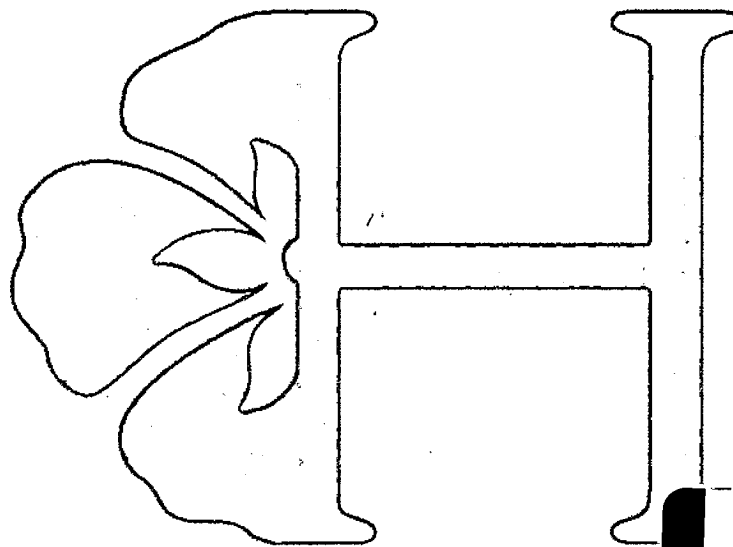


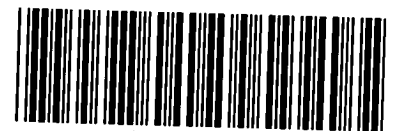


A Company limited by guarantee not having a share capital  
and a registered charity

TRUSTEES' REPORT  
AND FINANCIAL STATEMENTS  
FOR THE YEAR  
ENDED 31 MARCH 2018



TUESDAY



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COMPANIES HOUSE

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## Legal and administrative information

### Trustees

Rachel Youngman (Chair)

Elizabeth Hogarth

Geraldine McLeod

Anne-Marrie Whittaker (Resigned 27th November 2017)

Helen Easton (Resigned 14th May 2018)

Anne Stephens

Sara Khan

Margaret Crisell

Becky Shepherd (Resigned 27th November 2017)

Roz Morrison (Appointed 27th November 2017)

Erika Szasz (Appointed 27th November 2017)

Michael Greenwood (Appointed 14th May 2018)

### Chief Executive and Secretary

Adrienne Darragh

### Charity number

01104094

### Company number

04533442

### Principal address and registered office

356 Holloway Road

London

N7 6PA

### Auditors

Myrus Smith

Chartered Accountants

Norman House

8 Burnell Road

Sutton

Surrey

SM1 4BW

## Report of the Trustees for the year ended 31 March 2018

The Trustees present their Report and Financial Statements for the year ended 31 March 2018.

## OBJECTIVES AND ACTIVITIES

The key charity objectives of Hibiscus Initiatives, hereinafter referred to as Hibiscus, are to relieve the poverty and the emotional, practical, social and legal needs of persons, in particular but not limited to women, who have been affected by criminal and social justice issues; and to advance public education about such persons

### Our Vision

To have a society where Foreign National and BMER individuals are free from inequalities, treated with respect, have equal access to justice and are able to make informed choices.

### Our Mission

We provide advocacy, support and specialist services to marginalised vulnerable Foreign National and BMER individuals (principally but not exclusively women) affected by criminal justice and immigration systems, to enable informed choice. We promote social justice and respect, to reduce inequalities

### Our Values

**Social justice** – We are committed to social justice. We aim to impact positively on the lives of our clients.

**Integrity** - We work with integrity, respecting the diversity of our clients, to overcome inequality of access to social justice.

**Learning and Innovation** - We promote a culture of learning and innovation.

### Our Goal

We will be regarded both in the UK and internationally as a leading charity in our field, by excelling in what we do and by placing clients at the centre of our services. We will be sufficiently financially and organisationally robust to give confidence in our long-term survival.

To achieve our overriding objectives as described above, we agreed four main strategic objectives for the period to March.

Report of the Trustees for the year ended 31 March 2018

## **OBJECTIVES AND ACTIVITIES**

### **1. Our clients will receive support that responds to their needs in prisons, immigration removal centres and in the community**

To achieve this we will

- Provide a sustainable and primary focus on our specialist support to BAME (black, Asian and minority ethnic) and foreign national (FNs) women while providing support to men only when it is strategically relevant to our work with women
- Provide information, advice, advocacy and emotional support to those in custody and immigration removal centres
- Make sure our clients are at the heart of all we do and are fully involved in the development of our services
- Develop a financially sustainable model to support continued delivery and expansion of a unique range of services for our clients, including a women only Hub for migrants and BAME groups in London
- Raise awareness about the needs of vulnerable foreign nationals in the UK and those at risk of being trafficked from their own countries including informing and influencing the decision makers
- Assess via an evidence based methodology whether the development and delivery of our services is meeting clients' needs.

### **2. We will reflect our expertise and impact to our delivery partners and other stakeholders**

To achieve this we will

- Build and use an evidence based methodology that will inform the development of our services, respond to partners and allow us to influence policy.
- Make efficient use of our existing resources, networks and contacts to increase our knowledge, and articulate the voice of those we support more effectively
- Share and deploy our knowledge more powerfully through commissioning and disseminating analysis, research and evidence
- Present our messages through vibrant communications, including those of our partners that reflect the voice of our clients, our mission and impact
- Develop our networks with institutions both nationally and internationally, to extend our knowledge, influence and reach.

Report of the Trustees for the year ended 31 March 2018

## **OBJECTIVES AND ACTIVITIES**

### **3. Our funding and technology**

We will build a resilient and financially sustainable organisation

To achieve this we will

- Diversify our income to reduce reliance on particular grants or contracts
- Underpin our work with modern technology and processes to support access to services, data and financial reporting
- Provide quantitative and qualitative data to measure progress against our strategy and external stakeholders.

### **4. Our People**

Our organisation will have a Board and staff team with the skills and experience to deliver the strategy supported by an engaged team of volunteers

To achieve this we will

- Have an engaged Board and staff team that demonstrate continued professional development
- Invest in the professional development of our team
- Value the role of volunteers and invest in their development
- Strengthen our reputation by achieving nationally recognised external accreditation
- Foster a culture of openness.

## Report of the Trustees for the year ended 31 March 2018

# OBJECTIVES AND ACTIVITIES

## Activities

Hibiscus has a distinct expertise in working with marginalised foreign nationals (FNs); black, minority ethnic and refugees (BMER) in prison, in community, and in detention. Our primary focus is on working with women, we also work with men in custodial settings where this complements our work with women. This currently includes work with men in HMP Peterborough and the Heathrow Immigration Removal Centres (IRCs) Harmondsworth and Colnbrook.

Our principle activities fall into these strands:

- Advocacy and Advice in Prisons;
- Community Services to Women
- International Resettlement and Services to Those Detained;
- Specialist Gender Specific Welfare Support to Women in Detention
- Specialist Support to Families Facing Deportation
- Anti-Trafficking
- Mentors and Volunteers

As reflected in all the strands, the organisation exists to provide advocacy, advice, support and specialist services to empower our clients to enable informed choices and positive change. Support takes many forms and can include help to access legal advice/representation, family issues, social services, housing, mental health and well-being, education and training and help settling into the community either here or back in their home countries. An activity relating to all strands is to conduct research, communicate and raise awareness of the issues faced by our clients with a view to influencing policy makers.

The trustees, in making decisions about the activities, have had due regard to the commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant. All of the activities are considered by the trustees to be in the public benefit.

All of our funders require ongoing and project end reports and have been satisfied that the outcome requirements have been met or exceeded.

## Report of the Trustees for the year ended 31 March 2018

# ACHIEVEMENTS AND PERFORMANCE

Following our 30th anniversary in the previous year 2016/17 we have continued planning ahead to 2026 when we aim to be known as the leading organisation in our field both nationally and internationally.

To improve efficiency and effectiveness we restructured our senior management team and departments. There are now two main operational departments

- Community and Prison
- International Resettlement and services to those detained

Anti-trafficking work spans the entirety of our work, volunteers and mentors complement and enhance our work across the organisation.

## Prisons

We continue to deliver high quality advocacy and advice in HMP Downview, HMP Send, HMP Bronzefield and HMP Peterborough although securing funding to carry out this work remains challenging. In the year we conducted over 1,200 interventions with our clients in prison. In addition to one-to-one case work we organise and deliver specialist fora and workshops, with external relevant experts as guest speakers. In the year we identified and/or supported 16 potential victims of trafficking in prisons. Our relationship with the prisons we work from is fruitful and very beneficial for our clients. We hope this area of work will expand and continue to develop into the future.

The findings of an independent evaluation report of our services at Peterborough were very positive. The report was based on in-depth independent work over months – and included examination of case files, interviews with staff and clients as well as observation during 1:1 sessions and group work.

Our new project in HMP Bronzefield started in May 2017 with the aim to support and provide early identification of the more vulnerable FN women with complex needs including those with language barriers, potential victims of trafficking, those at high risk of self-harm, and those with mental health or FGM issues. This work continues into 2018/19.



## Report of the Trustees for the year ended 31 March 2018

# ACHIEVEMENTS AND PERFORMANCE

## Community

We have responded to the continuing rise in demand for our services, while maintaining high quality service delivery. This year we have seen a number of noteworthy accomplishments including the successful continuation of the 5-year grant from the Big Lottery Women and Girls Fund. This year we entered the second year of the project with a range of new services delivered to a growing number of clients. The grant has given us the stability to improve and widen the services to women in need across the London region. Our Women's Centre has proven to be a safe and vibrant space for the women we support. Esmee Fairbairn and the Bell Foundation are key partners in our community project. The Women's Centre is very busy and we are able to offer a wide range of activities: at least one every day, in addition to casework and one-to-one sessions including the new provision of in-house counselling in collaboration with Street Talk.

We have delivered a total of 178 sessions including literacy workshops, dance movement therapy, public legal education clinics, mother and child engagement sessions, film screenings and discussion with Serpentine Galleries, gallery and cinema visits, and performance coaching. We continue to deliver weekly ESOL and twice weekly IT classes.

Our new monthly legal education clinics offer invaluable support and guidance to our clients with precarious immigration statuses. We are currently able to provide two legal clinics, one delivered by a pro-bono barrister for second opinions and consultations, and the second clinic delivered in collaboration with BPP Law School and Hammersmith & Fulham Law Centre. The latter offers more robust advice and is followed by a written advice letter.

In April 2017 we celebrated Roma culture with an event held at Platform, close to Hibiscus offices, and funded by the Big Lottery Fund. We delivered interactive workshops, art, music and food in collaboration with The Roma Support Group, art therapist Alessandra Agnese and musicians from Sandel Piticu Band. The first part of the day was aimed at professionals and organisations whose work brings them in contact with Roma communities and the general public, followed by the opportunity to celebrate Roma culture with music and food. A short film 'I Am Roma Woman' was produced as part of the project and has been promoted online and submitted to a short movie competition.

We were successful in our application to Big Lottery – Awards for All for a mother and baby play group and were awarded a £10,000 grant to develop the project. The weekly group has been delivered successfully since January 2018.

Between 6<sup>th</sup> and 15<sup>th</sup> May 2017, as part of our prison and community work, we made a field trip to Romania, supported by Bell Foundation and Romanian Embassy. The outcomes of the trip were improved insights of our clients' social and economic background, a more in-depth knowledge of services and provisions for female victims of domestic and gender-based violence returning from the UK to Romania, new partnerships with local statutory and non-statutory agencies, and an overall better understanding of the Roma community and the voluntary sector in an Eastern European country. The trip also consolidated our relationships with the Romanian embassy in London.

## Report of the Trustees for the year ended 31 March 2018

# ACHIEVEMENTS AND PERFORMANCE

### Mentors, volunteers and student placements

Mentors and volunteers make a huge contribution to the services we provide across the organisation. Amongst other things, our mentors visit and provide much needed emotional support to isolated and vulnerable women in prison and in the community. Last year, a total of 21 committed mentors visited women based in HMP Downview, HMP Bronzefield, HMP Peterborough and in our Women's Centre, following comprehensive training. City Bridge Trust has been funding this important work during 2017/18 and as the funding ended in March 2018 we are looking for other funding sources to enable the work to continue.

Furthermore, we have a well-established relationship with two international educational bodies, CAPA in the US and TWIN in the EU, who consider Hibiscus an excellent work experience placement for their students. CAPA Chief Executive visited Hibiscus' offices a few years ago and was impressed by our work and the first-hand experience their students acquire. We worked with over forty volunteers in 2017/18, including our social work placements from London South Bank University and students from CAPA and TWIN.

Hibiscus also partners with a number of educational and professional bodies for instance BPP Law School, Mary Ward Centre, Westminster University, SOAS, Goldsmith College, London Metropolitan University and London South Bank University from which we recruit valuable volunteers.

### International Resettlement and Services to Those Detained

2017/18 was the second year of our three-year grant from the Home Office to fund our work in the immigration removal centres (IRCs) in Harmondsworth, Colnbrook and Yarl's Wood. Our focus in this area is on improving the experiences of detainees and those returning to their countries of origin.

Our clients come from a variety of backgrounds, ethnicities and cultures and the reasons why they are detained are equally varied. We work with our clients throughout their stay in the IRCs, providing insight and necessary practical assistance to support them in return and resettlement to their home country.

Our specialist welfare services (SWS) project for women at Yarl's Wood, contracted by SERCO, has continued successfully to its second year, having started in February 2016.

In May 2017 we were contracted by G4S Care and Justice Services (UK) Limited to provide returns planning and preparation support for families based in Gatwick PDA.

In January 2018 we started the pilot resettlement training sessions delivered at HMP Maidstone with the aim to encourage participants to explore and plan for post-release resettlement. Staff from our prisons and international resettlement teams provide clients with information on the deportation process and on potential options that would facilitate resettlement and reintegration into the communities in their countries of origin. In addition to the practical aspects of the deportation process the training sessions aim to provide emotional support and help the clients with building confidence and self-esteem. The sessions delivered so far have received very positive feedback from clients.

**Report of the Trustees for the year ended 31 March 2018****ACHIEVEMENTS AND PERFORMANCE**

In February 2018 we had a successful field trip to Nigeria as our work in IRCs has always involved supporting a high number of Nigerian clients. Nigerian nationals traditionally make up one of the top 5 nationalities which the programme assists. The broad outcomes of the trip were: the ability to better inform our work with Nigerian nationals; improved knowledge of the resettlement needs of our Nigerian returnees; new contacts and relationships with agencies/organisations which could provide assistance to returnees; and an evaluation of returned clients own personal experiences.

**Anti-trafficking**

Hibiscus' ongoing work in the area of anti-trafficking is a vital and integral element of all our activities. Hibiscus' woman-centred approach and expertise in engaging and establishing trust with clients means that our project workers are well placed to help identify victims of trafficking. Numbers of potential victims identified amongst prisoners and detainees are rising: we identified and supported 16 potential victims of trafficking in prisons and 66 in Immigration Removal Centres.

We had a significant increase in referrals to the Community team from victims who were post 45 days 'reflection and recovery' period and those who received a negative 'conclusive grounds' decision and were discharged from the support services. Hibiscus has contributed to a number of forums and events with a focus on anti-trafficking and victim care, including research with Bedford University.

In October 2017 the Snow Drop Project delivered in-house training on human trafficking for staff members across the departments.

**Operations**

We have used the lessons learned from our Lloyds Bank funded work in 2016/17 to inform our current communications work. In October we recruited a part-time communications role and have since developed a new communications strategy, an activity plan and a style guide, and have improved different strands of our communications, including increasing our online presence and reach, and sourcing a new designer to update the look of all our printed resources.

We continue working towards our PQASSO ( Practical Quality Assurance System for Small Organisations) quality accreditation mark.

Several staff members have attended professional training, including OISC (Office of the Immigration Services Commissioner) and VAWG (Violence against Women and Girls) accreditation and we achieved registration with OISC at level II in July 2017. Following a training delivered by the AIRE Centre in November 2017, Hibiscus is now 'First Point of Contact' for victims of domestic violence. Staff are also accredited sexual abuse advocates following their VAWG training.

The achievements highlighted above are entirely due to the hard work, passion, commitment and dedication of all the staff and volunteers at Hibiscus. The trustees are, as ever, indebted to them. None of those achievements would have been possible without our funders: we are very grateful for all their support.

## Report of the Trustees for the year ended 31 March 2018

### FINANCIAL REVIEW

The Trustees consider that the main risk the charity faces is not being able to raise sufficient funds to continue providing its core services. The fundraising programme is continually reviewed and the Trustees are very aware of the necessity to ensure that the charity has sufficient reserves.

The Trustees have also examined other operational and business risks faced by the charity and can confirm that suitable measures have been taken, wherever possible, to mitigate any significant risks.

The finance and compliance subcommittee review and update the risk register on a quarterly basis and report to the Board.

Our funders are as listed in notes 2 and 3 to the accounts.

Income increased from £847,620 in 2016/17 to £1,137,183 in 2017/18 with increased grants and contracts for our work. Expenditure for the year was £936,481, an increase on the previous year's expenditure which was £780,432.

The total funds held at March 2018 were £555,162, of this £81,858 are restricted, £149,000 are designated, and general funds stand at £324,304 up from £157,391 the previous year.

Trustees have reviewed and re-designated reserves to set aside funds to meet financial obligations to staff and others in the unlikely event of the charity ceasing to exist. Other funds are set aside to meet potential costs outside the annual budget. See Note 19.

The Trustees have reviewed the income it is to receive in the year to 31 March 2019 and believe there will be sufficient income to pay all debts as they fall due and to retain the current level of reserves.

The Trustees aim to hold a level of reserves of a minimum of the costs of closure plus four months total operating costs so as to avoid a breakdown in provision of core services in adverse conditions. At present the closure costs are included in full in designated funds, four months of budgeted costs for 2018/19 are £347,818 and at the year end the general reserve stands at £324,304, a shortfall of £23,514.

Reserves will continue to be examined on a quarterly basis by the finance subcommittee who will make recommendations to the Board as appropriate.

## Report of the Trustees for the year ended 31 March 2018

### PLANS FOR FUTURE PERIODS

Our strategic plan to 2019 was devised following extensive consultation with clients, staff, funders and other stakeholders. This plan informs our current and future work direction.

Going forward our focus will include:

- Identifying and responding to increasing need and demands and ensuring our services are increasingly influenced and informed by clients
- Ensuring our services become more outcome-focused to evidence impact
- Ensuring robust data protection procedures in place to comply with the new GDPR requirements and excellent practice
- Ensuring we'll use our statistical data effectively and safely to inform policymakers to meet our charitable objectives

In respect of our clients from the European Union, it is not yet clear how the negotiations to leave the EU will affect our work, but it is unlikely to lead to less need for our services in at least the foreseeable future. We continue to respond to an increasing demand for our services while keeping abreast of changes to support our clients impacted by the changes.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

Hibiscus Initiatives is a company limited by guarantee without share capital incorporated on 12 September 2002 and registered with the Charity Commission on 2 June 2004 as a charity. Its governing rules are its Memorandum and Articles of Association. Prior to its incorporation the charity had operated since 1986 as an unincorporated charity under the name Female Prisoners Welfare Project. On incorporation it became FPWP Hibiscus Limited and changed its name to Hibiscus Initiatives by special resolution on the 9th September 2013. The Articles of Association were reviewed and updated during 2014 and formally adopted in October 2014.

While day to day responsibility is delegated to the Chief Executive, Adrienne Darragh and her senior management team, overall responsibility rests with the Board. Strategic decisions and those relating to conditions of employment for the Chief Executive and senior management team are made by the Board and where appropriate with the assistance of external professional experts.

The Chief Executive works closely with the Board and the senior management team. The Heads of Department each manage a team of skilled staff and volunteers. Heads of Department send regular operational reports on their projects' work to the Board members.

Hibiscus' administrative structure and governance arrangements are a crucial part of the organisation driving performance and keeping delivery on track. An interim Head of Operations joined the senior management team this year; a part-time Communications worker has been in post since October 2017 and we worked to achieving the aims set out in the strategic plan; particular attention was paid to ensure staff training and support needs were met; IT improvements were made to ensure the organisation remains fit for purpose.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### The Board of Trustees and Directors of the Company

Selection and appointment of trustees is governed by the charity's Articles of Association. The organisation requires that all trustees have a clear understanding of the criminal justice system and the needs and issues surrounding women in prison, including foreign national prisoners, those held in immigration detention centres in the UK, those released from both prisons and detention centres into the community or returned back to their home countries, and issues surrounding trafficking and the phenomena of modern day slavery. In the year 2017/18, we were successful in recruiting two new trustees to ensure coverage of the full range of skills and experience needed for effective governance.

Vacancies on the Board are advertised appropriately including on our website.

The Trustees during the year were as follows:

Rachel Youngman	(Chair)
Elizabeth Hogarth	
Geraldine McLeod	
Anne-Marrie Whittaker	(Resigned 27th November 2017)
Helen Easton	(Resigned 14th May 2018)
Anne Stephens	
Sara Khan	
Margaret Crisell	
Becky Shepherd	(Resigned 27th November 2017)
Roz Morrison	(Appointed 27th November 2017)
Erika Szasz	(Appointed 27th November 2017)
Michael Greenwood	(Appointed 14th May 2018)

Report of the Trustees for the year ended 31 March 2018

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees 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 period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

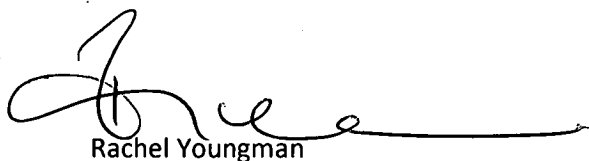
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

The auditors, Myrus Smith have expressed their willingness to continue in office and a resolution proposing their re-appointment will be put to the forthcoming Annual General Meeting.

### Approval

This report was approved by the Trustees on 16th July 2018 and signed on their behalf, by:



Rachel Youngman

Chair

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HIBISCUS INITIATIVES

(A Company Limited by Guarantee and not having a share capital)

## Opinion

We have audited the financial statements of Hibiscus Initiatives (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 2017, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. 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' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HIBISCUS INITIATIVES

(A Company Limited by Guarantee and not having a share capital)

## Matters on which we are required to report by exception

In the light of our 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 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

## Responsibilities of trustees

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

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

## Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's 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.

  
Stephen Jones FCA (Senior Statutory Auditor)

For and on behalf of Myrus Smith, Statutory Auditor

Norman House, 8 Burnell Road

Sutton

Surrey, SM1 4BW

Date: 17 July 2018

## STATEMENT OF FINANCIAL ACTIVITIES

### INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2018

Company Number 04533442

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>Income from:</b>						
Donations and grants	2	-	-	316,257	316,257	221,951
Charitable activities	3	820,876	-	-	820,876	625,547
Investments		50	-	-	50	122
<b>Total</b>		820,926	-	316,257	1,137,183	847,620
<b>Expenditure on:</b>						
Raising funds	5	12,714	-	-	12,714	12,728
Charitable activities	6	641,025	6,000	276,742	923,767	767,704
<b>Total</b>		653,739	6,000	276,742	936,481	780,432
<b>Net income/(expenditure)</b>	4	167,187	(6,000)	39,515	200,702	67,188
Transfers between funds		(274)	-	274	-	-
Net movement in funds		166,913	(6,000)	39,789	200,702	67,188
Total funds brought forward		157,391	155,000	42,069	354,460	287,272
<b>Total funds carried forward</b>		324,304	149,000	81,858	555,162	354,460

All income and expenditure is derived from continuing activities.

There were no recognised gains or losses for 2017 and 2018 other than those included in the Statement of Financial Activities.

The notes on pages 18 to 28 form part of these financial statements.


## BALANCE SHEET AS AT 31 MARCH 2018

Company Number 04533442

	Notes	2018 £	2018 £	2017 £	2017 £
<b>Fixed Assets</b>					
Tangible assets	12		-		-
<b>Current assets</b>					
Debtors	13	286,253		229,517	
Cash at bank and in hand	14	328,430		179,615	
		<u>614,683</u>		<u>409,132</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>59,521</u>		<u>54,672</u>	
Net current assets			<u>555,162</u>		<u>354,460</u>
<b>Net Assets</b>			<u>555,162</u>		<u>354,460</u>
<b>Income funds</b>					
Restricted funds	17		81,858		42,069
Unrestricted funds	18		324,304		157,391
Designated funds	19		149,000		155,000
<b>Total funds</b>	20		<u>555,162</u>		<u>354,460</u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board on 16th July 2018 and signed on its behalf by:



Rachel Youngman  
Chair



Elizabeth Hogarth  
Trustee

The notes on pages 18 to 28 form part of these financial statements.

## STATEMENT OF CASHFLOWS AS AT 31 MARCH 2018

Company Number 04533442

	Notes	2018 £	2017 £
Net cash provided/(used in) by operating activities	21	148,815	(30,142)
Cash and cash equivalents			
At 1 April		179,615	209,757
At 31 March		328,430	179,615

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### 1 ACCOUNTING POLICIES

#### General information and basis of preparation

Hibiscus Initiatives is a company limited by guarantee registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the 'Reference and Administrative Information' on page 1 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities:

Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2017), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), The Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention.

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

#### Income recognition

Items of income are recognised in the financial statements when all of the following criteria are met:

- the charity has entitlement to the funds;
- any performance conditions have been met or are fully within the control of the charity;
- there is sufficient certainty that the receipt of the income is considered probable; and;
- the amount can be measured reliably.

#### Expenditure recognition

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

Expenditure is allocated to each activity where the costs relate directly to that activity. Support costs, including governance costs, that do not relate directly to any activity are apportioned to each activity on the basis of staff time.

Expenditure is included under the following headings:

- Raising funds which comprises the costs associated with attracting voluntary donations and grants
- Charitable activities which comprises the costs associated with running the various activities, services and projects for the charity's beneficiaries

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

### **1 ACCOUNTING POLICIES (Continued)**

#### **Fixed Assets and Depreciation**

Tangible fixed assets costing in excess of £1,000 are capitalised and stated at cost less accumulated depreciation. Fixed assets acquired for a specific project are expensed in the year of purchase.

Depreciation is provided so as to write off the cost of fixed assets at the following annual rates:

Office equipment            25% reducing balance

Computer equipment       25% straight line

#### **Fund accounting**

Unrestricted general funds are those funds which are freely available for use in furtherance of the objects of the charity.

Designated funds are unrestricted funds set aside by the trustees for particular purposes.

Restricted funds are those funds which can only be used in accordance with the wishes of the donor or which have been raised for a particular purpose.

#### **Leases**

Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

#### **Pension costs**

The charity operates a defined contribution pension scheme. Contributions payable to the scheme are charged to the Statement of Financial Activities in the year to which they relate.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### 2 DONATIONS AND GRANTS

Grant and donation income was received from the following sources:

	2018 £	2017 £
<b>Restricted grants:</b>		
Big Lottery	152,750	92,850
The Bell Foundation	60,000	40,000
City Bridge Trust	47,612	32,386
Esmee Fairbairn	20,971	20,715
Home Office EU funding	32,554	-
Tudor Trust	-	25,000
The A B Charitable Trust	-	10,000
<b>Total restricted grants</b>	<b>313,887</b>	<b>220,951</b>
<b>Restricted donations</b>	<b>2,370</b>	<b>1,000</b>
<b>Unrestricted donations</b>	<b>-</b>	<b>-</b>
<b>Total grants/donations</b>	<b>316,257</b>	<b>221,951</b>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### 3 INCOME FROM CHARITABLE ACTIVITIES

	2018 £	2017 £
<b>Contract income receivable</b>		
HMP Maidstone	19,200	-
HMP Peterborough	65,322	65,322
G4S	218,954	-
SERCO	57,120	53,510
CRC	53,850	54,671
Women in Prison—TTG	-	29,276
Home Office	394,155	411,103
	<b>808,601</b>	<b>613,882</b>
Other income	12,275	11,665
<b>Total income from charitable activities</b>	<b>820,876</b>	<b>625,547</b>

All income from charitable activities in 2017 and 2018 was unrestricted.

### 4 NET INCOME (EXPENDITURE)

	2018 £	2017 £
<b>Operating deficit is stated after charging</b>		
Auditor's fee	2,748	3,000
Depreciation of tangible fixed assets (note 12): Owned	-	-

### 5 COST OF RAISING FUNDS

	Direct costs	Support costs	2018	2017
<b>Fundraising activities</b>	12,714	-	12,714	12,728

All of the expenditure in 2017 and 2018 was unrestricted.



## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### 6 COST OF CHARITABLE ACTIVITIES

	Direct costs	Support costs	Total 2018 £	Total 2017 £
Support and advocacy to foreign nationals affected by the criminal justice and immigration systems	781,021	142,746	923,767	767,704

Of the £767,704 expenditure in 2017, £542,230 was charged to unrestricted funds and £225,474 was charged to restricted funds

### 7 ANALYSIS OF DIRECT COSTS

	Raising funds £	Charitable activities £	2018 £	2017 £
Wages and salaries	12,714	562,326	575,040	484,654
Staff travel UK	-	46,769	46,769	39,005
Staff training and conferences	-	6,330	6,330	15,026
Overseas resettlement and travel	-	49,170	49,170	33,491
External consultancy	-	56,007	56,007	27,987
Other direct costs	-	60,419	60,419	39,427
	12,714	781,021	793,735	639,590

### 8 ANALYSIS OF SUPPORT COSTS

	2018 £	2017 £
Office costs	57,869	74,339
Premises costs	79,405	59,625
Governance costs (note 9)	5,472	6,878
	142,746	140,842

### 9 GOVERNANCE COSTS

	2018 £	2017 £
Audit fees	2,748	2,800
AGM/Annual review	1,835	3,951
Committee meetings	889	127
	5,472	6,878

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### 10 TRUSTEE AND BOARD MEMBER EXPENSES

During the year there were no payments made to Trustees in respect of expenses or fees (2017: £nil)

### 11 STAFF COSTS

Total staff wages for the year excluding national insurance was £520,562 (2017: £434,472).

Total social security costs for the year were £46,766 (2017: £40,644).

The average number of employees during the year was 25 (2017: 17).

The total employment benefits received by key management was £153,319 (2017: £150,439).

There were no employees with emoluments exceeding £60,000 (2017: none).

The charity operates a defined contribution pension scheme. Contributions during the year were £18,316 (2017: £9,538).

None of the Trustees or members of the Management Committee received any emoluments during the year. (2017: £nil).

### 12 TANGIBLE FIXED ASSETS

	Office equipment £
<b>Cost</b>	
At 1 April 2017	23,834
At 31 March 2018	23,834
<b>Depreciation</b>	
At 1 April 2017	23,834
At 31 March 2018	23,834
<b>Net book value</b>	
At 31 March 2017	-
At 31 March 2018	-

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### 13 DEBTORS

	2018 £	2017 £
Rent deposit	6,278	6,278
Other debtors—voluntary income	30,000	10,000
Other debtors—contract income	246,323	211,743
Pre-payments	3,652	1,496
	<b>286,253</b>	<b>229,517</b>

### 14 CASH AT BANK

	2018 £	2017 £
Bank current account	221,027	74,401
Bank deposit accounts	100,883	100,846
Cash in hand	6,520	4,368
	<b>328,430</b>	<b>179,615</b>

### 15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	24,296	33,996
Sundry creditors and accruals	14,694	10,236
Income in advance	20,531	10,440
	<b>59,521</b>	<b>54,672</b>

### 16 OPERATING LEASE COMMITMENTS

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

Due within:

	2018 £	2017 £
One year	24,333	73,000
One to five years	-	24,333
	<b>24,333</b>	<b>97,333</b>

At 31 March 2018 the company had annual commitments of £24,333 (2017: £56,123) for rent of premises under non-cancellable operating leases which expire in July 2018.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### 17 RESTRICTED FUNDS

The funds of the charity include restricted funds comprising the following unexpended balances of grants held on trusts to be applied to specific purposes

At 31 March 2018		Balance at 1 April 17	Income	Expenditure £	Transfers between	Balance at 31 March 18
The Bell Foundation	Education & Capacity	2,149	60,000	54,407	-	7,742
Big Lottery	Development	29,562	155,120	129,630	-	55,052
City Bridge Trust	Mentoring	2,994	47,612	50,822	216	-
Esmee Fairbairn	Volunteering	(326)	20,971	18,805	-	1,840
Lloyds Foundation	Communication	2,106	-	2,164	58	-
Home Office—EU funding	Immigration	-	32,554	15,706	-	16,848
The A B Charitable Trust	Fact finding project	5,584	-	5,208	-	376
		42,069	316,257	276,742	274	81,858

At 31 March 2017		Balance at 1 April 16 £	Income £	Expenditure £	Balance at 31 March 17 £
The Bell Foundation	Education & Capacity	3,592	40,000	41,443	2,149
Awards 4 All	Trafficking Awareness	9,800	-	9,800	-
Big Lottery	Development	-	93,850	64,288	29,562
City Bridge Trust	Mentoring	10,690	32,386	40,082	2,994
Esmee Fairbairn	Volunteering	9,124	20,715	30,165	(326)
Lloyds Foundation	Communication	12,386	-	10,280	2,106
Tudor Trust	Salary—Director	-	25,000	25,000	-
The A B Charitable Trust	Fact finding project	-	10,000	4,416	5,584
		45,592	221,951	225,474	42,069

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### 18 UNRESTRICTED FUNDS

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers between funds	Balance at 31 March 2018 £
<b>At 31 March 2018</b>					
Unrestricted funds	157,391	820,926	653,739	(274)	<b>324,304</b>
Designated funds (Note 19)	155,000	-	6,000		<b>149,000</b>
	<b>312,391</b>	<b>820,926</b>	<b>659,739</b>	<b>(274)</b>	<b>473,304</b>

	Balance at 1 April 16 £	Income £	Expenditure £	Balance at 31 March 17 £
<b>At 31 March 2017</b>				
Unrestricted funds	91,680	625,669	559,958	<b>157,391</b>
Designated funds (Note 19)	150,000		5,000	<b>155,000</b>
	<b>241,680</b>	<b>625,669</b>	<b>564,958</b>	<b>312,391</b>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### 19 DESIGNATED FUNDS

The following funds have been set aside out of general funds by the Trustees

Contractual obligations and wind down costs

Exceptional need

2018	2017
£	£
139,000	145,000
10,000	10,000
149,000	155,000

### 20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

At 31 March 2018

General fund

Designated fund

Restricted funds

Net current Assets	Total
£	£
324,304	324,304
149,000	149,000
81,858	81,858
555,162	555,162

At 31 March 2017

General fund

Designated fund

Restricted funds

Net current Assets	Total
£	£
157,391	157,391
155,000	155,000
42,069	42,069
354,460	354,460

### 21 NOTES TO THE STATEMENT OF CASHFLOWS

Reconciliation of surplus to net cash

Surplus for the year

(Increase)/decrease in debtors

(Decrease)/increase in creditors

Net cash provided/(used in) by operating activities

2018	2017
£	£
200,702	67,188
(56,736)	(73,574)
4,849	(23,756)
148,815	(30,142)

