

Company number: 06396687

Charity Number: 1122206

SPEAR Housing Association Limited

(Known and operating as SPEAR)

Report and financial statements

For the year ended 31 March 2018

SPEAR Housing Association Limited

Contents

For the year ended 31 March 2018

| | |
|---|----|
| Reference and administrative information | 1 |
| Trustees' annual report | 2 |
| Independent auditor's report | 19 |
| Statement of financial activities (incorporating an income and expenditure account) | 23 |
| Balance sheet | 24 |
| Statement of cash flows | 25 |
| Notes to the financial statements | 26 |

SPEAR Housing Association Limited

Reference and administrative information

For the year ended 31 March 2018

Company number 06396687
Country of incorporation United Kingdom

Charity number 1122206
Country of registration (England & Wales, Scotland or Northern Ireland)

Registered office and operational address 89 Heath Road, Twickenham, TW1 4AW

Patron The Right Honourable Sir Vincent Cable M.P.

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

| | |
|----------------------|------------------------|
| Jack Stephen | Chair |
| Charles Barrie Hatch | Vice Chair |
| Charlotta Campanale | |
| Jonathan Cardy | |
| Paul Doe | (Appointed 27.02.2018) |
| Alex Doig | |
| Grant Healy | |
| Katy Kiely | |
| Christine Reay | (Appointed 27.02.2018) |
| Duncan Richford | |
| Rachel Smith | |

| | | |
|---------------------------------|-----------------|------------------------------------|
| Key management personnel | Stuart Nevill | Chief Executive |
| | Lesleigh Bounds | Operations Director |
| | Syed Ali Naqi | Finance Director (to 22.06.2018) |
| | Donna Marshall | Finance Director (from 16.07.2018) |

Bankers CAF Bank Limited
25 Kings Hill Avenue
West Malling
Kent
ME19 4JQ

Solicitors Russell Cooke LLP
Bishop's Palace House
Kingston-Upon-Thames
KT1 1QN

SPEAR Housing Association Limited

Reference and administrative information

For the year ended 31 March 2018

Auditor

Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

Message from Stuart Nevill, Chief Executive and Jack Stephen, Chair

SPEAR's services were in high demand in 2017/18. We continued to see a rise in rough sleeping and increasing numbers of people with complex issues related to their health and wellbeing. The wider housing and social issues that cause people to become homeless did not abate.

In this challenging climate, we welcomed investment at a national level in tackling homelessness and the introduction of the Homelessness Reduction Act. Following this, SPEAR began its first homelessness prevention service and expanded support to rough sleepers across South West London.

Another significant development for SPEAR was unifying our direction with Quintus Housing Trust a process which was completed in August 2018. Together, we will be in a stronger position to reach a broader group of people, offer more accommodation options and deliver greater impact.

We continued our commitment to our core values: working together with our service users and partners to deliver the best possible outcomes; aspiring to the highest standards of support; being respectful of everyone we work alongside; determined to break down the barriers people face; and visionary in our approach.

We remain grateful for the many volunteers and supporters, partners and funders who make our work possible. It is a privilege to work alongside you to help more people on their journey from homelessness to independence.

Stuart Nevill, Chief Executive

Jack Stephen, Chair of Trustees

The trustees present their report and the audited financial statements for the year ended 31 March 2018

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

The objectives of the charity are:

- The relief of persons in need who are homeless or at risk of becoming homeless, including, but not limited to, those with substance misuse problems by providing accommodation, services and advice so as to help increase the independence and decrease the marginalisation in society of such persons; and
- To undertake research into homelessness for the public benefit.

The trustees review the aims, objectives and activities of the charity regularly. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

The charity's main activities and who it tries to help are described below. All its charitable activities focus on Homeless individuals and are undertaken to further SPEAR's charitable purposes for the public benefit.

Our Approach and Values

SPEAR is a charity for people experiencing homelessness in South West London.

We build communities in which those people suffering from homelessness have a place to call home and the help they need to lead a fulfilling independent life.

We recognise that homelessness is much more than just a housing issue, so we provide a range of support services to help our clients reach their full potential, always operating from our values:

Working together: We work alongside service users, partners, staff and volunteers to design and provide services that meet the needs of those experiencing homelessness. Together we overcome challenges.

Aspirational: We aim high, aspiring to achieve the very best outcomes for our clients. We see potential in everyone, and encourage our clients to achieve their own goals, dreams and ambitions. We aspire to the highest standards of professionalism.

Respectful: We respect everyone, regardless of their background or circumstances. We view everyone as an individual with their own personal journey. We always listen to and value people's views.

Determined: We work tirelessly to support people experiencing homelessness to recover from their personal issues. We break down the barriers they face.

Visionary: We try new and innovative ways to provide long-term solutions and reduce the isolation of homelessness. We are always willing to take a new approach, learning from what works (*and what doesn't*) and use this to guide our work.

Achievements and Performance

Our key impacts on homelessness in 2017–18:

620 homeless people accessed SPEAR's services

- 26% were female
- 17% were under the age of 25

Providing Housing:

- We worked with 350 verified rough sleepers in all 5 boroughs
- We provided supported housing for 157 people; 84% successfully sustained their tenancies.

Improving Health:

- We supported over 158 people to improve their health
- We helped 147 people register with a GP
- We reduced the use of emergency health services such as A&E attendances by 32 %

Women's Services:

- We provided supported housing tenancies to 48 women
- We gave 10 women specialist counselling support

Young people's Services:

- We provided 48 young people with supported housing tenancies
- Over 75% of our younger clients were supported into education, training or employment

Education, Training and Employment

- We supported 161 of our clients to improve their skills, go into education or seek employment:
- 24 people gained a new qualification
- 27 people found employment

Service User Involvement

- 36 service users volunteered with SPEAR
- 5 service users qualified as Peer Mentors

Developments and New Areas of Activity

We implemented a new central government contract to extend our rough sleeper outreach service, together with shared supported housing and tenancy sustainment services, across five South West London Boroughs: Richmond; Wandsworth; Kingston; Merton; and Sutton.

We implemented a new Housing First pilot in Richmond and Wandsworth, funded by the Mayor of London, providing a higher level of support to homeless people with complex needs living in independent accommodation.

We launched a new homelessness prevention service working in Kingston, Merton and Sutton. The SPEAR team identify single people and families at risk of homelessness and provide them targeted support to help them sustain their tenancies.

We implemented our re-modelled Homeless Health Link team with new funding from Big Lottery Fund.

We increased the number of supported accommodation units we offer by six during 2017/18 and four subsequently

Quintus Housing Trust, (QHT):

On 31st October 2016, SPEAR became the Corporate Trustee of QHT. The Charity Commission issued an amending Scheme in December 2017 and in July 2018 issued a further amending Scheme and an Order to unify the direction of QHT and SPEAR. Subsequently on the 20th August 2018 trustees made a number of resolutions. The effects of these changes are:

- SPEAR and QHT share the same charitable objects
- The unrestricted reserves of QHT have been combined with those of SPEAR following the year end
- The QHT permanent endowment (properties and banked funds) remain a distinct Trust which can only be used to acquire properties to accommodate people in a condition of need, hardship or distress. This fund will be shown as a restricted fund in the SPEAR accounts from 31 March 2019 onwards.

- Rental income from QHT properties will be recognised as SPEAR income, however SPEAR will be required to designate an appropriate level of reserves to maintain the properties.
- In accordance with section 280 of the Charities Act 2001, SPEAR trustees changed the name of QHT to the "SPEAR Endowment Trust" (SET).
- QHT will not publish separate annual accounts for financial years ending after 31 March 2018, although QHT financial performance will be included in the SPEAR accounts from the year ending 31 March 2019 onwards.

The financial implications of the changes above are described in Note 21 of the financial statements below.

SPEAR Service User Involvement and Satisfaction

We have increased service user involvement across SPEAR: we have a growing number of employees with lived experience of homelessness, including peer mentors; we have increased client volunteering and operate a service user involvement group; service users have made valuable contributions to a range of management and service delivery projects including our most recent annual service user survey, (which SPEAR clients helped design and implement).

Over 50 SPEAR clients in our supported accommodation services provided the following feedback about SPEAR services:

- 88% of clients surveyed reported that they could see their keyworker as often as needed
- 83% of clients surveyed reported that they could talk about any issue with their keyworker
- 90% of clients surveyed reported that they felt well supported by their key worker
- 95% of clients surveyed reported that they were happy with the service they were receiving
- Service users asked us to increase and vary how we communicate service user involvement across all SPEAR services

Our Volunteers and Supporters

We wouldn't be able to help the lives of the homeless people we do without the incredible support of our volunteers and supporters:

132 people volunteered for SPEAR in 2017/18, donating 4,772 hours of their time at a value of £49,869. This included 300 hours of volunteering from local businesses and 470 hours of volunteering from SPEAR service users.

Volunteer roles include fundraising, receptionists, donations coordinator/collector, yoga instructor, women's support worker, ear acupuncture, befriending & mentoring, outreach volunteer, arts & crafts tutor, personal stylist, hairdresser, literacy tutor and SPEAR ambassadors talking about homelessness and SPEAR's work in community settings.

We celebrated SPEAR's 30th Anniversary in 2017, holding an event of readings and performances by SPEAR staff and clients, past and present, a debate with our patron Sir Vince Cable, and screenings of short films about homelessness and SPEAR. The event was co-produced with SPEAR clients and was made possible through the generous support of SPEAR volunteers.

Our Online Profile

SPEAR's online profile has increased in 2017-18:

- The SPEAR website received over 20,000 visitors, (approximately doubling over the last two years)
- The SPEAR Twitter account has 1,604 followers
- The SPEAR Facebook page has over 2,000 followers
- The SPEAR Instagram account has over 300 followers

Beneficiaries of our services

SPEAR supports homeless people in South West London.

The causes of street homelessness are often traumatic as is the experience of being street homeless. The average age at which rough sleepers die is 47. The majority of rough sleepers will experience crimes or violence being committed against them. For these reasons, one of the key outcomes of our work is a reduction in street homelessness.

We also work with young homeless people and people at imminent risk of homelessness, often addressing family, financial and other social problems.

Our work involves supporting homeless people struggling with mental health, physical health and addiction problems.

Our young peoples' services support young homeless peoples' transition into adulthood.

Our women's services also offer safe accommodation and support from female staff experienced in supporting our clients address issues including domestic violence.

We offer our beneficiaries supported and independent accommodation together with a range of support services to enable our clients to live independently and pursue their personal goals and aspirations.

Financial review

We would like to thank our donors and supporters for their contributions during a year in which SPEAR has increased the scale of its operations to meet growing demand from local homeless people.

We increased our expenditure for the year to £2,492,657 from £2,122,911 last year. This 17.4% increase in expenditure reflects growth in accordance with our three year strategy, with increased activity and continuous support for established housing schemes and a rough sleeper service which operates across the London Boroughs of Richmond, Merton, Wandsworth, Kingston and Sutton.

Analysis of our expenditure shows that we spent 76% on charitable activities, 17% on support costs, 5% on fundraising, and 2% on governance.

Total incoming resources for the year increased from £1,930,335 to £2,578,720 – a 33% increase (£648,385) from the previous year. This arose principally from new rough sleeper services across the Boroughs of Richmond, Merton, Sutton, Kingston and Wandsworth together with the new Fresh start service in Kingston. The majority (90%) of our income is from local authorities and charitable trusts funding particular services. The fundraising department raised restricted income totalling £286,382 via charitable trusts and donations. The unrestricted income raised by fundraising department, excluding legacies, has increased by 14% from £140,946 to £160,891. This income was raised via individuals, community groups and the business community and provides much needed income to ensure our viability as a charity.

The unrestricted surplus for the year has been added to unrestricted reserves to support future activity.

The total funds increased by 18% from £488,550 to £574,611.

Principal risks and uncertainties

SPEAR's Audit & Risk Committee reviews major risks facing the charity. The committee reviews a Risk Map and Management Plan, drafted by the Senior Management Team on a quarterly basis, updating the full Trustee Board as required. In 2017–18, the following key risks identified were:

- A reduction in our unrestricted reserves as a proportion of turnover, that resulted from continued growth in funding to expand our charitable activity. Actions to mitigate the impact of this risk included: creating a surplus budget for 2018–19; unifying the direction of SPEAR and QHT
- Health & Safety. Following the Grenfell Tower tragedy all possible steps were taken to mitigate fire risks, this included: a review of our H&S policy, ensuring integrated smoke alarms were installed in all properties; reviewing the quality of fire doors and other fire safety equipment; seeking specialist advice from an external Health & Safety expert on fire safety.

Reserves policy and going concern

Trustees have examined the requirement for free reserves i.e. unrestricted funds not invested in tangible fixed assets or designated for specific purposes. Trustees are aiming at free reserves to cover operational activities from unrestricted income for at least 3 months. As of 31 March 2018, unrestricted free reserves excluding funds in fixed assets

totalling £436,060 represented approximately 2.3 months of average expenditure. This has since increased to 6 months cover.

The Reserves Policy is reviewed annually by the Audit and Risk Committee and approved by the Trustees.

Restricted Funds may only be used for the purposes specified by the donor and only expenditure meeting these criteria is allocated to each fund. Any grants which remain unspent at the year-end will be held as restricted reserves subject to any specific funding terms attached to the grants. These may only be used for the projects in accordance with the terms of the grants received.

Fundraising practices review

All fundraising practices are framed within the values and principles of the organisation. Where expenditure is required to generate income, there is an analysis of the return on investment to ensure the organisation is able to make informed decisions regarding activities.

The SPEAR fundraising team are internal and the organisation does not use external professional fundraisers. We do not employ the services of any fundraising agencies or third parties, nor have we run a telephone or door to door fundraising campaign. Our relationship with our supporters is very important to us and we do not wish for our supporters to feel under any pressure to donate to the charity. Where we partner with corporates, due diligence is conducted on the organisations and the amount of time and effort we as a charity needed to put in, versus the income we would likely receive. Clear parameters and responsibilities are then agreed between partners.

We have ensured we are in line with the GDPR data protection regulations and all other relevant codes of conduct. Our privacy statement can be found on our website at the link below

<https://www.spearlondon.org/wp-content/uploads/2018/09/Volunteer-Privacy-Notice.pdf>

We received no complaints about our fundraising practices in 2017-18.

Plans for the future

Looking ahead, we are planning to consolidate our service provision and partnerships across South West London by:

- Acquiring properties to provide more independent accommodation to homeless people
- Leasing properties to provide more shared supported housing schemes
- Increasing office space to accommodate the increase in employee numbers
- Reducing the number of people rough sleeping, particularly during the winter periods
- Increasing the number of current and ex-SPEAR service users volunteering and working at SPEAR
- Reviewing how technology can improve service delivery and the efficient management of the charity

Structure, governance, management and remuneration policy

The organisation is a charitable company limited by guarantee, incorporated on 11 October 2007 and registered as a charity on 7 January 2008.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

The Board comprises of 11 members. No trustees received remuneration for their roles or were paid for any other activity relating to the charity in the year.

Last financial year the Board was supported in discharging these responsibilities through an Audit and Risk Committee. In March 2018 the Board implemented two additional committees: a Personnel & Quality Assurance Committee; and an Operations Committee. This change facilitates a greater depth of governance across all key areas of the charities activities, finances and internal infrastructure, policies and procedures.

Overall operational management of SPEAR is delegated to the Chief Executive. Throughout the year, the trustees, the Chief Executive and the wider Senior Management

Team monitored effectiveness and best practice. The Board approves SPEAR's strategic and annual business plans; annual budgets; extraordinary expenditure in excess of agreed limits; strategic decisions; policies; employment terms and conditions, remuneration levels of key management personnel with reference to existing pay scales within the organisation and the housing sector in which SPEAR operates; and all decisions relating to governance.

All trustees give their time voluntarily and receive no benefits from the charity. No expenses were reclaimed from the charity during the year.

In March 2018 trustees attended a training session in the recently published Charity Governance Code and wider best practice, Charity Commission guidance, and relevant legislative changes. The training was facilitated by our audit partners Sayer Vincent and NCVO and included: incident reporting, trustee responsibilities in respect of fundraising, fundraising disclosures, cyber attack, fraud, trustee illegibility.

At this session trustees also undertook a self-evaluation against the principles of good governance, (leadership, integrity, decision making & risk control, board effectiveness, diversity, openness & accountability) using the NCVO Governance Wheel tool (<https://www.ncvo.org.uk/practical-support/consultancy/governance-and-trusteeship-consultancy>). The trustees' self-assessment scores were 7 out of 10 or more across all of the principles of good governance, except diversity (which scored 6 out of 10). Trustees acknowledged that whilst there is a good level of diversity in respect of gender and professional and personal experience, diversity could be improved in respect of age, ethnicity and representation from the wider geographic areas in which SPEAR now operates. Trustees agreed that future trustee recruitment will aim to increase diversity within the Board.

Serious Incident Reporting

There are no incidents to report, as there has been: no loss of money or assets; no large donations from an unknown or unverifiable source; no links to terrorism or extremism; no damage to property; no suspicions, allegations or incidents of abuse involving beneficiaries; and no other significant incidents.

Appointment of trustees

New trustees are recruited through local advertising, and candidates are asked to attend an interview with the Chair and another trustee.

Trustee induction and training

On appointment, all Trustees undergo a formal induction process and training needs of trustees are reviewed regularly with a view to ensuring that trustees are kept up to date with their responsibilities.

Related parties and relationships with other organisations

SPEAR maintains no relations with, and no transactions were entered into with, related parties during the year 2017–18, with the exception of Quintus Housing Trust.

Remuneration policy

Pay and remuneration of the charity's key management personnel is set according to SPEAR's Remuneration Policy and Procedure, which applies to all employees, is regularly reviewed following external expert advice. The policy includes a pay scale, controls for pay increases and bonuses, and benchmarking with comparable roles. All staff are paid at least the London Living Wage.

Funds held as custodian trustee on behalf of others

The charity holds no funds on behalf of others as custodian.

Statement of responsibilities of the trustees

The trustees (who are also directors of SPEAR for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements.

The trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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
- 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

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

Trustees' annual report

For the year ended 31 March 2018

United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2018 was 11 (2017: 9). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 11 December 2018 and signed on their behalf by:

Jack Stephen
Chair of trustees

THANK YOU

We would like to thank every donor of time, energy, financial support and gifts in kind given to SPEAR in 2017/18. Supporters have been involved in supporting our work in so many ways: running, cycling, organising events, holding sponsored snoozes.

We would like to thank the following corporate supporters, schools, community groups, and faith groups, who alongside individual donors and legacies raised over £165,000 for SPEAR in 2017–18. Particular thanks to St George PLC who raised over £35,000 for SPEAR through a tag rugby tournament (involving SPEAR clients and other activities).

Over 200 organisations donated financially or through gifts in kind in 2017–18, including: All Hallows Church; Capstan Limited; Christ Church Teddington; Half Way event; Holy Trinity Church Twickenham; Invesco Ltd; Kew Fete; Kew Rotary; Kew Village Market; King's House School; Kingston Round Tables; Orleans Park School; Parish Church of St Anne, Kew; Richmond Choral (Elijah concert); River Church Sutton; Riverside Vineyard Church, St Andrew's Parish Church Ham; St Elizabeth of Portugal RC Church; St James's Parish Church Hampton Hill; Surbiton High Girl's Prep School; True Beauty Salon; Hands Fair.

We are also generously supported by charitable Trusts, who donated over £350,000 and have funded some of the core running costs of SPEAR, (including our Volunteering Officer) as well as many areas of our charitable activity, including: our rough sleeper outreach service; homeless health link service; education, training and employment service; our young people's services; our peer mentoring service.

We would like to thank all of the Trusts who have generously supported SPEAR: Barnes Workhouse Fund; Big Lottery Fund; Charlotte Wade Charity; Clare King Charitable Trust; Hampton Fuel Allotment Charity; Richmond Parish Lands Charity; Stephen Roberts Memorial Trust; The 29th May 1961 Charity; The Albert Hunt Trust; The Berkeley Charitable Foundation; The Drapers' Charitable Fund; The Monument Trust; The Peter Stebbings Memorial Charity; The Richmond Charities; The Wimbledon Foundation.

We have also been supported by over 200 individual donors who have given individual donations, standing orders and legacies. We benefited hugely from four individuals donating more than £1,000 to SPEAR and were grateful to receive over £5,000 in legacy donations.

Independent auditor's report

To the members of

SPEAR Housing Association Limited

Opinion

We have audited the financial statements of SPEAR Housing Association Limited (the 'charitable company') for the year ended 31 March 2018 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

Give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 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

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 other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for

Independent auditor's report

To the members of

SPEAR Housing Association Limited

the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements

The trustees' annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

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 trustees' remuneration specified by law are not made; or

We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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.

Independent auditor's report

To the members of

SPEAR Housing Association Limited

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report

To the members of

SPEAR Housing Association Limited

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Noelia Serrano (Senior statutory auditor)

18 December 2018

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

SPEAR Housing Association Limited

Statement of financial activities (incorporating income and expenditure account)

For the year ended 31 March 2018

| | Note | Unrestricted £ | Restricted £ | 2018 Total £ | Unrestricted £ | Restricted £ | 2017 Total £ |
|--|------|-------------------|-----------------|--------------------|-------------------|-----------------|--------------------|
| Income from: | | | | | | | |
| Donations and legacies | 2 | 166,307 | – | 166,307 | 149,876 | – | 149,876 |
| Charitable activities | 3 | 1,503,859 | 905,141 | 2,409,000 | 1,594,303 | 180,550 | 1,774,853 |
| Investments | 4 | 3,413 | – | 3,413 | 5,606 | – | 5,606 |
| Total income | | 1,673,579 | 905,141 | 2,578,720 | 1,749,785 | 180,550 | 1,930,335 |
| Expenditure on: | | | | | | | |
| Raising funds | 5 | 154,719 | – | 154,719 | 149,741 | – | 149,741 |
| Charitable activities | 5 | 1,494,752 | 843,186 | 2,337,938 | 1,756,768 | 216,403 | 1,973,171 |
| Total expenditure | | 1,649,471 | 843,186 | 2,492,657 | 1,906,508 | 216,403 | 2,122,911 |
| Net income / (expenditure) for the year | 6 | 24,108 | 61,955 | 86,063 | (156,723) | (35,853) | (192,576) |
| Net movement in funds | | 24,108 | 61,955 | 86,063 | (156,723) | (35,853) | (192,576) |
| Reconciliation of funds: | | | | | | | |
| Total funds brought forward | | 445,300 | 43,250 | 488,550 | 602,023 | 79,103 | 681,126 |
| Total funds carried forward | | 469,408 | 105,205 | 574,613 | 445,300 | 43,250 | 488,550 |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

SPEAR Housing Association Limited

Balance sheet

Company no. 06396687

As at 31 March 2018

| | Note | £ | 2018 £ | £ | 2017 £ |
|--|------|-----------|----------------|-----------|-----------|
| Fixed assets: | | | | | |
| Tangible assets | 10 | | 33,345 | | 2,838 |
| | | | 33,345 | | 2,838 |
| Current assets: | | | | | |
| Debtors | 11 | 370,969 | | 174,760 | |
| Short term deposits | | 93,954 | | 322,090 | |
| Cash at bank and in hand | | 245,526 | | 98,870 | |
| | | | 710,449 | | 595,720 |
| Liabilities: | | | | | |
| Creditors: amounts falling due within one year | 12 | (169,181) | | (110,008) | |
| Net current assets | | | 541,268 | | 485,712 |
| Total assets less current liabilities | | | 574,613 | | 488,550 |
| Total net assets | | | 574,613 | | 488,550 |
| The funds of the charity: | 15 | | | | |
| Restricted income funds | | | 105,205 | | 43,250 |
| Unrestricted income funds: | | | | | |
| General funds | | 469,408 | | 445,300 | |
| Total unrestricted funds | | | 469,408 | | 445,300 |
| Total charity funds | | | 574,613 | | 488,550 |

Approved by the trustees on 11 December 2018 and signed on their behalf by:

Jack Stephen
Chair of Trustees

SPEAR Housing Association Limited

Statement of cash flows

For the year ended 31 March 2018

| | Note | 2018 £ | £ | 2017 £ | £ |
|--|------|-----------------|-----------------|----------------|------------------|
| Cash flows from operating activities | | | | | |
| Net cash used in operating activities | 16 | | (37,713) | | (587,440) |
| Cash flows from investing activities: | | | | | |
| Dividends, interest and rents from investments | | 3,413 | | 5,606 | |
| Additions to fixed assets | | (47,180) | | (2,838) | |
| Net cash (used in) / provided by investing activities | | | (43,767) | | 2,768 |
| Change in cash and cash equivalents in the year | | | (81,480) | | (584,672) |
| Cash and cash equivalents at the beginning of the year | | | 420,960 | | 1,005,632 |
| Cash and cash equivalents at the end of the year | 17 | | 339,480 | | 420,960 |

1 Accounting policies

a) Basis of preparation

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) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

c) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

f) Expenditure and irrecoverable VAT

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 the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in encouraging third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of our charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

g) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. The cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

1 Accounting policies (continued)

h) Governance costs

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities. Governance costs are apportioned on the basis of staff time attributable to each activity, as outlined above.

i) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset is shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Fixtures & Fittings 3 years
- Computers & Equipment 3 years

l) Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

n) Creditors and provisions

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

o) Pensions

The pension contributions are paid into a Group Personal Pension Plan on behalf of all eligible employees who elect to have such a pension arrangement. This is an individual defined contribution arrangement. The charity's liability is limited to the employer's contributions.

2 Income from donations and legacies

| | Unrestricted £ | Restricted £ | 2018 Total £ | 2017 Total £ |
|-----------|-------------------|-----------------|--------------------|--------------------|
| Legacies | 5,416 | – | 5,416 | 8,931 |
| Donations | 160,891 | – | 160,891 | 140,946 |
| | <u>166,307</u> | <u>–</u> | <u>166,307</u> | <u>149,876</u> |

3 Income from charitable activities

| <u>Hostels</u> | Unrestricted £ | Restricted £ | 2018 Total £ | 2017 Total £ |
|---|-------------------|-----------------|--------------------|--------------------|
| <u>Penny Wade House Hostel</u> | | | | |
| Housing Benefit Income | 208,844 | - | 208,844 | 212,222 |
| London Borough of Richmond – Supporting People contract | 102,440 | - | 102,440 | 102,440 |
| London Borough of Richmond – Service Level Agreement | 96,868 | - | 96,868 | 96,868 |
| The Richard Tait Charity grant | - | - | - | 3,750 |
| Other Income | - | - | - | 8,466 |
| Sub total | 408,152 | - | 408,152 | 423,746 |
| <u>Wilton Road Hostel</u> | | | | |
| Housing Benefit Income | 209,068 | - | 209,068 | 168,156 |
| London Borough of Merton – Supporting People contract | 144,725 | - | 144,725 | 144,725 |
| London Borough of Merton – Housing Management | 12,890 | - | 12,890 | 12,890 |
| Other Income | 6,960 | - | 6,960 | 4,806 |
| Sub total | 373,643 | - | 373,643 | 330,577 |
| <u>Lower Grove Hostel</u> | | | | |
| London Borough of Richmond – Supporting People contract | 48,509 | - | 48,509 | 48,509 |
| Sub total | 48,509 | - | 48,509 | 48,509 |
| <u>Supported Housing Schemes</u> | | | | |
| <u>Sandycombe Road Supported Housing Scheme</u> | | | | |
| Housing Benefit Income | 48,268 | - | 48,268 | 39,363 |
| Richmond Parish Lands Charity Trust grant | - | 17,000 | 17,000 | 12,750 |
| Other Income | 16 | - | 16 | 1,268 |
| Sub total | 48,283 | 17,000 | 65,283 | 53,381 |
| <u>Heath Road Supported Housing Scheme</u> | | | | |
| Housing Benefit Income | 72,671 | - | 72,671 | 34,450 |
| Other Income | 300 | - | 300 | 4,652 |
| Sub total | 72,971 | - | 72,971 | 39,102 |
| <u>St John's Lodge Supported Housing Scheme</u> | | | | |
| Housing Benefit Income | 42,002 | - | 42,002 | 42,009 |
| Other Income | - | - | - | 3,613 |
| Sub total | 42,002 | - | 42,002 | 45,622 |
| <u>Vectis Road Supported Housing Scheme</u> | | | | |
| Housing Benefit Income | 47,995 | - | 47,995 | 25,205 |
| Other Income | - | - | - | 9,736 |
| Sub total | 47,995 | - | 47,995 | 34,941 |
| <u>Rosa House Supported Housing Scheme</u> | | | | |
| Housing Benefit Income | 42,799 | - | 42,799 | 23,419 |
| Richmond Parish Lands Charity Trust grant | - | 14,400 | 14,400 | 13,200 |
| Other Income | - | - | - | 3,029 |
| Sub total | 42,799 | 14,400 | 57,199 | 39,648 |

3 Income from charitable activities (continued)

| | Unrestricted £ | Restricted £ | 2018 Total £ | 2017 Total £ |
|---|-------------------|-----------------|--------------------|--------------------|
| <u>Barnard Road Supported Housing Scheme</u> | | | | |
| Housing Benefit Income | 47,272 | - | 47,272 | 42,444 |
| Other Income | - | - | - | 1,630 |
| Sub total | 47,272 | - | 47,272 | 44,074 |
| <u>Boyd Close Supported Housing Scheme</u> | | | | |
| Housing Benefit Income | 33,891 | - | 33,891 | 25,232 |
| Other Income | - | - | - | 1,035 |
| Sub total | 33,891 | - | 33,891 | 26,267 |
| <u>Other Services</u> | | | | |
| <u>Skills Development Service</u> | | | | |
| Hampton Fuel Allotment Charity grant | - | 20,000 | 20,000 | 18,250 |
| DCF Drapers Charitable Trust | - | 7,000 | 7,000 | - |
| The Albert Hunt Trust | - | 2,000 | 2,000 | - |
| London Community Foundation | - | 5,000 | 5,000 | - |
| The Peter Stebbings Memorial Charity | - | 2,550 | 2,550 | - |
| The 29th May 1961 Charitable Trust grant | - | 3,500 | 3,500 | 3,500 |
| The Richard Tait Charity grant | - | - | - | 21,250 |
| Streetsmart grant | - | - | - | 10,000 |
| Double O Charity Trust grant | - | - | - | 5,000 |
| Monument Trust grant | - | - | - | 20,000 |
| Other Income | - | 4,164 | 4,164 | - |
| Sub total | - | 44,214 | 44,214 | 78,000 |
| <u>Rough Sleeper Outreach Service</u> | | | | |
| London Borough of Richmond – Supporting People contract | 45,380 | - | 45,380 | 45,380 |
| London Borough of Richmond – Service Level Agreement | 68,220 | - | 68,220 | 68,220 |
| Barnes Workhouse Fund grant | - | 5,500 | 5,500 | 11,000 |
| Hampton Fuel Allotment Charity grant | - | 2,500 | 2,500 | 2,500 |
| Berkeley Foundation | - | 10,000 | 10,000 | 5,000 |
| Sub total | 113,600 | 18,000 | 131,600 | 132,100 |
| <u>Tenancy Sustainment Service</u> | | | | |
| London Borough of Richmond – Supporting People contract | 34,036 | - | 34,036 | 34,036 |
| London Borough of Richmond – Service Level Agreement | 49,955 | - | 49,955 | 51,165 |
| Sub total | 83,991 | - | 83,991 | 85,201 |
| <u>Fresh Start Service</u> | | | | |
| London Borough of Kingston | - | 225,000 | 225,000 | - |
| Other Income | 1,247 | - | 1,247 | - |
| Sub total | 1,247 | 225,000 | 226,247 | - |
| <u>Rough Sleeper Service (Sutton & Merton)</u> | | | | |
| London Borough of Merton | - | 177,970 | 177,970 | - |
| Sub total | - | 177,970 | 177,970 | - |

3 Income from charitable activities (continued)

| | Unrestricted £ | Restricted £ | 2018 Total £ | 2017 Total £ |
|---|-------------------|-----------------|--------------------|--------------------|
| <u>Rough Sleeper Service (Richmond, Kingston & Wandsworth)</u> | | | | |
| London Borough of Richmond | - | 193,125 | 193,125 | - |
| Sub total | - | 193,125 | 193,125 | - |
| <u>Greater London Authority Rough Sleeper Service</u> | | | | |
| Greater London Authority | - | 18,500 | 18,500 | - |
| Sub total | - | 18,500 | 18,500 | - |
| <u>South West London Resettlement Service</u> | | | | |
| South West London Housing Partnership Grant | - | - | - | 93,875 |
| Sub total | - | - | - | 93,875 |
| <u>Homeless Health Link Service</u> | | | | |
| Big Lottery Fund | - | 164,682 | 164,682 | - |
| London Borough of Richmond grant | - | - | - | 113,773 |
| Hampton Fuel Allotment Charity grant | - | - | - | 6,000 |
| Richmond Parish Lands Charity Trust grant | - | - | - | 7,500 |
| London Borough of Kingston grant | - | - | - | 5,000 |
| Barnes Workhouse Fund grant | - | - | - | 1,500 |
| Sub total | - | 164,682 | 164,682 | 133,773 |
| <u>Domestic Violence Service</u> | | | | |
| London Borough of Richmond grant | 89,930 | - | 89,930 | 89,930 |
| Sub total | 89,930 | - | 89,930 | 89,930 |
| <u>Volunteering</u> | | | | |
| Hampton Fuel Allotment Charity grant | - | 17,500 | 17,500 | 16,750 |
| Sub total | - | 17,500 | 17,500 | 16,750 |
| <u>Core Grants</u> | | | | |
| London Borough of Richmond – Supporting People contract | 15,831 | - | 15,831 | - |
| London Borough of Richmond – Service Level Agreement | 15,747 | - | 15,747 | - |
| Richmond Parish Lands Charity Trust grant | - | 14,750 | 14,750 | 22,600 |
| Other Income | 17,996 | - | 17,996 | - |
| Sub total | 49,574 | 14,750 | 64,324 | 22,600 |
| Total income from charitable activities | 1,503,859 | 905,141 | 2,409,000 | 1,738,095 |

4 Income from investments

| | Unrestricted £ | Restricted £ | 2018 Total £ | 2017 Total £ |
|-----------------|-------------------|-----------------|--------------------|--------------------|
| Interest earned | 3,413 | - | 3,413 | 5,606 |

| | Cost of raising funds £ | Hostels £ | Supported Housing Schemes £ | Homeless Healthlink Service £ | Skills Development Service £ | Rough Sleeper Outreach Service £ | Tenancy Support Service £ | Domestic Violence Service £ | South West London Resettlement Service £ | Fresh Start Service £ | Rough Sleeper Service (Sutton & Merton) £ | Rough Sleeper Service (Richmond, Kingston & Wandsworth) £ | Greater London Authority Rough Sleeper Service £ | Volunteering Service £ | Governance Costs £ | Support Costs £ | 2018 Total £ | 2017 Total £ |
|-------------------------------|----------------------------|----------------|--------------------------------|----------------------------------|---------------------------------|-------------------------------------|------------------------------|--------------------------------|---|--------------------------|--|--|---|---------------------------|-----------------------|--------------------|------------------|-----------------|
| Staff costs (Note 7) | 127,607 | 616,751 | 14,718 | 111,180 | 49,126 | 93,103 | 68,648 | 74,234 | - | 103,595 | 133,711 | 155,466 | 10,245 | 18,453 | - | 321,222 | 1,898,058 | 1,621,376 |
| Premises Costs | - | 97,320 | 248,273 | - | - | 590 | 436 | - | - | - | - | - | - | - | - | 61,574 | 408,193 | 360,757 |
| Infrastructure Costs | 1,368 | 8,327 | 10,363 | 21,875 | 775 | 1,908 | 1,410 | 750 | - | 16,141 | 3,182 | 4,097 | 76 | - | - | 43,974 | 114,246 | 76,318 |
| Fundraising Costs | 3,055 | - | - | 493 | - | 17 | 13 | - | - | 8 | - | - | - | - | - | 489 | 4,074 | 8,931 |
| Client Costs | 288 | 4,910 | 1,554 | 4,136 | 3,051 | 1,435 | 1,170 | - | - | 298 | 360 | 821 | - | - | - | 498 | 18,520 | 20,768 |
| Other Direct Costs | - | 209 | - | 103 | - | 9 | - | - | - | - | - | - | - | 502 | 47,131 | 1,612 | 49,566 | 34,762 |
| | 132,317 | 727,516 | 274,909 | 137,786 | 52,952 | 97,062 | 71,677 | 74,984 | - | 120,042 | 137,253 | 160,384 | 10,322 | 18,955 | 47,131 | 429,368 | 2,492,657 | 2,122,911 |
| Support costs | 20,338 | 150,031 | 74,914 | 23,604 | 8,370 | 19,095 | 14,113 | 13,884 | - | 32,237 | 38,074 | 31,336 | 4,020 | - | - | (429,368) | | - |
| Governance costs | 2,064 | 21,181 | 12,060 | 1,680 | 847 | 1,331 | 1,412 | 847 | - | 1,697 | 1,632 | 1,405 | 975 | - | (47,131) | | | - |
| Total expenditure 2018 | 154,719 | 898,728 | 361,883 | 163,070 | 62,169 | 117,488 | 87,202 | 89,715 | - | 153,976 | 176,959 | 193,125 | 15,317 | 18,955 | - | - | 2,492,657 | |
| Total expenditure 2017 | 149,741 | 931,924 | 395,188 | 157,771 | 91,981 | 136,942 | 102,459 | 62,882 | 69,559 | - | - | - | - | 24,468 | - | - | | 2,122,911 |

6 Net income / (expenditure) for the year

This is stated after charging:

| | 2018 £ | 2017 £ |
|---|-------------------|-------------------|
| Depreciation | 16,673 | 2,515 |
| Operating lease rentals: | | |
| Property | 268,140 | 243,210 |
| Auditor's remuneration (excluding VAT): | | |
| Audit | 9,600 | 9,520 |
| Other services | - | 7,750 |
| | <u> </u> | <u> </u> |

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2017: £nil). No charity trustee received payment for professional or other services supplied to the charity (2017: £nil).

Staff costs were as follows:

| | 2018 £ | 2017 £ |
|---|------------------|------------------|
| Salaries and wages | 1,553,765 | 1,390,027 |
| Social security costs | 149,861 | 117,893 |
| Staff Expenses | 14,656 | 10,112 |
| Temporary Staff | 100,685 | 46,911 |
| Staff Training/Support | 16,320 | 15,042 |
| Recruitment | 10,127 | 7,675 |
| DBS Checks | 1,448 | 1,366 |
| Volunteer Expenses | 208 | 105 |
| Employer's contribution to defined contribution pension schemes | 38,149 | 31,783 |
| Other forms of employee benefits | 12,842 | 461 |
| | <u>1,898,059</u> | <u>1,621,376</u> |

The following number of employees received employee benefits (excluding pension contributions and employer's national insurance) during the year between:

| | 2018 No. | 2017 No. |
|-------------------|-------------------|-------------------|
| £60,000 – £69,999 | - | - |
| £70,000 – £79,999 | 1 | 1 |
| | <u> </u> | <u> </u> |

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £183,441 (2017: £189,030).

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year

| | 2018 | 2017 |
|--|-------------|-------------|
| | No. | No. |
| Raising funds | 2.6 | 3.0 |
| Penny Wade House Hostel | 11.8 | 11.0 |
| Wilton Road Hostel | 7.8 | 6.0 |
| Lower Grove Road Hostel | 1.4 | 2.0 |
| Sandycombe Road Supported Housing Scheme | 0.4 | 1.0 |
| Heath Road Supported Housing Scheme | – | 1.0 |
| St John Lodge Supported Housing Scheme | 0.4 | 0.5 |
| Vectis Road Supported Housing Scheme | 0.4 | 1.0 |
| Rosa House Supported Housing Scheme | 0.4 | 0.5 |
| Barnard Road Supported Housing Scheme | 0.4 | 0.4 |
| Boyd Close Supported Housing Scheme | 0.4 | 0.4 |
| Homeless Healthlink Service | 3.8 | 4.0 |
| Skills Development Service | 1.8 | 2.0 |
| Rough Sleeper Outreach Service | 4 | 4.0 |
| Tenancy Support Service | 2.8 | 3.0 |
| Domestic Violence Service | 0.2 | 2.0 |
| South West London Resettlement Service | 9.0 | 4.2 |
| Trailblazers | 7.0 | – |
| Central Support | 9.4 | 9.0 |
| | 64.0 | 55.0 |

9 Related party transactions

During the year SPEAR recharged expenses of £123,390 to Quintus Housing Trust (2017: £29,082). There were no other related party transactions for 2018 (2017: none). There are no donations from related parties which are outside the normal course of business and no restricted donations from

10 Tangible fixed assets

| | Fixtures & fittings £ | Computer equipment £ | Total £ |
|--------------------------|-----------------------------|----------------------------|--------------------|
| Cost | | | |
| At the start of the year | 11,621 | 10,536 | 22,157 |
| Additions in year | 44,834 | 2,346 | 47,180 |
| At the end of the year | 56,455 | 12,882 | 69,337 |
| Depreciation | | | |
| At the start of the year | 8,783 | 10,536 | 19,319 |
| Charge for the year | 14,945 | 1,728 | 16,673 |
| At the end of the year | 23,728 | 12,264 | 35,992 |
| Net book value | | | |
| At the end of the year | 32,727 | 618 | 33,345 |
| At the start of the year | 2,838 | – | 2,838 |

All of the above assets are used for charitable purposes.

SPEAR Housing Association Limited

Notes to the financial statements

For the year ended 31 March 2018

| | | |
|-------------------|----------------|----------------|
| 11 Debtors | | |
| | 2018 | 2017 |
| | £ | £ |
| Trade debtors | 70,200 | 144,873 |
| Other debtors | 279,565 | 3,289 |
| Staff Loans | 1,542 | - |
| Prepayments | 12,662 | 18,748 |
| Accrued income | 7,000 | 7,850 |
| | <u>370,969</u> | <u>174,760</u> |

| | | |
|--|----------------|----------------|
| 12 Creditors: amounts falling due within one year | | |
| | 2018 | 2017 |
| | £ | £ |
| Trade creditors | 48,569 | 29,760 |
| Other creditors | 54,599 | 58,216 |
| Accruals | 63,733 | 22,032 |
| Deferred income | 2,280 | - |
| | <u>169,181</u> | <u>110,008</u> |

| | | |
|---------------------------------------|--------------|-----------|
| 13 Deferred income | | |
| | 2018 | 2017 |
| | £ | £ |
| Balance at the beginning of the year | - | 265,203 |
| Amount released to income in the year | - | (265,203) |
| Amount deferred in the year | 2,280 | - |
| Balance at the end of the year | <u>2,280</u> | <u>-</u> |

| | | | |
|--|----------------|----------------|----------------|
| 14a Analysis of net assets between funds (current year) | | | |
| | General | Restricted | Total funds |
| | unrestricted | £ | £ |
| | £ | £ | £ |
| Tangible fixed assets | 33,345 | - | 33,345 |
| Net current assets | 436,063 | 105,205 | 541,268 |
| Net assets at the end of the year | <u>469,408</u> | <u>105,205</u> | <u>574,613</u> |

| | | | |
|--|----------------|---------------|----------------|
| 14b Analysis of net assets between funds (prior year) | | | |
| | General | Restricted | Total funds |
| | unrestricted | £ | £ |
| | £ | £ | £ |
| Tangible fixed assets | 2,838 | - | 2,838 |
| Net current assets | 442,462 | 43,250 | 485,712 |
| Net assets at the end of the year | <u>445,300</u> | <u>43,250</u> | <u>488,550</u> |

15 Movements in funds (current year)

| | At 1 April 2017 £ | Income & gains £ | Expenditure & losses £ | At 31 March 2018 £ |
|-----------------------------------|-------------------------|------------------------|------------------------------|--------------------------|
| Restricted funds: | | | | |
| Core Charitable Services | - | 14,750 | (14,750) | - |
| Volunteering | 4,375 | 17,500 | (17,500) | 4,375 |
| Sandycombe Road Supported Housing | - | 17,000 | (17,000) | - |
| Rosa House Supported Housing | - | 14,400 | (14,400) | - |
| Skills Development Fund | 21,375 | 44,214 | (59,089) | 6,500 |
| Trainee Outreach Service | 2,500 | 18,000 | (18,000) | 2,500 |
| Fresh Start | - | 225,000 | (153,976) | 71,024 |
| DCLG (Sutton & Merton) | - | 177,970 | (176,959) | 1,011 |
| DCLG (Richmond, Kingston & GLA) | - | 193,125 | (193,125) | - |
| Homeless Healthlink | 15,000 | 164,682 | (163,070) | 16,612 |
| Total restricted funds | 43,250 | 905,141 | (843,186) | 105,205 |
| General funds | 445,300 | 1,673,579 | (1,649,471) | 469,408 |
| Total unrestricted funds | 445,300 | 1,673,579 | (1,649,471) | 469,408 |
| Total funds | 488,550 | 2,578,719 | (2,492,657) | 574,613 |

Purposes of restricted funds**The Core Charitable Services Support Fund**

This grant from the Richmond Parish Lands Charity Trust funds overheads including central services, head office and IT costs.

Volunteering

A grant from Hampton Fuel Allotment Charity funds a volunteering department in which volunteers are recruited, trained and supported in a range of roles throughout SPEAR.

Sandycombe Road Supported Housing Scheme

This grant from the Richmond Parish Lands Charity Trust funds a supported housing scheme for men in Richmond.

Rosa House Supported Housing Scheme

A grant from Richmond Parish Lands Charity funds a supported housing scheme for women in Richmond

The Skills Development Fund

Grants from 29th May 1961 Charity, Drapers Charitable Fund, Hampton Fuel Allotment Charity, Peter Stebbings Memorial Charity, The Albert Hunt Trust, The Monument Trust and The Wimbledon Foundation fund work supporting homeless young people and adults to develop their confidence and life skills, to undertake training and education, and to secure employment.

FRESH START

Grants from Kingston, Sutton and Merton fund an early intervention, homelessness prevention programme which is outreach and community based.

Notes to the financial statements

For the year ended 31 March 2018**15 Movements in funds (continued)****DCLG**

Government funding to reduce levels of rough sleeping as part of the Rough Sleepers Initiative strategy; supporting outreach and other measures.

GLA

One year project working with rough sleepers who have multiple or complex needs

Trainee Outreach Worker

Grants from Barnes Workhouse Fund, Berkeley Foundation and Hampton Fuel Allotment Charity fund a Trainee post in SPEAR's rough sleeper outreach service in Richmond.

Homeless Health Link service

Grants from Big Lottery Fund, Barnes Workhouse Fund, Hampton Fuel allotment Charity and Richmond Parish Lands Charity fund a service to improve the physical and mental health of people experiencing homelessness in Richmond and Kingston.

15b Movements in funds (prior year)

| | At 1 April 2016 £ | Income & gains £ | Expenditure & losses £ | At 31 March 2017 £ |
|--|-------------------------|------------------------|------------------------------|--------------------------|
| Restricted funds: | | | | |
| Core Charitable Services | 8,793 | 22,600 | (31,393) | – |
| Volunteering | 7,718 | 16,750 | (20,093) | 4,375 |
| Sandycombe Road Supported Housing | 8,500 | 12,750 | (21,250) | – |
| Rosa House Supported Housing | – | 13,200 | (13,200) | – |
| The Richard Tait Charity – Peer | – | 25,000 | (25,000) | – |
| Skills Development Fund | 14,438 | 56,750 | (49,813) | 21,375 |
| Trainee Outreach Service | 3,000 | 18,500 | (19,000) | 2,500 |
| Business Development | 30,000 | – | (30,000) | – |
| Pathway Project | 6,654 | – | (6,654) | – |
| Homeless Healthlink | – | 15,000 | – | 15,000 |
| Total restricted funds | 79,103 | 180,550 | (216,403) | 43,250 |
| Unrestricted funds: | | | | |
| Designated funds: | | | | |
| South West London Resettlement Service | 19,000 | – | (19,000) | – |
| Total designated funds | 19,000 | – | (19,000) | – |
| General funds | 583,023 | 1,749,785 | (1,887,508) | 445,300 |
| Total unrestricted funds | 602,023 | 1,749,785 | (1,906,508) | 445,300 |
| Total funds | 681,126 | 1,930,335 | (2,122,911) | 488,550 |

16 Reconciliation of net income / (expenditure) to net cash flow from operating activities

| | 2018 | 2017 |
|---|-----------------|------------------|
| | £ | £ |
| Net income / (expenditure) for the reporting period (as per the statement of financial activities) | 86,063 | (192,576) |
| Depreciation charges | 16,673 | 2,515 |
| Dividends, interest and rent from investments | (3,413) | (5,606) |
| (Increase) in debtors | (196,210) | (101,139) |
| Increase / (Decrease) in creditors | 59,173 | (290,634) |
| Net cash (used in) / provided by operating activities | (37,713) | (587,440) |

17 Analysis of cash and cash equivalents

| | At 1 April 2017 | Cash flows | At 31 March 2018 |
|--|--------------------|-----------------|---------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 98,870 | 146,656 | 245,526 |
| Notice deposits (less than three months) | 322,089 | (228,135) | 93,954 |
| Total cash and cash equivalents | 420,959 | (81,480) | 339,480 |

18 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

| | Property | | Equipment | |
|--------------------|-----------------|----------------|------------------|--------------|
| | 2018 | 2017 | 2018 | 2017 |
| | £ | £ | £ | £ |
| Less than one year | 207,195 | 212,600 | - | 1,450 |
| One to five years | 224,278 | 193,600 | - | - |
| Over five years | 35,253 | - | - | - |
| | 466,726 | 406,200 | - | 1,450 |

19 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

20 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

SPEAR Housing Association Limited

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2018

21 Post balance sheet events

Following a detailed review of the activities of Quintus Housing Trust (QHT), SPEAR, as corporate trustee, obtained agreement in July 2018 from the Charity Commission for changes to the governing scheme, and an order to unify QHT with SPEAR. This has resulted in QHT becoming a linked charity with SPEAR, and to reflect this, its name has now been changed to Spear Endowment Trust.

As a result of these changes, with effect from 1 April 2018, QHT donated in full its unrestricted funds of £3,376,093 to SPEAR. The remaining funds of QHT are held as permanent endowment, and the assets of these funds (properties and cash at bank) will remain within QHT as a distinct trust. These endowed funds can only be used to acquire and hold properties to accommodate people in a condition of need, hardship and distress.

With effect from 1 April 2018, QHT as a linked charity will no longer be required to publish its own accounts. The results of the Trust will be included in consolidated accounts, prepared by SPEAR for the year ended 31 March 2019, when the results and assets of the Trust will be shown as a separate restricted endowed fund.

Following these changes, SPEAR's unrestricted funds will increase, and SPEAR will prepare group accounts for the first time. In summary, with effect from 1 April 2018, SPEAR's funds will be as stated below:

Of this amount £ 1,250,000 has been designated as a property maintenance fund and £ 1,290,994 as a property development fund to cover works not eligible under SET.

SPEAR/QHT COMBINED RESERVES

| | SPEAR Restricted £ | Unrestricted £ | QHT General £ | Unrestricted Designated (Mtce) £ | Designated (Devt) | Restricted Endowment £ |
|---------------------------------------|-----------------------------------|---------------------------|------------------------------|---|--------------------------|---------------------------------------|
| Balance b/f 1st April 2017 | 43,250 | 445,299 | 2,587,817 | 884,359 | - | 4,016,311 |
| Net Income / expenditure for the year | 61,955 | 24,107 | (34,066) | (62,017) | - | (707) |
| Balance c/f 31st March 2018 | 105,205 | 469,406 | 2,553,751 | 822,342 | - | 4,015,604 |
| Reserve transfers post balance sheet | - | 835,099 | (2,553,751) | 427,658 | 1,290,994 | - |
| Post transfer balances | 105,205 | 1,304,505 | 0 | 1,250,000 | 1,290,994 | 4,015,604 |
| Summary | SPEAR £ | SET £ | | | | |
| Restricted | 105,205 | 4,015,604 | | | | |
| Unrestricted General funds* | 1,304,505 | | | | | |
| Designated Property Maintenance | 1,250,000 | | | | | |
| Designated Property Development | 1,290,994 | | | | | |
| Total | 3,845,499 | | | | | |

* Unrestricted general funds represent approximately 6 months revenue expenditure in accordance with the reserves policy.