

**Housing Justice**

## **Housing Justice**

**Annual Report & Unaudited Financial Statements**

**Year ended 31 March 2018**

Registered charity no. 294666

Registered company no. 02017207

WEDNESDAY



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COMPANIES HOUSE

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## **Legal and administrative information**

President	His Eminence Cardinal Vincent Nichols, Archbishop of Westminster	
Board of Trustees	Rt Rev. James Henry Langstaff Richard Anthony Drake Aidan Dwan Lucy Hutton Joe Nicholson Brian O'Doherty Olawunmi Odunaiya Gregory James Pope Jennifer Ruth Rossiter Peter Mark Sanders Chrishanti Joanna Shah Richard David Trahair Peter Ceri Walters Rt Rev. Rob Wickham	Chair (appointed 8 <sup>th</sup> October 2018) (appointed 8 <sup>th</sup> October 2018) (resigned 8 <sup>th</sup> October 2018) (appointed 8 <sup>th</sup> October 2018)  (appointed 8 <sup>th</sup> October 2018)  (resigned 7 <sup>th</sup> December 2017)  (resigned 8 <sup>th</sup> October 2018)  (appointed 19 <sup>th</sup> June 2018)
Chief Executive	Kathy Mohan	
Charity reg. no.	294666	
Company reg. no.	02017207	
Registered address	256 Bermondsey Street London SE1 3UJ	
Independent examiner	Haines Watts Chartered Accountants 4 Claridge Court Lower Kings Road Berkhamsted Hertfordshire, HP4 2AF	
Accountant	Andy Nash Accounting & Consultancy Ltd The Maltings East Tyndall Street Cardiff, CF24 5EA	
Bankers	The Royal Bank of Scotland plc South Kensington Branch 29 Old Brompton Road London SW7 3JE  CCLA Investment Management Ltd (COIF Charity Funds) 80 Cheapside London EC2V 6DZ	

## Trustees' annual report

The Board of Trustees, who are also directors of the Charity for the purposes of the Companies Act, and trustees for charity law purposes, submit their annual report and the financial statements of Housing Justice for the year ended 31 March 2018. The Board of Trustees confirms that the annual report and financial statements of the Charity comply with current statutory requirements, including the Charity Act 2011, as well as the requirements of the Charity's governing document and the provisions of the 'Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

### Objectives and activities

The charitable company's principle activities are to relieve poverty and distress by providing aid and assistance to those in housing need, regardless of race or religion, and to educate the public concerning the nature, causes and effect of poverty and distress.

### Strategic plan 2015-2018

The following, as laid out in our Strategic Plan, have guided our work throughout 2017/2018. Discussion has started amongst trustees and the staff team with the aim of drafting a new strategic plan for 2018 – 2021.

### Mission

Housing Justice is the national voice of Christian action to prevent homelessness and housing need. We believe that human dignity is challenged by the lack of a decent home and aim to mobilise Christians united in their determination to work with and for people who are homeless or in housing need, enabling and resourcing church-based housing and homelessness projects across England and Wales.

Housing Justice is the only national non-denominational Christian voice on housing and homelessness.

### Vision

Our vision is of a society where everyone has access to a home that truly meets their needs. This means a secure and genuinely affordable home, in a neighbourhood where an individual can access work and services that enable them to flourish.

### Values

The values which underpin the work of Housing Justice are:

- Recognisably Christian and consistent with the principles of Catholic Social Teaching
- Respecting the worth and dignity of each individual - Caring for the whole person
- Believing in social justice - Priority to the poor and marginalised
- Working for the highest quality in all we do - Professionalism

- Having authority - Being recognised as a trusted source of expertise and information
- Valuing difference - Welcoming diversity in staff, services and those whom we serve
- Working in partnership - Recognising the strength of working with others, both internally and externally
- Having integrity - Accountability to each other and to all our stakeholders

### High level objectives:

- To enable the provision of better services by churches for people who are homeless or in housing need.
- To raise awareness about housing and homelessness issues, voicing the concerns of churches, and of people who are homeless or in housing need, both amongst churches, in the housing and homelessness sectors and at all levels of government in Britain.

### Statement of public benefit

Our main activities and who we try to help are described below. All our charitable activities focus on helping people who are homeless or in other housing need and are undertaken to further our charitable purposes for the public benefit. More specifically

- We support the work of churches working with homeless and badly housed people, for example through training, forums, networking and dissemination of good practice
- We enable and encourage more churches and individual Christians to tackle homelessness and bad housing
- We raise awareness of the problems of homelessness and bad housing in England and Wales and
- We act as a national advocate for the work of churches to tackle homelessness and bad housing and for the needs of the people they are helping

The trustees confirm that they have complied with the duty in section 4 of the Charities act 2006 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

### Achievements and performance in the year

Homelessness in all its forms in England and Wales continued to rise over the year. The annual street count, conducted on a single night in autumn 2017 estimated 4,751 people bedded down outside overnight in 2017, up 15% on previous year in England. The Wales street count conducted under a different methodology estimated that 345 persons were sleeping rough across Wales in the 2 weeks between 16th and 29th October 2017. This is an increase of 10 per cent compared with the exercise carried out in October 2016. Our own data released in December 2017, showed that church and community night shelters have shown hospitality to approximately 5,600 people across England and Wales.

We have raised awareness of the role church and community groups can play in responding to the unacceptable level of rough sleeping in England and Wales. We have improved our reach with night shelters and developed the network to provide opportunities to engage in creative thinking and mutual support. The Church and Community Night Shelter network, supported by Housing Justice, continued to grow exponentially and provide a vital safety net that saves lives, keeps people from the street and increasingly helps those experiencing homelessness to a settled and sustainable housing situation. The network grew to 110 projects during the season with Housing Justice assisting in the setup of four new projects during the year. Meanwhile our work to drive up standards across projects continued with our flagship Housing Justice Quality Mark. Over the year seven projects began working towards the accreditation process with five being accredited by the end of the financial year and a further two working with us to implement recommendations.

In 2017 we received money from the Welsh Government to set up and run a church and Community Night Shelter in Wrexham. We ran a pilot ran for 2 months and are engaged in plans to develop this further in 2018/9.

We also ran a cold weather shelter, incorporating the Severe Weather Emergency Protocol provision for Hillingdon Council in London for 3 months. With 16 individuals accommodated in the project, 12 of whom moved in to a settled accommodation as a result of the project.

Our Hosting project for destitute migrants in London continued to match asylum seekers with an appeal in the system but without the right to work or claim public benefits with a host with a spare room. The project has now accommodated 64 thanks to the hospitality of 84 hosts. Housing Justice paid £27,487 in small weekly payments of £25 to guests in the project over the course of the year, taking the total amount paid during the two year life of the project to over £50,000. The money funds essentials such as travel, food and toiletries for guests.

Once again Housing Justice punched above its weight in its communications work. The release of the Church and Community Night Shelter Impact report is now a fixture in the diary for a number of outlets, having moved it closer to Christmas last year. We received coverage for the report in around 30 outlets this winter, from Christian press, through to local and national broadcast media including BBC Radio 4 and Sky News.

Throughout the year we received coverage across the major broadcasters, print news titles and news websites.

We also ran successful events in both Wrexham and Walsall to draw together faith communities and plan practical responses to homelessness in these communities. The Walsall event was attended by the West Midlands Metro Mayor, Andy Street and the Bishop of Wolverhampton and the Wrexham event by the Bishop of St Asaph's.

In London we have developed our relationship with the Greater London Authority, working with them to facilitate two high level meetings of church leaders in the capital to discuss what the church can do to address housing need, attended by all the major denominations and senior officers from the GLA. Housing Justice was also chosen by the Mayor

of London, Sadiq Khan to be one of the 18 charities he supported in the Mayor's Christmas crowdfunder campaign, which raised more than £120,000.

We have also continued to work with our partners and friends across the homelessness sector to highlight and address the structural causes of homelessness, contributing to House of Commons Select Committee investigations into issues such as Universal Credit, government consultations on matters such as planning, and engaging with MPs, Peers and civil servants on issues relating to Homelessness and housing need.

It has been a successful year for our Faith in Affordable Housing initiative in Wales

#### *Sites with construction started*

Newport = 12 homes  
Swansea = 4 homes

#### *Sale of land complete with potential units*

Flintshire = 4 homes  
Caerphilly = 4-6 homes

#### *Close to sale complete with potential units*

Cardiff = 16 homes  
Monmouthshire = 4 homes

In addition, at the end of the year, discussions were ongoing on an additional 7 sites across South Wales

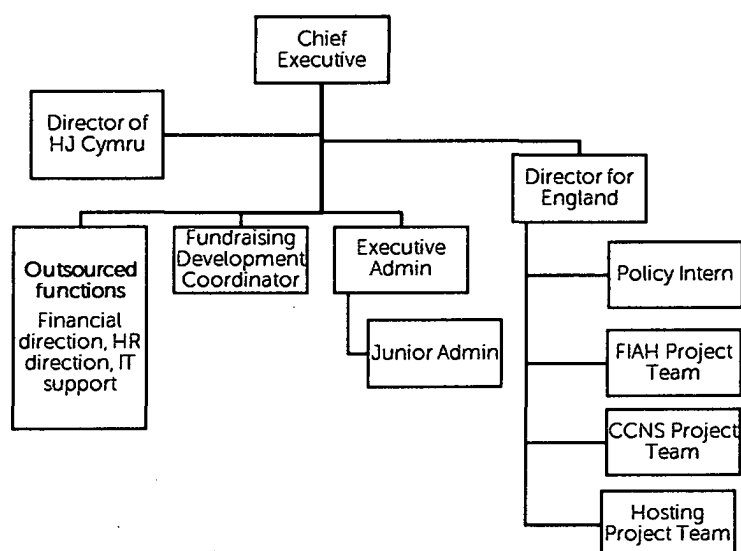
#### Plans for the future

We want to grow our involvement in tackling rough sleeping, translating the compassion and desire to do something that helps into a practical response at a local level. We see this taking the form of larger numbers of people offered hospitality and taken off the streets but also supporting people better as they navigate their way back into a settled home.

We are moving towards a strength-based approach through our volunteer network and are looking forward to developing that with the funding we have already been successful in attracting from the Greater London Authority. Strength based work helps to build self-esteem and ambition by focussing on attributes and skills in planning a way forward and out of homelessness. We will be exploring how to embed a strength-based ethos in CCNS in London initially with a view to rolling it out across England and Wales.

We currently support church and community night shelter groups by providing them with policies and procedures in the form of Housing Justice's 'Shelter in a Pack'. This assists new and existing groups to operate in a safe way that is compliant with Charity Commission expectations. We offer further support in the form of our Quality Mark accreditation scheme. We will continue to review our documentation to ensure it reflects changes to law and good practice.

We want to be engaged with the agenda for prevention of homelessness and increasing opportunities for guests, and are having interesting discussions with partners over what form that can take for churches and the communities they are part of.



## Structure, Governance and Management

### Board of Trustees

There were 9 trustees on the Housing Justice Board at the beginning of the financial year. A trustee skills audit was carried out during the year and 6 potential new trustees were invited to participate in meetings with a view to them becoming full members. During the year 1 trustee resigned, with another 2 resigning after the year end.

Trustees are recruited by word of mouth and through national advertising. Applicants are provided with an information pack with details of the constitution and history of the organisation, its structure, objectives and activities, roles and expectation of the trustees, plus other supporting information. They are interviewed by a panel of at least two existing Trustees and successful candidates are recommended for appointment. Persons appointed during the year are confirmed in post by a vote of members at the Annual General Meeting.

The induction process includes meeting with the Chairperson, and with the Chief Executive (CEO) at the charity's office. Trustees are provided with a reference folder containing information on the activities and financing of the charity, management structure, key job descriptions, meeting schedules and charity commission guidelines and codes of conduct relating to the roles and responsibilities of Trustees. Additional training is provided to all Trustees on an ad-hoc basis as required.

The board meets on a quarterly basis and is supported by 2 sub committees (Finance and Fundraising) and 2 Steering Groups (Housing Justice Cymru and Faith in Affordable housing). These meetings have increased oversight, scrutiny and support.

### Operational management

Day to day operational management is delegate to the CEO who is supported operationally by the Directors for England and Wales and their staff, with the Finance and HR functions

largely outsourced. In addition, the Fundraising Co-ordinator, West Midlands Development Coordinator and Executive Administrator reported directly to the CEO.

Towards the end of 2017/8 the staff team reduced in size following staff leaving and / or being made redundant. This happened in a planned way to match funding and to reduce central overheads. The financial impact of these changes will reflect within the 2018/9 accounts.

### Reference and administrative details

Legal and administrative details are shown on page 2 of the financial statements, including a full list of the Trustees who served the Charity during the period up until the date of the signing of this report. The Charity is governed by its Memorandum and Articles of Association.

No Trustee received any remuneration for services during the year (2017: £Nil). Expenses of £268 were reimbursed in 2018 (2017: £237). No Trustee had any beneficial interest in any contract with the charitable company. No Trustee waived expenses during the year. No Trustee has made any restricted donations during the year.

### Principal risks and how they were managed.

The risk register was regularly reviewed by the management team and trustees during the year. The main risks of concern were financial.

One of the financial risks presented was around record keeping and accounting practice. The move over to outsourcing to a fully qualified professional has been successful and Housing Justice are pleased with the quality of record keeping and accounting since this move.

The other significant financial risk in the year was due to the ambitious income targets for fundraising not being reached. Timely and decisive action was taken to manage this during the year with a hold on recruitment, not replacing staff when they left and making 1 staff member redundant.

Trustees and the staff team have been very mindful of the potential safeguarding risk presented by the destitute migrant and night shelter projects and have increased the focus on safeguarding during the year to manage that risk. We have a trustee with lead responsibility for safeguarding and the staff team provide regular updates to trustees. Plans are in place to refresh knowledge with further training for staff and the lead trustee.

In the lead up to the introduction of GDPR there has been increased scrutiny of data protection matters and work around compliance, particularly regarding fundraising.

#### Remuneration policy

Remuneration for all staff is set through periodic pay reviews which refer to comparable posts in charities within the same income range and carrying out similar work. Reference is also taken of specifically Christian charities. When income allows, an annual cost of living increase is made for all staff, based on the amount awarded for cost of living for Church of England staff based in London.

The key management personnel during the year were: Kathy Mohan, Chief Executive; Jacob Quagliozi, Director of England, and; Sharon Lee, Director of Housing Justice Cymru.

#### Financial results

Details of the organisation's activities for the year are set out in the financial statements on pages 9 to 20.

The year ended with a loss of £21,430 (2017: surplus of £19,693) however this was incurred because of the organisation spending restricted reserves brought forward specifically around the Birmingham Archdiocese funds and the destitution funds noted below. Although unrestricted reserves decreased by £10,099 in the year, this was due to the transfer of £37,658 from unrestricted to restricted because income for destitute migrant subsistence wasn't correctly allocated in previous years. Removing the impact of this correction a surplus was generated on unrestricted reserves in the year of £27,559.

This was a difficult year financially because of various challenges that needed to be addressed around unfunded positions and a lack of financial clarity, with an emergency appeal launched in early January as a result of a forecast year end deficit on unrestricted reserves of c. £55,000. Due to the generosity of our supporters and hard work of the staff, the year ended with a surplus on unrestricted reserves of £45,863 (2017: £55,962). Total reserves at year end stood at £113,251 (2017: £134,681).

#### Reserves policy

The Trustees continue to monitor and update their reserves policy based on an assessment of funds required for current work, development plans and unforeseen circumstances. The trustees have approved a new reserves policy during the period of two months core running costs and close down liabilities. This is currently calculated as £80,000, with the current unrestricted reserves at £38,768 below this level.

However, post year end things have continued to improve, and the reserves level had been successfully met by the end of quarter 1.

Statement of board of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of expenditure over income for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In addition, the trustees confirm that they are happy that content of the annual review in pages 3 to 7 of this document meet the requirements of both the Trustees' Annual Report under charity law and the Directors' Report under company law.

They also confirm that the financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

Preparation of the report

This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006, and the exemptions available for smaller charities under the Statement of Recommended Practice.

This report was approved and authorised for issue by the Board of Trustees on 5<sup>th</sup> December 2018 and signed on its behalf by:

*Chrishanti Shah*

Chrishanti Shah

Trustee



## Independent examiner's report to the board of trustees of Housing Justice

I report to the Trustees on my examination of the accounts of Housing Justice (charity number 294666, company number 02017207) for the year ended 31 March 2018 which are set out on pages 9 to 20.

### Respective responsibilities of trustees and examiner

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act'). The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 ('the 2011 Act') nor under Part 16 of the 2006 Act, and that an independent examination is needed.

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general directions given by the Charity Commission under section 145(5)(b) of the Charities Act; and,
- to state whether particular matters have come to my attention.

This report, including my statement, has been prepared for and only for the Charity's Trustees as a body. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body for my examination work, for this report, or for the statements I have made.

### Basis of independent examiner's statement

My examination was carried out in accordance with general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the Trustees concerning any such matters.

The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

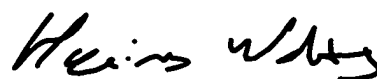
### Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England & Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or,
2. the accounts do not accord with those records; or,
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or,
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Shaun Brownsmith FCA

For and on behalf of Haines Watts Chartered Accountants

4 Claridge Court  
Lower Kings Road  
Berkhamsted  
Hertfordshire, HP4 2AF

Date: 14/12/2018

## Statement of financial activities

Incorporating the Income & Expenditure Account and the Statement of Recognised Gains & Losses  
For the year ended 31 March 2018

	Notes	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
<b>Income from:</b>					
Donations	2	309,432	164,183	473,615	496,667
Charitable activities	3	46,922	-	46,922	40,917
Investments*		255	-	255	401
<b>Total income</b>		<b>356,609</b>	<b>164,183</b>	<b>520,792</b>	<b>537,985</b>
<b>Expenditure on:</b>					
Raising funds	4 & 5	106,874	-	106,874	97,434
Charitable activities:					
Projects	4 & 6	156,413	213,172	369,585	348,383
Policy and information	4 & 6	65,763	-	65,763	72,475
<b>Total expenditure</b>		<b>329,050</b>	<b>213,172</b>	<b>542,222</b>	<b>518,292</b>
<b>Net income/(expenditure)</b>		<b>27,559</b>	<b>(48,989)</b>	<b>(21,430)</b>	<b>19,693</b>
Transfer between funds	12	(37,658)	37,658	-	-
<b>Net movement in funds</b>		<b>(10,099)</b>	<b>(11,331)</b>	<b>(21,430)</b>	<b>19,693</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	12 & 13	55,962	78,719	134,681	114,988
Total funds carried forward	12 & 13	45,863	67,388	113,251	134,681

\*All income from investments and other sources was unrestricted in both the current and prior year.

The notes on pages 12 to 20 form part of the financial statements.

## **Balance sheet**

As at 31 March 2018

	Notes	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	9		3,296		7,416
<b>Current assets</b>					
Debtors and prepayments	10	79,128		45,115	
Short term investments		45,329		120,099	
Cash at bank and in hand		77,564		127,131	
		<u>202,021</u>		<u>292,345</u>	
Creditors: amounts falling due within one year	11	(92,066)		(165,080)	
<b>Net current assets</b>			<u>109,955</u>		<u>127,265</u>
<b>Net assets</b>			<u><u>113,251</u></u>		<u><u>134,681</u></u>
<b>Funds of the charity</b>					
Restricted funds	12 & 13		67,388		78,719
Unrestricted funds:					
Designated funds					
General funds	12 & 13	45,863		55,962	
			<u>45,863</u>		<u>55,962</u>
			<u><u>113,251</u></u>		<u><u>134,681</u></u>

The notes on pages 12 to 20 form part of the financial statements.

The financial statements have been prepared in accordance with section 415A of the Companies Act 2006 relating to small companies and FRS 102 Section 1A.

The charitable company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31 March 2018, and the members have not required

the charitable company to obtain an audit of its financial statements for the year ended 31 March 2018 under section 476 of the Companies Act 2006.

They were approved and authorised for issue by the Board of Trustees on 5<sup>th</sup> December 2018 and signed on their behalf by:

***Chrishanti Shah***

Chrishanti Shah

Trustee

## Statement of cash flows

For the year ended 31 March 2018

	2018 £	2017 £
Cash flows from operating activities:		
Net income/(expenditure) for period (as per SOFA)	(21,430)	19,693
Adjustments for:		
Depreciation charges	4,120	2,474
(Increase)/decrease in gift aid due	12,091	-
(Increase)/decrease in accrued legacy income	9,695	15,533
(Increase)/decrease in trade and other debtors	(47,258)	508
(Increase)/decrease in prepayments	(8,541)	(1,540)
Increase/(decrease) in accounts payables	(5,113)	(13)
Increase/(decrease) in HMRC and pensions payable	2,174	11,799
Increase/(decrease) in accruals	7,109	324
Increase/(decrease) in deferred revenue	(41,614)	50,222
Increase/(decrease) in interest free loans	(35,570)	-
	(102,907)	79,307
Net cash used in operating activities	(124,337)	99,000
Net cash used in investing activities	-	-
Net cash used in financing activities	-	-
Change in cash and cash equivalents in period	(124,337)	99,000
Cash and cash equivalents at the beginning of the period	247,230	148,230
Cash and cash equivalents at the end of the period	122,893	247,230

Cash and cash equivalents:

	2018 £	2017 £
Cash in hand	77,564	127,131
Notice deposits (less than three months)	45,329	120,099
	122,893	247,230

The notes on pages 12 to 20 form part of the financial statements.

## Notes to the financial statements

### 1. Accounting policies

#### Basis of preparation of the financial statements

The financial statements have been prepared in accordance with 'Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The effect of any event relating to the year ended 31 March 2018, which occurred before the date of approval of the financial statements by the Board of Trustees has been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 March 2018 and the results for the year ended on that date.

The functional currency of the Charity is sterling and amounts in the financial statements are rounded to the nearest pound.

#### Going concern

The financial statements have been prepared on the going concern basis as the Board of Trustees is confident that future reserves and future income is more than sufficient to meet current commitments. There are no material uncertainties that impact this assessment.

#### Legal status

Housing Justice is a charitable company limited by guarantee registered in England & Wales and meets the definition of a public benefit entity. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity. The registered office is 256 Bermondsey Street, London, SE1 3UJ.

#### Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise of unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund are set out in note 12 of the financial statements.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or that have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in note 12 of the financial statements.

#### Income

Income is recognised when the charity has entitlement to the funds, any performance indicators attached to the item(s) of

income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Donations and membership fees are recognised in full in the Statement of Financial Activities when entitled, receipt is probable and when the amount can be quantified with reasonable accuracy. Gift aid receivable is included when claimable.

Grant income is credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless the grant relates to a future period, in which case it is deferred.

Legacy income is only recognised when receipt is highly probable, and the amount can be reliably measured.

Income from charitable activities is credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless it relates to a specific future period or event, in which case it is deferred.

#### Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities.

Indirect costs, including governance costs, which cannot be directly attributed to activities, are allocated proportionate to direct staff costs allocated to each project area, as outlined in note 5 of the financial statements.

Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

#### Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their residual value, over their useful life, on a straight-line basis. The useful life used is:

Computer equipment	3 years
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#### Operating leases

Rentals payable under operating leases are taken to the statement of financial activities on a straight-line basis over the lease term.

#### Pensions

Housing Justice operates a defined contribution pension scheme. Pension contributions are charged to the statement of financial activities when due and payable. These contributions are invested separately from the charity's assets.

#### Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits with banks and funds that are readily convertible into cash at, or

close to, their carrying values, but are not held for investment purposes.

#### Short term investments

Short term investments include funds that are held on short term deposit for investment purposes with CCLA Investment Management Limited and earn interest only.

#### Debtors and prepayments

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

#### Creditors

Creditors 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.

## 2. Income from donations & legacies

#### Critical estimates and judgements

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The annual depreciation charge for property, plant and equipment is sensitive to changes in useful economic lives and residual values of assets. These are reassessed annually. In the view of the Trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

#### Financial instruments

Basic financial instruments are measured at amortised cost other than investments which are measured at fair value.

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £
Grant income	10,484	164,183	174,667
Donations	233,580	-	233,580
Legacies and in memorium	33,668	-	33,668
Appeals and events	31,700	-	31,700
	<u>309,432</u>	<u>164,183</u>	<u>473,615</u>

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
Grant income	45,764	255,388	301,152
Donations	152,752	-	152,752
Appeals and events	42,763	-	42,763
	<u>241,279</u>	<u>255,388</u>	<u>496,667</u>

## 3. Income from charitable activities

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £
Shelter Support & Set Up	39,457	-	39,457
Consultancy	2,625	-	2,625
Training and conferences	4,469	-	4,469
Sale of resources	371	-	371
	<u>46,922</u>	<u>-</u>	<u>46,922</u>

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
Shelter Support & Set Up	31,450	-	31,450
Consultancy	47	-	47
Training and conferences	5,324	-	5,324
Sale of resources	4,096	-	4,096
	<u>40,917</u>	<u>-</u>	<u>40,917</u>

## 4. Total expenditure

	Direct costs		Indirect costs		Total Funds 2018 £
	Salaries 2018 £	Other 2018 £	Salaries 2018 £	Other 2018 £	
Raising funds	61,979	4,946	19,256	20,693	106,874
Charitable activities					
Projects	163,449	67,986	66,590	71,560	369,585
Policy and campaigning	38,134	3,047	11,849	12,733	65,763
	<u>263,562</u>	<u>75,979</u>	<u>97,695</u>	<u>104,986</u>	<u>542,222</u>

	Direct costs		Indirect costs		Total Funds 2017 £
	Salaries 2017 £	Other 2017 £	Salaries 2017 £	Other 2017 £	
Raising funds	50,774	8,346	11,651	26,663	97,434
Charitable activities					
Projects	158,551	52,838	41,659	95,335	348,383
Policy and campaigning	29,482	14,494	8,667	19,832	72,475
	<u>238,807</u>	<u>75,678</u>	<u>61,977</u>	<u>141,830</u>	<u>518,292</u>

Indirect costs, including governance costs, which cannot be directly attributed to activities, were allocated between cost centres proportionate to the direct costs allocated to those activities.

An analysis of costs of raising funds split between restricted and unrestricted funds can be found in note 5.

An analysis of charitable activities split between restricted and unrestricted funds can be found in note 6.

## 4.....Total expenditure (continued from previous page)

Indirect costs include the following governance costs:

	2018 £	2017 £
Salary costs allocated to governance costs	7,885	7,350
Independent examination	1,800	2,800
Trustee expenses	268	237
Insurance	4,742	4,495
Other	1,811	809
	<u>16,506</u>	<u>15,691</u>

## 5.....Expenditure on raising funds

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £
Direct salaries	61,979	-	61,979
Direct other costs	4,946	-	4,946
Indirect costs	39,949	-	39,949
	<u>106,874</u>	<u>-</u>	<u>106,874</u>

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
Direct salaries	50,774	-	50,774
Direct other costs	8,346	-	8,346
Indirect costs	38,314	-	38,314
	<u>97,434</u>	<u>-</u>	<u>97,434</u>



**6. Expenditure on raising funds**

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £
Projects			
Direct salaries	83,202	80,247	163,449
Direct other costs	2,888	65,098	67,986
Indirect costs	70,323	67,827	138,150
	<u>156,413</u>	<u>213,172</u>	<u>369,585</u>
Policy and campaigning			
Direct salaries	38,134	-	38,134
Direct other costs	3,047	-	3,047
Indirect costs	24,582	-	24,582
	<u>65,763</u>	<u>-</u>	<u>65,763</u>
	<u>222,176</u>	<u>213,172</u>	<u>435,348</u>
	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
Projects			
Direct salaries	74,005	84,546	158,551
Direct other costs	24,663	28,175	52,838
Indirect costs	63,944	73,050	136,994
	<u>162,612</u>	<u>185,771</u>	<u>348,383</u>
Policy and campaigning			
Direct salaries	29,482	-	29,482
Direct other costs	14,494	-	14,494
Indirect costs	28,499	-	28,499
	<u>72,475</u>	<u>-</u>	<u>72,475</u>
	<u>235,087</u>	<u>185,771</u>	<u>420,858</u>

**Housing Justice**

Annual report and financial statements  
Year ended 31 March 2018

**Notes to the financial statements****7. Staff numbers and costs**

	2018 £	2017 £
Gross salaries	289,984	263,859
Employer's national insurance	23,511	20,107
Employer's pension	5,622	16,818
	<u>319,117</u>	<u>300,784</u>

The average weekly number of employees, calculated as full-time equivalents, during the period was:

	2018 Number	2017 Number
Fundraising	1.3	0.8
Projects	4.4	4.9
Policy and campaigning	1.1	0.8
Central Services/Finance	3.1	2.8
	<u>9.9</u>	<u>9.3</u>

The average headcount during the period was 11 persons (2017: 12 persons).

No employee received employee benefits of more than £60,000 (2017: NIL).

The total remuneration paid to key management personnel during the year was £127,750 (2017: £69,892).

**8. Pension costs**

The charitable company operates a defined contribution pension scheme. The assets of the schemes are held separately from those of the charity in independently administered funds. Contributions payable by the charity amounted to £5,622 (2017: £16,818).

No amounts were outstanding at year end.

Pension costs are allocated between activities and funds on the same basis as relevant salary costs.

**9. Tangible fixed assets**

	Computer equipment £	Total £
<b>Cost</b>		
At 1 April 2017	12,360	12,360
At 31 March 2018	<u>12,360</u>	<u>12,360</u>
<b>Depreciation</b>		
At 1 April 2017	4,944	4,944
Charge for year	4,120	4,120
At 31 March 2018	<u>9,064</u>	<u>9,064</u>
<b>Net book value</b>		
At 1 April 2017	7,416	7,416
At 31 March 2018	<u>3,296</u>	<u>3,296</u>

**10. Debtors and prepayments**

	2018 £	2017 £
Legacy income due	-	9,695
Gift aid due	8,513	20,604
Rent deposit	6,250	6,250
Trade debtors	7,966	1,625
Other debtors	45,354	4,437
Prepayments	11,045	2,504
	<u>79,128</u>	<u>45,115</u>

**11. Creditors: amounts falling due within one year**

	2018 £	2017 £
Interest free loan	5,000	40,570
Accounts payable	6,901	12,014
HMRC payable	9,513	8,842
Other creditors	1,785	282
Accruals	11,259	4,150
Deferred revenue	57,608	99,222
	<u>92,066</u>	<u>165,080</u>

**12. Analysis of charity funds**

	Balance brought forward 2018 £	Income for the period 2018 £	Expenditure in the period 2018 £	Transfer between funds 2018 £	Balance carried forward 2018 £
<b>Unrestricted funds</b>	<u>55,962</u>	<u>356,609</u>	<u>(329,050)</u>	<u>(37,658)</u>	<u>45,863</u>
<b>Restricted funds</b>					
Faith in Affordable Housing	-	10,500	(10,500)	-	-
Church & Community					
Night Shelters	-	77,000	(77,000)	-	-
Night Shelters for Women	75,000	-	(33,322)	-	41,678
No Recourse to Public Funds	-	41,565	(41,565)	-	-
Desitute migrant subsistence	-	13,618	(31,719)	37,658	19,557
HJ Cymru	-	21,500	(19,066)	-	2,434
Other	3,719	-	-	-	3,719
<b>Restricted funds</b>	<u>78,719</u>	<u>164,183</u>	<u>(213,172)</u>	<u>37,658</u>	<u>67,388</u>
<b>Total funds</b>	<u>134,681</u>	<u>520,792</u>	<u>(542,222)</u>	<u>-</u>	<u>113,251</u>

The Faith in Affordable Housing fund includes donations from the Tudor Trust and others to support this project to promote affordable housing.

The Church and Community Night Shelters fund contains donations for supporting night shelters, apart from those marked as for work with women in shelters.

The Night Shelters for Women funds relate to an amount received from the Archdiocese of Birmingham as the result

of a sale of premises previously used to provide shelter to vulnerable women. The proceeds are therefore restricted to work Housing Justice carries out with female beneficiaries.

The No Recourse to Public Funds pot includes donations and grants for supporting homeless individuals with no recourse to public funds.

The Destitute Migrant Subsistence funds includes donations and grants to provide subsistence allowances to destitute migrants within the UK. During the year the Trustees became aware of net amounts totalling £37,658 received for this purpose in prior periods, which have now been transferred from unrestricted to restricted funds to correct this error.

Other funds are to be used for work in North West England.

	<i>Balance brought forward 2017 £</i>	<i>Income for the period 2017 £</i>	<i>Expenditure in the period 2017 £</i>	<i>Transfer between funds 2017 £</i>	<i>Balance carried forward 2017 £</i>
<b>Unrestricted funds</b>	<b>105,886</b>	<b>282,597</b>	<b>(332,521)</b>	<b>-</b>	<b>55,962</b>
<b>Restricted funds</b>					
Faith in Affordable Housing Church & Community	-	36,785	(36,785)	-	-
Night Shelters	238	67,666	(67,904)	-	-
Night Shelters for Women	-	75,000	-	-	75,000
No Recourse to Public Funds	5,145	75,937	(81,082)	-	-
Other	3,719	-	-	-	3,719
<b>Restricted funds</b>	<b>9,102</b>	<b>255,388</b>	<b>(185,771)</b>	<b>-</b>	<b>78,719</b>
<b>Total funds</b>	<b>114,988</b>	<b>537,985</b>	<b>(518,292)</b>	<b>-</b>	<b>134,681</b>

### 13. Analysis of net assets

	<b>Unrestricted Funds 2018 £</b>	<b>Restricted Funds 2018 £</b>	<b>Total Funds 2018 £</b>
Tangible fixed assets	3,296	-	3,296
Current assets	77,025	124,996	202,021
Creditors	(34,458)	(57,608)	(92,066)
	<b>45,863</b>	<b>67,388</b>	<b>113,251</b>

	<i>Unrestricted Funds 2017 £</i>	<i>Restricted Funds 2017 £</i>	<i>Total Funds 2017 £</i>
Tangible fixed assets	7,416	-	7,416
Current assets	114,404	177,941	292,345
Creditors	(65,858)	(99,222)	(165,080)
	<b>55,962</b>	<b>78,719</b>	<b>134,681</b>

14. Trustee remuneration

During the year, no trustee received any remuneration (2017: ENIL). 2 members of the Board of Trustees received

reimbursement of travel and subsistence expenses of £268 in 2018 (2017: 1 member - £237).

15. Related party transactions

During the year there were no transactions carried out with related parties (2017: ENIL).

16. Other financial commitments

At 31 March 2018, the Charity had future minimum lease payments under non-cancellable operating leases as set out below:

	Land and buildings 2018 £	Office equipment 2018 £	Land and buildings 2017 £	Office equipment 2017 £
Operating lease due within:				
within one year	26,834	2,093	26,834	2,093
within two to five years	-	4,186	53,668	8,372
	<u>26,834</u>	<u>6,279</u>	<u>80,502</u>	<u>10,465</u>