



TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

Company Registration Number: 08075329 (England and Wales)
Registered Charity Number: 1147794
RSH Registration 4841

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TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The Trustees present their report and financial statements for the year ended 31 March 2020. The report, which constitutes a trustees' report for the purposes of charity legislation and a directors' report for the purposes of company legislation, has been prepared in accordance with Part VIII of the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the charitable company's Memorandum and Articles of Association, applicable laws, the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" SORP 2015 (FRS 102) (Second bulletin effective January 2019) and the requirements of the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers.

Reference and Administrative Information

Constitution

The charitable company is governed by its Memorandum and Articles of Association. The members of the Board of Trustees are the company's directors and trustees of the Charity. The Trustees who held office during the year under review and up to the date of this report are as follows

Trustees

Mr Simon Hall	Chair
Mr Charles Abel Smith	
Ms Emma Butterworth	
Mr Patrick Davis	Appointed 20 November 2019
Mrs Emer Delaney	
Mrs Caesar Gordon	
Mr Andrew Haines	
Father Dominic Howarth	Resigned 1 July 2020
Sr. Teresa Ann Hughes CRSS	Resigned 1 September 2020
Mrs Cate Kirkbride	Appointed 20 November 2019
Mr Graeme McLean	Appointed 20 November 2019
Mr Robert Townsend	
Mrs Sarah Wright	

With the addition of more trustees in the year we have been able to support the operation of the following Sub-Committees:

- | | |
|------------------------------------------------------------------|------------------------------------------------------|
| 1. Finance, Audit, Governance, and Risk Sub-Committee | 2. HR and Remuneration Sub-Committee |
| 3. Executive Sub-Committee | 4. Premises Management Sub-Committee |
| 5. Frontline Services Quality Assurance and Impact Sub-Committee | 6. Spirituality, Wellbeing & Diversity Sub-Committee |

Principal Address

Caritas Anchor House
81 Barking Road
Canning Town
London E16 4HB

Auditor: Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG

Solicitors: Bates Wells, 10 Queen Street Place, London, EC4R 1BE

Bankers: Barclays, UK Banking, 1 Churchill Place, London E14 5HP and NatWest, 1-11 The Broadway, London, E15 4DX

TRUSTEES' ANNUAL REPORT (continued)**FOR THE YEAR ENDED 31 MARCH 2020**

About Us

Caritas Anchor House (CAH) is a homelessness charity, and for over 50 years has provided a safe place and support for people to rebuild their lives. We are based in the London Borough of Newham which has the highest levels of homelessness per capita than anywhere else in the country. As a result, there is more demand for our services than ever before.

Our service combines the provision of a safe place to live for vulnerable adults experiencing homelessness, with in-house services focusing on physical and mental health, complex health issues, education, employment, financial literacy and tenancy sustainment. Each person who walks through our doors receives a full assessment of their needs and a bespoke programme of in-house and external services created to best prepare that individual for independent living.

We have 140 bed-spaces making CAH the largest provider of homelessness services in Newham. These bed-spaces are shared between two services – our core hostel and our rough sleepers' Assessment Hub. The Assessment Hub grew from 10 to 35 bed spaces over the course of a year and included provision for those in the community with no recourse to public funds and who are often unable to access homelessness services.

We are proud to act as a beacon of hope. In the year ending 31st March 2020, we accommodated and supported 287 people, and helped 150 to leave homelessness behind and move on to new beginnings. Anthony was one such person. He said, "I can't thank CAH enough. They gave me a home when I didn't have one, and the support to become the person I am today. With their help, I've just landed my dream job and my own home! I couldn't be more grateful for everything CAH have done for me, and for the new life I'm excited to begin."

Structure, Governance & Management

CAH is a registered charity and company limited by guarantee as well as a Registered Provider of Social Housing. We are regulated by a number of bodies, including the Charity Commission, Companies House, the Fundraising Regulator and the Regulator of Social Housing.

During the year the Trustees have reviewed the code of governance taking into consideration the requirements from both the National Housing Federation and the Charity Commission. The Trustees are satisfied that the Charity was substantially compliant with these requirements.

Our Trustees meet on a quarterly basis to review the performance of the organisation and plan for the future. The professional backgrounds of the Trustees include financial management, business planning, charity management, social enterprise, human resources and diversity, law, risk management, social care and community involvement, marketing and investment banking.

The day to day running of the Charity is delegated to the Chief Executive and Strategic Management Team ('SMT'). Our SMT is led by our Chief Executive, Amanda Dubarry, who joined us in March 2018 and has an extensive background in the homelessness sector. She was joined by both John Lowery, Director of Frontline Services, and Siva Selliah, Finance Director, in 2018, both of whom come to us with many years' experience in the housing and care sectors. In June 2020 a fourth member of the senior team, Craig Hardaker, joined as our Director of Human Resources, bringing with him a strong background in the charity sector.

Key management remuneration is set by the Trustees by reference to the degree of seniority and responsibility of the post, by benchmarking against similar roles in charities of similar size and complexity and in the light of performance appraisal.

Trustee recruitment, induction and training

The support of our Trustees is vitally important in ensuring we deliver the best possible service to those in need, and in raising awareness and support for the essential and life changing work that CAH provides.

Trustee recruitment, induction and training (continued)

In November 2019 three new trustees joined our Board following an open recruitment process which sought to broaden both our Board skillset in accordance with a skills audit we had conducted in 2017, and our Board diversity. We were delighted to achieve both of these aims with our new appointments.

All new trustees are provided with a trustee induction pack and induction process, and are encouraged and supported to attend specialist training relating to the roles and responsibilities of a charity trustee, including safeguarding.

Objectives & Activities

As stated with the Charity Commission, CAH's objects are "to further the general charitable works of the Roman Catholic Church by providing services and facilities for the relief of poverty and suffering, the advancement of education, the promotion of social justice and other charitable acts which promote the development of all individuals and communities in need for the public benefit of people of all faiths and none."

We provide supported accommodation to 140 people experiencing homelessness in the London Borough of Newham at any one time, and support them to move on homelessness and go on to lead fulfilling lives. We do this through by:

- Providing a safe place - to make sure that people experiencing homelessness have somewhere safe to stay as they begin to rebuild their lives
- Offering support - to encourage and enable people to build a better future for themselves, through the provision of personalised support, educational and life skills opportunities
- Building resilience – to build networks of support, and empower people to navigate services with confidence and be a proactive member of their community outside of and beyond life at CAH.

Our frontline teams work directly with residents during their time at CAH. Each resident, in both our core and assessment hub services, is assigned a keyworker who will guide them through their stay, and supports them to access a holistic service offering relating to health and wellbeing, education and employability, financial management and securing and sustaining new tenancies. Residents can participate in training, workshops and activities including cooking classes, money management training, mindfulness sessions, counselling, CV workshops and events. Our work is the primary response to homelessness in the borough, and the goal for each resident is to move on from our service with the skills to navigate their next chapters with confidence.

Public benefit

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit "Charities and Public Benefit" in the exercise of their powers and responsibilities as detailed in the Articles of Association and under charity law.

Value for Money

The Charity is always conscious of the need to provide value for money to our users and stakeholders. As a registered provider of social housing with the Regulator of Social Housing ('RSH'), we are committed to delivering value for money and continuing to meet the RSH's Value for Money Standard. Our rental and housing related support levels are set in consultation with London Borough of Newham, to ensure that they, as the principal commissioners of our services, feel that they are receiving such value. We regularly review our performance and the way we work to continue developing the impact of services and using resources in the most effective and efficient way.

Value for Money metrics

In response to the Regulator of Social Housing Technical note of June 2019, the Charity reports Value for Money metrics. There are 7 metrics covered by this technical note. CAH is a unique charity operating in the homelessness sector as such we could not find a comparable charity to publish comparatives as required in the technical note.

Metric 1 – Reinvestment %

This metric looks at the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held.

The charity has not provided any new supply in the year. The percentage reflects investment in resident's new kitchen and capitalised maintenance costs. The charity's metric for reinvestment for the year was 0.63% (2019: 2.00%)

Metric 2 - New supply delivered %

No new supply has been delivered by the charity in the year for social housing or non-social housing.

Metric 3 - Gearing %

The Charity's property, Anchor House, is owned freehold. The charity has two long term loans with NatWest, secured against this property. The balance outstanding at 31 Mar 2020 of £2,192K (2019: £2,259K) represents 13.12% (2019: 15.67%) of Housing depreciated value owned by the Charity.

Metric 4 - Earning Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %

The charity paid interest of £72K (2019: £67K) in the year in relation to the loan finance referred in metric 3. Interest is therefore covered 739% (2019: 634%) by EBITDA MRI.

Metric 5 - Headline social housing cost per unit

The cost per unit for the year was £23,606 (2019: £19,938). The cost reflects the average cost of housing and support services offered to our residents in the year. The support services vary from low to medium, including services to rough sleepers and residents with multiple and complex needs. The increase in cost in 2020 compared to that of 2019 reflects enhanced housing management and support services following the Housing Benefit and service review carried out in December 2018, and increase in the proportion of rough sleepers and residents with complex needs accommodated in Anchor House.

Metric 6 - Operating Margin (overall) %

The operating margin of the charity as a whole for the year was 6.31% (2019: 6.00%).

Metric 7 - Return on capital employed (ROCE) %

This metric compares the operating surplus to total assets less current liabilities. For the Charity as whole this was 1.68% for the year (2019: 1.51%)

Fundraising

Our supporters are incredibly important to us, and we believe in maintaining the highest possible standards when fundraising. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise and working in a way that is compliant with the Code of Fundraising Practice. We are also organisational members of the Institute of Fundraising. This report covers the requirements charities must follow as set out in the Charities Act 2016. We keep our fundraising policy and practices under review and ensure that our fundraising meets the standards required in law and reflects best practice, so that our donors can give with confidence.

CARITAS - ANCHOR HOUSE**TRUSTEES' ANNUAL REPORT (continued)****FOR THE YEAR ENDED 31 MARCH 2020**

Fundraising

Our fundraising efforts involve encouraging donations, running events and applying for grants. We received our first legacy donation in the year, and are members of a legacy consortium to equip our team with the skills and knowledge to manage legacies appropriately. We ran our Christmas Appeal, which saw an increase on income from the previous year, and we held our first Christmas Concert event. In the year, we also recruited a Corporate Partnerships Officer to enable the charity to secure support from a wider range of sources.

It's important to us that everyone we interact with is free from undue influence when they consider donating. We ensure our fundraisers recognise signs of potential vulnerability, so they can manage conversations and take action in the most appropriate way.

We acknowledge that people's circumstances change, and we promise to respect and act on information shared if one of our supporters is in a vulnerable situation - we did not receive any such notifications in the financial year. We promise that we will treat all complaints seriously, investigate them fully and report back transparently and appropriately. We are also signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from us - we received zero requests from this service last year.

Our aim is to ensure our supporters have a high-quality experience with us, and we are pleased that we did not receive any complaints about our fundraising, marketing or related communications – done by ourselves or any third parties - in the year.

In this financial year we did not work with any professional fundraisers or commercial participators, as defined by the Fundraising Regulator. Should this be something we do in the future, we will monitor the activities carried out to ensure they meet the same high standards we expect of our own fundraisers.

STRATEGIC REPORT**Achievements and Performance**

Our Trustees regularly review the progress of the organisation, and the main objectives which were achieved during this year to meet our long term strategy were:

- Despite a very challenging economic backdrop, we were able to maintain our service levels to our stakeholders.
- We achieved a 97% room utilisation rate, housing and supporting 287 people across the year.
- Despite being funded as a low support level service we were able to take in 192 people with one or more areas of complex need, such as substance misuse, mental health issues, domestic violence, a history in the criminal justice system or physical health issues.
- We continued with and strengthened our Aspirations Programme helping 19 residents to move to our on-site flats and 150 residents to move on into independent living. 25% of our residents were in employment during the year.
- Despite the challenging environment from a fundraising perspective we have managed to raise £561k income from grants and donations in the year.
- We undertook and completed four significant building projects in the year:
 1. The development of a large new residents' kitchen to support a move to self-catering and enable living skills training provision. The kitchen was the first use of the new space available to the rear of our building which was originally constructed as part of our Home and Hope appeal. This has been a major development for us which has met the number one priority as identified by our residents in 2018.

STRATEGIC REPORT**Achievements and Performance (continued)**

2. The development of a new residents' laundry. Again allowing our residents to increase the level of independence in our service and develop their living skills, this project has delivered against the number two priority as identified by our residents in 2018.
3. The refurbishment our communal residents lounge. This space sits at the heart of our building and the transformation and clever design has had an enormous effect on individual wellbeing and the feeling of pride our residents have in their home.
4. The development of a residents e-learning & IT suite, providing a contemporary, quiet and private space where residents can access the internet either independently or with staff support for key activities such as learning, job search, accommodation finding, and keeping in touch with friends and family.

The context in which we work has become ever more challenging over the last few years. The housing crisis continues to deepen, wages remain stagnant and house prices and rents are beyond the reach of many of those living locally. The number reported as sleeping rough in the Borough of Newham continued to rise at a worrying pace, estimated to be 10% a year, and CAH worked in partnership with Newham Council to open a new service to provide accommodation with support to rough sleepers with high and complex needs. The Assessment Hub service, which opened for up to ten residents in December 2018, is based within CAH. Placements are short term (up to six week length of stay) and are given high levels of staff support by a team of five staff. Having increased bed capacity for this service at the start of the financial year from 10 to 20 beds, we again increased the capacity to enable us to support additional rough sleepers in the service during the cold weather period from January 2020. Beds in the service increased to 35 and continued at this level throughout the rest of the financial year and beyond. During the period from April 2019 to the end of the year in review, March 2020, the Assessment Hub was able to house and support 99 residents, and received 127 referrals.

At the point of exiting the Assessment Hub, residents report significant improvements in their health & wellbeing. 56% report improvements in their health, and 82% report an increase in personal wellbeing. The service is also rated positively by residents, with 96% responding they are satisfied with the support provided by the Assessment Hub service, and 89% feeling more confident to live independently. The service's rapid and person-centred intervention has a lasting impact on ex-service users with 100% of ex-residents reporting having sustained their tenancy during follow-up calls undertaken 6 months after leaving the service.

Our core accommodation service received 286 referrals across the year. Of the 286 referrals received we were able to welcome 188 new residents, or 66%, just 2 in 3 of those referred because of the lack of housing opportunities and the particular needs of the individuals which exceeded our support capabilities.

Our client group's needs remained complex and throughout the 12-month period, almost three quarters of the residents we supported (71%) had one or more complex needs (issues with substance misuse, mental health, criminal justice, domestic violence), an increase of 11% from the previous year.

Research shows that across the UK, an average of 7% of people living in supported housing are in paid employment. At CAH, 25% were in paid employment in the year – of which, 44% were in full-time jobs 33% in part-time work, and 23% on zero hour contracts. We run an Education, Training and Employment service with a wide range of activities including IT and e-learning sessions. In the year, we recorded 422 attendances at employment and education related activities.

We have also continued to run and build *Your Space* – a community based therapeutic service, responding to identified high levels of isolation, low income, financial pressures on families and reluctance to engage local health providers. The services offered include Connecting Elders and Connecting Families groups, and sessions covering issues such as community cohesion, dealing with abuse and anger management. Our local community accessed this service over 500 times in the year, helping to encourage individuals through participation, and to create healthy, resilient communities.

STRATEGIC REPORT**Achievements and Performance (continued)**

Specific frontline service achievements included:

- we provided a home to 287 homeless and vulnerable people
- we supported 19 of our residents to achieve first-stage move-on into our onsite move-on studio flats
- we supported 150 of our residents to move on into independent living
- we enabled our residents to complete 166.5 volunteering hours and community & corporate volunteers to complete 222.5 volunteering hours
- 55% of our residents developed CVs
- we provided opportunities to enable 422 attendances at employment and education related activities such as work taster sessions
- 43 residents gained new employment during their stay with us
- 541 attendances at *Your Space* sessions

We are fortunate to have a very talented, dedicated and professional team, and we are delighted that their work was recognised by being a finalist for four awards in the year:

- 'Homelessness Project of the Year (<4,000 homes)' at the UK Housing Awards (2019),
- 'Community Impact Award' at the Charity Today Awards (2019)
- 'Business Partnerships in the Community' at the East London Community Awards, and,
- 'Institution of the Year' at the TELCO awards (2020), which we were delighted to have been the overall winner of for our work in "building a powerful team of residents to win commitment to work with a social housing provider for 10 homes and jobs for CAH residents in the new Manor Road Development.

COVID-19

Most of the work we have delivered through this year and have written about in this report was carried out before the full impact of the COVID-19 pandemic. From mid-March 2020, like all organisations in the UK, our work was affected by the crisis caused by the novel Coronavirus.

Our focus was on keeping our people (service users, staff, volunteers and visitors) safe in a public health emergency. We took a number of far reaching actions which included moving non-frontline staff to home working, closing some of our communal spaces and shutting our doors to visitors and partners. We froze new move-ins and -outs of the building with just a couple of exceptions to meet specific resident needs, and this meant that we continued to accommodate a higher than usual number of complex needs rough sleepers who had been due to move out of our service at the end of March.

Alongside these measures we distributed food for all 140 of our service users (who usually self-cater), increased our cleaning provision significantly, increased our volunteer effort, and as the pandemic continued, we increased our night time staffing cover to prevent issues of anti-social behaviour that had arisen after some weeks of lockdown. All this meant considerable pressure on our management team but we are delighted to report that we have had no COVID positive cases amongst our resident group to date and that we have maintained a safe and supportive environment throughout the pandemic period.

The safety measures we have taken have added some considerable costs of around £211K (predicted costs during lockdown period) to our budgeted expenditure. Our fundraisers are working hard to cover these through additional income from trusts and foundation and our supporters and donors, and good progress is being made here.

STRATEGIC REPORT**Achievements and Performance (continued)**

At the time of writing the pandemic is ongoing and we will not know the full impact it has on homelessness, homeless people, or on CAH itself for some time yet. That said, we are proud of the way in which we have managed to continue our operations and to adapt our support services to continue to provide vital services to people experiencing homelessness, and pleased that we are weathering the crisis reasonably well in financial terms so far.

The political imperatives of the government change. Recent examples include:

- a bold cross-government plan of action to significantly reduce the number of people sleeping rough
- the Covid-19 Everyone In scheme which has seen around 15,000 rough sleepers housed in hotels since the end of March 2020 and
- the new Rough Sleeping Taskforce, working to find safe, long-term homes for former rough sleepers beyond the Covid-19 lockdown.

These initiatives impact on us and the way we deliver our service, creating opportunities for us alongside a lack of predictability of funding sources, and often short term, non-recurrent funding streams.

Risk Management

The Trustees have examined the financial and operational risks which the Charity faces and confirm that systems, controls and review procedures have been established to mitigate exposure to these risks. The Charity has a live Risk Register, and each of the Charity's Sub-Committees reviews relevant risks on a quarterly basis. The full Risk Register is updated following Sub-Committee meetings and reviewed quarterly at full Board meetings.

The principal risks, together with the appropriate mitigation strategies, have been identified as:

- (a) A key risk to Charities working with vulnerable people is safeguarding. To this end CAH has a comprehensive suite of Safeguarding policies and procedures to mitigate the risk of such an occurrence. All staff, trustees and volunteers are subject to DBS checks prior to employment and at regular intervals during their employment. They also receive training in all aspects of Safeguarding. Residents are made aware of the issue of safeguarding on induction and advised of the complaints procedure and that any complaint will be fully investigated. We have two trustees in place with responsibility for safeguarding. All trustees are fully aware of the safeguarding needs of the organisation, and receive regular updates and training.
- (b) The London housing shortage crisis is an ever-present risk and often impacts on our aim of successfully re-housing our beneficiaries in a timely way. The shortage of affordable accommodation in London and the shrinking pool of social housing is a challenge. In response, we have secured additional funding for our move-on function and have been developing our relationships with other housing channels, particularly in the private rented sector and with housing associations. This has proved beneficial to those we serve, and more residents than ever have found new homes as a result of these new partnerships and our approach.
- (c) The difficult funding environment means that our fundraising activities are always undertaken with a degree of uncertainty. Any sudden decline in expected funds would mean insufficient funds to maintain our activity level and support our work with our residents. To mitigate the financial risks, we constantly review and reset our fundraising targets based on monthly financial results and forecast for the year. We continue to develop and maintain relationships with a wide variety of funders and potential funders to avoid over-reliance on any one income stream. During the year, we have recruited a Corporate Partnerships Officer as part of our strategy to broaden our fundraising horizon and to diversify our fundraising income streams, and this has already proved to be beneficial.

STRATEGIC REPORT**Risk Management (continued)**

- (d) As the needs of the client group we work with become more complex we are aware of the difficulty in attracting and retaining highly skilled staff. To mitigate this risk, we have carried out a remuneration review comparing the salary and benefit package in the sector ensuring they are competitive. We have also reviewed our performance management and supervision structures and have ring-fenced our staff development budget.
- (e) We are aware that reputational risk strikes without warning and can damage the professional reputation of the Charity. The emergence of such risk would weaken our good standing with the sector, community, our partners, donors, funders, Board, volunteers, patrons and other stakeholders. We seek to respond quickly and transparently to any media and monitor media sources to pick relevant coverages. We have crisis communications plans in place to manage negative publicity issues. We build strong relationships with our stakeholders, including the local authority, NHS, funders, donors, police, and residents, which builds trust and commitment to our work. We build our reputation through our connections in the sector. Our staff are closely managed and we have a range of policies and procedures in place and communicated to them to ensure that they work with high professional standards.
- (f) Lack of a comprehensive asset management strategy to date has meant that the Charity has been unable to put in place a structured maintenance programme for the building where our residents live. To mitigate this risk we have developed a policy to create a Major Repairs Fund reserve, ensuring that the Charity holds sufficient funds to meet its planned maintenance and replacement costs.
- (g) With a recent focus from government around rough sleeping and changing government priorities in this area we are also mindful that government policy may change quickly and this may impact on our work. To mitigate against this we have built strong networks in both local and national government and are active in influencing in the sector.

Financial review for the year

During the year the Charity received income of £3,541K (2019: £3,194K) and incurred expenditure of £3,377K (2019: £2,858K), resulting in a surplus of £164K (2019: surplus of £335K), of which £151K relates to restricted funds and £13K relates to unrestricted funds.

The increase in income of £347K (10.8%) from previous year's income was largely due to increase in rental income of £366K as a result of new rents set and agreed with the local authority in December 2018, and an additional income of £177K from the Assessment Hub service that we developed during the year 2018-19 for rough sleepers. This service became operational from December 2018. Grants and donations decreased by £229K largely due to our Home and Hope appeal programme, through which we were raising capital funding in the previous years, coming to an end.

The increase in expenditure of £518K (18.13%) from the previous year was largely attributable to investment in Fundraising and charitable activities. During the year we recruited a corporate partnerships fundraiser broadening our fundraising horizons. Investment in charitable activities relates to an expenditure of £185K on the Assessment Hub, an expenditure of £165K on the refurbishment of residents' lounge and an expenditure on new appointments in Housing Management and Personal Development teams following the Housing Benefit review in December 2018. The expenditure of £165K on refurbishment of residents' lounge includes a grant of £20K and a donation in kind of £135K from CRASH.

STRATEGIC REPORT**Financial review for future periods**

We have revised our budget for 2020-21 in light of Covid-19 taking into account the predicted additional costs of £211K as a result of Covid-19, and Trustees are pleased to report that at the date of approval of this report the Charity has outperformed its surplus and fundraising targets for 2020-21, and the forecast shows that it will achieve a surplus of £100K for the year as predicted in the original budget. This surplus will be added to our free reserves.

Reserves

At 31 March 2020, unrestricted reserves stood at £9,701K (2019: £9,413K), of which £8,886K is represented by the net book value of fixed assets. Of the balance of £829K, £454K has been designated for a cyclical programme of major repairs, £67K for the replacement of residents' furniture and equipment both in their rooms and in the communal areas, and £50K to cover grant cessations, and the remaining £244K is held in general reserves. The Trustees have the authority to make these designated funds available for other purposes if required.

The Trustees have reviewed the reserves of the Charity taking into consideration future activities, uncertainties, and risks and have concluded that the appropriate level of reserves required is in the range of £900K to £1.2M. We will continue our efforts to build these reserves over the next few years from £244K (2019: £174K) to the required level through prudent financial management. As part of this exercise, Trustees have also reviewed the management accounts for the first quarter of the year 2020-21 and the forecast for the year in light of Covid-19, and are confident that the Charity will continue to be able to build towards the required level of reserves.

The Board of Trustees has designated a Post Grant Continuity reserve of £50K (2019: £50K) to provide interim cover where a funding source has ceased (eg for a staff position), until replacement funding can be found.

The Board of Trustees has designated a Major Repairs fund of £454K (2019: £362K) to ensure that the Charity has sufficient funds to maintain its building asset where our residents live, in good condition including planned maintenance and replacement of various components at the end of their useful economic life.

The Board of Trustees has designated a Furniture and Equipment fund of £67K (2019: Nil) to ensure that the Charity has sufficient funds to replace furniture and equipment both in residents' rooms and in the communal areas.

The Fixed Assets Fund of £8,886K (2019: £8,927K) is intended to represent the net book value of unrestricted tangible fixed assets, less the outstanding loan finance raised to facilitate the acquisition and development of capital improvements.

Plans for Future Years

We are delighted that we have been able to respond to local need in the year. We initially increased the number of beds available in our new Assessment Hub for complex needs rough sleepers from 10 to 20 in April 2019. We further increased the number of beds December-January 2019/20 from 20-35 for the cold weather period. We have also made increases to the bed number throughout lockdown until late July 2020. Looking ahead we will be accommodating 31 residents in this service, and we are beginning to look at how we can increase our move-on offer to both Assessment Hub and core service residents.

We have developed plans to accommodate an additional 15 residents in our Barn development (the exterior of the Barn was originally constructed as part of our Home and Hope appeal). The plans allow us to provide contemporary, individualised and safe accommodation, and increase the capacity of our building to 155 residents at any one time. We are now actively looking for capital and revenue funding to support this development. We hope to secure this in the coming year so that we can begin construction soon.

TRUSTEES' ANNUAL REPORT (continued)**FOR THE YEAR ENDED 31 MARCH 2020****STRATEGIC REPORT****Plans for Future Years (continued)**

We are also looking outside of our current location at how we might acquire additional properties so that we can increase move on opportunities for our residents, including the provision of appropriate support where necessary, and thereby increase the numbers of people we can move through our services and accommodate from the point of crisis to independence.

The last year saw the successful completion of four key new or refurbished communal facilities for our residents. We plan to continue this building improvement work in the coming year. Our plans include:

1. a large refurbishment of our dining room and food store
2. a new quiet room / multi faith space
3. a refurbished reception and staff kitchen.

We continue to work with our partners to increase our impact for our beneficiaries and to grow our offer to those experiencing homelessness and disadvantage in our community. We embrace change and welcome others to join us in solving some of society's most challenging social issues. We look forward to strengthening existing partnerships and developing new collaborations to support our residents and the community to achieve their potential.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Caritas – Anchor House for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. 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 and Social Housing SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

So far as each of the Trustees is aware at the time the report is approved:

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

STRATEGIC REPORT**Statement of Board of Trustees on Internal financial control**

The Board of Trustees acknowledge its overall responsibility for establishing and maintaining the whole system of internal controls and reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable assurance against material misstatements or loss. The process for identifying, evaluating and managing the significant risks by the Charity is ongoing and has been in place throughout the year up to the date of approval of the report and financial statements.

The key elements of the control and sources of assurance include:

- Clearly defined management responsibilities and procedures for the identification, evaluation, and control of significant risks.
- Risk register and risk management reports
- Performance reports
- External audit reports
- Detailed financial budgets, management accounts and forecasts
- Policies and procedures for all areas – Safeguarding, Health & Safety, Human Resource, Finance & IT. These policies and procedure are reviewed by the Sub-Committees and the Board on a regular basis.
- Established authorisation and appraisal procedures for new initiatives and commitments
- Regular reporting to the appropriate Sub-Committees and Board on key business objectives, targets and outcomes.

There were no attempted or actual frauds during the year that required reporting to the Homes and Community Agency, the Charity Commission or other regulatory bodies.

The key areas cover control, information reporting systems, monitoring and risk management.

Control

The Board of Trustees retains responsibility for defined range of areas covering strategic, operational, and financial elements. The Board of Trustees has put in place an organisational structure which clearly defines lines of responsibility and delegation of authority.

Information reporting system

Financial reporting systems include regular reviews of overall financial business plans, preparation of detailed annual budgets and the production of detailed monthly management accounts. These are prepared by the Senior Management Team and are considered and approved by the Sub-Committee and the Board. The Senior Management Team and the Board of Trustees also review performance regularly to assess progress towards the achievement of key business objective, targets and outcomes.

Monitoring

A process of regular management monitoring on control issues provides assurance to Senior Management Team and Board of Trustees. This includes a rigorous process of ensuring that corrective actions are taken in relation to any significant control issues.

CARITAS - ANCHOR HOUSE

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2020

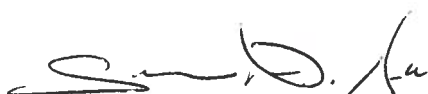
STRATEGIC REPORT

Risk Management

The charity has a comprehensive risk management strategy which identifies risks facing the Charity, risk management responsibilities, and action required to mitigate these risk, and monitoring arrangements.

The Trustees' Annual Report which incorporates the strategic report was approved and signed on behalf of the Board on

08/09/2020



.....
Simon Hall – Chair & Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARITAS – ANCHOR HOUSE

Opinion

We have audited the financial statements of Caritas – Anchor House for the year ended 31 March 2020 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2018.

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 Charity 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 11, 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 website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARITAS – ANCHOR HOUSE (continued)

Other information

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

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. 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 strategic report and the directors' 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' Annual 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 Trustees' Annual Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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.

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.



David Sewell (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
30 September 2020

10 Queen Street Place
London
EC4R 1AG

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 31 March 2020 £	Total funds 31 March 2019 £
INCOME FROM					
Donations, grants and legacies	2a	191,364	369,722	561,086	789,788
Charitable activity: Anchor House	2b	2,958,241	-	2,958,241	2,382,447
Other trading activities: Rent receivable		21,358	-	21,358	21,358
TOTAL INCOME		<u>3,170,963</u>	<u>369,722</u>	<u>3,540,685</u>	<u>3,193,593</u>
EXPENDITURE ON					
Cost of raising funds	4	161,994	-	161,994	136,521
Charitable activity: Anchor House	5	<u>2,858,320</u>	<u>356,506</u>	<u>3,214,826</u>	<u>2,721,954</u>
TOTAL EXPENDITURE		<u>3,020,314</u>	<u>356,506</u>	<u>3,376,820</u>	<u>2,858,475</u>
Net income/(expenditure)		150,649	13,216	163,865	335,118
Transfers between funds	17	<u>137,290</u>	<u>(137,290)</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS		<u>287,939</u>	<u>(124,074)</u>	<u>163,865</u>	<u>335,118</u>
TOTAL FUNDS BROUGHT FORWARD		<u>9,413,419</u>	<u>150,483</u>	<u>9,563,902</u>	<u>9,228,784</u>
TOTAL FUNDS CARRIED FORWARD		<u>9,701,358</u>	<u>26,409</u>	<u>9,727,767</u>	<u>9,563,902</u>

The notes on pages 19 to 32 form part of these financial statements.

- All transactions are derived from continuing activities.
- All recognised gains and losses are included in the Statement of Financial Activities.
- Details of comparative figures are given in note 18

CARITAS - ANCHOR HOUSE
BALANCE SHEET
AS AT 31 MARCH 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible fixed assets	9	10,757,020	10,855,168
		<u>10,757,020</u>	<u>10,855,168</u>
CURRENT ASSETS			
Stocks	11	5,806	5,767
Debtors	12	304,493	383,680
Cash at bank and on deposit		1,105,369	821,972
		<u>1,415,668</u>	<u>1,211,419</u>
CREDITORS: amounts falling due within one year	13	<u>(321,857)</u>	<u>(310,031)</u>
NET CURRENT ASSETS		1,093,811	901,388
CREDITORS: falling due after one year	14	<u>(2,123,064)</u>	<u>(2,192,654)</u>
NET ASSETS		<u><u>9,727,767</u></u>	<u><u>9,563,902</u></u>
REPRESENTED BY			
Unrestricted Funds			
- General	16	244,415	74,416
- Designated	16	9,456,943	9,339,003
Restricted Funds	17	26,409	150,483
		<u><u>9,727,767</u></u>	<u><u>9,563,902</u></u>

The financial statements were approved and authorised for issue by the Board of Trustees on 08/09/2020 and were signed on its behalf by:



Simon Hall - Trustee

The notes on pages 19 to 32 form part of these financial statements.

Company registration number: 08075329 (England and Wales)

STATEMENT OF CASH FLOWS AS AT 31 MARCH 2020

	2020	2019
	£	£
Cash flows from operating activities:		
<i>Net cash provided by (used in) operating activities</i>	472,863	466,955
Cash flows from investing activities:		
Proceeds from sale of investments	-	-
Dividends, interest and rents from investments	21,358	21,358
Purchase of property, plant and equipment	(210,824)	(230,095)
<i>Net cash provided by (used in) investing activities</i>	(189,466)	(208,737)
Cash flows from financing activities:		
Cash flows from new borrowing	-	-
<i>Net cash provided by (used in) financing activities</i>	-	-
Change in cash and cash equivalents in the reporting Year	283,397	258,218
Cash and cash equivalents at the beginning of the reporting year	821,972	563,754
Cash and cash equivalents at the end of the reporting Year	1,105,369	821,972
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
	2020	2019
	£	£
Net income/(expenditure) for the reporting year (as per the statement of financial activities)	163,865	335,118
Adjustments for:		
Depreciation charges	284,972	247,430
(Gains) on investments	24,000	-
Dividends, interest and rents from investments	(21,358)	(21,358)
(Increase)/decrease in stocks	(39)	6,409
(Increase) in debtors	79,187	(71,243)
(Decrease) in creditors	(57,764)	(29,401)
Net cash provided by/(used) in investing activities	472,863	466,955
Analysis of cash and cash equivalents	2020	2019
	£	£
Cash in hand	1,105,369	821,972
Total cash and cash equivalents	1,105,369	821,972

1. ACCOUNTING POLICIES
(a) Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) – (Charities SORP (FRS102), Statement of Recommended Practice for registered Social Housing Providers 2008, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Caritas - Anchor House meets the definition of a public benefit entity under FRS 102. Assets and Liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

(b) Going Concern

Having reviewed the funding facilities available to the Charity together with future projected cash flows for the year 2021-22 in light of Covid-19, the Trustees have an expectation that the Charity has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Charity's financial viability. Accordingly, the financial statements have been prepared on a going concern basis.

(c) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods. Judgements made by the trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and are discussed below.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

(d) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

(e) Income

Income from Anchor House represents receipts from residential accommodation, meals and shop sales. Donations and legacies are accounted for when received by the Charity. Other income is accounted for on an accruals basis as far as it is prudent to do so. Revenue grants are credited to the statement of financial activities as received, unless they are to be spent in a later year, when they are deferred.

1. ACCOUNTING POLICIES (continued)
(f) Expenditure

Expenditure is recognised on an accruals basis. Governance costs comprise the costs of running the Charity, including strategic planning for its future development, internal and external audit, legal and professional advice and all costs of complying with constitutional and statutory requirements, such as the costs of Trustees' meetings and of preparing statutory financial statements and satisfying public accountability.

(g) Tangible fixed assets

The property is freehold, being situated at Anchor House, 81 Barking Road, London E16 4HB, and is included at cost, less depreciation. The land is included at cost and is not depreciated. Assets under the course of construction are not depreciated until the work has been completed and the asset brought into use.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land over their estimated economic lives.

Using component costing principles freehold property is divided into components which are depreciated over the following years:

Building structure	60 years
Windows, bathrooms and flooring	15 years
Heating and electricity systems	15 years to 30 years, as appropriate
Kitchen	20 years
Lift	30 years

In the previous year the freehold property was depreciated at 2.00% on a straight line basis. Component accounting was introduced from 1st of April 2019.

All PCs and laptops regardless of their values and other tangible fixed assets exceeding £1,000 are stated at cost net of depreciation. Depreciation is calculated at the following annual rates:

Fixtures, fittings and equipment	- 10-33% straight line, as appropriate
Motor vehicles	- 25% straight line

(h) Investments

Investments are stated at their middle market values ruling at the balance sheet date. The realised and unrealised gains and losses on investments are calculated based on the opening market values and are accounted for within the Statement of Financial Activities.

Income arising from these investments is accounted for when it is receivable.

(i) Stocks

Stocks are shown at lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

(j) Debtors

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

1. ACCOUNTING POLICIES (continued)
(a) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

(b) Creditors and provisions

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

(c) Designated funds

The Trustees may set aside amounts of unrestricted funds, at their discretion, for specific future purposes. Such funds are shown within unrestricted funds as designated funds. Where the Trustees decide that designated funds are no longer required for the purposes specified, these are released from designated funds.

(d) Restricted funds

The restricted funds are monies raised for, and their use restricted to, a specific purpose or donations subject to other donor imposed conditions. Transfers are made to unrestricted funds where amounts raised for specific capital projects are spent.

(e) Taxation

As a registered Charity, Caritas – Anchor House benefits from rates relief and is generally exempt from taxation on its income applied for charitable purposes, but not from Value Added Tax. Irrecoverable Value Added Tax is included in the cost of those items to which it relates.

2a. INCOME FROM DONATIONS AND GRANTS:

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
Income from Donations:				
Donations	116,064	31,127	147,191	104,261
Legacy	5,000	-	5,000	-
Donation in Kind	-	142,478	142,478	26,645
	<u>121,064</u>	<u>173,605</u>	<u>294,669</u>	<u>130,906</u>

INCOME FROM GRANTS:

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
The Monday Charitable Trust	-	7,668	7,668	15,000
Merchant Taylor's Charity	8,000	-	8,000	10,000
The Leathersellers' Company Charitable Trust	10,000	-	10,000	20,000
The Borrowes Charitable Trust	6,000	-	6,000	5,000
The Cuckoo Hill Trust	-	2,000	2,000	2,000
The Charitable Committee of The Worshipful Company of Vintners	5,000	5,000	10,000	5,000
PF Charitable Trust	2,000	-	2,000	2,000
The Mercers' Company	25,000	-	25,000	25,000
The Foundation of Saint Francois	6,000	-	6,000	5,000
The London Community Foundation-SEGRO	-	5,000	5,000	5,000
Building Societies Trust Limited	-	22,000	22,000	22,000
The Albert Hunt Trust	-	3,000	3,000	-
Nationwide Building Society Community Grant	-	49,461	49,461	-
Swire Charitable Trust	-	10,000	10,000	-
CRASH	-	20,000	20,000	-
Bernard Sunley Charitable Foundation	-	25,000	25,000	-
The Worshipful Company of Fan Makers	6,000	-	6,000	-
Royal Docks Trust	-	10,000	10,000	-
JA Rose Trust	-	5,000	5,000	5,000
London Catalyst	-	4,000	4,000	-
Homeless Link	-	18,000	18,000	-
Fine and Country Foundation	-	3,000	3,000	-
National Lottery Community Fund	-	-	-	81,622
Hobson Charity Ltd	-	-	-	100,000
The Mackintosh Foundation	-	-	-	5,000
Edith Lilian Harrison 2000 Foundation	-	-	-	5,000
The Drapers Charitable Fund	-	-	-	25,000
Sir John Cass Foundation	-	-	-	40,000
The Rayne Foundation	-	-	-	40,800
Swan Foundation	-	-	-	2,500
The Edward Gostling Foundation	-	-	-	6,000
French Huguenot Church of London Charitable Trust	-	-	-	5,000
The Morrison Foundation	-	-	-	12,500
The G C Gibson Charitable Trust	-	-	-	4,010
The Albert Gubay Charitable Foundation	-	-	-	200,000
Other	2,300	4,488	6,788	8,450
	<u>70,300</u>	<u>196,117</u>	<u>266,417</u>	<u>658,882</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2020

2b. INCOME FROM ANCHOR HOUSE

	Unrestricted £	Restricted £	2020 £	2019 £
Accommodation	2,259,775	-	2,259,775	1,893,643
Catering	52	-	52	1,417
Housing Related Support	352,514	-	352,514	316,112
Rough Sleepers Initiative	321,701	-	321,701	144,338
Sundry income	15,079	-	15,079	19,630
Laundry income	824	-	824	-
Shop income	-	-	-	162
Contracts revenue	3,116	-	3,116	2,206
Room hire	5,180	-	5,180	4,940
	<u>2,958,241</u>	<u>-</u>	<u>2,958,241</u>	<u>2,382,448</u>

All income in 2019 was unrestricted.

3. SOCIAL HOUSING LETTINGS

	2020 £	2019 £
Rent receivable excluding service charge	1,142,090	957,048
Service charge receivable	1,117,685	936,596
Grants and other income	1,267,694	1,075,746
Turnover from social housing lettings	<u>3,527,469</u>	<u>2,969,390</u>
Operating expenditure on social housing lettings	3,304,894	2,791,367
Operating surplus on social housing lettings	<u>225,575</u>	<u>178,023</u>
Financing costs	71,926	67,108
Surplus on social housing lettings	<u>150,649</u>	<u>110,915</u>
Void losses	<u>83,110</u>	<u>47,425</u>

4. COSTS OF RAISING FUNDS

	2020 £	2019 £
Staff costs	87,336	74,964
Other direct costs	35,716	33,765
Support costs	38,942	27,792
	<u>161,994</u>	<u>136,521</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2020

5. CHARITABLE ACTIVITIES	Staff Costs £	Other Direct Costs £	Support Costs £	Total 2020 £	Total 2019 £
Anchor House	1,399,091	1,209,880	605,855	3,214,826	2,721,954
	<u>1,399,091</u>	<u>1,209,880</u>	<u>605,855</u>	<u>3,214,826</u>	<u>2,721,954</u>

6. Support costs allocation to activities

	Fundraising £	Anchor House £	Total 2020 £	Total 2019 £
Staff costs	25,957	403,841	429,798	409,776
Staff training and recruitment	1,002	15,590	16,592	14,548
Office expenses	7,779	121,021	128,800	93,424
Legal and professional fees	1,433	22,294	23,727	27,403
Other costs	2,771	43,109	45,880	48,776
	<u>38,942</u>	<u>605,855</u>	<u>644,797</u>	<u>593,927</u>

Support costs have been allocated to activities based on number of people employed within each activity.

7. GOVERNANCE COSTS

	2020 £	2019 £
Staff costs	28,252	25,182
Auditor's remuneration – Audit Fee	16,077	13,980
Legal and professional fees	3,456	4,192
Trustee expenses	1,652	447
	<u>49,437</u>	<u>43,801</u>

The Trustees received no remuneration (2019: nil). Expenses relating to travel and training were reimbursed or paid to third parties on behalf of Trustees. These amounted to £1,652 (2019: £447).

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2020

8. STAFF COSTS

	2020	2019
	£	£
Salaries	1,691,860	1,398,262
Social security costs	137,573	126,465
Pension	86,792	88,276
	<u>1,916,225</u>	<u>1,613,003</u>

The average number of staff in the year was 54 (2019: 51): calculated on a full-time equivalent basis, the figure was 52 (2019: 44). The number of employees with annual taxable emoluments paid more than £60,000 per annum was:

	2020	2019
	£	£
£60,000 - £69,999	2	3
£70,000 - £79,999	-	-
£80,000-£89.999	<u>1</u>	<u>1</u>

The total remuneration of key management personnel, including those employed for part of the year and those on short term contracts, for the year was £218,670 (2019 – £216,489).

Included in the above were payments to the Chief Executive, being the highest paid employee, amounting to £81,600 for the year excluding pension contribution (2019: £80,624). The Chief Executive is a member of the Charity's defined contribution pension scheme. The charity contributes 7.5% of the salary to the Chief Executive's pension, and the Chief Executive contributes the same percentage of her salary.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2020

9. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Motor Vehicles £	Furniture & Equipment £	Work in Progress £	Total £
COST					
As at 1 April 2019	11,561,638	18,061	82,069	713,663	12,375,431
Additions	23,100	-	143,866	43,858	210,824
Transfer	221,416	-	-	(221,416)	-
Disposals	(40,000)	-	-	-	(40,000)
As at 31 March 2020	11,766,154	18,061	225,935	536,105	12,546,255
DEPRECIATION					
As at 1 April 2019	1,444,935	18,061	57,267	-	1,520,263
Charge for the year	241,100	-	43,872	-	284,972
Eliminated on disposal	(16,000)	-	-	-	(16,000)
As at 31 March 2020	1,670,035	18,061	101,139	-	1,789,235
NET BOOK VALUE					
As at 31 March 2020	10,096,119	-	124,796	536,105	10,757,020
As at 31 March 2019	10,116,703	-	24,802	713,663	10,855,168

10. INVESTMENTS

The Charity owns 100% share capital of the subsidiary company, Learning & Development Academy Ltd, which remained dormant in the year.

11. STOCKS

	2020 £	2019 £
Consumables	5,806	5,767
	<u>5,806</u>	<u>5,767</u>

12. DEBTORS

	2020 £	2019 £
Trade debtors	161,684	180,534
Prepayments	38,902	30,936
VAT due	-	4,887
Other debtors	103,907	167,323
	<u>304,493</u>	<u>383,680</u>

13. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans (note 15)	69,027	66,822
Trade creditors	49,800	121,334
Accruals	93,763	56,045
Social Security and other taxes	35,003	29,933
Pension fund	13,032	7,151
Other creditors	61,232	28,746
	<u>321,857</u>	<u>310,031</u>

14. CREDITORS: AMOUNTS FALLING DUE OUTSIDE ONE YEAR

	2020	2019
	£	£
Bank loans (note 15)	<u>2,123,064</u>	<u>2,192,654</u>

15. BANK LOANS

The bank loans are secured on the property at 81 Barking Road, London E16 4HB and associated assets. The applicable rate of interest is 2.5% over base, confirmed until June 2021.

The Business Development Loan balance of £321,428, whilst is due to be repaid by 8 January 2021, is likely to be consolidated with the long term loan.

The repayment schedule for the long term loan is a period of 25 years, ending on 6 June 2041.

	2020	2019
	£	£
Repayments are due as follows		
Within 1 year	69,027	66,822
Between 2-5 years	299,643	290,073
Over 5 years	1,823,421	1,902,581
	<u>2,192,091</u>	<u>2,259,476</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2020

16. UNRESTRICTED FUNDS

	At 1 April 2019 £	Income and Gains £	Expenditure £	Transfers £	Reduction in Long Term Loan £	At 31 March 2020 £
General	74,416	3,170,963	(3,020,314)	76,545	(57,195)	244,415
Designated funds:-						
Fixed Assets	8,927,310	-	-	(98,148)	57,195	8,886,357
Post Grant Contingency	50,000	-	-	-	-	50,000
Major Repairs Fund	361,693	-	-	92,148	-	453,841
Residents Furniture & Equipment (Renewals & replacements)	-	-	-	66,745	-	66,745
	<u>9,413,419</u>	<u>3,170,963</u>	<u>(3,020,314)</u>	<u>137,290</u>	<u>-</u>	<u>9,701,358</u>

The Fixed Assets Designated Fund represents the net book value of unrestricted tangible fixed assets less the outstanding balance of the long term Property Loan. Each year amounts are transferred to or from the Fixed Asset Fund, representing the movement in the net book value of the unrestricted tangible fixed assets in the year and the reduction in the long term loan, as capital is repaid.

The Major Repairs Fund represents money set aside to cover major repairs on CAH building. Every year an amount is allocated to each component (windows, bathrooms, flooring, heating and electricity systems, lift, and kitchen) based on their useful economic life and estimated replacement costs.

The Post Grant Continuity Fund represents money set aside to cover costs incurred where funding has ceased.

The Residents Furniture & Equipment Fund represents money set aside to replace residents' furniture and equipment both in their rooms and in the communal area.

16. UNRESTRICTED FUNDS – prior year

	At 1 April 2018 £	Income and Gains £	Expenditure £	Transfers £	Reduction in Long Term Loan £	At 31 March 2019 £
General	152,175	2,622,439	(2,511,524)	(131,281)	(57,393)	74,416
Designated funds:-						
Fixed Assets	8,887,252	-	-	(17,335)	57,393	8,927,310
Post Grant Contingency	50,000	-	-	-	-	50,000
Major Repairs Fund	-	-	-	361,693	-	361,693
	<u>9,089,427</u>	<u>2,622,439</u>	<u>(2,511,524)</u>	<u>213,077</u>	<u>-</u>	<u>9,413,419</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2020

17. RESTRICTED FUNDS	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
Personal development	779	-	-	-	779
Education Training and employment	-	41,687	41,687	-	-
Move-on	42,707	71,711	114,418	-	-
Your Space	4,587	15,538	20,125	-	-
Donation in kind (food and furniture)	-	142,478	142,478	-	-
Home and Hope Appeal	102,410	75,108	30,700	(137,290)	9,528
Assessment Hub	-	23,200	7,098	-	16,102
	<u>150,483</u>	<u>369,722</u>	<u>356,506</u>	<u>(137,290)</u>	<u>26,409</u>

The transfers represent the capital expenditure in the year.

Personal development

This fund supports our vulnerable residents with high levels of isolation, low self-esteem and complex challenges on their journey back to independent living through structured personal development and social activities.

Education, training and employment

This fund supports our residents with education, training and employment opportunities. Learning new skills helps our residents to improve their self-esteem and gain experience so that they can re-enter the workforce.

Move-on

This fund supports tenancy sustainment service. This is an essential component of our work in response to the serious problem of increasing homelessness in Newham. It allows us to assist single homeless residents to successfully access independent accommodation.

Your Space

This fund supports project aiming to build solid networks of emotional support to local residents. The project seeks to tackle isolation and loneliness among elderly, disadvantaged and isolated people.

Donation in kind

This fund represents the value of furniture and other items donated by various organisations during the year.

Home and Hope appeal

This fund is restricted funding to be used on CAH's wider capital programme including residents' new communal laundrette and lounge refurbishment.

Assessment Hub

This fund supports the Assessment Hub's residents' personal needs including food and clothing, and their move on programmes.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2020

17. Restricted Funds – prior year

	At 1 April 2018	Income	Expenditure	Transfers	At 31 March 2019
	£	£	£	£	£
Restricted Funds					
Personal Development	20,250	46,500	65,971	-	779
Education, Training and employment	20,236	72,222	92,458	-	-
Move-on	37,371	127,000	121,664	-	42,707
Your Space	-	44,800	40,213	-	4,587
Donation in kind	-	26,645	26,645	-	-
Home and hope appeal	61,500	247,487	-	(206,577)	102,410
Residents' computers	-	6,500	-	(6,500)	-
	<u>139,357</u>	<u>571,154</u>	<u>346,951</u>	<u>(213,077)</u>	<u>150,483</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2020 £
31 March 2020				
Fixed assets	-	10,757,020	-	10,757,020
Current assets	818,673	570,586	26,409	1,415,668
Current liabilities	(263,266)	(58,591)	-	(321,857)
Long term liabilities	(310,992)	(1,812,072)	-	(2,123,064)
Total net assets	<u>244,415</u>	<u>9,456,943</u>	<u>26,409</u>	<u>9,727,767</u>

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2019 £
31 March 2019				
Fixed assets	-	10,855,168	-	10,855,168
Current assets	649,244	411,692	150,483	1,211,419
Current liabilities	(253,311)	(56,720)	-	(310,031)
Long term liabilities	(321,517)	(1,871,137)	-	(2,192,654)
Total net assets	<u>74,416</u>	<u>9,339,003</u>	<u>150,483</u>	<u>9,563,902</u>

19. CAPITAL COMMITMENTS

	31 March 2020 £	31 March 2019 £
Building works	-	18,277

20. LEASING COMMITMENTS

	31 March 2020 £	31 March 2019 £
Within one year	12,022	3,482
Between one and five years	43,733	13,059
	<u>55,755</u>	<u>16,541</u>

The telephone system and photocopier are held under operating lease arrangements.

18. DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 31 March 2019 £
INCOME FROM				
Donations, grants and legacies	2a	218,634	571,154	789,788
Charitable activity:				
Anchor House	2b	2,382,447	-	2,382,447
Other trading activities:				
Rent receivable		21,358	-	21,358
TOTAL INCOME		<u>2,622,439</u>	<u>571,154</u>	<u>3,193,593</u>
EXPENDITURE ON				
Cost of raising funds	4	136,521		136,521
Charitable activity:				
Anchor House	5	<u>2,375,003</u>	<u>346,951</u>	<u>2,721,954</u>
TOTAL EXPENDITURE		<u>2,511,524</u>	<u>346,951</u>	<u>2,858,475</u>
Net income/(expenditure)before gains on Investments		110,915	224,203	335,118
Net gains on investments		-	-	-
Net income/(expenditure)		<u>323,992</u>	<u>11,126</u>	
Transfers between funds	17	<u>213,077</u>	<u>(213,077)</u>	-
NET MOVEMENT IN FUNDS		<u>323,992</u>	<u>11,126</u>	<u>335,118</u>
TOTAL FUNDS BROUGHT FORWARD		<u>9,089,427</u>	<u>139,357</u>	<u>9,228,784</u>
TOTAL FUNDS CARRIED FORWARD		<u>9,413,419</u>	<u>150,483</u>	<u>9,563,902</u>