the freehold property at Lynton Terrace which would require the property to be transferred back to the authority if it were to cease to provide qualifying services.

Hestia is also the registered owner of the freehold property in Streatham. Full funding was received from the Home Office for the purchase of this property and the organisation has entered an undertaking to pass the proceeds of any sale on this property to the Home Office.

The properties in Battersea, Hounslow, Wandsworth and Kent are owned outright by the Charity and are not subject to any charges.

Notes to the financial statements for the year ended 31 March 2021 (continued)

11. Group and company Investments	2021 £	2020 £
Listed investments		
Market value at 1 April 2020	8,717,708	9,182,357
Additions at cost	3,189,381	4,854,679
Disposal proceeds	(5,018,974)	(4,612,718)
Gains on disposal	335,481	207,550
Impairment of investments	-	(160,383)
Gains (Losses) on revaluation	1,485,932	(753,777)
Market value	8,709,528	8,717,708
Historic cost	7,368,528	8,878,091
Listed investments are represented by:		
Fixed interest securities	818,335	926,483
Equity shares	5,667,441	4,935,018
Money market deposits	-	-
Real estate funds	385,891	395,432
Common investment funds	1,837,861	2,460,775
	8,709,528	8,717,708

Notes to the financial statements for the year ended 31 March 2021 (continued)

12. Debtors	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Grants receivable	4,245,313	2,977,558	4,245,313	2,977,558
Rents and charges in arrears	135,161	4,756	135,161	4,756
Other debtors	804,450	1,161,620	804,450	1,161,620
Due from subsidiary undertakings	-	-	-	7,704
Prepayments	334,872	308,672	334,872	308,672
	5,519,796	4,452,606	5,519,796	4,460,310

13. Creditors: amounts falling due within one year	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	1,226,837	1,242,346	1,226,837	1,242,346
Income received in advance	1,328,935	991,964	1,328,935	991,964
Accruals and deferred income	1,900,050	976,195	1,900,050	974,755
Taxes and social security	483,461	331,397	483,461	331,397
Other creditors	299,089	1,855,506	299,089	1,855,506
	5,238,372	5,397,408	5,238,372	5,395,968

Notes to the financial statements for the year ended 31 March 2021 (continued)

14. Unrestricted funds: Group	1 April 2020 £	Income £	Expenditure £	31 March 2021 £
Operating fund	9,310,510	33,694,177	(33,193,292)	9,811,395
Designated funds:				
Development, maintenance and refurbishment of existing projects	510,282	66,804	(47,244)	529,842
Infrastructure and new project development	959,072	-	-	959,072
Total designated funds	1,469,354	66,804	(47,244)	1,488,914
Revaluation reserve	-	1,343,409	-	1,343,409
Pension reserve	-	36,000	-	36,000
Total unrestricted funds	10,779,864	35,140,390	(33,240,536)	12,679,718

	1 April 2019 £	Income £	Expenditure £	31 March 2020 £
Operating fund	8,679,827	30,444,743	(29,814,060)	9,310,510
Designated funds:				
Development, maintenance and refurbishment of existing projects	498,596	56,804	(45,118)	510,282
Infrastructure and new project development	998,470	-	(39,398)	959,072
Total designated funds	1,497,066	56,804	(84,516)	1,469,354
Revaluation reserve	677,445	-	(677,445)	-
Pension reserve	197,000	(197,000)	-	-
Total unrestricted funds	11,051,338	30,304,547	(30,576,021)	10,779,864

The operating fund is a general reserve, which is the amount deemed prudent by the Trustees to hold in reserve to ensure stability and to safeguard Hestia's operations.

The designated fund for the development, maintenance and refurbishment of existing projects includes:

- Cyclical maintenance – funds required for regular maintenance and decoration of buildings for which responsibility is not assumed by the owning landlord.
- Sinking funds – funds required for long-term major repairs of buildings including the potential for costs associated with decant of residents during any refurbishment works for which responsibility is not assumed by the owning landlord. The Charity prepares five yearly maintenance plans for all owned properties and the funds set aside are compared to these estimated commitments.
- Furniture fund – funds for replacement of furniture on a three-year cycle which cannot be funded from the annual revenue budget.

Notes to the financial statements for the year ended 31 March 2021 (continued)

14. Unrestricted funds: Group (continued)

The funds for infrastructure and new project development have been designated in relation to planned strategic developments which assist the organisation to respond to the external operating environment. These include:

- Funding to meet the costs of organisational development, including bidding for new/replacement contracts, merger activities and requirements necessary to adapt internal frameworks to meet external requirements. Current approved projects include: The Hestia Approach (three years); the Fundraising Strategy (five years); and the Digital Strategy (two years).
- Project Assistance Funds to support upfront running costs of developed projects which cannot be funded from the annual revenue budget. These are reviewed on an annual basis linked to strategic plans.

A revaluation reserve, as required by the Companies Act 2006, is disclosed on the face of the balance sheet. The revaluation reserve represents the amount by which fixed investment assets exceed their historical cost.

A pensions reserve has been created to recognise any pensions liability arising from the defined benefit pension scheme with the Royal Borough of Kensington and Chelsea.

Notes to the financial statements for the year ended 31 March 2021 (continued)

15. Restricted funds: Group	1 April 2020	Income	Expenditure	31 March 2021
	£	£	£	£
Donations	157,260	507,419	(388,352)	276,327
Property Expenditure				
i. Purchase of Lynton Terrace	390,501	-	(5,420)	385,081
ii. Purchase of Hestia Streatham	232,686	-	(3,078)	229,608
iii. Purchase of Chatsworth Crescent	213,716	-	(3,964)	209,752
Improvements to:		-		
iv. Hestia Streatham	320,870	-	(4,243)	316,627
v. Hestia Battersea	11,835	-	(155)	11,680
Home Office Refurbishment Grants	43,530	-	(43,530)	-
Other Home Office Grants	2,148	-	(2,148)	-
Outreach services	130,834	265,380	(242,364)	153,850
Children and Family Funds	146,874	220,421	(147,163)	220,132
Women Without Recourse Funds	20,301	-	-	20,301
Community Engagement Funds	-	1,513,078	(1,285,829)	227,249
Digital Transformation Funds	72,000	163,414	(96,480)	138,934
UK Says No More	63,433	249,564	(228,908)	84,089
Everyone's Business	1,338	638,193	(593,897)	45,634
The Phoenix Project	32,500	64,703	(55,131)	42,072
Sport England	32,886	160,057	(153,559)	39,384
Project TILI funding	-	-	-	-
Hestia Counselling Service	33,442	-	(33,442)	-
Bright Sky Development	95,641	-	(78,376)	17,265
Infection Control Funds	-	318,815	(318,815)	-
	2,001,795	4,101,044	(3,684,854)	2,417,985

Notes to the financial statements for the year ended 31 March 2021 (continued)

15. Restricted funds: Group (continued)

	1 April 2019 £	Income £	Expenditure £	31 March 2020 £
Donations	152,811	59,982	(55,533)	157,260
Property Expenditure				
i. Purchase of Lynton Terrace	395,921	-	(5,420)	390,501
ii. Purchase of Hestia Streatham	235,764	-	(3,078)	232,686
iii. Improvements to Hestia Streatham	325,113	-	(4,243)	320,870
iv. Improvements to Hestia Battersea	11,990	-	(155)	11,835
v. Purchase of Chatsworth Crescent	217,680	-	(3,964)	213,716
Home Office Refurbishment Grants	43,530	-	-	43,530
Other Home Office Grants	2,148	-	-	2,148
Mercers Fund	635	-	(635)	-
Outreach services	121,711	238,570	(229,447)	130,834
Children and Family Funds	98,971	148,465	(100,562)	146,874
Women Without Recourse Funds	25,216	-	(4,915)	20,301
Community Engagement Funds	74,714	-	(74,714)	-
InForm Client Management System	72,000	-	-	72,000
UK Says No More	65,886	354,231	(356,684)	63,433
Everyone's Business	188	409,715	(408,565)	1,338
The Phoenix Project	2,974	32,500	(2,974)	32,500
Sport England	415	158,706	(126,235)	32,886
Hestia Counselling Service	62,624	25,667	(54,849)	33,442
Project TILI Fund	-	330,781	(330,781)	-
Bright Sky Development	-	100,000	(4,359)	95,641
	1,910,291	1,858,617	(1,767,113)	2,001,795

Restricted donations and grants comprise those funds used for specified purposes as laid down by the donor.

Restricted property funds comprise funding received for the purchase and improvement of the properties stated. The properties at Lynton Terrace, Hestia Streatham and Chatsworth Crescent are recorded in fixed assets. Depreciation of these properties and other specified property costs are charged against these funds.

Notes to the financial statements for the year ended 31 March 2021 (continued)

15. Restricted funds: Group (continued)

Home Office refurbishment grants represent grants made by the Home Office to fund refurbishment of Hestia's Approved Premises which were spent in the year in refurbishing premises in Streatham.

Other Home Office/ Ministry of Justice grants comprised various sundry grants for drugs testing, security training and scheme development / relocation in connection with Hestia's Approved Premises.

Outreach funding comprises various restricted grants to fund the provision of outreach services in Hestia's women's services projects.

Children & family funds are provided at each of Hestia's refuges and funded by a combination of Supporting People grants, other external grants and Hestia's own reserves.

The Women without recourse fund was set up in 2008/09 for women without recourse to public funds and includes donations from the Henry Smith Charity.

Community engagement income represents funds made available from the NHS to provide community crisis facilities – accommodation in Greenwich and drop in centres in West London, Tower Hamlets, Newham and Folkestone.

Digital transformation funds include grants from the Fidelity Trust to support the development of the InForm Client Management System focussing on increased direct access by service users as well as funds from the National Lottery and Barclays Bank plc to support staff and service user digital and training initiatives.

UK Says No More – the income represents grants from the Department of Culture, Media and Sport and Comic Relief, UBER and Ikano S.A. to support national anti Domestic Violence campaigns.

Everyone's Business is funded by the Department of Culture Media and Sport via the Tampon Tax initiative to provide employers with toolkits and access to information on how to support employees who may be experiencing Domestic Abuse. The service also provides Independent Domestic Violence Advisors to corporate partners.

The Phoenix Project is funded by the Trust for London, Great Portland Estate, the Pilgrim Trust and the Rayne Foundation to support victims of Modern Slavery once they have been granted leave to remain.

The Sport England initiative is funded by the Department of Culture Media and Sport and seeks to encourage children in our refuges to engage in sports related activities.

The Hestia Counselling Service is funded via various corporate donations and is intended to provide access to service users across Hestia services with access to internally Hestia run counselling as part of their recovery journey.

Project TILI (Train, Identify, Learn, Intelligence) was a partnership programme to tackle homelessness and modern slavery funded by the Department of Digital, Culture, Media and Sport. It covered England, Wales and Northern Ireland and was delivered in partnership with Crisis UK and the women's organisations BAWSO and Belfast Women's Aid, and the UK network for shared living Share Lives Plus.

Bright Sky – this donation was provided by Vodafone to support the development of the Bright Sky App, including translation into multiple languages.

Infection Control Funds – these were funds provided by commissioning partners to reduce the risk of COVID infection across Hestia's services, including staffing support, Personal Protective Equipment, additional cleaning and testing resources. All funds were spent during the year.

Notes to the financial statements for the year ended 31 March 2021 (continued)

16. Analysis of net assets between funds

	Investments	Tangible Fixed Assets	Net Current Assets Less Current Liabilities	Pension Liability	Total Funds 2021
	£	£	£	£	£
Unrestricted Funds	8,709,528	1,346,289	2,659,901	(36,000)	12,679,718
Restricted Funds	-	1,152,748	1,265,237	-	2,417,985
	8,709,528	2,499,037	3,925,138	(36,000)	15,097,703

	Investments	Tangible Fixed Assets	Net Current Assets Less Current Liabilities	Pension Liability	Total Funds 2020
	£	£	£	£	£
Unrestricted Funds	8,717,708	1,370,690	691,466	-	10,779,864
Restricted Funds	-	1,169,608	832,187	-	2,001,795
	8,717,708	2,540,298	1,523,653	-	12,781,659

17. Operating Lease Commitments

The total amounts payable by Hestia in respect of operating leases are shown below:

	Land and Buildings		Other	
	2021	2020	2021	2020
	£	£	£	£
Amounts due:				
In less than one year:	558,009	337,555	123,789	134,552
Between one and five years	129,179	209,539	364,728	488,518
In more than five years	-	-	-	-
Total	687,188	547,094	488,517	623,070

18. Capital commitments and capital grants

There were no capital commitments outstanding at the year end, nor any capital grants receivable.

Notes to the financial statements for the year ended 31 March 2021 (continued)

19. Pensions

During the year, Hestia operated both defined contribution and defined benefit pension schemes which require contributions to be made separately to administered funds for the benefit of the employees. Contributions payable by Hestia in respect of the defined contribution schemes totalled £666,955 for the year (2020: £560,787).

Final salary pension scheme

During the year, Hestia was an admitted body of one defined benefit pension scheme with The Royal Borough of Kensington and Chelsea Pension Fund (RBKCPF).

The RBKCPF is a multi-employer scheme administered by the Royal Borough of Kensington and Chelsea under the regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme.

The RBKCPF defined benefit scheme has been reported under Section 28 of FRS 102, "Employee benefits". The figures included in the financial statements in respect of this scheme are based on an actuarial valuation carried out on 31 March 2021.

The employer's contribution, relating to current employees, to the RBKCPF by the organisation for the year ended 31 March 2021 was £16,110 (2020: £21,424) and the employer contribution rate was fixed at 21.1% of pensionable pay up to 31 March 2022.

The financial assumptions used by the actuary to calculate the Scheme liabilities under FRS102 for the RBKCPF were as follows:

Assumptions	31 March 2021	31 March 2020
Inflation rate (RPI)	3.20%	2.65%
Inflation rate (CPI)	2.85%	1.85%
Rate of increase in salaries	3.85%	2.85%
Rate of increase in pensions in payment	2.85%	1.85%
Discount rate	2.00%	2.35%
The fair value of the assets of the Scheme and the expected return were:	31 March 2021 £	31 March 2020 £
Equities	1,400,000	946,000
Property	90,000	79,000
Cash (including cash plus funds)	264,000	187,000
Alternative assets	-	119,000
Total market value of assets	1,754,000	1,331,000
Present value of Scheme liabilities	(1,790,000)	(1,331,000)
Net pension liability	(36,000)	-

Notes to the financial statements for the year ended 31 March 2021 (continued)

19. Pensions (continued)

Analysis of the amount charged to the Statement of Financial activities	2021 £	2020 £
Current service cost	28,000	39,000
Past service costs	-	16,000
Total service cost	28,000	55,000
Net interest on defined liability	-	5,000
Administration expenses	1,000	1,000
Total pension costs charged to the SOFA	29,000	61,000
 Analysis of the actuarial gain / (loss) recognised in the Statement of Financial Activities (Other Comprehensive Income – STRGL)	 2021 £	 2020 £
Actual return less expected return on pension scheme assets	413,000	41,000
Changes in assumptions underlying the present value of scheme liabilities	(436,000)	196,000
Total (loss) / gain recognised in the SOFA	(23,000)	237,000
 Movement in defined benefit obligation in the year	 31 March 2021 £	 31 March 2020 £
Opening defined benefit obligation	1,305,000	1,536,000
Current service cost	28,000	39,000
Interest cost	31,000	38,000
Changes in finance assumptions	450,000	(154,000)
Changes in demographic assumptions	(14,000)	(42,000)
Experience (loss) on defined benefit obligations	(11,000)	(130,000)
Estimated benefits paid net of transfers in	(4,000)	(4,000)
Past service costs including curtailments	-	16,000
Contributions by scheme participants and other employers	5,000	6,000
Closing defined benefit obligation	1,790,000	1,305,000

Notes to the financial statements for the year ended 31 March 2021 (continued)
19. Pensions (continued)

Movement in fair value of fund assets in the year	31 March 2021 £	31 March 2020 £
Opening fair value of fund assets	1,331,000	1,339,000
Interest on assets	31,000	33,000
Return on assets less interest	376,000	(84,000)
Other actuarial gains	-	21,000
Administration expenses	(1,000)	(1,000)
Contributions by employers including unfunded	16,000	21,000
Contributions by scheme participants and other employers	5,000	6,000
Estimated benefits paid net of transfers in	(4,000)	(4,000)
Closing fair value of fund assets	1,754,000	1,331,000
The employee numbers in the Scheme at 31 March were:	2021	2020
Active employees	5	5
Deferred pensioners	7	7
Pensioners	1	1
	2021 £	2020 £
Actual return less expected return on Fund assets	-	-
Contributions by scheme participants	5,000	6,000
Expected employer's contributions for the year ended 31 March	21,000	21,000

	2021 £	2020 £	2019 £	2018 £	2017 £
History of experience gains and losses					
Defined benefit obligation	(1,790,000)	(1,331,000)	(1,536,000)	(1,436,000)	(1,409,000)
Scheme assets	1,754,000	1,331,000	1,339,000	1,178,000	1,084,000
Surplus/(Deficit)	(36,000)	-	(197,000)	(258,000)	(325,000)
Experience adjustments on Scheme liabilities	-	-	-	-	(154,000)
Percentage of liabilities	-	-	-	-	(10.9%)
Experience adjustments on Funds assets	-	-	-	-	-
Percentage of assets	-	-	-	-	-

Notes to the financial statements for the year ended 31 March 2021 (continued)

20. Subsidiary company results

At 31 March 2021, the Charity controlled one other small charitable company (limited by guarantee), the Corporate Alliance Against Domestic Violence and their results are included in the consolidated financial statements. The results for the year to 31 March 2021 were as follows:

	2021	2020
	£	£
Total income	-	74,693
Total expenditure	(955)	(77,094)
Net (expenditure) for the year	(955)	(2,401)
Funds brought forward	955	3,356
Funds carried forward	-	955
The aggregate of the assets, liabilities and funds was:		
Assets	-	10,099
Liabilities	-	(9,144)
Total funds	-	955

21. Related party transactions

During the year Hestia charged the Corporate Alliance Against Domestic Violence £Nil (year to 31 March 2020: £70,591) to cover a range of services provided under service level agreements. At 31 March 2021, the amount due by the Corporate Alliance Against Domestic Violence was £Nil (31 March 2020: £7,704).

22. Subsequent Events

Hestia continued to deliver services under COVID restrictions into 2021-2022 taking into account government recommendations and commissioner requirements. The financial implications of the revised delivery models were addressed in the 2021-2022 budget.

Notes to the financial statements for the year ended 31 March 2021 (continued)

23. Comparative Consolidated Statement of Financial Activities for the year ended 31 March 2021

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
Income and endowments from:		£	£	£	£
Donations	2	666,107	59,982	726,089	818,467
Charitable activities	3	28,968,842	1,798,635	30,767,477	29,135,429
Investments	4	225,048	-	225,048	258,039
Total income		29,859,997	1,858,617	31,718,614	30,211,935
Expenditure on:					
Raising funds:		287,998	-	287,998	307,128
Charitable activities	5	29,322,808	1,767,113	31,089,921	29,620,862
Investment management		51,055	-	51,055	48,461
Impairment of investments	11	160,383	-	160,383	-
Total expenditure		29,822,244	1,767,113	31,589,357	29,976,451
Net income before gains / (losses) on investments		37,753	91,504	129,257	235,484
Realised net gains on investments	11	207,550	-	207,550	137,120
Unrealised net (losses) on investments	11	(753,777)	-	(753,777)	(4,375)
Reserves transferred (out)		-	-	-	(284,408)
Net Income		(508,474)	91,504	(416,970)	83,821
Actuarial gains on defined benefit pension schemes	19	237,000	-	237,000	91,000
Net movement in funds		(271,474)	91,504	(179,970)	174,821
Reconciliation of funds:					
Total funds brought forward		11,051,338	1,910,291	12,961,629	12,786,808
Total funds carried forward		10,779,864	2,001,795	12,781,659	12,961,629