



St Paul's Hostel

(A company limited by guarantee)

Report and Financial Statements

Year ended: 31 March 2018

Charity no: 1043921

Company no: 03009035

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Legal and administrative information

Company number: 03009035 (England and Wales)

Charity number: 1043921

Trustees:

R I Sykes	
A L Pettersen	- Resigned 04/02/2018
D J Morris	
P M Kiinsella	
P A Fowler	
C Bridges	
L A Latcham	- Resigned 31/08/2017
H N Watts	
K D Archer	
M A Rothwell	
I A Cook	- Appointed 10/04/2018
S Turner	- Appointed 21/08/2018

Chief Executive: Mr J Sutton

**Company Secretary
& Finance Manager:** D A Collins

Registered Office: Hillborough
Tallow Hill
Worcester
Worcestershire
WR5 1DB

**Independent
Examiners:** RD Accounting Limited
23 Mount Road
Fairfield
Bromsgrove
B61 9LN

Bankers:

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

The Royal Bank of Scotland
5-9 St Nicholas Street
Worcester
WR1 1UR

HR Advisor: June Mills HR Solutions

Chair's Report for the year ended 31 March 2018

This year marked 40 years since the foundation of St Paul's hostel in 1977. The highlight of the year was a visit by Her Royal Highness The Countess of Wessex on 9 November 2017.

The Countess was accompanied by Vice Lord Lieutenant of Worcestershire The Hon Lady Morrison and the High Sheriff of Worcestershire, Stephen A Betts of Kidderminster.

The Countess met residents, local dignitaries, Worcestershire partners, volunteers, friends and supporters of the charity in the hostel. The afternoon was styled as a Great British tea party with magnificent high tea provided by our Chef Gregg Dobson and his kitchen assistants, Jeremy Hyland, Filip Cupak and Karen Scattergood. The Countess chatted for over an hour, shared tea and listened to memorable poetry from several members of the Creative Group. Robin Sykes, one of the founding members of the charity, and resident Lillian Allen showed the Countess photographs from our archives. It was a very special afternoon and gave all at St Paul's a high profile recognition of fantastic individual and collective achievements.

Politically, homelessness has remained high on the agenda across the United Kingdom. All the major parties made commitments towards homelessness in their manifestos for the June 2017 General Election. The Homelessness Reduction Bill received Royal Assent and became an Act of Parliament in April 2018. This Act places new burdens on English councils so that everyone who is homeless or at risk of homelessness will have access to meaningful help, irrespective of their priority need status, as long as they are eligible for assistance. It is a positive piece of legislation and we will monitor its effectiveness over the coming year.

In the Autumn, our lobbying finally paid off with the establishment of a new City of Worcester Vulnerable People and Homeless Forum (CHF). With the support of the Bishop of Worcester, the Forum brings together many local charities involved in this arena alongside the City Council, the Police and the NHS. The Forum established a small steering group and agreed eight work streams that, taken together, will improve the coordination and collaboration of all organizations working together to tackle the City's homelessness issues. The ambition of the Forum is to become the primary vehicle for focusing joined-up solutions and marshalling limited resources to better combined effect in meeting the diverse needs of clients.

The Government has undertaken a consultation on the future funding for Supported Housing, led by the Ministry of Housing, Communities & Local Government (MHCLG) and Department of Work and Pensions, which will be an important piece of work on how the sector is funded. The MHCLG is expected to release the final policy in the summer of 2018.

The number of people becoming homeless continues to rise, while funding for homeless services has not kept pace with demand. We are seeing more people with increasingly complex needs and circumstances, as well as an increase in younger people who come to us for help.

The additional funding from Big Lottery Reaching Communities Fund has supported the additional counselling service, kitchen assistant training project and our investment in a co-designed training course in trauma, with the University of Worcester. The on-site counselling service received an uplift of funding from the Big Lottery which allows us to provide 22 hours of counselling per week, up from 15 last year. Sustaining these services, with alternative funding, will be a significant challenge when the funding ends in January 2020.

At the end of 2016, we began screening for Adverse Childhood Experiences (ACEs). This screening highlighted an association between a high level of ACEs – an average of seven across the 24 residents currently screened - all who have 'complex or multiple' needs. While not demonstrable causation of what some academics call 'multiple exclusion homelessness' (MEH) these high ACE scores suggest childhood adversity and a chronic form of homelessness might be strongly connected.

In the summer of 2017, we refurbished the hostel garden. With the help of RHS winner Christian Dowle from Malvern and a handful of residents, a tranquil space named by residents as the Stepping Stones Garden, has been created where residents are able to sit, read and talk. This was followed, in the early spring of 2018 with the transformation of an unloved parcel of hostel land adjacent to Midland Road being made into a productive kitchen garden. With raised beds, fruit bushes and trees the space ought to become full of fresh produce for our kitchen to use and provide a therapeutic activity.

We are now measuring the impact of the service transformation in a number of new ways. We now measure calls for police action at the hostel which has shown a sharp decrease in police assistance by 18% this year alone. This continues a steady fall from the high point in 2014, when police were called 208 times in that year, compared to 110 in 2017. This represents a fall of 47%. Likewise, the number of residents who left our services for poor behaviour has fallen sharply. Less than 10 people exited our service in 2017 contrasted against 82 in 2011. Over the coming year we will refine how we measure our impact.

A sharper emphasis on staff training and development has continued to improve staff morale. There are now four staff training and development sessions in the year. Guest speakers take part and topics that are linked to our three core tasks:

- Build psychological safety.
- Nurture and strengthen appropriate relationships and behaviours
- Connect people to the friendships, help and support they need to live an inter-dependent life.

This year we introduced a modest wellbeing scheme, from Westfield Health for all permanent staff, which supports staff staying healthy in the workplace.

Our evidence and day-to-day experience around ACEs allows us to influence community stakeholders about the nature of homelessness. This community engagement work saw the commissioning of a short video, new website about our work, as well as staff and service users talking to groups in the community. This year we have given community engagement talks to local police, paramedic students and several local churches, reaching over 300 people.

Working with new and wide-ranging external stakeholders has also raised our profile and levels of influence. Towards the end of the year, the County Council Health and Well Being Board considered ACEs and directed Public Health to host a county ACE event. Staff representing St Paul's Hostel were invited to speak alongside guest speakers from Public Health England, the University of Worcester and West Midlands Police. Over 100 people came to the event and an ACE action plan is being developed by Public Health to take the work forwards.

St Paul's is a member of the new Worcestershire-wide Fusion Partnership led by two housing associations. Fusion co-ordinates the delivery of tailored and joined-up support by its partners, by virtue of funding from the European Social Fund and Big Lottery Fund. The programme seeks to move the most disadvantaged people furthest from work, towards skills development and employment. This initiative has enabled St Paul's to host a full time Job Coach for a two-year term. Already, several beneficiaries are securing work placements, skills training and support towards new careers.

We anticipate that the Government's UK Policy framework towards homelessness will become clearer in 2019/2020. Positive changes are expected under the Homeless Reduction Act and there is a specific expectation of a government initiative on rough sleeping. After some slippage, it has been confirmed Universal Credit (UC) will roll out in Worcestershire in the autumn of 2018, again bringing another set of procedural and policy changes for the beneficiaries. That said, homelessness in all its forms continues to rise and we expect another challenging year across Worcestershire.

In presenting this annual report, I express my sincere and heartfelt thanks for everyone's conscientious efforts, professionalism and caring vocation whether as a resident, staff member, volunteer, Trustee or partner. Our culture has been substantially transformed during the last year with Trauma Informed Care at the heart of everything we do. Residents embark on their own individual transformations with tailored support to develop self-sufficient life and work skills. We are proud of the sense of family and community that we are cultivating at St Paul's hostel. The growing recognition and profile of St Paul's, alongside unprompted testimonials to our good work, is a fantastic testament to all.

Claire Bridges

Claire Bridges - Chair

Date *14 November 2018*

Trustees' Annual Report for the year ended 31 March 2018

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2018. The trustees have adopted the provisions of 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).

Structure

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The organisation is a charitable company limited by guarantee incorporated on 12 January 1995. The company was established under a Memorandum of Association which defines the company's objects and is governed under its Articles of Association. In the event of the company being wound up the members are required to contribute an amount not exceeding £1.

St Paul's Hostel was an unincorporated charity prior to incorporation, whose activities began in 1977. The objects of the unincorporated body were broadly similar to the current charity.

Governance and Management

St Paul's Hostel has a Council of Trustees which meets on a regular basis. In 2017/2018 it met seven times to develop strategy and policies for the organisation to fulfil its objects. In addition to the members of the Council of Trustees, the Chief Executive and Finance Manager attend Council meetings. A General Purposes and Finance Sub-Committee was established in October 2012 in view of the expansion of services being offered and to enable more detailed discussion on the figures outside of the full Trustees meetings. There were six meetings in the period.

The Trustees delegate the responsibility for the day to day operation of the charity to Management staff led by the Chief Executive. In addition to the full and part time staff, the charity also uses volunteer workers whose value cannot be measured in terms of cost. The volunteers are under the supervision of the Skills Development and Community Engagement Manager who coordinates volunteers and their continued support is invaluable.

The Quality Assurance and Support Manager role was re-titled to Trauma Informed Practice Manager this year to better reflect our shift towards a trauma informed ethos. On departure of the long-standing full time Administrator role in June 2017, the post was split into two part time roles: Administrator and Finance Officer. This decision was taken to provide a more flexible service particularly with the anticipated changes under Universal Credit. The Hospital Discharge Coordinator role was transferred to Worcester City Council on 31 March 2018 funded by Worcester Acute Hospital Trust for a further two years.

At the present time, the staff consists of:

▪ 1 Chief Executive	St Paul's
▪ 1 Housing Services Manager	St Paul's
▪ 1 Trauma Informed Practice Manager	St Paul's
▪ 2 Senior Housing Support Workers	St Paul's
▪ 5 Housing Support Workers (full and p/time)	St Paul's
▪ 3 Domestic (part time)	St Paul's
▪ Up to 6 Relief Workers (part time)	St Paul's
▪ 1 Administrator (part time)	St Paul's
▪ 1 Finance Officer (part time)	St Paul's
▪ 1 Finance Manager (part time)	St Paul's

Projects and additional services

- 1 Chef and Catering Manager funded by Big Lottery
- 2 part time Kitchen Assistants funded by Big Lottery
- 1 Skills Development and Community Engagement Manager funded by the Big Lottery
- 1 Job Coach funded by ESIF/Big Lottery under the BBO programme

In addition the staff are supported by up to 120 food servers, 2 befrienders, 1 driver and 1 life skills volunteer, who perform a variety of tasks, including befriending, serving meals, activities with the clients and fundraising.

Recruitment and appointment of new trustees

The directors of the company are also the charity trustees for the purposes of charity law and under the company's Articles are known as "Trustees". The Board of directors is referred to as the "Council of Trustees".

Every member currently contributes £1 and from the membership is elected the Council of Trustees who in their turn may appoint a Management Committee to organise the day to day running of the charity. The Council of Trustees in office during the year is shown on the previous page together with the legal details of the charity.

The Chair may hold office for a period of no longer than three years and then must retire. The incumbent Chair cannot be re-elected. The Vice Chair may hold office for no longer than three years and similarly retire, but could stand for election as Chair. The secretary and one third of other Council members must retire at each Annual General Meeting but may offer themselves for re-election.

The Management Team is supported by the Finance and General Purposes sub-committee of Trustees who make recommendations to the Board of Trustees on finance, property, strategic planning and human resources matters and execute any delegated matter set by Trustees.

The Council of Trustees is aware of the specific needs of the charity's client group and the balance of expertise of existing trustees. Potential new Trustees are identified by the Trustees, often from the large pool of volunteers and are invited to offer themselves for election to the Council.

Induction and training of new trustees

Most Trustees are already aware of the charity's work prior to their appointment and indeed the profile of the charity and its work is the primary motivation to volunteer. The Trustees have adopted a Trustee induction policy, which includes ensuring new Trustees are aware of their duties as charity trustees and company directors as well as giving them an opportunity to get to know the charity, its projects and finances, by meetings with the Chair, Chief Executive and Finance Manager and by visits to the various projects. They have available up to date guidance on responsibilities for being a Trustee published by the Charity Commission.

Risk management

There is an up to date Risk Management Policy. Risks are identified, assessed and controlled with some High Probability and/or High Impact risks being elevated from the Leadership and Management Team to the Finance Sub-Committee, or the Board of Trustees. Monitoring procedures have been put in place to evaluate on a continuing basis, levels of risk exposure and to review at a Board (strategic) and Leadership and Management (operational) level.

Objectives and aims

The principal activity of the company, in the year under review, was that of providing direct access accommodation for the single homeless. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our objectives and activities and in planning our future activities. In particular the trustees consider how planned activities will contribute to the objectives and aims they have set.

The main objective of the charity is as follows: "to provide relief either generally or individually of persons in the Midlands who are suffering from homelessness, poverty or are in conditions of need, hardship or distress particularly but not exclusively by the provision of accommodation and related support services."

Our vision is: *That everyone has a place where they belong.*

Our mission is: *To help people live through homelessness.*

Our values are:

- a. Respect for others. We will always treat people in the way we would want to be treated ourselves.
- b. People can change. With encouragement, perseverance and through appropriate relationships, people can change.
- c. Fairness. We will treat everyone in our services fairly. This means we will do our very best to get everyone what they need. Being fair does not mean everyone will always get the same things, as it depends on a person's assessed need.
- d. Self-help. Individual responsibility for change is important, if change is to occur.

- e. Knowing our limits. We know what we are good at and what we are not. There are limits to the help we can offer and where we cannot help, we always explain why.
- f. The Community. The individual is important but we have a bias towards the well-being of the community.
- g. A strength-based approach. In helping people we take into account what a person has and what they can do, rather than what they do not have and what they cannot do.

Achievements and Performance

Summary of main achievements;

- a. The hostel accommodation has helped over 200 people this year. Hostel occupancy levels have remained higher than the previous year. This has made a difference with the prevention of street homelessness, with benefit to the public in Worcestershire and Worcester City.
- b. Provision of Cognitive Behavioural Therapy (CBT) counselling to over 50 people. Access to the counselling does not require a referral to NHS and the average waiting time is under 7 days.
- c. Five residents have taken part in our kitchen assistant scheme.
- d. Hosting HRH Countess of Wessex and dignitaries for an official visit.
- e. The establishment of a Worcester City Homeless Forum
- f. Raising public awareness of homelessness through Community Action and Community Engagement events and dialogue with County Council Public Health. This year we have met over 300 people at our events.
- g. Over twenty beneficiaries engaging in Creative Group activities such as poetry, arts, or music based-activities including a small performance for the HRH Countess of Wessex.

How our activities deliver public benefit

The main areas of activity and whom we try to help are described below. Also, we aid people who find themselves needing help to alleviate drug or alcohol addiction, often closely related to rough sleeping or homelessness.

The capabilities we have to meet these objectives include safe and secure accommodation, individual and group counselling, life skills training, job coaching and training.

St Paul's Hostel

St Paul's hostel is central to our service. It has facilities for 46 people plus two self-contained resettlement flats on the same site. The Hostel is open 24 hours a day and provides accommodation, mostly single rooms, nutritious food and tenancy support. The Project Workers (often called Support Workers) undertake tasks to help people manage their accommodation and build self-efficacy in order to establish themselves as able to live an inter-dependent life.

St Paul's Resettlement Service

St Paul's own 2 properties and rent 3 Houses of Multiple Occupation (HMO) that are known as resettlement properties. These 20 beds provide the next step from the hostel, using the *Housing Ready* philosophy. From this stage, staff offer Housing Management services to help a person retain the tenancy, building resilience and self-efficacy.

Bromyard Road Community House

The change in funding provided the opportunity to re-configure the service we offer. Housing Management is now the core service, with supplementary employment services and group counselling. The property remains alcohol and drugs free. It was appropriate to mark the decommissioning of the previous service by re-naming the service as the *Bromyard Road Community House*. Up to six people are now accommodated (one double room was deemed old fashioned in the new service) and beneficiaries are carefully selected to join the community.

St Paul's Tree of Life Project

Life skills services are available to people who need help with numeracy, literacy and digital skills. Creative writing and poetry are also offered. These are now incorporated within the Big Lottery funded Tree of Life project. Additional small sums, by public donations or small grants from Public Service or Trust Funds enhance the services on offer.

The Tree of Life Big Lottery Project funds a full time Skills Development and Community Engagement Manager who sources and delivers these skills. The Creative Group (it can be considered a 'homeless survivors group') have continued to strengthen links with the Canal and River Trust, undertaken litter picks with the local canal and hosted photography and poetry evenings. The project also includes the training and development of beneficiaries to become Kitchen Assistants as a way out of homelessness into work.

St Paul's Counselling Service

The in-house CBT counselling service provides almost immediate access to an accredited counsellor for crisis intervention or therapy. We were successful in demonstrating an increased demand and the Big Lottery uplifted the funding by 7 hours to 22 hours per week, thereby over 1000 hours has been available. Service utilization is above 94% and the increasing waiting time has reduced as a result of the additional resources.

Hospital Discharge

Discharge from hospital for a person with No Fixed Abode can create homelessness. The hospital discharge coordinator was transferred to Worcester City Council on 31 March 2018 but funded by Worcestershire Acute Hospital Trust.

Job Coach Service

St Paul's employed a Job Coach from the end of last financial year as part of the county network of VCS based Job Coaches. The role works with beneficiaries across our services to support them into tailored skills development, work placements and employment

Financial Review

The restructuring of the last year has created a balanced budget. The key financial risk this year is the uncertainty of supported housing with a DCLG funding review not expected before summer of 2018.

Plans for future periods

Our future plans will focus on:

- Deliver Trauma Informed services that meet the need and generate positive outcomes
- Influence the County and District Homeless and rough sleeping strategies
- Strengthen the Worcester City Homeless forum.
- Delivery of the objectives of the Big Lottery Tree of Life project
- Delivery of BBO 3 Job Coach Service.
- Enhance our reputation to change attitudes
- Sustainable funding and capital investment so we can help people in the future

Reserves policy

The Trustees have reviewed the charity's needs for reserves in accordance with the guidance issued by the Charity Commission and have taken into account the desirability of holding sufficient funds to meet unexpected disruption of the income flow. The level of 'free reserves' (excluding designated funds and revaluation reserves) is £614,556 (£615,897). This equates to around eight months expenditure based on total expenditure for 2017/18. The Trustees consider that these reserves are at a realistic level to ensure the effective and efficient running of the charity.

Related Parties

None of our trustees receive remuneration or any benefit from their work with the charity. Any connection between a trustee or senior management of the charity with any grant providers, customers, suppliers or beneficiaries must be disclosed to the board of trustees.

The trading subsidiary, Re-Homed Pro-R-Te Limited (trading as Second Chance Furnishings) ceased trading in July 2017 due to insufficient funding and cutbacks in local authority funding.

The trustees and management also aim to maintain and develop sustainable relationships with local authorities and other charities/organisations as required.

Trustees' responsibilities

The trustees (who are also directors of St Paul's Hostel 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 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 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 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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by Board of Trustees on ... 14 November 2018

Claire Bridges Claire Bridges - Chair

Independent Examiner's report to the Trustees of St Paul's Hostel

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2018, which are set out on pages 11 to 23.

Responsibilities and basis of report

As the charity trustees of the company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

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

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

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



Richard Dunkley FCCA CTA
RD Accounting Limited
23 Mount Road
Fairfield
Bromsgrove
B61 9LN

Date:

20/11/2018

Statement of Financial Activities (including summary income and expenditure account) for the year ended 31 March 2018

		Unrestricted funds	Restricted funds	2018 Total funds	2017 Total funds
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	39,413	12,072	51,485	50,712
Charitable activities	4	624,067	207,582	831,649	688,363
Investment income	3	<u>13,272</u>	<u>-</u>	<u>13,272</u>	<u>12,923</u>
Total income		676,752	219,654	896,406	751,998
EXPENDITURE ON					
Direct charitable activities	5	551,404	197,240	748,644	723,714
Central overhead costs	6	<u>125,449</u>	<u>25,119</u>	<u>150,568</u>	<u>178,158</u>
Total expenditure		676,853	222,359	899,212	901,872
Net income/(expenditure)		(101)	(2,705)	(2,806)	(149,874)
Transfers between funds	21	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net incoming/(outgoing) for the year before other recognised gains and losses		(101)	(2,705)	(2,806)	(149,874)
Gains/(losses) on revaluation of investments	14	<u>6,550</u>	<u>-</u>	<u>6,550</u>	<u>48,348</u>
Net movement in funds		6,449	(2,705)	3,744	(101,526)
RECONCILIATION OF FUNDS					
Total funds brought forward	19	835,853	32,424	868,277	969,803
TOTAL FUNDS CARRIED FORWARD		<u>842,302</u>	<u>29,719</u>	<u>872,021</u>	<u>868,277</u>

Company registration number: 03009035

Balance Sheet as at 31 March 2018

		Unrestricted funds	Restricted funds	2018 Total funds	2017 Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	11	23,077	-	23,077	20,492
Social investments	12	290,000	-	290,000	290,000
Investments	10	1	-	1	1
		<u>313,078</u>	<u>-</u>	<u>313,078</u>	<u>310,493</u>
CURRENT ASSETS					
Debtors	13	34,096	-	34,096	40,741
Investments	14	373,627	-	373,627	367,077
Cash at bank and in hand		<u>170,219</u>	<u>48,469</u>	<u>218,688</u>	<u>202,084</u>
		<u>577,942</u>	<u>48,469</u>	<u>626,411</u>	<u>609,902</u>
CREDITORS					
Amounts falling due within one year	15	(48,718)	(18,750)	(67,468)	(52,118)
NET CURRENT ASSETS		<u>529,224</u>	<u>29,719</u>	<u>558,943</u>	<u>557,784</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>842,302</u>	<u>29,719</u>	<u>872,021</u>	<u>868,277</u>
NET ASSETS		<u>842,302</u>	<u>29,719</u>	<u>872,021</u>	<u>868,277</u>
FUNDS	19				
Unrestricted funds				659,556	659,657
Revaluation reserve				182,746	176,196
Restricted funds				<u>29,719</u>	<u>32,424</u>
TOTAL FUNDS				<u>872,021</u>	<u>868,277</u>

For the year ending 31 March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The financial statements were approved by the Board of Trustees on 14.11.2018 and were signed on its behalf by:

Claire Bridges
C Bridges - Chair

Statement of Cash Flows for the year ended 31 March 2018

	2018	2017
	£	£
Net income / (expenditure) for year	(2,806)	(149,874)
Dividends receivable	(13,217)	(12,291)
Interest receivable	(55)	(632)
Depreciation and impairment of tangible fixed assets	10,800	14,053
(Increase) / decrease in debtors	6,645	51,772
Increase / (decrease) in creditors	15,350	(18,005)
Net cash flow from operating activities	<u>16,717</u>	<u>(114,977)</u>
Cash flow from investing activities		
Payments to acquire tangible fixed assets	(13,385)	(14,707)
Interest received	55	632
Dividends received	13,217	12,291
Net cash flow from investing activities	<u>(113)</u>	<u>(1,784)</u>
Net increase / (decrease) in cash and cash equivalents	16,604	(116,761)
Cash and cash equivalents at the beginning of the reporting period	202,084	318,845
Cash and cash equivalents at the beginning of the reporting period	<u>218,688</u>	<u>202,084</u>

**Notes forming part of the financial statements
for the year ended 31 March 2018**

1 Accounting policies

(a) Basis of preparation

The financial statements of the charitable private company (incorporated in England and Wales), which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

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 presented unless otherwise stated.

(b) Group Accounts

In accordance with section 139(2) of the Charities Act 2011 the trustees have opted to take the exemption from preparing group accounts for the year ended 31 March 2018. Details of the wholly owned trading subsidiary, Re-Homed Prop-R-Te Limited, can be found in the notes.

(c) Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

The charity does not currently have any endowment funds.

(d) Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Rental income in respect of the hostel and resettlement housing is included on an accruals basis in the period to which it relates.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

(e) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Where costs cannot be directly attributed to particular headings they are included in central overhead (support) costs. These include project management, finance, administration and general office overheads.

(f) **Investments**

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year. Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

(g) **Pension costs**

The charitable company operates a defined contribution scheme for the benefit of its employees. The costs of contributions are recognised as an expense in the period to which they relate.

(h) **Tangible fixed assets and depreciation**

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight-line basis over their expected useful economic lives as follows:

Freehold property	nil
Fixtures and fittings	over 4 to 5 years
Motor vehicles	25% on reducing balance

(i) **Finance and operating leases**

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred. No assets are currently held under finance leases.

(j) **Going Concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(k) **Tax**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(l) **Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(m) **Programme related social investments**

St Paul's owns two freehold properties, which are used as resettlement housing and thus specifically contribute to the charity's charitable purposes. These properties are held at market value provided this amount can be measured reliably otherwise they are measured at cost less any provision for diminution in value.

(n) **Donated Goods, Services and Facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised (refer to the trustees' annual report for more information about their contribution).

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

The charity currently pays a management charge to Fortis Living for the use of the hostel which amounts to £35,246 per annum. Given the unique nature of the property and it purposes a market rental can not be measured accurately and therefore there are no donated facilities transactions recognised in respect of this facility.

2 Income from donations and legacies

	2018 £	2017 £
Gifts and donations (see note 22)	35,623	31,234
Legacies	5,941	-
Gift Aid from trading subsidiary	3,671	4,536
Grants	<u>6,250</u>	<u>14,942</u>
	<u>51,485</u>	<u>50,712</u>

Grants received, included in the above, are as follows:

	2018 £	2017 £
Everson Trust	6,250	-
West Mercia Police	-	3,000
Tinder Foundation	-	2,500
Sanctuary Housing – Garden	<u>-</u>	<u>9,442</u>
	<u>6,250</u>	<u>14,942</u>

3 Investment income

	2018 £	2017 £
Dividends received	13,217	12,291
Deposit account interest	<u>55</u>	<u>632</u>
	<u>13,272</u>	<u>12,923</u>

4 Incoming Resources from Charitable Activities

	2018 £	2017 £
Housing Benefit Rent	524,651	500,085
Private Rent	97,226	95,489
Local Authority Grants & Service Contracts	33,061	53,801
Big Lottery Grants	142,176	35,319
Vestia Community Trust (Fusion)	32,345	-
Sundry Income	<u>2,190</u>	<u>3,669</u>
	<u>831,649</u>	<u>688,363</u>

The Big Lottery Fund granted St Paul's Hostel £379,085 over three years commencing 1 January 2017. The income has not been recognised in full due to the performance related conditions attached.

5 Direct expenditure on charitable activities

	2018	2017
	£	£
Hostel & Resettlement costs		
Salaries, NI & Pension	335,810	367,694
Rents	76,338	75,453
Utilities	58,557	41,667
Repairs & Renewals	20,999	24,830
Insurances	11,634	14,001
Telephone	3,432	5,239
Food Costs	46,367	48,938
Client Welfare	12,122	8,633
Counselling Costs	31,783	27,175
Cleaning Consumables	16,168	15,166
Other Costs	1,925	1,450
Bad Debt Provision	40,524	33,102
	<u>655,659</u>	<u>663,348</u>
	2018	2017
	£	£
Project costs		
Salaries, NI & Pension	51,563	47,067
Admin Costs	353	-
Travel	1,908	2,666
I.T. Costs	711	3,553
Direct Project Costs	34,693	-
Client Welfare	3,605	7,080
Other Costs	152	-
	<u>92,985</u>	<u>60,366</u>
Total direct expenditure on charitable activities	<u>748,644</u>	<u>723,714</u>

6 Central overhead / support costs

	2018	2017
	£	£
Salaries, NI & Pension	88,515	88,898
Office Costs	13,231	14,804
IT Costs	10,348	7,736
Legal, Consultancy & Professional fees	4,270	7,014
Subscriptions	2,400	3,076
Independent Exam and accountancy fees	634	6,148
Staff Training/Welfare	19,416	15,813
Redundancy	-	20,529
Staff Recruitment	210	-
Bank Charges	744	88
Depreciation & (profit)/loss on disposal of assets	10,800	14,052
	<u>150,568</u>	<u>178,158</u>

7 Net Incoming/(outgoing) resources

Net resources are stated after charging/(crediting):

	2018	2017
	£	£
Independent Examiner's fee	500	1,440
Fees for Accountancy Services	625	1,800
Estimated over provision of Auditors remuneration accrual	-	2,908
Depreciation - owned assets	10,800	14,052
Operating leases for property	76,338	75,453
Operating leases for equipment	7,340	5,042
Deficit on disposal of fixed asset	-	-
	<u> </u>	<u> </u>

8 Trustees remuneration and expenses

There were no trustees' remuneration or other benefits for the year ended 31st March 2018 nor for the year ended 31st March 2017.

There were no trustees' expenses paid for the year ended 31 March 2018 (2017: NIL).

9 Staff costs

	2018	2017
	£	£
Wages and salaries	442,800	513,726
Employers National Insurance	31,046	35,097
Defined contribution pension costs	<u>6,299</u>	<u>8,430</u>
	<u>480,145</u>	<u>577,253</u>

The average monthly number of employees during the year was 29 (2017: 33). The average number of full time equivalent employee was estimated to be 18 (2017: 21)

No employees received emoluments in excess of £60,000 during the year (excluding employer's pension contributions).

Total remuneration paid to key management personnel was £80,484 (2017: £80,403) during the year (excluding employers pension contributions).

The charity contributes to individual pension schemes, which are defined contribution pension schemes, and the amounts charged to the income and expenditure accounts for the year are as stated above.

Total redundancy / termination payments amounted to £NIL (2017: £20,529) and related to reduced funding available to support the positions.

10 Fixed Asset Investments – subsidiary company

The fixed asset investment relates to the charities subsidiary, Re-Homed Prop-R-Te Limited. St Paul Hostel holds 100% of the Ordinary share capital. The subsidiary's aggregate capital and reserves as at 31 March 2018 was £1 (2017: £1). The nature of business is second hand furniture collection/resale and the provision of the life skills training opportunities.. The subsidiary ceased to trade in July 2017.

There were no investment assets outside the UK.

11 Tangible Fixed Assets

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1st April 2017	166,517	11,750	178,267
Additions	13,385	-	13,385
Disposals	<u>(7,370)</u>	<u>-</u>	<u>(7,370)</u>
At 31st March 2018	<u>172,532</u>	<u>11,750</u>	<u>184,282</u>
DEPRECIATION			
At 1st April 2017	146,908	10,866	157,774
Charge for year	10,580	220	10,800
Eliminated on disposal	<u>(7,370)</u>	<u>-</u>	<u>(7,370)</u>
At 31st March 2018	<u>150,118</u>	<u>11,086</u>	<u>161,204</u>
NET BOOK VALUE			
At 31st March 2017	<u>19,609</u>	<u>884</u>	<u>20,493</u>
At 31st March 2018	<u>22,414</u>	<u>664</u>	<u>23,078</u>

12 Social Investments – programme related

	Freehold Property £	Totals £
COST OR VALUATION		
At 1st April 2017	290,000	290,000
Additions	-	-
Revaluations	-	-
Disposals	<u>-</u>	<u>-</u>
At 31st March 2018	<u>290,000</u>	<u>290,000</u>

A freehold property with an original cost of £40,880 was revalued to £150,000 on 31 March 2013 by the trustees following an offer from a third party to purchase the property.

13 Debtors: Amounts falling due within one year

	2018 £	2017 £
Trade debtors	13,008	22,589
Amounts owed by group undertakings	3,671	3,281
Other debtors	-	60
Prepayments and accrued income	<u>17,417</u>	<u>14,811</u>
	<u>34,096</u>	<u>40,741</u>

14 Current asset investments

	2018 £	2017 £
COIF Charities Investment Fund	<u>373,626</u>	<u>367,077</u>

The movement in the year of £6,550 is in relation to changes in market value, there were no disposals in the year. The original cost of the investment was £300,000.

15 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade Creditors	29,895	11,804
Accruals	7,230	12,540
Deferred Income (see following note)	18,750	17,660
Social Security & other taxes	8,618	9,236
Other creditors	2,975	878
	<u>67,468</u>	<u>52,118</u>

16 Deferred incoming resources

Incoming resources are deferred in accordance with section 5.24 of the Statement of Recommended Practice (FRS102) whereby income is subject to performance-related condition.

	2017 £	Received during the year £	Released to revenue £	2018 £
Big Lottery Fund – Reaching Communities	17,660	124,516	(142,176)	-
Eveson Charitable Trust – Support Worker	-	25,000	(6,250)	18,750
	<u>17,660</u>	<u>149,516</u>	<u>(148,426)</u>	<u>18,750</u>

17 Operating lease commitments

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

	2018 £	2017 £
Not later than one year	29,240	7,340
Later than one and not later than five years	92,132	27,603
Later than five years	8,467	14,636
	<u>129,839</u>	<u>49,579</u>

18 Related parties

Included within debtors is an amount totalling £3,671 (2017: £3,281) owed from Re-Homed Prop-R-Te Limited, a 100% owned trading subsidiary of St Paul's Hostel.

Sales to St Paul's Hostel totalled £2,730+ VAT (2017: £7,670 + VAT)

Profits Gift Aided to St Paul's Hostel totalled £3,671 (2017: £4,536).

19 Movement in funds

	<u>At 1.4.17</u>	<u>Incoming resources</u>	<u>Resources expenses</u>	<u>Gains and losses</u>	<u>At 31.3.18</u>
Unrestricted funds					
General fund	614,657	676,752	(676,853)	-	614,556
Infrastructure fund	45,000	-	-	-	45,000
Revaluation reserve	176,196	-	-	6,550	182,746
	835,853	676,752	(676,853)	6,550	842,302
Restricted funds					
Personalisation fund	14,847	-	(3,605)	-	11,242
Life Skills funding	4,920	5,822	(10,742)	-	-
Discharge Homeless	-	33,061	(33,061)	-	-
Big Lottery Fund	3,215	142,176	(126,914)	-	18,477
Sanctuary Garden Design Fund	9,442	-	(9,442)	-	-
Lottery – Fusion	-	32,345	(32,345)	-	-
Eveson Trust – Support Worker	-	6,250	(6,250)	-	-
	32,424	219,654	(222,359)	-	29,719
Total funds	868,277	896,406	(899,212)	6,550	872,021

20 Purpose of funds

Infrastructure fund

Improvements to the fabric of the buildings. The trust expect that some repairs and maintenance will be spent on owned resettlement housing during 2018/19.

Personalisation fund

Ad hoc and essential purchases of services or products that help people to develop self-efficacy. For example, train tickets to re-connect with relatives, or activates to build self-confidence.

Discharge Homelessness

A grant received from the local authority to fund the wages of a Hospital Discharge Coordinator role. This role was transferred to Worcester City Council on 31 March 2018, funded by Worcester Acute Hospital Trust for a further two years.

Big Lottery Fund

These funds are designated to the delivery of the agreed project outcomes as below:

- Outcome 1: A more tolerant community, because we have explained the causes and effects of homelessness and single homeless will feel less stigmatized.
- Outcome 2: Single homeless improve their numeracy, literacy and digital skills through attending the skill development activities in the project.
- Outcome 3: There will be an improvement in the self-esteem and self-confidence of single homelessness people who use the project.
- Outcome 4: Single homeless will improve their employment opportunities by using the project to improve their motivation and work readiness.

Sanctuary Garden Design Fund

To create a peaceful and relaxing outdoor space at the hostel for the residents.

Eveson Trust – Support Worker

A grant of £25K was received from Eveson Trust to finance the role of Trauma Informed Practice Manager for 12 months, to better reflect our shift towards a trauma informed ethos.

21 Material transfers between funds

No transfers between funds have been made this year.

22 Donations and gifts

Donations & Legacies Over £250	2018	2017
James William Creese legacy	5,941	-
Worcester Cathedral	3,603	-
CA4 Limited	3,000	4,000
West Mercia Police for Creative Group	-	3,000
Earlby Property Investment & Consultancy	2,700	-
Fund raising event for John McCabe	1,218	2,563
Rotary Club Donation	-	2,250
Hedley Foundation	2,000	-
Six Masters Charity	2,000	-
Aspire	-	1,873
St Peters Baptist Church	-	1,648
Virgin Just Giving - Sleep Out	-	1,403
Asda	-	1,227
Barclays re J McCabe	1,000	1,000
Six Masters' Charities	1,000	-

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Springmasters Ltd	1,000	500
Worcester Round Table	-	1,000
Gunnery Funeral Directors re John McCabe	-	780
Worcs City Parish Relief in Need	750	400
Mr & Mrs Drew (Diana & John)	700	-
Church of St Martins with St Peter	600	550
Worcester Warriors Collection	559	-
Donations re Mrs Joan Matthew's funeral	-	527
Clay & Associates Ltd	500	-
Provincial Grand Lodge of Worcestershire	500	-
The Rodway Family Charitable Trust	500	-
Worcester Beer, Cider & Perry Festival	500	-
Alan Stannah re Ginnie Russell	-	500
Estate of Mary Eileen Coleman	-	500
G Lowman	494	300
Shirley Hates Estate	-	400
Barbara Mitra	360	-
Worcs Race Course Festival	344	-
Mr & Mrs Grotefeld	343	-
Bayliss (Gloucester) Ltd	340	-
Hamish Donaldson	-	300
Bromyard Rd Methodist Church	300	300
Mr & Mrs Hayes	300	-
PCC of St Barnabas with Christchurch	300	-
Mr & Mrs Seyler	290	-
St Martin in the cornmarket	-	250
Faithful City Morris Men	250	-
Total Donations £250 and above	31,391	25,271
Anonymous Donations over £250	1,105	1,325
Anonymous, sundry smaller & personal donations	8,376	3,665
Gift Aid	665	973
Total Donations	41,537	31,234