

Honeycomb Charitable Services Limited
(A company limited by guarantee)

Trustees' Report and Financial Statements
Year Ended 31st March 2021

Charity registration number: 701376
Company registration number: 2357520

Honeycomb Charitable Services Limited (a company limited by guarantee)

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Charity Reference and Administrative Detail

Year Ended 31st March 2021

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| Charity registration number | 701376 |
| Company registration number | 2357520 |
| Trustees | Mr C Henry (appointed March 2021) Ms V Bourne Mr K Dean Mr J A Yates (retired March 2021) |
| Chief executive officer | Ms D Thompson |
| Secretary | Mr R Morton |
| Registered office | 308 London Road Stoke on Trent Staffordshire ST4 5AB |
| Auditor | Beever and Struthers St.George's House 215-219 Chester Road Manchester M15 4JE |
| Bankers | NatWest Bank plc 1 Upper Market Square Hanley Stoke on Trent Staffordshire ST1 1QA |

Honeycomb Charitable Services Limited (a company limited by guarantee)

Trustees' Annual Report

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Trustees' Annual Report

The Trustees present their report and the audited financial statements of the charity for the year ended 31st March 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Companies Act 2006 and 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 (2019). On 2 April 2012, Honeycomb Charitable Services Ltd became a part of Honeycomb Group Ltd.

Trustees of the charity

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

Caris Henry (appointed March 2021)

Valerie Bourne

Karl Dean

John Arthur Yates (retired March 2021)

The Trustees have delegated the day to day management of the charity to the Group Chief Executive Officer.

Objectives and activities

We deliver our charitable activities through two distinct brands:

GLOW The heart of change: Address, Overcome, End domestic abuse

We are a charity on a mission to end relationship abuse, campaigning for change and providing support throughout Staffordshire and its surrounding areas.

Through a full-circle approach, Glow seeks to address the issues from every angle, ensuring that no member of the community is vulnerable to an abusive relationship.

CONCRETE - Making homelessness history

We are leading the fight to erase homelessness within Staffordshire and its surrounding areas.

Through a community-led approach, we help those without a plan, without a voice and without a home, build concrete futures by tackling the underlying issues that keep people from finding and securing a home of their own.

Glow and Concrete are a part of **Honeycomb Group**, a team of social-minded brands championing happy homes in our region by providing services and support that help people across Staffordshire and its surrounding areas feel secure, connected and confident.

Our mission is breaking barriers, building people, bettering homes.

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Public benefit statement

In accordance with s4 of the Charities Act 2011, we have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and planning our future activities.

Strategic Report

AIMS AND OBJECTIVES

During the year we worked in Staffordshire (including Stoke-on-Trent), Derbyshire and Cheshire East. We engaged 6,995 children, young people, adults, families and over 649 professionals / landlords in activities to achieve our Group aims and objectives focused on *'Breaking barriers, building people, bettering homes'*.

During the year we worked in Staffordshire (including Stoke-on-Trent), Derbyshire and Cheshire East. Glow engaged 2,156 adults, 2,306 CYO and provided 1,383 one-off advice & support. Concrete engaged with 1,150 customers overall.

Glow also worked with over 250 professionals and 39 teachers via our education programme. Concrete worked with over 300 professionals and 60 landlords.

Many of our direct customers engage with us due to a need highlighted by homelessness or domestic abuse (either as a victim/survivor or a perpetrator of abuse) many also face multiple and severe disadvantage with overlapping needs arising from, for example, substance misuse, contact with the criminal justice system, mental ill-health, or their immigration status.

As a result, they're more likely to be living in poverty, be experiencing low self-confidence, isolation, loneliness, stigma, and discrimination. All our services recognise people as individuals; we take a trauma-informed approach to support, walking alongside our customers throughout their journey with us.

We're breaking barriers by ensuring the issues of homelessness and domestic abuse are better understood and people have a voice in challenging the systems that allow these inequalities to continue.

Reflecting on the last year:

This has been a year like no other. In our last review, we talked about the challenges and the opportunities of moving from COVID-19 response to recovery. At that time, we couldn't have predicted that the pandemic would still be gripping the country more than 12 months later.

'We're all in the same storm, but not the same boat'

Many of our customers, still experiencing the impact of years of austerity, were (and continue to be) disproportionately affected by the pandemic. Responding to Government measures to stop the spread of the virus and to 'stay home, stay safe' when you don't have a secure home, or are forced to spend 24/7 with an abusive partner have been just a couple of the serious challenges individuals and families have faced.

With continued impact on our planned objectives, we implemented an interim strategy focused on maintaining essential services to customers and supporting our workforce to ensure we could rapidly respond to increased and changed demand for support while sustaining the financial viability of our organisation. We made use of the Government's Job Retention Scheme, had significant success in securing funds from public and charitable/voluntary funding sources, and received ongoing support from our local communities and businesses (many who had been hit hard themselves).

We looked at new ways to deliver services to meet the changing needs of our customers and the delivery environments; we accelerated our digital agenda, equipping more staff to be able to work from home, took more of our frontline support to telephone or virtual delivery and reviewed our safeguarding practices. We also recognised that many of our customers risked further exclusion and abuse/exploitation from a lack of resources and/or skills in the increasingly digital environment. With funding for mobile phones, tablets, and credit as well as support to access services online we've been able to help reduce some of the barriers.

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The Government maintained commitment to the causes that matter to us. From funding to provide next-steps support, ensuring those housed through the 'Everybody In' campaign did not return to the cycle of homelessness, to funding to increase refuge and safe accommodation and support for victims of domestic abuse, we've been able to deliver more and deliver differently. Albeit short-term, the funding has given us hope that the issues of homelessness and domestic abuse will remain high on the agenda for sustainable public funding in future years.

Running alongside our COVID responses, we took on the challenge of mobilising two large accommodation and housing-related support services during a pandemic. The first in Cheshire East, a new geography for us. The second in Stoke-on-Trent; 'Destination: Home' delivered in partnership with local organisations, Adullam Housing, North Staffs Mind, Changes: Health and Wellbeing and Walk Ministries. As a result of this, alongside mobilising additional provision to help cope with the pandemic, during the period April 2020 to December 2020 we saw customer numbers increase 55% from the same period the previous year.

Despite the impact on our teams both personally and professionally, they've met the challenges head on. From supporting our customers to achieve great outcomes to helping us reimagine our workspaces we've been inspired by their energy, creativity, and resilience. We put several initiatives in place to support people to keep safe and well with access to PPE and early vaccinations, and the launch of our wellbeing mentor peer support project. Also, to help teams juggle the demands of work and home life, we disrupted our usual patterns of working, equipped people with the right ICT and developed new ways to remain connected with each other and our partners.

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

GLOW: THE HEART OF CHANGE TO ADDRESS, OVERCOME, AND END DOMESTIC VIOLENCE AND ABUSE

During the year, Glow supported children, young people and adults in services ranging from crisis support (including accommodation) through to recovery. 2,156 adults were supported through longer-term services, many were families and in total 2,306 children were linked to the support of their parent.

In addition to longer-term support, Glow undertook 1,383 pieces of 'short-term work' which are one-off pieces of advice or information provided either directly, or indirectly via other agencies a customer may be involved with. They play an important part in providing early interventions that can help individuals and families avoid needing to access full support.

The heart of change begins with action. That's where our approach comes in. It's unique to Glow, but it's part of a sector wide movement for lasting change. Tackling relationship abuse isn't a linear process, it takes a full-circle approach to ensure that we stop it in its tracks and enable everyone to understand how to recognise and prevent abusive behaviour before it takes over.

ADDRESS:

We provide personal support to help those experiencing abuse to put together a plan to increase their immediate safety, freedom, and wellbeing. We provide safe accommodation or support to remain at home, through one-on-one, peer and group support programmes to help with the immediate next steps to start building a life free from abuse.

This year our key activities and achievements included:

- Safe accommodation and support to remain at home - North Staffordshire

We provided 38 units of accommodation across three refuges and 18 units of community-based safe accommodation (with plans in place to increase this over the coming months).

145 households (including 211 children) were supported to escape domestic abuse and avoid homelessness. 97% of safe accommodation residents this year were women, however we have

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managed to accommodate five men (compared to three last year). 59% of residents had an identified mental health support need which highlights the complexity of support needs for customers in this setting, as well as the need for dedicated domestic abuse and housing support available at the point of accessing provision.

COVID-related emergency funding from the Ministry of Housing, Communities and Local Government (MHCLG), helped us to continue to sustain our existing accommodation offer which, except for provision in Stoke-on-Trent, does not have stable contract funding. We were also able to enhance our service, helping us to respond to the increased and changing demand during the pandemic including four extra bedspaces in community-based safe accommodation for a short period of time during the summer, a pool of laptops so customers could engage safely in virtual support, outdoor furniture so residents could socialise safely in the garden area of a refuge, and additional financial assistance to support 14 households moving on from accommodation.

We provided direct specialist support for 48 children across our safe accommodation services, which was made possible by various forms of short term funding including Children in Need grant funding, Covid related funds from MHCLG and locality funding from Staffordshire Moorlands District Council.

Children are often the invisible victims in families where there has been domestic abuse. A dedicated children's worker in refuge is able to provide crucial support at a critical time, to help them to understand their experiences but also to heal, learn about healthy relationships and generally have the opportunity to talk, play, build/repair relationships. It is hoped that this early intervention will provide the best chance for them to go on to have happy healthy lives free from abuse.

- Support for high-risk victims - Derbyshire

Working across Derby City and Derbyshire County our teams supported 1,386 cases this year. Despite the unique challenges posed by the pandemic, 85% of customers who engaged with our Independent Domestic Violence Advisors (IDVAs) experienced an improvement in their general safety.

We saw an increased demand from victims with complex needs meaning IDVAs supported victims for longer than the standard 4-6 weeks (181 people were supported for 4-5 months - nearly a 30% increase from the previous year). Longer waiting lists for medium-risk services in the area also impacted this as there was no 'step-down' services to safely refer victims into for ongoing support once the immediate risk to safety had been managed.

We managed the increase in demand in the short-term by employing a temporary IDVA using additional funding from the Derbyshire PCC and Ministry of Justice. We were then able to accept more referrals and employed a duty worker to manage them, so IDVAs could offer more direct support. We also purchased security equipment (window alarms, door alarms and personal alarms) for those who required extra safety at home and when out in the community.

We've developed our working relationships with the Royal Derby Hospital to increase identification and referral of victims into support services. This included training health staff to spot abuse/respond to disclosures and delivering 1:1 onsite support sessions for victims.

- Integrated support service - Increasing the safety of victims with a partner engaged in a behaviour change programme

Integrated support for partners and ex-partners of perpetrators of abuse who are engaged in our services are offered support to cope and recover from their experiences. This year the team contacted 27 partners and ex-partners, either on a 1:1 basis or through groupwork programmes, 100% went on to fully engage with support.

OVERCOME:

We help children, young people, adults, and families to rebuild their lives free from abuse, providing on-going personal, peer and group support. We provide training and volunteering opportunities to open or further career

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doors, and we offer therapeutic, learning and social activities to help build confidence and friendships and confidence along the journey. Our support is tailored to the individual and the family, so everyone feels they can live a life free from abuse.

This year our key activities and achievements included:

- Helping victims understand their experiences - The Freedom Programme

To overcome lockdown and social distancing measures we delivered our groupwork programme online. We introduced risk assessment checklists to help us identify those who could engage safely online and provided resources so they could complete work at home prior to the sessions.

We reach 24 women through three programmes. We kept the group size smaller than face-to-face delivery, with eight participants and two programme facilitators in each virtual session.

Engagement was low during the first programme and only half of the group completed it. However, through reflective logs and customer feedback we adapted our delivery style and added in a wellbeing activity after each session.

The remaining programmes were more interactive and provided more opportunities for participants to share their experiences with their peers. We developed a Facebook page to provide peer support - a safe space for discussion outside of the group, and an opportunity to build friendships/support networks, something which many of them didn't have.

The programmes were a huge success with a 100% completion rate.

In January 2021 we recruited a volunteer to support programme delivery so we can engage more women online. At the end of the year, we had 15 new referrals ready for the next programme.

Relationships without Fear is our education and awareness programme, supporting children and young people who have been impacted by abuse either in their own relationship or through living in a family home where there is abuse.

During the year 13 virtual groups were set up to provide emotional support for children and young people, and with additional funding from Newcastle Borough Council's Joint Operations Group and the National Lottery Community fund, we gave out 211 wellbeing, pick me up and safety packs.

100% of the children and young people we have supported said they feel safer, have improved relationships with friends and family, and have an increased awareness of the services and support available to them.

- Supporting survivors to recover from their experiences of domestic abuse

Our recovery service, primarily centre-based at the Sunrise Centre, had to quickly develop new ways of working. Including keeping in touch with people via email, phone, and virtual platforms, and creating virtual support networks. Customers with young children or those home schooling were confined to their homes and unable to find a safe space to talk to us so we changed our hours to offer support at a time that would work, e.g in the evenings when the children were asleep.

- 109 customers were supported, 79% of them have children.
- We held virtual coffee/social meetings so customers could chat and share experiences
- Our children and young person's officer provided online sessions for young people, in addition to our parent and child craft and social activity sessions.
- Mental wellbeing and pamper support packs were delivered to customers
- Our closed Facebook page helped customers to maintain crucial peer support and reduced their feelings of isolation.
- To address the decline in customers mental wellbeing we developed and delivered a new mental health programme called 'looking after me'
- MIND provided workshops on mental wellbeing and resilience
- Two of our volunteer counsellors provided a 1:1 service for customers needing more intense support

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- Four of our volunteers with lived experience provided vital support by co-facilitating groupwork programmes and facilitating online social events
- With funding from the National Lottery Community Fund, we also purchased 10 iPads to help more customers access our service and online workshops.

- Dedicated support for male victims of domestic abuse

As with other areas of the service, contact with customers changed dramatically, with males choosing to engage regularly with the online social/peer support sessions.

- 65 males accessed the service this year compared to 43 last year
- Twice weekly social groups were hosted (afternoon and evening) with on average six to eight men meeting at any one time.
- Child contact and legal workshops were delivered
- One spot the signs programme was delivered to six new customers
- Two volunteers with lived experience helped to co-facilitate the groups to encourage and give men the opportunity to open-up about their own experiences and move forward.

END

We raise awareness and provide education on how to spot and respond to abusive relationships in schools, businesses and communities; we train and work with other professionals to help them recognise abusive relationships. We work with those responsible for abuse to end the cycle of their violent and abusive behaviour. Our aim is to build communities where everyone knows how to identify abuse and bring it to an end.

This year our key activities and achievements included:

- Breaking the cycle of abuse by working with those who harms others.

We found a safe way of engaging with perpetrators, managing risk, and navigating the ever-changing restrictions on face-to-face delivery. This year we have been proactive in our support to perpetrators by regularly attending the Respect-accredited members forums, where discussions have focussed on new and innovative ways of engaging perpetrators and the introduction of the Domestic Abuse Bill. More recently, we were part of a working group exploring best practice during COVID-19, ensuring the safe and effective use of virtual and social media platforms.

- Despite a temporary halt on delivery of behavioural change work (due to COVID restrictions and imposed by Respect and CAF/CASS) we maintained engagement with all customers and set up a virtual weekly risk management group.
- Following several meetings with CAF/CASS it was agreed that we could deliver the behaviour change programme via virtual 1-2-1 sessions until restrictions were lifted
- Once restrictions eased, we were able to provide group work to reduced numbers (in line with social distancing guidelines).
- 25 men were referred to our service with all successfully completing a suitability assessment and going on to engage with the rolling group work programme.
- For those who completed during the year, 97% demonstrated both the capacity and motivation to change their behaviour and 97% reduced their levels of violence, emotional power and controlling behaviour following the six-month group support check-ins.
- 27 partners and ex-partners were contacted by our integrated support service. 100% went on to fully engage with support, either via 1-2-1 or groupwork programmes.

- Raising awareness of healthy relationships with children and young people through our Relationships Without Fear programme

We reached 297 children and young people with our programme about healthy relationships and 39 teachers with our bespoke domestic abuse in education training programmes.

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With changes in legislation increasing the requirements for healthy relationship education, we identified a gap for schools looking to engage a provider to deliver programmes. Through development of trading model aligned to our charitable objectives, we have focused resources on achieving a self-sustaining funding model for this area of work.

With additional investment we have increased bookings for our Relationships Without Fear programmes, and we are now reaching more schools than before through programme delivery, teacher training and guest speaker events.

We have continued to develop our offer to schools and other education settings to reach more children and young people, including those with special education needs (SEN). We have developed and promoted DASIE Chain (Domestic Abuse Support in Education) with four schools signed up ahead of its official launch in September 2021, including our new SEN model.

Across all service areas we have support our customers to use their experience to raise awareness of the issues, for example:

- Male victims attended awareness-raising events with Longton and Newcastle police forces and contributed to the Staffordshire police podcast
- Our health-based conference included a guest speaker with lived experience – an actress used a survivor's words to explain their experiences of domestic abuse and seeking help through health services
- Participating in the Staffordshire Police led #YouAreNotAlone campaign during lockdown
- Producing 20 dedicated social media campaigns covering key issues and topics including the effects of lockdown, the link between football and DA, Relationships and Sex Education Day, Pride, World Suicide Prevention Day, DV Awareness month and International Women's Day

- Awareness raising and working with professionals

We engaged more than 250 professionals in training and events aimed at increasing their understanding of domestic abuse, their role in identifying victims, and helping them to access support.

Key achievements during the year included:

- Establishing relationships with key contacts within Public Health England (Dentistry) and the North Staffs Combined Mental Health Trust through the funded Pathfinder project (ending in early 2021)
- Holding our virtual 'DA: The Health Edition' conference in February 2021, attended by over 200 health professionals. Our guest speaker, Nicole Jacobs, Government appointed DA Commissioner, talked about the role of her office, the changes that the DA Bill (now the DA Act) will bring and the impact that this will have on health professionals, including a duty to 'Ask & Take Action' when a patient is suspected of experiencing domestic abuse.
- The conference also launched our 'Here to Help' campaign, asking organisations to sign up to a '6-step pledge' to improve their identification of, and response to, patients or colleagues experiencing DA. The pledge includes requirement for all staff to attend annual DA training and establish a DA Champion role. Five organisations have already signed up.
- We increased the reach of our training through delivering to agencies and professionals outside of our current geographical area.
- We continued our work with the housing sector to improve their response to domestic abuse including support to achieve the Domestic Abuse Housing Alliance (DAHA) accreditation (the UK benchmark for how housing providers should respond to domestic abuse). This included developing a bespoke training programme and support package for The Longhurst Group, enabling them to achieve and maintain their accreditation.

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CONCRETE: MAKING HOMELESSNESS HISTORY

Concrete experienced a significant period of growth during the year, expanding into a new geography, mobilising a partnership single homeless service Destination: Home (the largest contract in its history), and taking a key role in national campaign to reduce homelessness during COVID.

Our key achievements included:

- Returning to Cheshire East
In April we expanded our reach, mobilising three housing-related support contracts including a floating support service covering both the north and south of the county, and a supported housing service for under 25s, single parents and families in the south of the county. By the end of the year, despite the challenges of COVID, we had provided supported accommodation for 55 single people and families, and floating support to 302 households with the same mix of singles and families.

- Launching our Destination: Home partnership service in Stoke-on-Trent:

This has seen the establishment of a strong local partnership including North Staffs Mind, Changes: Health and Wellbeing, Adullam Homes and Walk Ministries. Providing 251 units of accommodation and 89 units of floating support with a service capacity to support up to 340 people at any one time.

Since its launch on 1st October, the service has supported over 380 people. It follows Concrete's holistic approach focused on long-term recovery, by tackling the underlying issues linked to homelessness. The new service brought together a number of services previously commissioned under separate contracts and saw Concrete grow its supported housing offer by 60 units including the addition of staffed buildings providing 41 units within five small group homes. 18 of these bedspaces are women only, allowing us to offer a gender specific support.

- Winter provision for people with no recourse to public funds:

From December until the end of March funding from Homeless Link's Winter Transformation fund enabled Concrete to provide accommodation and dedicated support to people with no recourse to public funds. Working closely with Stoke-on-Trent City Council, the service has since been extended under the 'Everybody In' national campaign. Nationally this was the only funded provision from this funding stream and ended rough sleeping for four people by removing the barriers that had left them without a home.

- The remodel of supported accommodation for young people in Stoke-on-Trent:

In response to changes in need we worked with the City Council to remodel our young people's service and developed a 'spot purchase' funding arrangement that would ensure that high quality support and accommodation could continue to be offered for young people in Stoke-on-Trent.

- Supporting the national 'Everybody in' campaign to end rough sleeping during Covid:

Concrete played a lead role in Stoke-on-Trent's response to the pandemic by successfully mobilising and supporting people into temporary accommodation during the first lockdown. Working with the Holiday Inn in Hanley and our partner Walk Ministries we accommodated 66 people in COVID safe, temporary accommodation. 47 people moved on from the Holiday Inn with continued support from Concrete; 16 of them moved directly into their own tenancies.

- Supporting services and customers during the pandemic:

We were able to secure several COVID related grants during the year to both adapt, continue, and enhance our services as well as provide individual support for customers affected by the pandemic. This included funding for essential PPE, access to healthy food for customers, equipment and resources to help them when self-isolating.

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- Piloting a Homelessness Accommodation and Support Hub in partnership with Stoke City Council:

Concrete completed the financial year with the launch of an accommodation-based pilot for a support hub in the north of the City in partnership with Stoke-on-Trent City Council. Building on the success of the Holiday Inn, the project provides 25 self-contained flats on a staffed scheme with a separate hub to provide support to the residents.

Homelessness isn't just what you see on the streets, so our support goes much deeper into the root of the issue so that everyone who needs our support can achieve a more concrete future. When we for into a community we work to make homelessness history in four ways. Our continued commitment to our **Address, Secure, Connect, Equip** approach to making homelessness history saw us engage more than 1150 people in need of support across North Staffordshire and Cheshire East, sharing expertise and knowledge with more than 300 professionals and engaging over 60 landlords. Here's how we did it.

ADDRESS:

Raising awareness and educating our community on the realities of homelessness and what they can do to prevent and minimise their risk.

- Due to the impact of COVID delivery of our early awareness and prevention programme in schools across Stafford Borough and added social value work in Cheshire East and Stoke-on-Trent has been severely impacted. With ongoing uncertainty linked to the pandemic we plan to develop a virtual programme within the next few months.
- We reached 290 professionals by sharing our expertise and approach as part of a Stakeholder Virtual Stall at Expert Citizens Insight Awards.
- Following the launch of our small group homes as part Destination: Home and the North Accommodation and Support Hub we have proactively engaged communities helping us raise awareness of homelessness and the work we and increase food and clothing donations for our services.
- We have supported customers to use their experience to raise awareness of homelessness through local and regional PR and social media campaigns including; BBC Radio Stoke and BBC online interviews, support for the 'Everyone In' campaign through sharing customer stories and updates, coverage and support for our COVID fundraising appeal, celebrating Victoria Place's first birthday, sharing customer volunteer stories during volunteers week, promoting Pointon House services for mental health awareness week, and sharing content during Pride month, suicide awareness week and homelessness week.

SECURE:

Direct support for people at immediate risk of losing their homes, working with landlords, local authorities and tenants to help keep people within their homes.

- We helped 223 people keep their home, equipping them with the skills they need to live independently in the future.
- Our Pointon House service has supported 26 adults in mental health distress and at risk of homelessness by offering accommodation and life skills support. Pointon House has successfully supported five people with diagnosed long-term enduring mental health issues and multiple complex needs at immediate risk of losing their homes. We've helped them sustain their homes with our floating support service funded by personal health budgets. 80% of customers exiting the service were positively maintaining their homes and wellbeing.
- Before our City-Wide Supported Housing service transferred into Destination: Home we supported 121 single homeless people in shared or single homes in partnership with Brighter Futures with 83.3% exiting the service between April and September achieving independent living and exceeding our 65% target.

CONNECT:

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Connecting those without a home to a home that is fit for their needs, providing dedicated support to connect housing and care needs into one access point.

We connected 622 people to accommodation with support that is fit for their needs.

- Destination: Home brings a vast and diverse offer of accommodation for people impacted by homelessness with multiple and complex needs. This includes a dedicated service for people with long-term enduring mental health issues, 24/7 staffed small group homes, female-only accommodation for gender specific support, and access to a rehab and dry house through our partner Walk Ministries. Since launching Destination: Home in October, we have supported 97 women, 27 of whom were accommodated in our female only housing all of which have significant histories of repeated cycles of rough sleeping and homelessness. On average, the percentage of women accessing and represented in homelessness services is 16-25%. Currently 40% of people within the Destination: Home service are female.
- Following funds secured from Homeless Link we have been able to continue our work in partnership with Staffordshire North and Stoke-on-Trent Citizens Advice Bureau (SNSCAB), offering a range of advice and 1-2-1 resettlement support to asylum seekers and refugees. We've supported over 100 refugee households to avoid homelessness. Unfortunately, due to continued funding reductions and no long-term source of funding, we have had to sadly close the service. With continued funding of Harbour House and the successful outcome for the single adult homeless tender we were able to continue a small offer for the customer group.
- Concrete's MHCLG funded Rough Sleeper Initiative (RSI) projects have been used flexibly during COVID in partnership with the local authority to meet the demand under the 'Everybody In' scheme. The projects have been extended to June 2021 while MHCLG review submissions for the rest of the financial year. It is likely that Concrete will retain the projects, hopefully with some adaptations to ensure the offers are relevant based on current gaps in service provision across the City. Following the City's addiction service offer moving to a 'recovery ready' model (due to significant funding reductions) we are also hoping to secure funding for two addiction specialists to ensure our customers are able to receive harm reduction support for cooccurring mental health and addiction needs.
- The Navigate and Private Lettings Service RSI funded project areas are unique both locally and regionally and have been recognised as good practise by MHCLG, with Navigate celebrated nationally. Navigate has worked with 19 men who were caught in a cycle of homelessness and offending and secured long term accommodation for eight men. All Navigate customers who have been accommodated by the service continue to engage with us, with one of the first tenancies we secured now exceeding two years.
- Through the support of our service coordinators 80% of our customers have been able to secure and sustain a home. Service coordinators raise the voice and rights of customers and help them to know and access the services and support they need.
- Through MHCLG funding we have continued to develop our Private Lettings Service. Over the last year, we have supported 43 people and helped 13 into a tenancy within the private rented sector with 94% of our customers sustaining their tenancies. The service continues to reduce the barriers to accessing and maintaining a tenancy by identifying and matching customers with suitable properties and working with landlords to help them understand the needs of those who are at risk of homelessness.
- New properties and schemes identified by our Landlord Liaison Lead not only continue to set a high standard for new properties, but have also improved how we work with landlords, as well as helping the community by solving some of the regeneration and environmental issues in the city creating 11 new homes from empty buildings this year alone.

EQUIP:

Providing 1:1 guidance and support to help people develop skills to live independently for the long-term.

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427 people received guidance and support.

- Our peer mentor scheme has gone from strength to strength, with peer mentors leading on activities to overcome the impact of isolation and loneliness on our customers and sharing their own learning and success offering hope and inspiration for others.
- Our Young Person's Accommodation Service has supported 50 young people over the last 12 months, demonstrating the importance of sticking and transitioning with young people as they turn 18. We have 14 young people who have transitioned into supported housing with five others now in their own tenancy and one of them going on to university. Unplanned exits remain low despite some challenging and adverse circumstances.

PARTNERSHIP WORKING AND MULTI-AGENCY RESPONSES/MECHANISMS

During the pandemic we have used our strengths and reputation to innovate and flex. At a strategic level this has included:

- Active roles in strategic groups to represent the needs of our customers including: the Staffordshire Domestic Abuse and Commissioning Development Board and sub-groups including accommodation, the Stoke-on-Trent Community Safety Partnership, and the Homelessness Forum and Homeless Reduction Board.
- Maintaining our commitment to safeguard our customers and others who are vulnerable as a voluntary sector representative for the Stoke-on-Trent Children's Safeguarding Board which, for the majority of the past 12 months, has operated on a pan Staffordshire basis under joint arrangements.
- Informing and influencing developments alongside other voluntary sector leaders. We joined several partners to support the City Council in its COVID-19 response and recovery including contributing to the VCS Emergency Response meetings with statutory and VCSE partners.
- Remained a committed partner in initiatives in Stoke-on-Trent including the Collaborative Network and Totally Stoked. Both focus on making the best use of people, time and resources to improve the quality of lives of the people of Stoke-on-Trent. As Honeycomb Group, we're also leading on the development of a Collaborative Network campaign 'Is Everything OK?' to focus on mental wellbeing and are involved in taking forward one of the networks priorities 'Collaborative Commissioning' to adopting a more person-centred approach and involve people with lived experience in shaping and developing services.

PERFORMANCE

Despite the turbulent external environment and the significant period of change over the last year, we are proud to report continued value for money across our organisation:

Economy: increasing resources available to us.

- We secured more than £900,000 of extraordinary funding to increase resources available for organisational sustainability, project delivery and support for customers to cope and recover during the pandemic
- Despite most resources focusing on emergency COVID funding, we were able to secure over £5m of income for growth and new business to be delivered over the next five years.
- We supported customers to secure in excess of £155k from personal health budgets to purchase independent living support as part of our Pointon House service for people experiencing mental ill-health.
- Continued purchase of all back office support functions from Honeycomb Group helped us to achieve best value in terms of overheads, leaving more resources available for direct service delivery. 'Our overheads as a percentage of turnover saw a decrease of 1.2% from 15.90% to 14.7%

Honeycomb Charitable Services Limited (a company limited by guarantee)

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- Customers were supported to access the Live and Learn programme of activities and opportunities coordinated by Honeycomb Group. 60 Live and Learn courses were signed-up to including courses to enhance wellbeing, develop vocational skills, pursue hobbies and interests, and learn about computing.
- 22 volunteers were actively engaged, supporting, and enhancing our service delivery and outcomes for customers as well as providing the opportunity for volunteers to develop their own skills and confidence:

"I decided to become a peer mentor as I've always enjoyed helping people. When I meet a Concrete customer, they are shocked to hear that I've been through homelessness too. It shows them that people can get through it and if I can do it, then anyone can. The best thing about being a peer mentor is helping others, but also building your own confidence and self-esteem too!" [Ragnar; volunteer]

"I love being a peer mentor it gives me so much pleasure helping other people and giving back. It's also great having the support of other peer mentors, we help each other out and chat about how we can better mentor the people that need our support. Being able to support someone means so much to me and has made me feel so proud of myself" [Rory; volunteer]

- 36 customers were involved in our customer engagement activities. This included:
 - Attendance at housing interviews at The Smithfield, Hub and Furlong Court
 - Developing a way of engaging people on our waiting list with pre tenancy work
 - Contacting customers to complete customer satisfaction questions
 - Creating a newsletter to reach out to the customers during the first lockdown

Efficiency: using our resources well.

- Despite the difficult operating environment employee turnover has remained relatively stable.
- We continue to manage complaints well achieved a 94% achievement of complaints being resolved at Stage 1 of our complaints process.
- Within an environment of continuous improvement, we encouraged all staff to be creative and innovative in their practice which resulted in savings of £1,450

Effectiveness: the impact we have created with our resources.

- Our customer satisfaction survey captures feedback from customer experiences across Glow and Concrete:
 - **Our services are supporting customers to achieve great outcomes:** 88% reported being better able to manage their physical health, 81% reported an improvement in and mental health and wellbeing, 91% felt safer, 89% reported feeling more independent and 89% felt they were able to make better choices.
 - **Our teams are providing high quality support:** 92% of customers reported that they were happy with the service they receive, 96% felt that their support worker understood their needs, 99.5% reported feeling that they were treated in a nice way and 79% felt able to have their say.
- Glow retained RESPECT accreditation for its existing services, and we look forward to getting our new Derbyshire DRIVE service accredited soon. We remain a CAFCASS approved provider for our DA Perpetrator Programme taking referrals from the family courts. Two IDVA team leaders completed the Safe Lives IDVA manager course and once we have received the results, we will commence the Safe Lives accreditation of the Derbyshire IDVA service.
- Teams recorded customer savings of £13,600.27 by saving customers money by: negotiating reduced rates, accessing free items such as carpets, furniture or white goods, and supporting debt write-offs. A further £16,051.90 was secured in increased income by helping customers maximise benefit claims and appealing incorrect decisions.

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During the year we developed several new initiatives and improvements in our infrastructure and support services purchased directly from Honeycomb Group helping us to deliver more and better services for our customers.

- We enhanced our service performance and development offer to provide a dedicated team focusing on quality and performance.
- Successfully piloted and launched our Service Quality Review (SQR) a new internal audit process and self-assessment tool with an element of peer scrutiny. A full audit timetable will be in place to cover all services in the next financial year.
- We updated our service level agreements to increase governance of our external contracts with partners.
- Continued to develop our understanding and skills to report around the wider social value our services deliver. This included completing our first Social Return on Investment (SROI) evaluation of the Sunrise DA Recovery project.
- We revised our processes around mobilisation and demobilisation of services, introducing a new checklist for the opening and closing of smaller projects and funding streams.
- Started to review our use of the Outcomes Star as a needs assessment tool. Partnering with Homeless Link on a national project, we will design a strengths-based toolkit to use across all of our services, enhancing the customer offer as well as saving money.
- Through improvements to our recruitment management system we became more digitally agile with our recruitment and onboarding processes. Work continues in this area to ensure we recruit for values and skills, and that the welcome to Honeycomb Group and all our brands create a great start.
- We carried out a comprehensive review of the rent arrears process with our Income Team. This resulted in improvements to communication between the income team and support workers, better record keeping of support and action taken when customers are experiencing arrears. It will continue to be a priority and we hope to see the benefits of this review in the coming year.
- We've significantly developed our staff engagement strategy and over the last year have:
 - Created an interim engagement strategy during the COVID-19 pandemic that focused specifically on the wellbeing of staff and the communications methods and channels used during this time
 - Carried out two staff surveys which informed the priorities of the reimagined engagement strategy and focused on the following engagement elements: wellbeing, pay and benefits, workspace, recognition, open and honest communications.
 - Supported and launched our wellbeing mentor programme
 - Issued thank you cards during the first lockdown with details of our employee assistance programme to support staff during that time
 - Set the lowest salaries at a higher rate to move us closer to the real living wage
 - Worked with teams to create COVID secure workplaces and coordinated the communication of ongoing pandemic developments and updates
 - Coordinated a thank you gift and personal note from the CEO for every member of staff to recognise their hard work and commitment during the COVID-19 pandemic
 - Accessed vaccinations as a priority for all frontline staff
 - Launched our internal newsletter Group News, with achievements from each team and as well as personal news to keep people informed and connected
 - Created our informal 'Virtual Brew' sessions once a month for staff to join and chat with others from across the Group – attended by over 60 people
 - Developed 'Meet the Exec' webinar sessions for all staff to join and ask the Exec team both formal and informal questions as another channel of communication between different levels of the organisation – attend by over 80 people.

Performance across services and value for money is presented to our Executive Team through quarterly key performance indicators, bringing together a range of measures to give an overview of how the organisation is performing. Our approach asks questions directly of our customers, of ourselves and our stakeholders and provides information that is regularly reported to our Board of Trustees and the wider Group Board of Management through sub-committees and board meetings.

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Work has started on a performance dashboard, containing high level performance information including KPIs, safeguarding, serious incidents, arrears, voids, compliance, and quality audit information. Next year will also see the introduction of quality & performance board meetings to support this further.

BUSINESS DEVELOPMENT AND FUNDRAISING ACTIVITY

We continued to employ a dedicated Business Development and Fundraising team to ensure a coordinated approach to generating income. The team delivered successfully against our growth strategy and ambitious fundraising strategy while managing the additional opportunities and challenges that have arisen from the pandemic.

Key activities and achievements in the year included:

- Securing more than £900,000 of income from COVID-related funding programmes from national and local government and charitable trusts and foundations - supporting our organisation's sustainability, enabling us to deliver more, and offer more to help customers cope and recover during the pandemic.
- Expanding the reach of Glow's services that hold perpetrators of abuse accountable for their behaviour by securing over £1m to deliver as a partner in the pilot of the Drive Service in Derbyshire.
- Coordinating a successful partnership tender for Concrete to deliver housing-related support for single people in Stoke-on-Trent. The tender resulted in the largest contract in the history of the organisation securing approximately £3.75m of revenue funding over five years.
- Positioning Glow and Concrete in a new marketplace by securing a place on the Probation Dynamic Purchasing Framework for both accommodation and women's services.
- Despite the fallout from two lockdowns resulting in a significant drop in our ability to fundraise face-to-face, the team exceeded all income targets through strong relationships with existing supporters, securing new supporters from our local communities and businesses and targeted social media fundraising campaigns via the Communications and Marketing Team.
- Our trading models (launched to secure funding to deliver DA training for professionals and to deliver education and awareness-raising programmes in schools) were impacted by the COVID guidelines in schools and our ability to deliver face-to-face sessions. However, with some adapted delivery methods and schools returning to face-to-face learning, our income predictions are positive.

While partners in the public and charitable sector have been doing their best to rise to the challenges posed over the last year, we've seen disruptions to the 'business as usual' commissioning of services, ever shrinking deadlines, funding being diverted to emergency response programmes and social distancing impacting on the way we engage with our donors.

The impact of this on our ability to secure stable and secure funding in the future is not yet known. We do know that we'll see increased competition for charitable funds, that we're likely to see local government budgets shrinking and a fundraising environment that is likely to take a couple of years to recover. We're also quietly hopeful that post-Brexit procurement arrangements and promised funding programmes will offer us new opportunities to influence local commissioning and secure funds to deliver our mission. In-line with the review of the organisational strategy and brand delivery plans, we'll review our focus to ensure we can meet the changing business development and fundraising environments we operate in.

PLANS FOR THE FUTURE

We've been fortunate to secure income at a time when our services have never been needed more. To both grow the reach of our organisation as well as access emergency and recovery funds to support our organisation's sustainability and capacity to deliver.

But, following a year of COVID restrictions, we've also seen a negative impact on our projected income from trading activities and community fundraising.

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As we move into a new financial year we're resetting a three-year strategy, understanding that our planned objectives have changed both in terms of how we continue to best meet the changing needs of our customers and how we remain a financially sustainable organisation to continue to meet these needs in the future.

Over the next three years our Honeycomb Group strategy is focused on our mission 'Breaking barriers, building people, bettering homes'. This is our building block to our end goal. We will break down the social and physical barriers to a happy home by elevating people and addressing the root cause from all angles. Bettering homes from every aspect so people feel secure, connected, confident and proud. As a Group we will:

- Develop a strong and resilient business
- Increase the supply of affordable homes
- Develop our culture and be a great place to work
- Ensure our brands are recognised and valued

GLOW will be the heart of change by addressing overcoming and ending domestic abuse. We'll address the needs of those affected by providing high quality homes and services; empower survivors to overcome their past by developing a recovery service with their support and end abuse at the source by educating the community and working with people who are responsible.

CONCRETE will make homelessness history. We'll prevent people from becoming homeless through services and support that give people the skills they need to live independently, and we'll educate and raise awareness about the true impact of homelessness on people and communities. We'll provide quality, safe, and secure homes and seek to develop new services and partnerships.

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Trustees' Annual Report

Year Ended 31st March 2021

Financial review (including reserves policy)

a. Going concern

In October 2020 the Charity was awarded a significant contract (Single Homelessness Service) with Stoke on Trent City Council. Since the start of the contract, the new service has reported ongoing losses that have impacted the overall financial performance of the Charity.

The Board has reviewed the longer-term sustainability of the service and are satisfied that there are sufficient mitigation plans to bring the contract back into a manageable position by the end of the financial year.

No other significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis which assumes an ability to continue operating for the foreseeable future.

b. Investment policy and performance

The results for the charity for the year ending 31st March 2021 are set out in the financial statements.

The charitable activities undertaken generated a surplus of £51,114. This compares to £152,706 deficit in the previous year.

Costs increased by 52.7% compared to previous years primarily due to the on-take of COVID related new services and the new Destination Home service. Income also rose accordingly (59%).

c. Funds

As of March 2021, unrestricted funds (excluding revaluation reserves) stand at £1,202,465. This comprises £654,114 designated funds and £548,351 general funds. Restricted funds stood at £257,918 (£12,500 : 2019/20)

d. Reserves policy

The Trustees aim to accumulate reserves sufficient to fund its fixed assets, meet its liquidity requirements and have sufficient contingency for unexpected events. Unrestricted funds from any operating surplus will be held as accumulated reserves until the required level of 2.7 months of operating expenditure is achieved. As at 31st March 2021 the Charity held accumulated reserves to a level of 2.7 months.

The Trustees regard the ongoing review of the reserves level, target and policy as part of managing the charity. The operating results are identified and reported each month in the management accounts. Unrestricted funds are identified and analysed when the audit of the annual accounts is complete. The reserves policy is then reviewed by the Trustees as part of the charity's strategic planning process.

e. Principal funding

The principal funding of the charity for the year is through:

| | |
|-------------------------------|------------|
| • Stoke-on-Trent City Council | £2,103,637 |
| • Derby County | £ 275,782 |
| • Derby City PCC | £ 257,638 |
| • Staffs County Council | £ 32,147 |

Honeycomb Charitable Services Limited (a company limited by guarantee)

Independent Auditor's Report to the members of Honeycomb Charitable Services Limited

Year Ended 31st March 2021

- Big Lottery Fund £ 41,567

f. Material investments policy

The bank account is reviewed daily and all free income is invested in interest-bearing accounts.

Structure, governance and management

a. Constitution

Status

Honeycomb Charitable Services is a charitable company limited by guarantee, incorporated on 9 March 1989 and registered as a charity on 31 March 1989. The company was established under a Memorandum of Association, which sets out the objects and powers of the charitable company and is governed under its Articles of Association. On 2 April 2012, the Charity became a member of the **Honeycomb Group** of companies. It is required to meet its own financial obligations in delivering its charitable objectives. The Charity funds its services through government commissions, trust and grant awards and public fundraising.

Honeycomb Group

The Honeycomb Group is a team of social-minded brands championing happy homes in our region by providing services and support that help people across Staffordshire and its surrounding areas feel secure, connected and confident.

Whether it's developing and maintaining affordable homes, providing trusted home repairs and improvements, keeping people safe and well at home or providing support services that eradicate social issues isolating people from a happy home, Honeycomb Group is making our region vibrant.

Our Vision: A progressive, passionate region with no barriers to a happy home.

Our Mission: Breaking down all of the social and physical barriers to a happy home in our region.

Our Values:

- Be Dead Genuine
- Never Shut the Door
- Chase curiosity and ambition
- Be a leader in the field
- Come together

Governance Structure

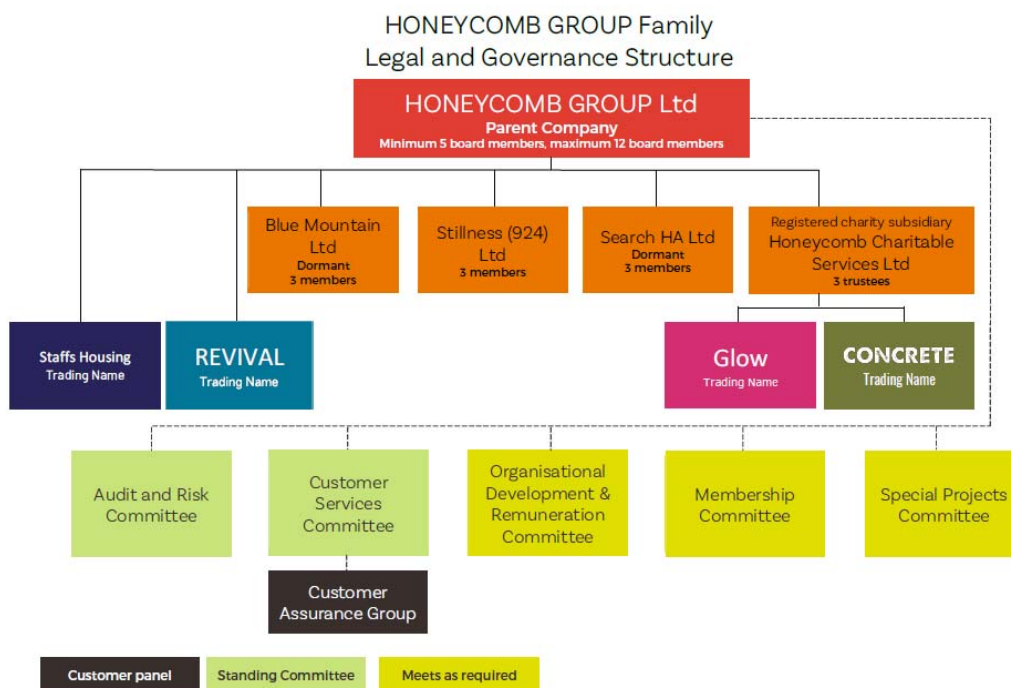
The Charity is governed through an integrated Board of Management which oversees activities for the entire Honeycomb Group, with three members acting in Trustee roles specifically for the Charity.

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Independent Auditor's Report to the members of Honeycomb Charitable Services Limited

Year Ended 31st March 2021

Group Structure



b. Method of appointment or election of Trustees

Trustees are appointed by the Board of the parent company, Honeycomb Group Limited. The Group Board are appointed in line with the National Housing Federation Code of Governance that includes open recruitment and appraisal.

The recruitment and selection process enable us to attract high-calibre members with the right mix of skills, expertise and qualifications, and ensures that the members' backgrounds and understanding reflects the needs of the customer.

All members of the Board of Trustees gave their time voluntarily and receive no benefits from the charity. No Trustees claimed any out-of-pocket expenses during the financial year 2020-2021.

c. Policies adopted for the induction and training of Trustees

Individual plans are developed for each Trustee as part of the group Board appraisal process. Trustees are also encouraged to take part in the Honeycomb Charitable Services Limited internal quality assurance process, the Peer Audit Reviews. This involves assessing projects for quality of service, performance and policy compliance.

d. Organisational structure and decision making

Trustees meet 8-9 times each year and retain overall responsibility for managing the charity's affairs. Trustees receive key reports on strategy, finance, business risk, performance, development and management.

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The Group's Chief Executive is responsible for the management of the Group's affairs and implementing strategies and policies approved by the Board. Day-to-day operational management of the Charity is delegated to an executive director with support from a senior management team.

e. Risk management

The Charity has a risk management policy and procedure by which business risk is regularly assessed and risk management strategies are implemented. It involves identifying the kinds of risks the charity faces, assessing them in terms of potential impact and likelihood of occurrence, and identifying ways in which to respond. This aims to provide reasonable assurance that risk is properly identified and assessed, and mitigating actions are developed to reduce potential misstatement or loss.

A common approach to risk assessment and management has been adopted and cascaded throughout the organisation. Training has been provided to key employees. Risk review is embedded within the performance management process.

Key risks are overseen by the Honeycomb Group Audit and Risk Committee which considers risk and takes appropriate action.

f. Evaluation and Board Effectiveness

The Board's key purpose is the effective governance of the Group. Throughout the year the Board has continued to implement strategies that ensure the overall governance arrangements are fit for purpose and effectively support the needs of the business.

During the year the Board, with the support of an independent governance advisor, has:

- Continually looked at the way the board operates and implemented a range of improvements to the overall governance of the Group.
- Used the learning from the board appraisal process to support personal and collective development.
- Continued the Board succession plan with the appointment of a new Trustee.
- Completed individual and collective appraisals in accordance with Group policy.

g. Board diversity

The Group board regularly carries out an audit of skills, experience and diversity of background of its members to find imbalances and gaps and in order to inform trustee recruitment and training.

The Group board sees diversity, in all its forms, as an integral part of its recruitment process. When deciding how to recruit trustees, the board thinks about how best to attract a diverse pool of candidates. It tries to achieve diversity in any trustee appointment panels.

SUPPORT FROM PARENT ORGANISATION AND WIDER GROUP STRUCTURE

The Charity continued to benefit from the Group infrastructure support services including ICT, HR and Organisational Development, Business Improvement, Finance and Payroll and, Communications. Honeycomb Group as the parent organisation takes responsibility for these services and 'recharges' the charity through an intra-group agreement, as well as sharing office space which provides a great working environment at cost that's affordable.

The Charity has continued to access the Group's housing services to provide income management, money advice and, maintenance services for customers. With access to this wider pool of knowledge and experience as well as benefiting from increased purchasing power, Honeycomb Charitable Services Limited can achieve greater efficiency enabling more funding to be focused on frontline delivery.

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Independent Auditor's Report to the members of Honeycomb Charitable Services Limited

Year Ended 31st March 2021

Trustees' responsibilities

The Trustees (who are also directors of Honeycomb Charitable Services Limited for the purposes of company law) are responsible for preparing the Trustees' 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. 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company or 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 accounting estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.
- State whether appropriate accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Disclosure of information to the auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditor in connection with preparing their report and to establish that the charitable company's auditor is aware of that information.

Signed by the board of trustees for the year ended 31 March 2021.



Karl Dean, Trustee



Caris Henry, Trustee



Valerie Bourne, Trustee

Honeycomb Charitable Services Limited (a company limited by guarantee)

Independent Auditor's Report to the members of Honeycomb Charitable Services Limited

Year Ended 31st March 2021

Opinion

We have audited the financial statements of Honeycomb Charitable Services Limited "the charitable company" for the year ended 31 March 2021 which comprise the Statement of Financial Activities (including the Income and Expenditure account), the Statement of Financial Position and the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees (who are also the directors of the charitable company for the purposes of company law) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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Independent Auditor's Report to the members of Honeycomb Charitable Services Limited

Year Ended 31st March 2021

Other information (continued)

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 (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 included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which 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 directors

As explained more fully in the Trustees' Responsibilities Statement set out on page 21, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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Independent Auditor's Report to the members of Honeycomb Charitable Services Limited

Year Ended 31st March 2021

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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

- We obtained an understanding of laws and regulations that affect the charitable company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the trustees and reviewed correspondence and trustees meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the trustees have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the trustees have in place to prevent and detect fraud.
- We enquired of the trustees about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing, recognising the nature of the charitable company's activities and the regulated nature of the charitable company's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the trustees about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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.

Honeycomb Charitable Services Limited (a company limited by guarantee)

Independent Auditor's Report to the members of Honeycomb Charitable Services Limited

Year Ended 31st March 2021



Lee Cartwright (Senior Statutory Auditor)

For and on behalf of

BEEVER AND STRUTHERS

Statutory Auditor

St George's House 215/219

Chester Road Manchester

M15 4JE

Date: 23 September 2021

Honeycomb Charitable Services Limited (a company limited by guarantee)

Statement of Financial Activities (including the Income and Expenditure Account)

Year Ended 31st March 2021

| | | Unrestricted funds | 2021 Restricted funds | Total | 2020 Total |
|--|------|-------------------------------|--------------------------------------|------------------|-----------------------|
| | Note | £ | £ | £ | £ |
| Income from: | | | | | |
| Donations | 2 | 21,827 | 63,126 | 84,953 | 128,294 |
| Charitable activities | 3 | 2,950,829 | 3,527,011 | 6,477,840 | 3,967,402 |
| Other trading activities | 4 | 1,020 | - | 1,020 | 9,678 |
| Investments | 5 | 720 | - | 720 | 4,292 |
| Other | 6 | - | - | - | 212 |
| Total income | | 2,974,396 | 3,590,137 | 6,564,533 | 4,109,878 |
| Expenditure on: | | | | | |
| Charitable activities | 7 | 3,165,699 | 3,344,719 | 6,510,418 | 4,262,584 |
| Total expenditure | | 3,165,699 | 3,344,719 | 6,510,418 | 4,262,584 |
| Net (expenditure) income | | (191,303) | 245,418 | 54,115 | (152,706) |
| Net movement in funds | | (191,303) | 245,418 | 54,115 | (152,706) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | 18 | 1,497,550 | 12,500 | 1,510,050 | 1,662,756 |
| Total funds carried forward | | 1,306,247 | 257,918 | 1,564,165 | 1,510,050 |

The notes on pages 29 to 42 form part of these financial statements.

Honeycomb Charitable Services Limited (a company limited by guarantee)

Statement of Financial Position

Year Ended 31st March 2021

| | | 2021 | 2020 |
|--|------|-------------|-----------|
| | Note | £ | £ |
| Fixed assets | | | |
| Tangible assets | 11 | 907,650 | 778,937 |
| | | <hr/> | <hr/> |
| | | 907,650 | 778,937 |
| Current assets | | | |
| Debtors | 12 | 591,552 | 315,428 |
| Investments | 13 | 936,857 | 886,223 |
| Cash at bank and in hand | | 236,742 | 267,303 |
| | | <hr/> | <hr/> |
| | | 1,765,151 | 1,468,954 |
| Creditors: amounts falling due within one year | 14 | (1,035,636) | (664,841) |
| | | <hr/> | <hr/> |
| Net current assets | | 729,515 | 804,113 |
| | | <hr/> | <hr/> |
| Total assets less current liabilities | | 1,637,165 | 1,583,050 |
| Creditors: amounts falling due after more than one year | 15 | (73,000) | (73,000) |
| | | <hr/> | <hr/> |
| Net assets | | 1,564,164 | 1,510,050 |
| | | <hr/> | <hr/> |
| Charity Funds | | | |
| Restricted funds | 18 | 257,918 | 12,500 |
| Unrestricted funds | 18 | 1,202,465 | 1,393,768 |
| Revaluation reserve | 18 | 103,782 | 103,782 |
| | | <hr/> | <hr/> |
| Total charity funds | 19 | 1,564,165 | 1,510,050 |

The financial statements were approved and authorised for issue by the Board on 7th September 2021.

Signed by the board of trustees



Karl Dean, Trustee



Caris Henry, Trustee



Valerie Bourne, Trustee

The notes on pages 29 to 42 form part of these financial statements.

Company registration number: 2357520

Honeycomb Charitable Services Limited (a company limited by guarantee)

Statement of Cash Flows

Year Ended 31st March 2021

| | Note | 2021 £ | 2020 £ |
|--|-------------|-------------------|-------------------|
| Cash flow from operating activities | | | |
| Net income for the financial year | | 54,115 | (152,706) |
| Depreciation and impairment of tangible fixed assets | | 65,763 | 36,592 |
| Interest received | 5 | (720) | (4,292) |
| Decrease in debtors | | (276,124) | 5,113 |
| Increase / (Decrease) in creditors | | 370,796 | (17,726) |
| Net cash flow from operating activities | | 213,830 | (133,019) |
| Returns on investments and servicing of finance | | | |
| Interest received | 5 | 720 | 4,292 |
| Net cash flow from investing activities | | 720 | 4,292 |
| Capital expenditure and financial investment | | | |
| Acquisition of fixed assets | 11 | (194,477) | (62,977) |
| Disposal of fixed assets | 11 | - | - |
| Net cash flow from financing activities | | (194,477) | (62,977) |
| Net increase in cash and cash equivalents | | 20,073 | (191,704) |
| Cash and cash equivalents at 1st April | | 1,153,526 | 1,345,230 |
| Cash and cash equivalents at 31st March | | 1,173,599 | 1,153,526 |
| Cash and cash equivalents consist of: | | | |
| Cash at bank and in hand | | 236,742 | 267,303 |
| Short term deposits | 13 | 936,857 | 886,223 |
| Cash and cash equivalents at 31st March | | 1,173,599 | 1,153,526 |

The notes on pages 29 to 42 form part of these Financial Statements.

Honeycomb Charitable Services Limited (a company limited by guarantee)

Notes to the Financial Statements

Year Ended 31st March 2021

1 Summary of significant accounting policies

(a) General information and basis of preparation

Honeycomb Charitable Services Limited is a charitable company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to promote social exclusion for the public benefit by preventing people within the area of Staffordshire and its environs from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society.

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity.

Honeycomb Charitable Services Limited (a company limited by guarantee)

Notes to the Financial Statements

Year Ended 31st March 2021

(c) Income recognition continued

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised as Expenditure on Charitable Activities which includes housing management, employment costs, office costs, client activity costs and support costs.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings, they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises overheads have been allocated on a headcount basis and other overheads have been allocated on a headcount or income basis.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 8.

(f) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

| | |
|-------------------|--------------------------------|
| Freehold property | Over 50 years straight line |
| Office equipment | Over 3 - 5 years straight line |
| Motor vehicles | Over 5 years straight line |

(g) Investments

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

Honeycomb Charitable Services Limited (a company limited by guarantee)

Notes to the Financial Statements

Year Ended 31st March 2021

(h) Stocks

No stocks are held.

(i) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(j) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

(k) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(l) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight-line basis over the period of the lease.

(m) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(n) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(o) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. A detailed risk analysis of the potential worse case impact of the COVID19 outbreak has been conducted. The principal financial risks to the Company are related to the loss of fundraising and trading revenue and additional costs of working. In order to mitigate against the impact of these risks the Company successfully applied for a number of specific COVID related grants in early 2020/21. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Honeycomb Charitable Services Limited (a company limited by guarantee)

Notes to the Financial Statements

Year Ended 31st March 2021

(p) Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Tangible fixed assets.

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Bad Debt Provision.

Bad debts are provided for on the basis of a 100% provision for all former tenants and 100% provision for specific current accounts that have been identified by the Income Team.

2 Income from donations and legacies

| | 2021 £ | 2020 £ |
|---|---------------|----------------|
| Gifts | 21,827 | 38,359 |
| Legacies | - | 60,910 |
| Grants | 31,763 | - |
| Donated goods for distribution to beneficiaries | 31,363 | 29,025 |
| | <u>84,953</u> | <u>128,294</u> |

Income from donations was £84,953 (2020 - £128,294) of which £21,827 (2020 - £99,269) was attributable to unrestricted funds and £63,126 (2020 - £29,025) was attributable to restricted funds.

3 Income from charitable activities

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Housing Management | 2,927,799 | 1,900,354 |
| Accommodation and Inclusion Services | 1,904,376 | 907,834 |
| Services to counter Domestic Violence | 538,729 | 452,890 |
| Floating Support and Outreach Services | 826,339 | 697,262 |
| Other | 280,597 | 9,062 |
| | <u>6,477,840</u> | <u>3,967,402</u> |

Honeycomb Charitable Services Limited (a company limited by guarantee)

Notes to the Financial Statements

Year Ended 31st March 2021

3 Income from charitable activities (continued)

Income from charitable activities was £ 6,477,840 (2020 - £3,967,402) of which £3,527,011 (2020 - £2,068,301) was attributable to restricted funds and £2,950,829 (2020 - £1,899,101) was attributable to unrestricted funds.

4 Income from other trading activities

| | 2021 £ | 2020 £ |
|-------|--------------|--------------|
| Other | 1,020 | 9,678 |
| | <u>1,020</u> | <u>9,678</u> |

Income from other trading activities was £1,020 (2020- £9,678) of which £NIL (2020 - £NIL) was attributable to restricted funds and £1,020 (2020- £9,678) was attributable to unrestricted funds.

5 Income from investments

| | 2021 £ | 2020 £ |
|---------------------|------------|--------------|
| Interest - deposits | <u>720</u> | <u>4,292</u> |
| | <u>720</u> | <u>4,292</u> |

Income from investment was £720 (2020 - £4,292) of which £NIL_ (2020 - £NIL) was attributable to restricted funds and £720 (2020 - £4,292) was attributable to unrestricted funds.

6 Other income

| | 2021 £ | 2020 £ |
|-------|-----------|------------|
| Other | <u>-</u> | <u>212</u> |
| | <u>-</u> | <u>212</u> |

Other income was £NIL (2020- £212) of which £NIL (2020 - £NIL) was attributable to restricted funds and £NIL (2020 - £212) was attributable to unrestricted funds.

Honeycomb Charitable Services Limited (a company limited by guarantee)

Notes to the Financial Statements

Year Ended 31st March 2021

7 Analysis of expenditure on charitable activities

| | Activities undertaken directly £ | Grant funding of activities £ | Support costs £ | 2021 Total £ | 2020 Total £ |
|--|-------------------------------------|----------------------------------|--------------------|-----------------|-----------------|
| Housing Management | 163,287 | 124,197 | 255,068 | 542,553 | 440,608 |
| Accommodation and Inclusion Services | 1,202,048 | 1,804,249 | 291,005 | 3,297,303 | 1,758,512 |
| Services to counter Domestic Violence | 366,114 | 550,559 | 85,314 | 1,001,985 | 796,560 |
| Floating Support and Outreach services | 500,230 | 834,351 | 125,648 | 1,460,229 | 1,162,873 |
| Other | 140,221 | 31,363 | 36,764 | 208,2348 | 104,031 |
| | 2,371,900 | 3,344,719 | 793,799 | 6,510,418 | 4,262,584 |

£3,344,719 (2020 - £2,097,326) of the above costs were attributable to restricted funds. £3,165,699 (2020 - £2,165,258) of the above costs were attributable to unrestricted funds.

8 Allocation of support costs

| Support cost | Basis of allocation | Housing Management £ | Accommodation and Inclusion Services £ | Services to counter Domestic Violence £ | Floating Support and Outreach Services £ | Costs of generating Voluntary Income £ | 2021 Total £ | 2020 Total £ |
|--|---------------------|-------------------------|---|--|---|---|-----------------|-----------------|
| Finance | Total Income | 16,648 | 10,939 | 3,191 | 4,748 | 1,433 | 36,959 | 5,550 |
| Information technology | Total Income | 11,220 | 7,372 | 2,150 | 3,200 | 966 | 24,908 | 22,244 |
| Human resources | Headcount | 3,675 | 27,055 | 8,240 | 11,260 | 2,450 | 52,680 | 29,830 |
| Business Development | Non-Rental Income | 0 | 92,786 | 27,063 | 40,208 | 12,157 | 172,214 | 204,982 |
| Service Management & Employee Tracking | Total Income | 49,540 | 32,551 | 9,494 | 14,130 | 4,265 | 109,980 | 106,609 |
| Depreciation | Rental Income | 114 | - | - | - | - | 114 | 8,262 |
| Office costs (incl. rental) | Total Income | 2,040 | 1,342 | 392 | 582 | 176 | 4,532 | 4,389 |
| Intragroup Charges | Total Income | 141,070 | 92,692 | 27,036 | 40,236 | 12,145 | 313,179 | 288,410 |
| Pension contributions | Headcount | 903 | 6,650 | 2,026 | 2,768 | 602 | 12,949 | 14,859 |
| Other | Total Income | 29,858 | 19,618 | 5,722 | 8,516 | 2,570 | 66,284 | 7,277 |
| | | 255,068 | 291,005 | 85,314 | 125,648 | 36,764 | 793,799/ | 692,412 |

Honeycomb Charitable Services Limited (a company limited by guarantee)

Notes to the Financial Statements

Year Ended 31st March 2021

9 Net income for the year

Net income is stated after charging:

| | 2021 £ | 2020 £ |
|---------------------------------------|-----------|-----------|
| Depreciation of tangible fixed assets | 65,764 | 36,592 |
| Operating Lease Payments | | |
| -Land and Buildings | 155,639 | 155,639 |
| -Other | - | 3,154 |
| Auditors Remuneration | - | - |

Auditor's remuneration is included within the intercompany charge from Honeycomb Group Ltd.

10 Staff costs and employee benefits

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

| | 2021 Number | 2021 FTE | 2020 Number | 2020 FTE |
|----------------------|----------------|-------------|----------------|-------------|
| Management and Admin | 10 | 10 | 10 | 7 |
| Fieldworkers | 131 | 101 | 114 | 86 |
| Cleaners | 3 | 1 | 1 | 1 |
| | 144 | 112 | 125 | 94 |

The total staff costs and employee benefits were as follows:

| | 2021 £ | 2020 £ |
|--------------------|-----------|-----------|
| Salaries and wages | 3,248,560 | 2,097,011 |
| PAYE / NI Costs | 198,908 | 136,525 |
| Pension Costs | 40,361 | 83,351 |
| Redundancy Costs | 97,797 | - |
| | 3,585,626 | 2,316,887 |

Total redundancy / termination payments amount to £97,797 (2020 - £NIL) and are related to a management restructure.

Honeycomb Charitable Services Limited (a company limited by guarantee)

Notes to the Financial Statements

Year Ended 31st March 2021

10 Staff costs and employee benefits continued

There are no employees who received total employee benefits (including employer pension costs) of more than £60,000.

The Key Management Personnel of the charity are the Directors. Their remuneration is paid via the parent company, Honeycomb Group Limited, and disclosed in the Group accounts.

11 Tangible fixed assets

| | Land and buildings £ | Motor vehicles £ | Office equipment £ | ICT equipment £ | Total £ |
|--------------------------------|----------------------------|------------------------|--------------------------|-----------------------|------------|
| Cost or deemed cost: | | | | | |
| At 1 st April 2020 | 786,735 | 12,990 | 123,862 | 190,815 | 1,114,402 |
| Additions | - | - | 292 | 194,185 | 194,477 |
| Disposals | - | - | - | - | - |
| At 31 st March 2021 | 786,735 | 12,990 | 124,154 | 385,000 | 1,308,879 |
| Depreciation: | | | | | |
| At 1 st April 2020 | 63,159 | 12,990 | 121,260 | 138,056 | 335,465 |
| Charge for the year | 11,336 | 0 | 1,078 | 53,350 | 65,764 |
| Eliminated on disposals | 0 | 0 | - | - | - |
| At 31 st March 2021 | 74,495 | 12,990 | 122,338 | 191,406 | 401,229 |
| Net book value: | | | | | |
| At 31 st March 2021 | 712,240 | 0 | 1,816 | 193,594 | 907,650 |
| At 1 st April 2020 | 723,576 | - | 2,602 | 52,759 | 778,937 |

The net book value of land and buildings comprised:

| | 2021 £ | 2020 £ |
|---------------------|-----------|-----------|
| Land and buildings: | | |
| Freehold | 712,240 | 723,576 |
| | 712,240 | 723,576 |

Honeycomb Charitable Services Limited (a company limited by guarantee)

Notes to the Financial Statements

Year Ended 31st March 2021

11 Tangible fixed assets continued

Tangible fixed assets held at deemed cost (previously valuation).

The historic cost equivalent of land and buildings included at deemed cost is as follows:

| | 2021 Land and buildings £ | 2020 Land and buildings £ |
|--------------------------|---|---|
| Cost | 750,000 | 750,000 |
| Accumulated depreciation | (98,000) | (88,200) |
| Net book value | <u>652,000</u> | <u>661,800</u> |

Freehold land and buildings included above were recognised as a deemed cost on transition to SORP (FRS 102). These assets are being depreciated from their valuation date of 1st April 2014 and have a net book value of £712,240 (2020 - £723,576). The historic cost equivalent of these assets is £652,000 (2020- £661,800).

12 Debtors

| | 2021 £ | 2020 £ |
|---|-----------------------|-----------------------|
| Rent Arrears | 270,854 | 121,706 |
| Provision for bad debts | (134,340) | (91,630) |
| Net rent arrears | <u>136,514</u> | <u>30,076</u> |
| Gross amounts due from customers for contract work & accrued income | 102,035 | 20,217 |
| Other debtors | 110,410 | 124,377 |
| Prepayments | <u>242,593</u> | <u>140,758</u> |
| | <u><u>591,552</u></u> | <u><u>315,428</u></u> |

13 Current asset investments

| | 2021 £ | 2020 £ |
|---------------------|------------------|------------------|
| Short term deposits | 936,857 | 886,223 |
| | <u>936,857</u> | <u>886,223</u> |

Short term deposits an average interest rate of 0.28%.

Honeycomb Charitable Services Limited (a company limited by guarantee)

Notes to the Financial Statements

Year Ended 31st March 2021

14 Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------------|------------------|----------------|
| Trade creditors | 174,472 | 50,168 |
| Tenant prepayments | 70,546 | 92,628 |
| Deferred Income (note 17) | 234,403 | 128,494 |
| Amounts owed to group undertakings | 66,756 | 32,844 |
| Other tax and social security | 52,322 | 39,098 |
| Other creditors | 48,019 | 119,906 |
| Accruals | 389,118 | 201,703 |
| | <u>1,035,636</u> | <u>664,841</u> |

15 Creditors: amounts falling due after more than one year

| | 2021 £ | 2020 £ |
|------------------------------------|---------------|---------------|
| Amounts owed to group undertakings | 73,000 | 73,000 |
| | <u>73,000</u> | <u>73,000</u> |

The amount owed to group undertakings is repayable upon the sale of the Elizabeth House property.

16 Leases

Operating leases - lessee

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

| | 2021 £ | 2020 £ |
|--|----------------|----------------|
| Not later than one year | 240,344 | 172,673 |
| Later than one and not later than five years | 371,933 | 269,569 |
| Later than five years | | |
| | <u>612,277</u> | <u>442,242</u> |

Honeycomb Charitable Services Limited (a company limited by guarantee)

Notes to the Financial Statements

Year Ended 31st March 2021

17 Deferred income

| | Under 1 year £ | Over 1 year £ | Total £ |
|--------------------------------|-------------------|------------------|------------|
| At 1 st April 2020 | 128,494 | - | 128,494 |
| Additions during the year | 234,403 | - | 234,403 |
| Amounts released to income | (128,494) | - | (128,494) |
| | <hr/> | <hr/> | <hr/> |
| At 31 st March 2021 | 234,403 | - | 234,403 |

Income has been deferred to match the related costs in line with the conditions of the relevant contract, in accordance to section 5.24 of the Charity SORP.

18 Fund reconciliation

Unrestricted funds

| | Balance at 1 st April 2020 £ | Income £ | Expenditure £ | Transfers £ | Balance at 31 st March 2021 £ |
|---|--|-------------|------------------|----------------|---|
| Elizabeth House capital fund – designated | 654,114 | - | - | - | 654,114 |
| Retained Earnings | 739,654 | 2,974,396 | (3,165,699) | - | 548,351 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 1,393,768 | 2,974,396 | (3,165,699) | - | 1,202,465 |
| Revaluation Reserve | 103,782 | - | - | - | 103,782 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 1,497,550 | 2,974,396 | (3,165,699) | - | 1,306,247 |

Restricted funds

| | Balance at 1 st April 2020 £ | Income £ | Expenditure £ | Transfers £ | Balance at 31 st March 2021 £ |
|---------------------|--|-------------|------------------|----------------|---|
| Restricted reserves | 12,500 | 3,590,137 | (3,344,719) | - | 257,918 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 12,500 | 3,590,137 | (3,344,719) | - | 257,918 |

Honeycomb Charitable Services Limited (a company limited by guarantee)

Notes to the Financial Statements

Year Ended 31st March 2021

18 Fund reconciliation continued

Fund descriptions

a) Unrestricted funds

Unrestricted funds constitute the surplus of incoming resources over resources expended on charitable activities which are not restricted in their application.

b) Designated funds

Designated funds comprise funding received from third parties for the development of specific capital projects.

c) Restricted funds

Restricted funds comprise funding which has been received for the provision of specified services. Any unspent funds are carried forward until they are spent or are returned to the funder.

19 Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted funds £ | Total £ |
|--------------------------------------|----------------------------|--------------------------|------------|
| Fixed assets | | 907,650 | 907,650 |
| Cash and current investments | 550,046 | 623,553 | 1,173,599 |
| Other current assets / (liabilities) | - | (444,084) | (444,084) |
| Creditors more than one year | | (73,000) | (73,000) |
| Total | 550,046 | 1,014,119 | 1,564,165 |

Honeycomb Charitable Services Limited (a company limited by guarantee)

Notes to the Financial Statements

Year Ended 31st March 2021

20 Big Lottery: Restricted Funds

| | Total Big Lottery Recognised Income | Total Restricted Charitable income for Associated Activity | Total Restricted Charitable income | Total Income |
|--|--|--|---|-------------------|
| | £ | £ | £ | £ |
| Income | | | | |
| Reaching Communities – Sunrise Centre | 83,316 | 538,729 | 3,527,011 | 6,564,533 |
| Total | <u>83,316</u> | | | |
| | Total Big Lottery Recognised Expenditure | Total Restricted Charitable Expenditure for Associated Activity | Total Restricted Charitable Expenditure | Total Expenditure |
| Direct Costs | | | | |
| Reaching Communities – Sunrise Centre | 71,364 | 452,890 | 3,344,719 | 6,510,418 |
| Support Costs | | | | |
| Reaching Communities – Sunrise Centre | 11,952 | 129,703 | - | 763,863 |
| Total | <u>83,316</u> | | | |

21 Events after the end of the year

There were no reportable events after the year end. (2020: Nil).

22 Related party transactions

Honeycomb Charitable Services Limited is a subsidiary of Honeycomb Group Limited. Other subsidiaries of Honeycomb Group include Stillness 924 Limited, Blue Mountain Housing Association Limited and Search Housing Association Limited. The Charity, as a wholly owned subsidiary, has taken advantage of Section 33 of FRS 102 not to disclose related party transactions with its parent, Honeycomb Group Limited.

Honeycomb Group Limited is a society registered under the Co-operative and Community Benefit Societies Act 2014. Copies of the Group accounts can be obtained at the registered Head Office: 308 London Road, Stoke on Trent, ST4 5AB.

Transactions with registered and non-registered elements of the business

The Charity receives management services from Honeycomb Group Limited.

Honeycomb Charitable Services Limited (a company limited by guarantee)

Notes to the Financial Statements

Year Ended 31st March 2021

23 Financial instruments

The carrying amounts of the charity's financial instruments are as follows:

| | 2021 £ | 2020 £ |
|---|------------------|------------------|
| <i>Financial assets measured at amortised cost</i> | | |
| Cash at bank and in hand | 236,742 | 267,303 |
| Investments | 936,857 | 886,223 |
| Debtors (excluding prepayments) | 348,959 | 174,670 |
| | <u>1,522,558</u> | <u>1,328,196</u> |
| <i>Financial liabilities measured at amortised cost</i> | | |
| Short term creditors (excluding accruals) | (646,518) | (463,138) |
| Long term creditors | (73,000) | (73,000) |
| | <u>(719,518)</u> | <u>(536,138)</u> |