

Company number: 4151312
Charity number: 1089987

Groundswell Network Support UK

(Operating as Groundswell)

Report and financial statements
For the year ended 31 March 2019



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Groundswell Network Support UK

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Groundswell Network Support UK

Reference and administrative information

For the year ended 31 March 2019

Company number 4151312

Charity number 1089987

Registered office and operational address 6th Floor St Matthews
Brixton Hill, London
London, England
SW2 1JF

Country of registration England & Wales

Country of incorporation United Kingdom

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:

Terry Hitchcock	Chair
Jenny Yates	Treasurer
Lynn Young	(resigned 8 th August 2019)
Steve Wyler OBE	
Laura Austin Croft	
Matthew Harrison	
Dr Alistair Story	
Josie Mavromatis	(appointed 31 st July 2018)
Susan Harrison	(appointed 31 st July 2018, resigned 22 nd July 2019)
Ian Lazarus	(appointed 30 th July 2019)
Louisa McDonald	(appointed 30 th July 2019)

Key management personnel	Steven Platts	Chief Executive
	Kate Bowgett	Director of Advocacy
	Martin Burrows	Director of Research & Campaigns
	Adam Marshall	Progression Manager (resigned January 2019)

Bankers Unity Trust Bank plc
PO Box 7193
Planetary Road
Willenhall WV19DG

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

Groundswell Network Support UK

Reference and administrative information

For the year ended 31 March 2019

Solicitors

Bates Wells
Cheapside House
138 Cheapside
London EC2V 6BB

Auditor

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

Trustees' annual report

For the year ended 31 March 2019

The trustees present their report and the audited financial statements for the year ended 31 March 2019.

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

Our strategic vision

For Groundswell to create peer-led solutions to homelessness, with health at the heart of our work. With three strategic priorities:

- To develop further Groundswell's Peer Support Programme to address the health inequalities faced by people experiencing homelessness.
- To develop further our Insight & Action Programme of participatory research to generate a new understanding of homelessness and make positive social change.
- To develop Groundswell as a healthier and more sustainable organisation.

Our mission

Groundswell exists to enable homeless and vulnerable people to take more control of their lives, have a greater influence on services and to play a fuller role in our community.

Our Core Beliefs

- The whole community benefits when we effectively tackle homelessness and social exclusion.
- We believe in people. People are society's most valuable resource, and everyone has the capacity to make a contribution.
- Inclusive solutions! The only way to genuinely tackle homelessness and social exclusion is by utilising the knowledge and expertise of people affected by these issues.
- There is no Them & Us — only Us. Groundswell brings everyone together to create effective solutions.
- Involvement works! When everyone is involved, the process creates more effective services and enables people to regain their independence.

Our activities and achievements

Homeless Health Peer Advocacy (HHPA): When someone is homeless, they are often living chaotic lives, trying to navigate systems working in silos to find a safe place to sleep, secure work and overcome debt – their health is not a priority.

Through our award-winning HHPA service, we train people who have experienced homelessness to become peer advocates. They volunteer their time to help currently homeless people navigate the UK's complex health system. Peers and clients attend health appointments together, building trust and motivation to access and use health services; a much-needed service given the recent findings by University College London (UCL) that show nearly one third of homeless people die from treatable conditions.

Groundswell aims to work in towns and cities where homelessness is on the rise by partnering with local homelessness and health services to identify peers who have local knowledge of the needs and support services available. During 2018/19, the service had over 3000 referrals for 1 to 1 appointments and delivered 697 health promotion sessions. The referrals come from a wide range of services in the boroughs where HHPA is commissioned.

We have also been working on development of HHPA outside of London and in March we successfully secured a grant from the National Lottery Community Fund to implement our #HealthNow approach in Manchester, Birmingham and Newcastle in partnership with Crisis and Shelter. As well as this we have also been providing support to organisations in Southampton, Dublin and Cornwall who are aiming to set up HHPA services.

Insight & Action: Each year we train people with experience of homelessness to become volunteer peer researchers. They identify, explore and report on health inequalities and other issues affecting homeless people, co-producing practical solutions through the insight uncovered. The empathy of peer researchers who have been homeless themselves can get the real picture and provide unique grassroots insight. These insights lead to change.

In 2018/19, the Insight & Action team:

- Engaged 269 people currently experiencing homelessness to produce Out of Pain, a research study into the extent, cause and impact of physical pain. The work was funded by Trust for London.
- Was commissioned by Crisis, Newcastle Local Authority, Thames Reach, The Ministry of Housing, Communities and Local Government and Cardboard Citizens to carry out peer led research and evaluation work.
- Received funding and training from Access, the Foundation for Social Investment to develop our peer led research into a Social Enterprise.

Trustees' annual report

For the year ended 31 March 2019

Progression Programme: The Progression Programme has been designed to deliver our goal of supporting volunteers to attain and sustain livelihoods beyond homelessness. Peers improve their confidence, skills and knowledge by participating in intensive training, one-to-one coaching and clinical supervision. They gain experience by volunteering in front-line roles. Volunteering increases employability, by improving CVs, offering training opportunities and helping with job searching. Aspirations are raised through coaching and volunteering. The jobs our peers go into are more stable and secure as a result.

Over the course of 2018/19, 2964 face to face Progression meetings were held with volunteers, a total of 75 people received support. 17 peers moved into employment, 5 with Groundswell and 25 went onto further volunteering, training or education.

Plans for future periods

Groundswell's current strategy runs until end of March 2020, as such we continue to focus on the goals below. We will develop a new three-year strategy in 2019.

Homeless Health Peer Advocacy

- Maintain existing contracts and grow the service in London by developing partnerships in new boroughs.
- Take HHPA nationwide by working in major towns and cities where homelessness is also on the rise.

Insight & Action

- A stronger focus on campaigning, using our insights to create action and change improving the lives of people who are homeless.
- Develop our consultancy service. This is already growing: we have been commissioned by Crisis to lead a three-year evaluation of the 'Homelessness Reduction Act'.
- Delivering two pilot projects with King's College around the roll out of Universal Credit and its impact on the health of homeless people.

Progression Programme

- Expand the progression programme to support clients and former volunteers with the recent addition of a second progression coach.
- Based on the identified need through our peers, we have recently secured funding so we can support peers with legal barriers (e.g. debt, benefit discrepancies). Our peer advocates and caseworkers are undertaking legal capabilities training so they can offer basic advice and signposting to their clients.

Financial review

Income

Groundswell's income was £1,073,005 during the year, our largest ever income and a 7.5% increase on the previous year (£998,184). Expenditure, at £1,004,025, was 7.6% up on the previous year (£933,101). This resulted in a surplus of £68,981 for the year (2018: £65,083).

Reserves

The trustees, after a careful assessment of the Charity's risks, have determined that the reserves policy should be to hold a contingency for unexpected expenditure and to allow time in the event of a sudden cessation of key funding to source alternatives. Therefore, Groundswell's reserves policy is to work towards four months of running costs, £330,000.

At 31 March 2019 the total reserves carried forward were £272,728 (2018: £203,747) of which £252,728 related to unrestricted reserves and £20,000 to restricted reserves. The figure of £252,728 represents 77% of our reserves target, which is an improvement on the 2018 figure (62%).

Thanks to our supporters

Access – the Foundation for Social Investment, Advent of Change, Alchemy Foundation, Bupa UK Foundation, Cardboard Citizens, City of London Corporation's charity, City Bridge Trust, Comic Relief, Crisis, Gilead UK&I fellowship programme, Greater London Authority, Halcrow Foundation, Haremead Charitable Trust, Healthy London Partnership, Hyde Park Place Estate Charity, Inner London Magistrates Court Poor Box, Kings Health Partnerships Pathways team, London Borough of Hammersmith & Fulham, Museum of Homelessness, Newcastle City Council, NHS Camden Clinical Commissioning Group, NHS Central London Clinical Commissioning Group, NHS Hammersmith and Fulham Clinical Commissioning Group, NHS Islington Clinical Commissioning Group, NHS Tower Hamlets Clinical Commissioning Group, NHS West London Clinical Commissioning Group, Souter Charitable Trust, St Mungo's, Stavros Niarchos Foundation, Strand Parishes Trust, Streets of London, StreetSmart, Thames Reach, The Bay Tree Charitable Trust, The Fore Trust, The Grosvenor Chapel, The Henry Smith Charity, The Legal Education Foundation, The Merchant Taylor's Company, The Pilgrim Trust, The Tudor Trust, University College London, Westminster Amalgamated Charity

Principal risks and uncertainties

Groundswell operates a robust risk management and control framework, including the preparation of a detailed annual risk register. Key ongoing and emerging risks are reviewed quarterly by both the Finance Committee and the Senior Management Team. Additionally, the Charity operates a thorough system of incident reporting, which is managed by the Senior Management Team and overseen by the People Committee.

The Groundswell trustees fully acknowledge the risk that is inherent in the Charity's work. We take these risks consciously and conscientiously, applying our thorough risk framework to our work – as we believe that empowering people experiencing homelessness to be at the heart of delivering solutions to homelessness is the most effective way to address the growing societal concern of homelessness.

The principal risks identified by the Board and Senior Management Team are loss of contract income leading to insufficient operating income and reserves, negative impacts on the charity's participatory ethos as we continue to grow and culture changes and also a need to focus on continually improving our impact measurement systems.

Fundraising policy

Our original fundraising target for the reporting period was £1,116,147 across all income streams with a balance of statutory income, restricted grants and unrestricted donations. The final figure raised of £1,073,005 represents 96% of this target, a very satisfactory outcome with a healthy split across all income streams.

To raise £1,073,005, Groundswell spent £101,881, which includes the salary of one full time fundraiser, 50% of the Chief Executive's time and other associated costs. As a percentage of overall spend, the figure of £101,881 represents 10% which is at the lower end of the 10–15% target range we have set ourselves. We aim to keep our fundraising spend within a range because we recognise that some years we need to invest more than others to produce results in the future.

Groundswell does all fundraising in-house, never using third party commercial fundraisers. We are registered with the Fundraising Regulator and comply with the code of fundraising practice. During the period we did not have any non-compliance issues or receive any fundraising complaints.

Structure, governance and management

Governance

The management of the Company is the responsibility of the Board members who are appointed under the terms of the Articles of Association. The Board members perform the role of directors in company law and of trustees in charity law. The minimum number of trustees is four, with a maximum of 12. Those who served during the period are listed on page one.

There are two routes to becoming a Groundswell Board member. Firstly, the Forum elects two representatives. The Forum comprises current and former Groundswell Volunteers, all with personal experience of homelessness, and is a central feature of governance at Groundswell, with each Board Meeting commencing with feedback from the Forum to the Board and concluding with feedback from the Board back to the Forum. Secondly, the remaining trustees are recruited openly. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

Trustees' annual report

For the year ended 31 March 2019

Board meetings are held quarterly to ensure that the charity is operating effectively and within its aims. Additionally, the Board operates two standing sub-committees: a Finance Committee, which maintains a consistent framework for financial and risk control in Groundswell, and a People Committee, which supports Groundswell to be a healthy, safe and enabling organisation for its staff and Volunteers. In the coming financial year we intend to carry out an internal audit of our governance procedures using the Charity Governance Code.

Remuneration Policy

Groundswell's Finance Committee oversees remuneration, with responsibility for external benchmarking, salary recommendations and cost of living increases. Groundswell aims to ensure that all staff are appropriately remunerated for their work. We achieve a fair balance which takes into account: the aim of attracting suitably qualified and dedicated staff, the external environment, the organisation's financial position and considerations of our beneficiaries.

Management

Groundswell has a Senior Management Team to oversee the successful delivery of activities. The members of that team who served during the year are listed on page 1. The total amount of salary costs associated with this group in 2018-19 was £154,280 (2018: £183,771), of which £14,839 were Employer National Insurance Contributions.

Achievements and Performance in the Delivery of Public Benefit

The Groundswell trustees have taken account of Section 17 (5) of the Charities Act and the Charities (Accounts and Reports) Regulations 2008, which require us to have regard to the guidance on public benefit issued by the Charity Commission when exercising their duties. We state that the activities delivered by Groundswell during 2018-19, described in this report, directly further Groundswell's charitable objects and that these activities have been undertaken for the public benefit.

Statement of Responsibilities of Trustees

The trustees (who are also directors of Groundswell Network Support UK for the purposes of company law) are responsible for preparing the report of the Trustees 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;

Trustees' annual report

For the year ended 31 March 2019

- 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

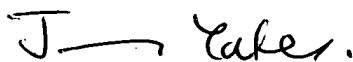
The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

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 United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. 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 29 October 2019 and signed on their behalf by



Jenny Yates
Treasurer



Terry Hitchcock
Chair

Independent auditor's report

To the members of

Groundswell Network Support UK

Opinion

We have audited the financial statements of Groundswell Network Support UK (the 'charitable company') for the year ended 31 March 2019 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 2019 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

Groundswell Network Support UK

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, including the strategic 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; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

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

Independent auditor's report

To the members of

Groundswell Network Support UK

is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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.

Independent auditor's report

To the members of

Groundswell Network Support UK

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.

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.

Joanna Pittman (Senior statutory auditor)

25 November 2019

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Groundswell Network Support UK

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

For the year ended 31 March 2019

		Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total (Restated) £
	Note						
Income from:							
Donations and legacies	2	237,759	-	237,759	231,319	-	231,319
Charitable activities	3						
Homeless Health Peer Advocacy		357,340	276,713	634,054	411,221	158,287	569,507
Insight & Action		54,966	54,230	109,196	57,418	77,087	134,505
Volunteer Progression		5,000	85,800	90,800	-	62,850	62,850
Other trading activities		1,188	-	1,188	-	-	-
Investments		9	-	9	3	-	3
Total income		656,262	416,743	1,073,005	699,961	298,224	998,184
Expenditure on:							
Raising funds	4a	101,881	-	101,881	97,228	-	97,228
Charitable activities	4a						
Homeless Health Peer Advocacy		356,499	281,316	637,815	451,631	153,684	605,315
Insight & Action		126,551	34,230	160,781	61,742	77,087	138,829
Volunteer Progression		8,796	94,752	103,549	37,831	53,898	91,729
Total expenditure		593,727	410,298	1,004,025	648,432	284,669	933,101
Net income / (expenditure) for the year and net movement in funds	5	62,535	6,445	68,981	51,529	13,555	65,083
Reconciliation of funds:							
Total funds brought forward		190,193	13,555	203,747	138,664	-	138,664
Total funds carried forward		252,728	20,000	272,728	190,193	13,555	203,747

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.

Groundswell Network Support UK

Balance sheet

Company no. 4151312

As at 31 March 2019

	Note	£	2019 £	£	2018 £
Fixed assets:					
Tangible assets	10		7,361		9,889
			<u>7,361</u>		<u>9,889</u>
Current assets:					
Debtors	11	53,956		68,242	
Cash at bank and in hand		374,719		278,621	
		<u>428,675</u>		<u>346,863</u>	
Liabilities:					
Creditors: amounts falling due within one year	12	(163,308)		(153,005)	
				<u></u>	
Net current assets			<u>265,367</u>		<u>193,858</u>
Total net assets			<u>272,728</u>		<u>203,747</u>
 The funds of the charity:					
Restricted income funds	15		20,000		13,554
Unrestricted income funds:					
General funds		252,728		190,193	
		<u>252,728</u>		<u>190,193</u>	
Total unrestricted funds			<u>252,728</u>		<u>190,193</u>
Total charity funds			<u>272,728</u>		<u>203,747</u>

Approved by the trustees on 29 October 2019 and signed on their behalf by

T. J. Hitchcock

Terry Hitchcock
Chair

J. Yates

Jenny Yates
Treasurer

Groundswell Network Support UK

Statement of cash flows

For the year ended 31 March 2019

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

	2019 £	2018 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	68,981	65,083
Depreciation charges	6,176	6,233
Dividends, interest and rent from investments	(9)	(3)
(Profit)/loss on the disposal of fixed assets	–	2,783
(Increase)/decrease in debtors	14,286	19,359
Increase/(decrease) in creditors	10,303	93,360
Net cash provided by / (used in) operating activities	<u>99,737</u>	<u>186,815</u>

	Note	2019 £	£	2018 £	£
Cash flows from operating activities	17				
Net cash provided by / (used in) operating activities			99,737		186,815
Cash flows from investing activities:					
Dividends, interest and rents from investments		9		3	
Purchase of fixed assets		<u>(3,648)</u>		<u>(2,320)</u>	
Net cash provided by / (used in) investing activities			<u>(3,639)</u>		<u>(2,317)</u>
Change in cash and cash equivalents in the year			96,098		184,498
Cash and cash equivalents at the beginning of the year			<u>278,621</u>		<u>94,123</u>
Cash and cash equivalents at the end of the year			<u>374,719</u>		<u>278,621</u>

1 Accounting policies

a) Statutory information

Groundswell Network Support UK is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is Level 6, St Matthew's Church, Brixton, London, SW2 1JF.

b) 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.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

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

d) 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.

e) 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.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation 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), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, 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.

g) 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.

h) 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.

1 Accounting policies (continued)

i) 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 charitable company in inducing 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 and conducting research undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

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

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, 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.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

• HHPA Contracts	50%
• HHPA Projects	15%
• Insight & Action	15%
• Progression	10%
• Fundraising	10%

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.

k) Operating leases

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

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. 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.

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:

• Computer Equipment	4 years
• Furniture, fixtures and fittings	4 years

m) Debtors

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

n) 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.

o) 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.

p) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

q) Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

Groundswell Network Support UK

Notes to the financial statements

For the year ended 31 March 2019

2 Income from donations and legacies

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total (Restated) £
Gift aid	30,476	-	30,476	40,095	-	40,095
Personal donations	135,839	-	135,839	155,349	-	155,349
Donations from foundations, trusts and other corporate bodies	71,444	-	71,444	35,875	-	35,875
	<u>237,759</u>	<u>-</u>	<u>237,759</u>	<u>231,319</u>	<u>-</u>	<u>231,319</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total (Restated) £
Homeless Health Peer Advocacy:						
Bupa UK Foundation	-	25,663	25,663	-	31,944	31,944
City of London - City Bridge Trust	-	50,000	50,000	-	35,833	35,833
Greater London Authority	-	67,190	67,190	-	62,510	62,510
Guy's & St Thomas' NHS Foundation Trust	37,500	-	37,500	37,500	-	37,500
Hyde Park Place Estate Charity	-	5,000	5,000	-	5,000	5,000
The Pilgrim Trust	-	9,750	9,750	-	-	-
London Borough of Hammersmith and Fulham	40,000	-	40,000	40,000	-	40,000
London Borough of Islington	8,945	-	8,945	-	-	-
London Clinical Commissioning Groups	268,750	-	268,750	247,972	-	247,972
St Mungo's	2,145	-	2,145	-	-	-
Stavros Niarchos	-	30,000	30,000	-	-	-
Tudor Trust	-	33,000	33,000	-	-	-
University College London Hospital(inc67p UCL)	-	-	-	85,749	-	85,749
Gilead Sciences Ltd	-	53,111	53,111	-	15,000	15,000
Merchant Taylors' Company	-	3,000	3,000	-	3,000	3,000
Drapers' Charitable Fund	-	-	-	-	5,000	5,000
Sub-total for Homeless Health Peer Advocacy	357,340	276,713	634,054	411,221	158,287	569,507
Insight & Action:						
Comic Relief	-	34,230	34,230	-	38,187	38,187
Crisis	17,379	-	17,379	20,000	-	20,000
London Borough of Hammersmith and Fulham	-	-	-	11,820	-	11,820
London Clinical Commissioning Groups	5,580	-	5,580	13,338	-	13,338
University College London	2,000	-	2,000	2,967	-	2,967
Trust for London	-	-	-	-	38,900	38,900
University of Plymouth	-	-	-	2,800	-	2,800
Social Engine	-	-	-	6,494	-	6,494
Thames Reach Homeless Charity	14,824	-	14,824	-	-	-
Access - The Foundation for Social Investment	-	20,000	20,000	-	-	-
Cardboard Citizens	4,288	-	4,288	-	-	-
Newcastle City Council	7,395	-	7,395	-	-	-
Museum of Homelessness	3,500	-	3,500	-	-	-
Sub-total for Insight & Action	54,966	54,230	109,196	57,418	77,087	134,505
Progression Programme:						
StreetSmart	-	20,000	20,000	-	20,000	20,000
Mrs. Smith & Mount	-	-	-	-	5,000	5,000
Halcrow Foundation Ltd	-	31,800	31,800	-	23,850	23,850
Legal Aid Foundation	-	24,000	24,000	-	14,000	14,000
Streets of London	-	10,000	10,000	-	-	-
Bay Tree Charitable Trust	5,000	-	5,000	-	-	-
Sub-total for Volunteer Progression	5,000	85,800	90,800	-	62,850	62,850
Total income from charitable activities	417,306	416,743	834,050	468,639	298,224	766,863

Groundswell Network Support UK

Notes to the financial statements

For the year ended 31 March 2019

4a Analysis of expenditure

	Charitable activities						2019 Total £	2018 Total £
	Raising funds £	Homeless Health Peer Advocacy £	Insight and Action £	Progression Programme £	Governance costs £	Support costs £		
Staff costs (Note 6)	75,624	377,162	88,195	67,369	103	120,080	728,533	612,044
Project costs	1,247	107,783	35,332	8,476	2,160	6,644	161,642	182,925
Accommodation expenses	-	-	-	-	-	59,246	59,246	92,195
Office expenses	56	778	2,068	20	-	16,558	19,480	14,372
IT and system expenses	1,900	2,240	603	-	-	10,462	15,204	12,984
External professional expenses	-	-	-	4,386	13	-	4,399	13
Depreciation and loss on disposal	-	-	-	-	-	6,176	6,176	9,016
Finance charges	-	-	-	-	-	512	512	434
Trustee expenses (incl. insurance)	-	-	-	-	925	-	925	913
Audit & professional fees	-	-	-	-	6,764	-	6,764	8,205
Bad debts written off	-	-	-	244	-	900	1,144	-
	78,826	487,962	126,199	80,494	9,965	220,578	1,004,025	933,101
Support costs	22,058	143,375	33,087	22,058	-	(220,578)	-	-
Governance costs	996	6,477	1,495	996	(9,965)	-	-	-
Total expenditure 2019	101,881	637,815	160,781	103,549	-	-	1,004,025	933,101
Total expenditure (Restated) 2018	97,228	605,315	138,829	91,729	-	-	933,101	

Groundswell Network Support UK

Notes to the financial statements

For the year ended 31 March 2019

4b Analysis of expenditure – Prior year

	Charitable activities						2018 Total £
	Raising funds £	Homeless Health Peer Advocacy £	Insight and Action £	Volunteer Progression £	Governance costs £	Support costs £	
Staff costs (Note 6)	68,489	324,902	57,151	55,228	573	105,701	612,044
Project costs	18	97,268	38,512	7,922	454	38,751	182,925
Accommodation expenses	-	-	-	-	-	92,195	92,195
Office expenses	186	379	571	43	-	13,193	14,372
IT and system expenses	417	-	418	418	-	11,731	12,984
External professional expenses	-	-	-	-	13	-	13
Depreciation and loss on disposal	-	-	-	-	-	9,016	9,016
Finance charges	-	-	-	-	-	434	434
Trustee expenses (incl. insurance)	-	-	-	-	913	-	913
Audit & professional fees	-	-	-	-	8,205	-	8,205
Bad debts written off	-	-	-	-	-	-	-
	69,110	422,549	96,652	63,611	10,158	271,021	933,101
Support costs	27,102	176,164	40,653	27,102	-	(271,022)	
Governance costs	1,016	6,602	1,524	1,016	(10,158)		
Total expenditure 2018	97,228	605,315	138,829	91,729	-	-	933,101

Notes to the financial statements

For the year ended 31 March 2019

5 Net income for the year

This is stated after charging / (crediting):

	2019 £	2018 £
Depreciation	6,176	6,233
Loss or profit on disposal of fixed assets	-	2,783
Operating lease rentals:		
Property	59,246	56,444
Equipment	1,939	1,939
Auditor's remuneration (excluding VAT):		
Audit	6,900	6,750

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

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	630,559	516,915
Social security costs	55,489	43,553
Employer's contribution to defined contribution pension schemes	28,622	21,632
Staff welfare	6,746	7,083
Recruitment costs	699	16,690
Other (including training)	6,418	6,171
	<u>728,533</u>	<u>612,044</u>

No employee earned more than £60,000 during the year (2018: nil).

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £154,280 (2018: £183,771).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £Nil (2018: £nil) incurred by Nil (2018: nil) members relating to attendance at meetings of the trustees.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 25.3 (2018: 20.4).

Staff are split across the activities of the charitable company as follows (head count basis):

	2019 No.	2018 No.
Homeless Health Peer Advocacy	13.4	12.5
Insight & Action	3.8	2.3
Progression Programme	1.8	1.4
Fundraising	1.0	1.1
Support	5.4	3.1
	<u>25.3</u>	<u>20.4</u>

8 Related party transactions

There are no related party transactions to disclose for 2019 (2018: none).

Aggregate donations from related parties were £60,000 (2018: £70,000).

9 Taxation

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

10 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At the start of the year	1,140	33,252	34,392
Additions in year	–	3,648	3,648
Disposals in year	–	(7,347)	(7,347)
At the end of the year	<u>1,140</u>	<u>29,552</u>	<u>30,692</u>
Depreciation			
At the start of the year	–	24,503	24,503
Charge for the year	285	5,891	6,176
Eliminated on disposal	–	(7,347)	(7,347)
At the end of the year	<u>285</u>	<u>23,046</u>	<u>23,331</u>
Net book value			
At the end of the year	<u>855</u>	<u>6,506</u>	<u>7,361</u>
At the start of the year	<u>1,140</u>	<u>8,749</u>	<u>9,889</u>

All of the above assets are used for charitable purposes.

11 Debtors

	2019 £	2018 £
Trade debtors	37,755	54,117
Other debtors	1,164	375
Prepayments	5,370	-
Accrued income	9,667	13,750
	<u>53,956</u>	<u>68,242</u>

All of the charity's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in note 12 below.

12 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	5,764	1,947
Taxation and social security	15,899	13,715
Other creditors	3,415	4,738
Accruals	7,295	10,255
Deferred income (note 13)	130,935	122,350
	<u>163,308</u>	<u>153,005</u>

13 Deferred income

Deferred income comprises income received before the period to which it relates.

	2019 £	2018 £
Balance at the beginning of the year	122,350	31,944
Amount released to income in the year	(122,350)	(31,944)
Amount deferred in the year	130,935	122,350
	<u>130,935</u>	<u>122,350</u>

14a Analysis of net assets between funds (current year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	7,361	–	7,361
Net current assets	245,367	20,000	265,367
Net assets at 31 March 2019	252,728	20,000	272,728

14b Analysis of net assets between funds (prior year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	9,889	–	9,889
Net current assets	180,304	13,555	193,858
Net assets at 31 March 2018	190,193	13,555	203,747

15a Movements in funds (current year)

	At 1 April 2018 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2019 £
Restricted funds:					
Homeless Health Peer Advocacy	4,602	276,713	(281,316)	-	-
Insight & Action	-	54,230	(34,230)	-	20,000
Volunteer Progression	8,952	85,800	(94,752)	-	-
Total restricted funds	13,555	416,743	(410,298)	-	20,000
Unrestricted funds:					
General funds	190,193	641,679	(579,143)	-	252,728
Total unrestricted funds	190,193	641,679	(579,143)	-	252,728
Total funds	203,747	1,058,422	(989,441)	-	272,728

The narrative to explain the purpose of each fund is given at the foot of the note below.

15b Movements in funds (prior year)

	At 1 April 2017 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2018 £
Restricted funds:					
Homeless Health Peer Advocacy	-	158,287	(153,684)	-	4,603
Insight & Action	-	77,087	(77,087)	-	-
Volunteer Progression	-	62,850	(53,898)	-	8,952
Total restricted funds	-	298,224	(284,669)	-	13,555
Unrestricted funds:					
General funds	138,664	680,575	(629,047)	-	190,192
Total unrestricted funds	138,664	680,575	(629,047)	-	190,192
Total funds	138,664	978,799	(913,716)	-	203,747

Purposes of restricted funds

Homeless Health Peer Advocacy: This service provides practical support for homeless people to access healthcare.

Insight and Action: Groundswell's participatory action research work investigating and providing insight into health related issues which affect people experiencing homelessness.

Progression Programme: This programme provides support and coaching to Groundswell staff and volunteers to enable them to progress – with a focus on securing paid employment and providing assistance once employment has been secured.

Supported Core Projects: Various projects to support the long term sustainability of Groundswell as an organisation.

16 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	
	2019	2018	2019	2018
	£	£	£	£
Less than one year	60,000	40,000	1,939	1,939
One to five years	180,000	–	2,909	–
	<u>240,000</u>	<u>40,000</u>	<u>4,848</u>	<u>1,939</u>

17 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.