



TRUSTEES ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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 2021

The Trustees present their report and financial statements for the year ended 31 March 2021. 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	
Mrs Emer Delaney	
Mrs Caesar Gordon	Resigned 30 May 2021
Mr Andrew Haines	
Father Dominic Howarth	Resigned 2 July 2020
Sr. Teresa Ann Hughes CRSS	Resigned 1 September 2020
Mrs Cate Kirkbride	
Mr Graeme McLean	
Mr Robert Townsend	Resigned 31 March 2021
Mrs Sarah Wright	Resigned 22 October 2020
Father James Mackay	Appointed 13 October 2020, Resigned 9 March 2021
Matthew Williams	Appointed 20 September 2020
Desmond Patrick Connors	Appointed 16 July 2021

We have supported the operation of the following Sub-Committees:

- | | |
|--|--------------------------------------|
| 1. Finance, Audit, Governance, and Risk Sub-Committee | 2. People & Culture Sub-Committee |
| 3. Executive Sub-Committee | 4. Premises Management Sub-Committee |
| 5. Frontline Services Quality Assurance and Impact Sub-Committee | 6. Values 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

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 in the country. As a result, there is more demand for our services than ever before.

During the last year we have reflected on our purpose and our values and alongside our team, our residents and many other stakeholders to our work. We have created a new mission statement and a core set of values which will guide our work going forward.

Our mission is to build hope, enable lasting change and end homelessness for people in East London.

Our values guide our interactions and decision-making processes at all levels within the organisation. They are:

Compassion - we care about people, value their views and experiences and put them at the heart of all we do.

Inclusion - we celebrate diversity, promote inclusivity and respect, and challenge inequality.

Growth - we support people to breakthrough barriers and fulfil their hopes and potential.

Collaboration - we're stronger and can have a bigger impact when we work in partnerships and build alliances.

Our service combines the provision of a safe place to live for vulnerable adults experiencing homelessness, with in-house delivery 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 Caritas Anchor House the largest provider of homelessness services in Newham, and one of the largest hostel services in the country. These bed-spaces are shared between two services – our core hostel and our Assessment Hub. The Assessment Hub grew from 20 to 39 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 2021, we accommodated and supported 278 people, and helped 137 to move on positively from our services. 95 left homelessness behind for good and moved into their own homes, and 42 moved into short-term accommodation such as other support services. Richard was one such person, who has since moved into his own home. He said, *"I'd been a cab driver for 20 years and had a comfortable life, but when I lost my partner to cancer, my world collapsed and I ended up on the streets.*

When I first arrived at Caritas Anchor House, I didn't think I could rebuild my life. But being somewhere safe and knowing I always had someone there to talk to kept me going. I'd been waiting nine months for counselling, but I had a counsellor within three weeks of my keyworker finding out. My keyworker regularly keeps in touch to how I am and if I need any help. Slowly but surely, I started to reconstruct my life.

My outlook has changed completely and it has saved my life without a shadow of a doubt. I feel like there is hope; a chance that I can rebuild my position in society."

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.

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TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2021

During the year the Trustees have considered the recent updates to the charity code of governance and the National Housing Federation's code of governance, and have undertaken to employ a consultant to review the charity's compliance with these codes. A consultant has been appointed and started this work in June 2021.

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 People, 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.

Between autumn 2020 and summer 2021, three new trustees joined our Board which enabled us to broaden our Board skillset and meet identified skills gaps.

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

Caritas Anchor House's objects contained in its Memorandum and Articles of Association 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 from homelessness and go on to lead fulfilling lives. We do this 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 Caritas Anchor House.

Our frontline teams work directly with residents during their time at Caritas Anchor House. 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 seven metrics covered by this technical note. CAH is a unique charity operating in the homelessness sector, and 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 the Barn project, to increase our accommodation capacity by 15, which is currently a work in progress and due to open in the next financial year. The charity's metric for reinvestment for the year was 0.29% (2019/20: 0.63%)

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, one with NatWest, secured against this property, and the other with Homeless Link. The balance outstanding at 31 Mar 2020 of £2,262K (2019/20: £2,192K) represents 2.99% (2019/20:13.12%) of Housing depreciated value owned by the Charity.

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

The charity paid interest of £61K (2019/20: £72K) in the year in relation to the loan finance referred in metric 3. Interest is therefore covered 1804% (2019/20:739%) by EBITDA MRI.

Metric 5 - Headline social housing cost per unit

The cost per unit for the year was £25,401 (2019/20: £23,606). 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 people

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sleeping rough and residents with multiple and complex needs. The increase in cost in 2020/21 compared to that of 2019/20 reflects Covid related costs.

Metric 6 - Operating Margin (overall) %

The operating margin of the charity as a whole for the year was 18.56% (2019/20: 6.31%).

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 6.17% for the year (2019/20: 1.88%)

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 Chartered 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.

Due to the Covid-19 pandemic and the restrictions, many of our traditional fundraising methods were not able to go ahead, such as in-person events and fundraising in schools and faith groups. As the world became more digital due to the restrictions, we focussed more on digital and virtual fundraising, taking part in initiatives such as the 2.6 challenge which was organised in place of the London Marathon. We continued to apply for grants, encourage donations and ran our very first virtual event for supporters.

We saw a small number of our regular donations cancelled, due to the personal circumstances of our supporters during such a difficult time. However, the pandemic resulted in many emergency funding opportunities being made available, primarily by trusts and corporate foundations, and we had success in this area which resulted in an increase on fundraising income from the previous year.

We participated in the Big Give Christmas Challenge 2020, whereby donations made during the online campaign were match-funded, which raised a restricted funding of £28,558 to enable the expansion of our services by building additional accommodation. We were also grateful to receive a high volume of gifts in kind during the year, of essential items to benefit our residents during the pandemic, including food, toiletries and PPE.

In the year, we grew our fundraising team and welcomed an Individual Giving and Legacy Specialist and Community and Events Officer - both of which are new roles and had been planned pre-pandemic - to enable the charity to secure support from a wider range of sources.

It's important to us that everyone we interact with feels free from undue influence when they consider donating. We ensure our fundraisers can 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 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 during the year.

We promise that we will treat all complaints seriously, investigate them fully and report back transparently and appropriately. Our aim is always for our supporters to 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.

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 of course monitor the activities carried out to ensure they meet the same high standards we expect of our own fundraisers, and have any required agreements in place.

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 95% room utilisation rate, housing and supporting 278 people across the year.
- Despite the majority of our beds being funded with a low support level service we were able to take in 203 people with one or more areas of complex need, such as substance misuse, mental health issues, or physical health issues.
- We continued to strengthen our work with residents, supporting 11 residents to move to our on-site flats, 42 into short-term accommodation such as other support services, and 95 residents to move into their own homes. 17.6% of our residents were in employment during the year, and we recorded 184 resident attendances at education and employability sessions
- We conducted our first-ever digital Resident Survey in December 2020. 78% of residents rated the quality of the support from CAH as excellent/very good (response rate: 68%).
- Despite the challenging environment from a fundraising perspective, and the impact on our usual fundraising activities due to the Covid-19 pandemic, we raised £1,034k income from grants and donations in the year.
- We undertook and completed two significant refurbishment projects within the communal areas of the building in the year:
 1. The refurbishment our residents dining room which joins with our recently refurbished residents lounge. This space had not been refurbished for some years and had suffered damage from leaks above, leaving it in an uninspiring state. It has been transformed into a bright, open and pleasant space which contains our food store for donated food items.
 2. The refurbishment of a meeting room to create a Wellbeing and Spirituality room, providing a quiet space for reflection or multi faith prayer. With both a diverse resident and staff group and such a busy operating environment, we felt it was essential to provide this quiet space for the spiritual wellbeing of our people.

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 run a service to provide accommodation with support to people sleeping rough with high and complex needs. The Assessment Hub service, which opened in December 2018, is based within CAH. Placements are short term (up to six week length of stay) and residents are given high levels of staff support. During the period from April 2020 to the end of the year in review, March 2021, the Assessment Hub was able to house and support 118 residents, and received 121 referrals.

At the point of exiting the Assessment Hub, residents report significant improvements in their health and wellbeing. In the year, 28% reported improvements in their health, and 58% reported an increase in personal wellbeing. The service is also rated positively by residents, with 92% responding they are satisfied with the support provided by the Assessment Hub service, and 86% feeling more confident to live independently. The service's rapid and person-centred intervention has a lasting impact with 100% of former residents reporting having sustained their tenancy during follow-up calls undertaken six months after leaving the service.

Our core accommodation service received 244 referrals across the year, and provided a home and support to 160 people. Of the 244 referrals received we were able to welcome 58 new residents, or 24%, just 1 in 4 of those referred because of the lack of housing opportunities and the particular needs of the individuals which exceeded our support capabilities. The number of new residents we were able to accommodate was reduced because of the impact of Covid, with existing residents staying longer than normal due to lockdown restrictions throughout the year.

The needs of our resident group remained complex and throughout the 12-month period, almost three quarters of the residents we supported (73%) had one or more complex needs (issues with substance misuse, mental health, and physical health).

Research shows that across the UK, an average of 7% of people living in supported housing are in paid employment. At CAH, 49 (17.6%) were in paid employment in the year. We run an Education, Training and Employment service with a wide range of activities including ESOL, IT, CV and interview skills sessions. In the year, we recorded 184 attendances at employment and education sessions, a significant reduction on previous years' activities in this area due to the impact of Covid and our restricted ability to deliver these services in-person.

Sadly, we had to close the community based Your Space programme. This formed part of our approach in relation to defining our connectivity with community through the experience of our residents rather than standalone within the neighbourhood. The impact of the pandemic meant that our services with Powerhouse, Pinnacle and MTC learning were closed down due to the coronavirus pandemic. The ESOL (English to Speakers of Other Languages) conversation clubs with MTC were re-introduced within CAH as part of our NRPf (No Recourse to Public Funds) employment support offer. These new services have been grouped within a new Community Partnership Team. This now includes our employment support to residents, resident engagement with Citizens UK, as well as volunteering.

Specific frontline service achievements included:

- we provided a home to 287 people who were experiencing homelessness
- we supported 11 of our residents to achieve first-stage move-on into our onsite move-on studio flats
- we supported 137 of our residents to move on positively from our service - 42 into short-term accommodation such as other support services, and 95 into their own homes
- we enabled our residents to complete 751 volunteering hours completing activities they indicated interest in, and community & corporate volunteers to complete 1066 volunteering hours. These hours represent a significant increase on our previous years volunteering levels
- 76% of our core service residents developed CVs
- we provided opportunities to enable 184 attendances at employment and education related activities such as work taster sessions, CV writing, interview skills and IT assessments
- 49 residents had a job in the year, of which 18 residents gained new employment

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 in the Haysmacintyre Catholic Charity 'People's Choice' Awards during the year. We were also delighted that our lounge renovation project was shortlisted for a coveted London Mayor's Dragon Award.

COVID-19

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 (residents, 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 paused new move-ins and -outs of the building with some exceptions to meet specific resident needs, and this meant that we continued to accommodate a higher than usual number of people who had been sleeping rough with complex needs, 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 residents (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. We also lobbied successfully to ensure early access to the vaccine for both our residents and our staff. 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 cost of COVID-related safety measures in the year amounted to around £547K. Our fundraising team have worked hard to cover these costs through additional income from supporters, and have had success here.

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 managing the crisis 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 thousands of people sleeping rough housed in hotels since the end of March 2020 and
- the new Rough Sleeping Taskforce, working to find safe, long-term homes for people who had previously been sleeping rough, 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 with the corresponding difficulties for staff and recruitment, which challenge our ability to provide consistent levels and range of services. We very much support the view expressed in the recent Kerslake Report, which we provided a submission to, which points to the need to maintain funding levels to drive down levels of homelessness.

During the year we have been active in supporting sector campaigns calling for:

- the continuation of 'Everyone In' funding for placements of rough sleepers during the Covid pandemic ('Everyone In for Good')
- early access to the Covid 19 vaccine for both staff working in the homelessness sector and those experiencing rough sleeping and homelessness
- the end of the condition of No Recourse to Public Funds (NRPF)
- the government to Support Don't Deport those with an unclear immigration status who are experiencing homelessness

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) **Inability to service debt finance and on-going cash flow.** Our loan financing is funded through housing benefit and rents at CAH which significantly mitigates this risk. In addition, we have stretching fundraising targets and high performance in this area which is reassuring and further reduces the likelihood of us experiencing cash flow problems.

- (b) **Failure to secure appropriate funding from Trusts, Statutory, Corporate, Community or individual donors, including impact of Covid-19 on fundraising income for core activities.** We have a strong track record of raising good sums of money through fundraising and have retained the key post holders with the experience of achieving this. During the year we appointed two additional fundraising team members, an Individual Giving and Legacy Specialist and a Community and Events Officer, to enable the charity to secure support from a wider range of sources. We monitor budget performance closely and will make decisions to restrict expenditure to match income if required.
- (c) **Reduction in referral / increase in voids levels.** We have had high levels of referrals up until April 2021, but are experiencing increased voids since this time. We are working closely with our referral partners, primarily Newham's Homelessness Prevention and Advice team, to address this matter.
- (d) **Non Compliance with regulations.** Our Management Team have responsibility for ensuring that we are compliant with the range of regulatory requirements which relate to our work and our Premises Sub Committee and Board receive quarterly updates on key compliance items. As a growing organisation, we are looking to appoint a Compliance Specialist during autumn 2021 to further our compliance work and mitigate this key risk.
- (e) **Increase in rent arrears levels.** We have focussed on reducing rent arrears levels since the appointment of a Rent & Housing Management Specialist in 2020, and we are very pleased that a significant reduction has been achieved. This reduction has been maintained despite the pressures of Covid and a number of our residents losing their employment as a result.
- (f) **Use of overtime amongst employees in manual work roles.** We are committed to staff wellbeing and as such want to ensure that any overtime worked by our team members does not become regular or excessive. This year we have increased our sign off processes and scrutiny around overtime to demonstrate our intentions here.

Financial review for the year

During the year the Charity received income of £4,437K (2020: £3,541K) and incurred expenditure of £3,659K (2020: £3,377K), resulting in a surplus of £778K (2020: surplus of £164K), of which £15K relates to restricted funds and £763K relates to unrestricted funds.

The increase in income of £896K (25.3%) from previous year's income was largely due to an additional income of £488K from donations and grants received towards Covid-related safety measures, an additional income of £261K from extended cold weather project and increase in number of complex bedspaces. There was also an increase in rental income of £188K as a result of new rents set and agreed with the local authority for the year. The cold weather project was due to come to an end in March 2020, but was extended to July 2020 due to Covid.

The actual increase in expenditure from the previous year was £447K after adjusting for the one-off expenditure of £165K incurred on the refurbishment of residents' lounge in the previous year. This increase in expenditure of £447K (13.91%) was largely attributable to COVID-related measures and additional expenditure incurred on the extended cold weather project and additional complex needs beds. During the year we spent around £547K on Covid-related measures, and around £239K on the extended cold weather project and additional complex needs beds.

Financial review for future periods

Our budget and forecast for 2021-22 reflects impacts of Covid and void losses due to some planned maintenance work on Residents' rooms. The void losses will be funded from free reserves and designated reserves as previously planned. The expenditure on planned maintenance work will be funded from reserves designated for this purpose. We will also be delivering new Assessment Hub and Support Services at other sites, which come into operation between August 2021 and September 2021. The total annualised revenue expected from these services is around £700K. Trustees are pleased to report that at the date of approval of this report the Charity has performed well.

Reserves

At 31 March 2021, unrestricted reserves stood at £10,464K (2020: £9,701K), of which £8,383K is represented by the net book value of fixed assets. Of the balance of £2,080K, £702K has been designated for a cyclical programme of major repairs, £146K for the replacement of residents' furniture and equipment both in their rooms and in the communal areas, £350K for access control and £50K to cover grant cessations, and the remaining £832K 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 £832K (2020: £244K) 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 2021-22 and the forecast for the year in light of the void losses and planned maintenance work, and are confident that the Charity will continue to be able to build towards the required level of reserves.

The Trustees have also acknowledged that the Charity is largely reliant on reserves for future growth and expansion and have agreed that the Charity should be able to use part of the reserves for this purpose if needed provided that this does not impact the existing operations and that strategies are in place to replenish them.

The Board of Trustees has designated a Post Grant Continuity reserve of £50K (2020: £50K) to provide interim cover where a funding source has ceased (e.g. for a staff position), until replacement funding can be found.

The Board of Trustees has designated a Major Repairs fund of £702K (2020: £454K) 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 £146K (2020: £67K) to ensure that the Charity has sufficient funds to replace furniture and equipment both in residents' rooms and in the communal areas.

The Board of Trustees has designated an Access Control fund of £350K (2020: nil) to ensure that the Charity has sufficient funds to replace the old access control system.

The Fixed Assets Fund of £8,383K (2020: £8,886K) 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

During the year we developed our new five-year Strategic Plan for the period April 2021 to March 2026. This plan sets out an ambitious roadmap around five key goals. By March 2026, we will:

1. provide additional specialist supported housing
2. offer an expanded range of complementary services
3. be a sustainable organisation
4. be a great place to work
5. be a trusted voice in the community and sector

We were delighted that we were able to respond to local pressures around homelessness in what was an unprecedented year for us all. We increased the number of beds available in our Assessment Hub for people sleeping rough with complex needs from 20 to 39 in late 2019, having secured additional funding via Newham Council and the City of London for the cold weather period. With lockdown measures in place until late July 2020, we extended the stay of these residents to keep them safe, and took on a further group of residents accommodated using funding secured by Newham Council for people with no recourse to public funding (NRPF) under the government's Everyone In initiative. This increased role

working with those experiencing rough sleeping led to us partnering with a group of providers in bidding to deliver Newham Council's new Integrated Rough Sleeper Support Services, which we are delighted we will be helping to deliver from September 2021. In advance of this, we have also begun delivering a new Assessment Hub service, off-site from August 2021.

We are now close to starting building work on an additional 15 units of accommodation which will house people who had been sleeping rough, which will be known as Hope Street (a name picked by our residents). The project will allow us to provide contemporary, individualised and safe accommodation, and increase the capacity of our building to 155 residents at any one time.

Looking ahead, we are beginning to look at how we can increase our move-on offer to residents in both our complex needs service and our core service, and we are considering a number of potential options here.

We continue to work with our partners to increase our impact for our residents 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.

Statement of Board of Trustees on Internal financial controls

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 Regulator of Social Housing, 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.

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 risks, and monitoring arrangements.

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

7 September 2021



.....
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 2021 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 2021 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 from January 2019.

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The 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

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

- 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.

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.

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to social housing, safeguarding, fundraising, employment and health and safety regulations and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as include the Statement of Recommended Practice for registered Social Housing Providers 2008, Companies Act 2006 and the Charities Act 2011, and considered other factors such as income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

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

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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.

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.



Lee Stokes (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

21 September 2021

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

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
INCOME FROM					
Donations, grants and legacies	2a	283,240	750,587	1,033,827	561,086
Charitable activity:					
Anchor House	2b	3,381,382	-	3,381,382	2,958,241
Other trading activities:					
Rent receivable		21,406	-	21,406	21,358
TOTAL INCOME		3,686,028	750,587	4,436,615	3,540,685
EXPENDITURE ON					
Cost of raising funds	4	215,524	-	215,524	161,994
Charitable activity:					
Anchor House	5	2,721,156	722,033	3,443,189	3,214,826
TOTAL EXPENDITURE		2,936,680	722,033	3,658,713	3,376,820
Net income		749,348	28,554	777,902	163,865
Transfers between funds		13,132	(13,132)	-	-
NET MOVEMENT IN FUNDS		762,480	15,422	777,902	163,865
TOTAL FUNDS BROUGHT FORWARD		9,701,358	26,409	9,727,767	9,563,902
TOTAL FUNDS CARRIED FORWARD		10,463,838	41,831	10,505,669	9,727,767

The notes on pages 19 to 31 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 21.

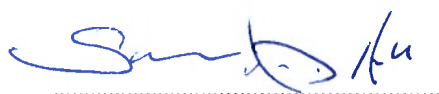
CARITAS - ANCHOR HOUSE

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible fixed assets	9	10,525,340	10,757,020
		10,525,340	10,757,020
CURRENT ASSETS			
Stocks	11	6,149	5,806
Debtors	12	242,244	304,493
Cash at bank and on deposit		2,364,381	1,105,369
		2,612,774	1,415,668
CREDITORS: amounts falling due within one year	13	(446,464)	(321,857)
NET CURRENT ASSETS		2,166,310	1,093,811
CREDITORS: amounts falling due after one year	14	(2,185,981)	(2,123,064)
NET ASSETS		10,505,669	9,727,767
REPRESENTED BY			
Unrestricted Funds			
- General	16	832,575	244,415
- Designated	16	9,631,263	9,456,943
Restricted Funds	17	41,831	26,409
		10,505,669	9,727,767

The financial statements were approved and authorised for issue by the Board of Trustees on 7 September 2021 and were signed on its behalf by:



Simon Hall - Trustee

The notes on pages 19 to 31 form part of these financial statements.

Company registration number: 08075329 (England and Wales)

STATEMENT OF CASH FLOWS AS AT 31 MARCH 2021

	2021		2020	
	£	£	£	£
Cash flows from operating activities:				
<i>Net cash provided by (used in) operating activities</i>		1,229,723		540,248
Cash flows from investing activities:				
Dividends, interest and rents from investments	21,406		21,358	
Purchase of property, plant and equipment	(61,910)		(210,824)	
<i>Net cash provided by (used) in investing activities</i>		(40,504)		(189,466)
Cash flows from financing activities:				
Repayment of bank loans	(50,207)		(67,385)	
Cash flows from new borrowing	120,000		-	
<i>Net cash provided by (used) in financing activities</i>		69,793		(67,385)
Change in cash and cash equivalents in the reporting year		1,259,012		283,397
Cash and cash equivalents at the beginning of the reporting year		1,105,369		821,972
Cash and cash equivalents at the end of the reporting year		2,364,381		1,105,369
Reconciliation of net income/(expenditure) to net cash flow from operating activities				
			2021	2020
			£	£
Net income/(expenditure) for the reporting year (as per the statement of financial activities)			777,902	163,865
Adjustments for:				
Depreciation charges			293,590	284,972
Losses on investments			-	24,000
Dividends, interest and rents from investments			(21,406)	(21,358)
Increase in stocks			(343)	(39)
Decrease in debtors			62,249	79,187
Increase/(decrease) in creditors			117,731	9,621
Net cash provided by/(used) in investing activities			1,229,723	540,248
Analysis of cash and cash equivalents			2021	2020
			£	£
Cash in hand			2,364,381	1,105,369
Total cash and cash equivalents			2,364,381	1,105,369

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 of 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.

(k) Cash at bank and in hand

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

(l) 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.

(m) 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.

(n) 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.

(o) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

2a Income from donations and grants:

Income from donations:

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Donations	178,605	47,940	226,545	147,191
Legacy	-	-	-	5,000
Donation in kind	-	69,490	69,490	142,478
	<u>178,605</u>	<u>117,430</u>	<u>296,035</u>	<u>294,669</u>

Income from grants:

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
The Monday Charitable Trust	-	-	-	7,668
Merchant Taylor's Charity	-	-	-	8,000
The Leathersellers' Company Charitable Fund	-	10,000	10,000	10,000
The Borrows Charitable Trust	5,000	-	5,000	6,000
The Cuckoo Hill Trust	1,000	-	1,000	2,000
The Charitable Committee of The Worshipful Company of Vintners	5,000	7,500	12,500	10,000
PF Charitable Trust	-	-	-	2,000
Forte Charitable Trust	-	-	-	2,500
The Mercers' Company -The Charity of Sir Richard Whittington	25,000	5,000	30,000	25,000
The Foundation of Saint Francois	-	-	-	6,000
The London Community Foundation-SEGRO	-	5,000	5,000	5,000
Building Societies Trust Limited	-	-	-	22,000
The Albert Hunt Trust	-	-	-	3,000
Nationwide Building Society Community Grant	-	-	-	49,461
Swire Charitable Trust	-	-	-	10,000
CRASH	-	16,063	16,063	20,000
The Bernard Sunley Charitable Foundation	-	-	-	25,000
The Worshipful Company of Fan Makers	-	-	-	6,000
Royal Docks Trust	-	-	-	10,000
JA Rose Trust	-	5,000	5,000	5,000
London Catalyst	-	-	-	4,000
Homeless Link	-	74,278	74,278	18,000
Fine and Country Foundation	-	-	-	3,000
National Lottery Community Fund	-	93,781	93,781	-
Crisis	-	5,000	5,000	-
East End Community Foundation	-	5,000	5,000	-
East End Emergency Fund	-	15,000	15,000	-
CAF	-	7,500	7,500	-
The Drapers' Charitable Fund	25,000	-	25,000	-
John Armitage Charitable Trust	20,000	-	20,000	-
The Rank Foundation	-	23,860	23,860	-

CARITAS - ANCHOR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2021

Sir Harold Hood's Charitable Trust	-	2,000	2,000	-
French Huguenot Church of London Charitable Trust	5,000	-	5,000	-
Trust for London	-	6,250	6,250	-
City Bridge Trust	-	24,674	24,674	-
Co-Op	4,486	-	4,486	-
Grocers' Charity	-	5,000	5,000	-
The Edward Gostling Foundation	-	5,000	5,000	-
The Haremead Trust	-	10,000	10,000	-
LBN	-	44,501	44,501	-
The Maurice & Hilda Laing Charitable Trust	-	5,000	5,000	-
Fowler Smith & Jones Trust	-	4,000	4,000	-
The Julia and Hans Rausing Trust	-	200,000	200,000	-
Screwfix	-	5,000	5,000	-
The Fishmongers' Company's Charitable Trust	-	15,000	15,000	-
All Churches	-	19,800	19,800	-
London City Airport	-	3,000	3,000	-
Morrison	-	10,000	10,000	-
Taylor Wimpey	5,000	-	5,000	-
White Oak Charitable Trust	1,000	-	1,000	-
Worshipful Company of Fan Makers	3,650	-	3,650	-
Other	4,499	950	5,449	6,788
	104,635	633,157	737,792	266,417
Total donations, grants and legacies	283,240	750,587	1,033,827	561,086

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2021

2b Income from charitable activities

Anchor House:	Unrestricted	Restricted	Total	Total
	2021	2021	2021	2020
	£	£	£	£
Accommodation	2,440,406	-	2,440,406	2,259,775
Catering	-	-	-	52
Housing Related Support	613,848	-	613,848	352,514
Rough Sleepers Initiative	311,000	-	311,000	321,701
Sundry income	6,154	-	6,154	15,079
Laundry income	3,889	-	3,889	824
Contracts revenue	-	-	-	3,116
Room hire	6,085	-	6,085	5,180
	3,381,382	-	3,381,382	2,958,241

All income in 2020 was unrestricted.

3 Social housing lettings

	2021	2020
	£	£
Rent receivable excluding service charges	1,080,124	1,142,090
Service charge receivable	1,360,282	1,117,685
Grants and other income	1,926,254	1,267,694
Turnover from social housing lettings	4,366,660	3,527,469
Operating expenditure on Social housing lettings	3,556,122	3,304,894
Operating surplus on social housing lettings	810,538	222,575
Financing costs	61,191	71,926
Surplus on social housing lettings	749,347	150,649
Void losses	158,894	83,110

4 Cost of raising funds

	2021	2020
	£	£
Staff costs	126,113	87,336
Other direct costs	30,159	35,716
Support costs	59,252	38,942
	215,524	161,994

5 Charitable activities

	Staff	Other	Support	Total	Total
	Costs	Direct	Costs	2021	2020
	£	Costs	Costs	Costs	Costs
	£	£	£	£	£
Anchor House	1,632,620	1,191,116	619,453	3,443,189	3,214,826
	1,632,620	1,191,116	619,453	3,443,189	3,214,826

6 Support costs allocation to activities

	Fundraising	Anchor House	Total 2021	Total 2020
	£	£	£	£
Staff costs	40,863	427,204	468,067	429,798
Staff training and recruitment	2,524	26,388	28,912	16,592
Office expenses	12,926	135,133	148,059	128,800
Legal and professional fees	2,469	25,812	28,281	23,727
Other costs	470	4,916	5,386	45,880
	<u>59,252</u>	<u>619,453</u>	<u>678,705</u>	<u>644,797</u>

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

7 Governance Costs

	2021	2020
	£	£
Staff costs	50,873	28,252
Auditors remuneration - Audit fee	17,883	16,077
Legal and professional fees	-	3,456
Trustee expenses	142	1,652
	<u>68,898</u>	<u>49,437</u>

The Trustees received no remuneration (2020: nil). Expenses relating to travel and training were reimbursed or paid to third parties on behalf of Trustees. These amounted to £142 (2020: £1,652).

8 Staff costs

	2021	2020
	£	£
Salaries	1,973,452	1,691,860
Social security costs	157,720	137,573
Pension	95,627	86,792
	<u>2,226,799</u>	<u>1,916,225</u>

The average number of staff in the year was 62 (2020:54): calculated on a full-time equivalent basis, the figure was 60 (2020: 52). The number of employees with annual taxable emoluments paid more than £60,000 per annum was:

	2021	2020
£60,000 - £69,999	2	2
£70,000 - £79,999	-	-
£80,000-£89.999	<u>1</u>	<u>1</u>

The total remuneration of key management personnel for the year was £284,111 (2020 – £218,670).

Included in the above were payments to the Chief Executive, being the highest paid employee, amounting to £86,525 for the year excluding pension contribution (2020: £81,600). 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.

9 Tangible fixed assets

	Freehold Land and Buildings	Motor Vehicles	Furniture & Equipment	Asset Under Construction	Total
Cost	£	£	£		£
As at 1 April 2020	11,766,154	18,061	225,935	536,105	12,546,255
Additions	-	-	31,323	30,587	61,910
Disposals	-	-	(57,763)		(57,763)
As at 31 March 2021	11,766,154	18,061	199,495	566,692	12,550,402
Depreciation					
As at 1 April 2020	1,670,035	18,061	101,139	-	1,789,235
Charge for the year	241,100	-	52,490	-	293,590
Eliminated on disposal	-	-	(57,763)	-	(57,763)
As at 31 March 2021	1,911,135	18,061	95,866	-	2,025,062
Net book value					
As at 31 March 2021	9,855,019	-	103,629	566,692	10,525,340
As at 31 March 2020	10,096,119	-	124,796	536,105	10,757,020

10 Investments

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

11 Stocks

	2021 £	2020 £
Consumables	6,149	5806
	<u>6,149</u>	<u>5,806</u>

12 Debtors

	2021 £	2020 £
Trade debtors	137,695	161,684
Prepayments	44,003	38,902
VAT due	2,500	-
Other debtors	58,046	103,907
	<u>242,244</u>	<u>304,493</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2021

13 Creditors - Amounts falling due within one year

	2021	2020
	£	£
Bank loans (note 15)	75,903	69,027
Trade creditors	98,036	49,800
Accruals	95,254	93,763
Social security and other taxes	41,673	35,003
Pension fund	14,495	13,032
Other creditors	121,103	61,232
	<u>446,464</u>	<u>321,857</u>

14 Creditors - Amounts falling due outside one year

	2021	2020
	£	£
Bank loans (note 15)	<u>2,185,981</u>	<u>2,123,064</u>

15 BANK LOANS

The previous long term property loan and business development loan were replaced by a new long term loan in February 2021. The new loan is secured on the property at 81 Barking Road, London E16 4HB and associated assets. The repayment schedule for the new loan is a period of 25 years, ending on 17 February 2046. The applicable rate of interest is 2.73% fixed rate for 15 years from February 2021, and then a variable rate of 1.75% over base rate for the remaining term of the loan.

During the year the Charity also obtained a social investment loan of £120,000 from Homeless Link for the Barn project. This is an unsecured loan and is repayable over 42 months, ending on 1 October 2024. The applicable rate of interest is 8% fixed rate. This interest cost has been grant funded by Homeless Link.

	2021	2020
	£	£
Repayments are due as follows		
Within 1 year	75,903	69,027
Between 2-5 years	365,622	299,643
Over 5 years	1,820,359	1,823,421
	<u>2,261,884</u>	<u>2,192,091</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2021

16 Unrestricted Funds

	At 1 April 2020	Income and Gains	Expenditure	Transfers	Reduction in long term loan	At 31 March 2021
	£	£	£	£	£	£
General	244,415	3,686,028	(2,936,680)	(432,409)	271,221	832,575
Designated funds:-						
Fixed Assets	8,886,357	-	-	(231,680)	(271,221)	8,383,456
Post Grant Continuity	50,000	-	-	-	-	50,000
Major Repairs Fund	453,841	-	-	247,821	-	701,662
Residents Furniture & Equipment (Renewals & replacements)	66,745	-	-	79,400	-	146,145
Access control	-	-	-	350,000	-	350,000
	9,701,358	3,686,028	(2,936,680)	13,132	-	10,463,838
Prior year	At 1 April 2020	Income and Gains	Expenditure	Transfers	Reduction in long term loan	At 31 March 2021
	£	£	£	£	£	£
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 Continuity	50,000	-	-	-	-	50,000
Major Repairs Fund	361,693	-	-	92,148	-	453,841
Residents Furniture & Equipment (Renewals & replacements)	-	-	-	66,745	-	66,745
	9,413,419	3,170,963	(3,020,314)	137,290	-	9,701,358

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

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

The Access control fund represents money set aside to replace the old access control system.

17 Restricted Funds

	At 31 March 2020	Income £	Expenditure £	Transfers £	At 31 March 2021 £
Personal Development	779	21,850	(22,629)		-
Education, Training and employment	-	91,028	(91,028)		-
Food Coordination	-	1,000	(1,000)		-
Donation in kind	-	69,490	(56,358)	(13,132)	-
Home and hope appeal	9,528	73,703	(41,400)	-	41,831
Assessment Hub	16,102	5,000	(21,102)	-	-
Covid-19 grants	-	488,516	(488,516)	-	-
	26,409	750,587	(722,033)	(13,132)	41,831

	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	-	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
	150,483	369,722	356,506	(137,290)	26,409

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.

Donation in Kind

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

Food coordination

This fund supports food coordination activities and distribution of food to residents

Home and hope appeal

This is a restricted fund to be used on CAH's wider capital programme including the Barn project.

Assessment Hub

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

Covid-19 grants

This fund represents the amount of Covid grants and donations received during the year to meet Covid related costs.

18 Analysis of net assets between funds

	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2021
31 March 2021	£	£	£	£
Fixed assets	-	10,525,340	-	10,525,340
Current assets	1,323,136	1,247,807	41,831	2,612,774
Current liabilities	(385,585)	(60,879)	-	(446,464)
Long term liabilities	(104,976)	(2,081,005)	-	(2,185,981)
Total net assets	832,575	9,631,263	41,831	10,505,669

	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	244,415	9,456,943	26,409	9,727,767

19 Capital commitment

	2021	2020
	£	£
Building works (the Barn project)	629,523	-

20 Leasing commitments

	2021	2020
	£	£
Within one year	12,022	12,022
Between one and five years	31,712	43,733
	<u>43,734</u>	<u>55,755</u>

The telephone system and photo copier are held under operating lease arrangements.

21. DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2020

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