

Company number: 06396687

Charity Number: 1122206

SPEAR Housing Association Limited

Report and financial statements
For the year ended 31 March 2019

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For the year ended 31 March 2019

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SPEAR Housing Association Limited

Reference and administrative information

For the year ended 31 March 2019

Company number 06396687
Country of incorporation United Kingdom

Charity number 1122206
Country of registration (England & Wales)

Registered office and operational address 9 Briar Road, Twickenham, TW2 6RB

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

Jack Stephen	Chair
Paul Doe	Vice Chair
Charles Barrie Hatch	(resigned 02.12.2019)
Charlotta Campanale	
Jonathan Cardy	
Alex Doig	
Grant Healy	
Katy Kiely	(resigned 23.09.2019)
Christine Reay	
Duncan Richford	
Rachel Smith	

Key management personnel	Stuart Nevill	Chief Executive (to Sep 2019)
	Lesleigh Bounds	Operations Director
	Donna Marshall	Finance Director

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

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

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

Message from the Chair

Welcome to SPEAR's Annual Report for 2018/19.

A former client recently told SPEAR that it's both a triumph and tragedy that the charity exists. Indeed, this year, we worked with a record 839 people who were homeless or at risk. We saw increasing demand for emergency and supported accommodation and growing numbers of people with complex health and wellbeing issues. The rising number of people needing our support in South and West London reflected trends across the capital and the UK.

In this difficult environment, we welcomed the Government's new rough sleeping strategy and we are ready to play our role supporting the strategy's aim to end rough sleeping by 2027. SPEAR's services have grown in scope, geographical reach and ambition over the last three years. With investment to tackle growing rough sleeping and new partnerships with private and charitable donors, we have expanded across five London boroughs and doubled our workforce.

Our goal for the future is clear: to continue to deliver effective accommodation and support services while seeking new solutions to ending rough sleeping. This will only be possible with the support of the many partner agencies, funders and supporters with whom we work alongside. Thank you for your contribution to ending homelessness. May we also thank the passionate and skilled workforce of 100 staff and 140 volunteers who helped SPEAR to deliver the results highlighted in this report.

We have had another busy and productive year. Decades on from the ground-breaking film *Cathy Come Home* that brought the plight of the homeless to the attention of the general public and decision makers alike, the need for our services remains – and is growing.

I also take this opportunity to thank Stuart Nevill who, as Chief Executive from 2011 to 2019 worked tirelessly to support the trustees and staff to grow and develop this organisation into what it is now – a successful provider of much needed advice, training and direct support services to some of the most vulnerable within our local communities of the boroughs of Kingston-upon-Thames, Merton, Richmond, Sutton and Wandsworth. We wish Stuart well for the future and look forward to building upon his legacy.

Jack Stephen, Chair of Trustees

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

The objectives of the charity are:

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

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

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

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

Our Approach and Values

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

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

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

Trustees' annual report

For the year ended 31 March 2019

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

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

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

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

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

Achievements and Performance

Our key impacts on homelessness in 2018–19:

839 people accessed SPEAR's services

- 26% were female
- 15% were under the age of 25

Providing Housing:

- We worked with 426 verified rough sleepers in all 5 boroughs
- We provided supported housing for 158 people

Improving Health:

- We supported over 179 people to improve their health
- 94% of clients registered with a GP
- We reduced the use of emergency health services such as A&E attendances by 61 %

Women's Services:

- We provided supported housing tenancies to 44 women

Young people's Services:

- We provided 46 young people with supported housing tenancies
- 33 young people were supported into education, training or employment

Trustees' annual report

For the year ended 31 March 2019

Skills Development and Client Involvement

We supported over 159 homeless people to develop their skills:

- 16 people gained employment
- 16 people gained a qualification from an external provider
- 24 people contributed to their local community through volunteering

SPEAR Endowment Trust

In 2018, Quintus Housing Trust become part of the SPEAR family, changing its name to the "SPEAR Endowment Trust" (SET). SET's financial performance is now included in the SPEAR accounts for 31 March 2019.

The new group structure's asset base has been significantly strengthened, with access now to the permanent endowment of 23 units of accommodation over 5 sites and £4m in restricted funds to be used for the purchase of property with a further £2.4m funds to meet acquisition and improvement costs and maintenance obligations. This has enabled us over 2018/19 to seek out potential property acquisitions within South West London to provide much needed move-on accommodation for our service users currently living in our hostels. It is expected that within 2019/20 at least 10 such units of accommodation will be available.

SPEAR Service User Involvement and Satisfaction

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

An evaluation of 28 service users' Warwick Edinburgh Mental Health Wellbeing Scale (WEMWBS) scores shows improvements in service users' overall wellbeing. Those reporting high wellbeing increased from 4% to 14%, low wellbeing reduced from 67% to 39%, and those reporting moderate wellbeing increased from 30% to 46%.

Warwick Edinburgh Mental Health Wellbeing Scale (WEMWBS)

Our Volunteers and Supporters

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

- Over **140** people volunteered their time to support in some capacity.
- Volunteers donated **4,270** hours of their time.
- We benefited from **306** hours of volunteering from local businesses.
- SPEAR clients volunteered **530** hours of their time.
- We estimate that volunteering roles contribute over **£50,000** of value to SPEAR.

Trustees' annual report

For the year ended 31 March 2019

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

Our Online Profile

In 2018-19 our online support increased following the launch of our new website. Over £32,000 was raised through online donations and online fundraising pages. In addition, SPEAR's social media continued to raise the profile of our services and activities, and we welcomed:

- 22,000 website visitors
- 1,900 Twitter followers
- 460 Instagram followers

Beneficiaries of our services

SPEAR supports homeless people in South West London.

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

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

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

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

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

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

Financial review

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

We increased our expenditure for the year to £3,360,687 from £2,783,192 last year. This 21 % increase in expenditure reflects growth in accordance with our three year strategy, with increased activity and continuous support for established housing schemes and a rough sleeper service which operates across the London Boroughs of Richmond, Merton, Wandsworth, Kingston and Sutton.

Analysis of our expenditure shows that we spent 75% on charitable activities, 20% on support costs, 4% on fundraising, and 1% on governance.

Total incoming resources for the year increased from £2,772,465 to £3,209,706 a 16% increase (£437,241) from the previous year. This arose principally from new rough sleeper services across the Boroughs of Richmond, Merton, Sutton, Kingston and Wandsworth. The majority (92%) of our income is from local authorities and charitable trusts funding particular services. The fundraising department raised restricted income totalling £304,473 via charitable trusts and donations. The unrestricted income raised by fundraising department, excluding legacies, has increased by 36% to £226,465. This income was raised via individuals, community groups and the business community and provides much needed income to ensure our viability as a charity.

The total funds increased by 2% from £7,966,310 to £7,815,329 following increased investment in properties.

Principal risks and uncertainties

SPEAR's Audit & Risk Committee reviews major risks facing the charity. The Committee reviews a Risk Map and Management Plan, drafted by the Senior Management Team on a quarterly basis, updating the full Trustee Board as required. In 2018/19, the following key risk identified was:

- **Health & Safety.** Following the Grenfell Tower tragedy all possible steps were taken to mitigate fire risks, this included: a review of our H&S policy, ensuring integrated smoke alarms were installed in all properties; reviewing the quality of fire doors and other fire safety equipment; replacing where required, seeking specialist advice from an external Health & Safety expert on fire safety.

Reserves policy and going concern

Trustees have examined the requirement for free reserves i.e. unrestricted funds not invested in tangible fixed assets or designated for specific purposes. Trustees are aiming at free reserves to cover operational activities from unrestricted income for at least 3 months, moving to 6 months over time. As of 31 March 2019, unrestricted free reserves excluding funds in fixed assets totalling £1,238,410 represented approximately 4.5 months of average expenditure. This has since increased to 6 months cover.

The Trustees have designated reserves to cover obligations for future property maintenance, based on the stock condition survey at 31st March 2019 this totalled £1,231,303 (2018: £822,342). The required sums are reviewed annually based on potential planned repairs and renewals.

An additional amount of £1,290,994 has been designated to cover the legal and refurbishment costs of property acquisition which cannot be funded under the terms of the restricted endowment fund. It is anticipated that this will be spent over the next 2–3 years.

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

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

Fundraising practices review

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

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

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

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

We received no complaints about our fundraising practices in 2018–19.

Plans for the future

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

- Acquiring properties to provide more independent accommodation to homeless people, currently considering the purchase of two properties
- Leasing properties to provide more shared supported housing schemes
- Reducing the number of people rough sleeping, particularly during the winter periods, bidding for funding to facilitate this
- Increasing the number of current and ex-SPEAR service users volunteering and working at SPEAR
- Reviewing how technology can improve service delivery and the efficient management of the charity

Structure, governance, management and remuneration policy

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

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

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

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

Overall operational management of SPEAR is delegated to the Chief Executive. Throughout the year, the trustees, the Chief Executive and the wider Senior Management Team monitored effectiveness and best practice. The Board approves SPEAR's strategic and annual business plans; annual budgets; extraordinary expenditure in excess of agreed limits; strategic decisions; policies; employment terms and conditions, remuneration levels of key management personnel with

Trustees' annual report

For the year ended 31 March 2019

reference to existing pay scales within the organisation and the housing sector in which SPEAR operates; and all decisions relating to governance.

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

Trustees agreed that future trustee recruitment will aim to increase diversity within the Board.

Serious Incident Reporting

The charity reported one serious incident which involved the abuse of a service user, this case has been reported to both the Charity Commission and the Local Authority in April 2019 for safeguarding. The organisation has reviewed the incident and taken appropriate action to minimise any likelihood of re-occurrence.

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

Appointment of trustees

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

Trustee induction and training

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

Related parties and relationships with other organisations

SPEAR maintains no relations with, and no transactions were entered into with, related parties during the year 2018–19, with the exception of Quintus Housing Trust.

Remuneration policy

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

All staff are paid at least the London Living Wage.

Funds held as custodian trustee on behalf of others

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

Statement of responsibilities of the trustees

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

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

The trustees are required to:

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

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

In so far as the trustees are aware:

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2019 was 11

Trustees' annual report

For the year ended 31 March 2019

(2018: 11). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

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

The trustees' annual report has been approved by the trustees on 2nd December 2019 and signed on their behalf by

Jack Stephen
Chair of trustees

Thank You to Supporters and Volunteers

We would like to thank every donation of time, energy, financial support and gifts in kind given to SPEAR in 2018/19. Supporters have been involved in supporting our work in so many ways: running, cycling, organising events, holding sponsored snoozes.

Organisational Support – Community, Faith Groups, Corporates, Trusts

Over 200 organisations donated financially or through gifts in kind in 2018–19. £226,000 was raised for core funding from individuals, community groups and corporates and an additional £40,000 raised for core from trusts making a total of £246,000 for core services at SPEAR. This core funding is vital for SPEAR's sustainability as it ensures more effective partnership working and business development, that our services are safe and well run, our staff are trained effectively to work with vulnerable people and that our charity is more effective, resilient and sustainable for the future. This core funding can also help the continuation of frontline services when grant funding ceases.

In addition, £256,000 was raised from trusts and corporate foundations for SPEAR's operational services. This money funds areas such as skills and development, education, employment and training, homeless healthlink, HMO's (hostels with multiple occupancies), young people's services, peer mentoring, Wandsworth rough sleeper outreach services and client grants.

We cannot list all of the organisations that supported SPEAR but we are grateful to all of you for your support. In particular, the following organisations raised a large amount or supported SPEAR in an ongoing capacity:

Ahmadiyya Muslim Community; All Hallows Church, Barnes Workhouse Fund, Burntwood School, Charlotte Wade Charity, City Bridge Trust, Everyday Church Kingston, Fresalca, Garfield Weston Foundation, Hampton Fund, Hampton School, Inspired Women, Kew Fete Committee, King's House School, Richmond, Kingston Round Table, Lotus and Laurel Yoga, Manontropo, Murphy–Neumann Charity Company Limited, National Lottery Community Fund, Our Lady of Loreto & St Winefride Church, People Against Dirty, PMM Group, Richmond Parish Lands Charity, Richmond Park Academy, Richmond Team Ministry, Riverside Vineyard Church, Rotary Club of Kew Gardens, Rotary Club of Twickenham, St Andrew's Parish Church, St Elizabeth of Portugal RC Church, St George plc, St Mary's University, St Michael & All Angels Church, Stephen Roberts Memorial Trust, Surbiton High Girls' Prep School, The 29th May 1961 Charity, The Albert Hunt Trust, The Barleycorn Trust, The Berkeley Charitable Foundation, The London Community Foundation, The Richmond Charities, The Shadworth Hodgson Bequest, True Beauty Salon, Twickenham Preparatory School, Unicorn School, Waitrose, Whitton Baptist Church, Wimbledon Foundation

Individuals and Ambassadors

We have also been supported by over 200 individual donors who have given individual donations, standing orders and legacies. This income is vital to help SPEAR plan ahead and sustain our work.

We reached well over 5,000 in the local community through presentations and Ambassador work.

Winning Awards in 2018–19

SPEAR were delighted to be nominated and win some awards either organisationally or through the work of our supporters and volunteers:

St Mary's University Outstanding Placement Provider Awards

SPEAR achieved an award from St Mary's University for 'Outstanding Placement Provider' for offering multiple, high quality volunteer placements at SPEAR for students – the majority of these were within the fundraising team.

The Berkeley Foundation Awards (for our partnership with St George PLC)

SPEAR were nominated for two awards through The Berkeley Foundation Awards (the umbrella foundation of corporate partner, St George). These were 'Best Business Commitment to Fundraising' won by one of the teams at St George for their partnership with SPEAR and The Honeypot Charity and 'Most Impactful Partnership', which SPEAR were nominated for.

We were also delighted that one of our SPEAR clients gained a job through the corporate support of St George after a successful apprenticeship day.

Team London Awards

Two volunteers, Sarah and Kate who manage our clothing donations and work passionately with clients to increase their confidence, were successfully shortlisted for the 'Social Mobility Award' and attended the ceremony at City Hall.

Richmond Community Awards

Acara – a property management company who volunteer their professional skills fixing things and doing odd jobs at our Head Office and hostels won the 'Richmond Community Heroes' award in the 'Business Contribution to the Local Community'. A film was produced by Richmond Council. In addition, the National Council for Voluntary Organisations (NCVO) were so impressed with this partnership, they highlighted this as a flagship example of corporate volunteering.

Opinion

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or

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

Independent auditor's report

To the members of

SPEAR Housing Association Limited

satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

SPEAR Housing Association Limited

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.

Noelia Serrano (Senior statutory auditor)

17 December 2019

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

SPEAR Housing Association Limited

Statement of financial activities (incorporating income and expenditure account)

For the year ended 31 March 2019

		SPEAR		SPEAR Endowment Trust		2019	2018
	Note	Unrestricted £	Restricted £	Unrestricted £	Restricted £	Total £	Total £
Income from:							
Donations and legacies	3	226,405	–	–	–	226,405	166,307
Charitable activities	4	1,595,348	1,372,345	–	–	2,967,693	2,598,746
Investments	5	15,608	–	–	–	15,608	7,412
Total income		1,837,361	1,372,345	–	–	3,209,706	2,772,465
Expenditure on:							
Raising funds	6	169,399	–	–	–	169,399	154,719
Charitable activities	6	1,752,756	1,437,825	–	707	3,191,288	2,628,473
Total expenditure		1,922,155	1,437,825	–	707	3,360,687	2,783,192
Net income / (expenditure) for the year	7	(84,794)	(65,480)	–	(707)	(150,981)	(10,727)
Transfers between funds		3,376,093	–	(3,376,093)	–	–	–
Net movement in funds		3,291,299	(65,480)	(3,376,093)	(707)	(150,981)	(10,727)
Reconciliation of funds:							
Total funds brought forward		469,408	105,205	3,376,093	4,015,604	7,966,310	7,977,037
Total funds carried forward		3,760,707	39,725	–	4,014,897	7,815,329	7,966,310

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

SPEAR Housing Association Limited

Balance sheet

Company no. 06396687

As at 31 March 2019

	Note	£	2019 £	£	2018 £
Fixed assets:					
Tangible assets	10		1,299,087		1,328,575
Investments			2,433		2,433
			1,301,520		1,331,008
Current assets:					
Debtors	11	221,210		388,084	
Short term deposits		6,335		93,954	
Cash at bank and in hand		6,630,445		6,373,119	
			6,857,990	6,855,157	
Liabilities:					
Creditors: amounts falling due within one year	12	(344,181)		(219,855)	
Net current assets			6,513,809		6,635,302
Total assets less current liabilities			7,815,329		7,966,310
Total net assets			7,815,329		7,966,310
The funds of the charity:	15				
Restricted income funds			39,725		105,205
Endowment fund			4,014,897		4,015,604
Unrestricted income funds:					
Designated general funds – planned maintenance		1,231,303		822,342	
Designated general funds – property development		1,290,994		–	
General funds		1,238,410		3,023,159	
Total unrestricted funds			3,760,707		3,845,501
Total charity funds			7,815,329		7,966,310

Approved by the trustees on 2 December 2019 and signed on their behalf by:

Jack Stephen
Chair of Trustees

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 (expenditure) for the reporting period (as per the statement of financial activities)	(150,981)	(10,727)
Depreciation charges	33,928	40,619
Dividends, interest and rent from investments	(15,627)	(7,412)
Decrease in debtors	166,874	498,638
Increase / (Decrease) in creditors	124,326	(6,151)
Net cash (used in) / provided by operating activities	158,520	514,968

	Note	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash used in operating activities	16		158,520		514,968
Cash flows from investing activities:					
Dividends, interest and rents from investments		15,627		7,412	
Additions to fixed assets		(4,440)		(53,587)	
Net cash provided by / (used in) investing activities			11,187		(46,175)
Change in cash and cash equivalents in the year			169,707		468,793
Cash and cash equivalents at the beginning of the year			6,467,073		5,998,280
Cash and cash equivalents at the end of the year	17		6,636,780		6,467,073

1 Accounting policies

a) Statutory information

SPEAR Charitable Housing Association is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is 9 Briar Road, Twickenham, TW2 6RB.

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.

These accounts consist of the accounts of SPEAR Housing Association and the SPEAR Endowment Trust, charity number 1122206-1, an unincorporated charity. The Charity Commission issued a linking direction for the two charities in 2018. As a result of the linking direction, comparative information for SPEAR Housing Association Limited and the SPEAR Endowment Trust have been combined for the year-ended 31 March 2019 and have been restated as if the linking direction has always been in existence.

Spear Endowment Trust donated its unrestricted funds to SPEAR, this has been shown as unrestricted income with the corresponding unrestricted cost in the Endowment Trust. An amount of £ 1,250,000 has been transferred from general funds into a designated fund to cover future property maintenance obligations. As the endowment can be used for property acquisition costs only a further sum of 1,290,994 has been designated as a property development reserve to cover legal and refurbishment costs of future property acquisitions.

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

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.

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

f) 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.

g) Expenditure and irrecoverable VAT

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

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

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

h) Allocation of support costs

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

i) Governance costs

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

Notes to the financial statements

For the year ended 31 March 2019

1 Accounting policies (continued)

j) 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.

Endowment funds can be used solely for the specific purpose of property acquisition

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

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

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

▪ Land and buildings	
▪ Fixtures & Fittings	3 years
▪ Computers & Equipment	3 years

m) Debtors

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

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. Cash balances exclude any funds held on behalf of service users.

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

Notes to the financial statements

For the year ended 31 March 2019

2 Statement of financial activities (incorporating income and expenditure account) – Prior Year

	SPEAR		SPEAR Endowment Trust		2018
	Unrestricted	Restricted	Unrestricted	Restricted	Total
	£	£	£	£	£
Income from:					
Donations and legacies	166,307	–	–	–	166,307
Charitable activities	1,503,859	905,141	189,746	–	2,598,746
Investments	3,413	–	3,999	–	7,412
Total income	1,673,579	905,141	193,745	–	2,772,465
Expenditure on:					
Raising funds	154,719	–	–	–	154,719
Charitable activities	1,494,752	843,186	289,828	707	2,628,473
Total expenditure	1,649,471	843,186	289,828	707	2,783,192
Net income / (expenditure) for the year	24,108	61,955	(96,083)	(707)	(10,727)
Net movement in funds	24,108	61,955	(96,083)	(707)	(10,727)
Reconciliation of funds:					
Total funds brought forward	445,300	43,250	3,472,176	4,016,311	7,977,037
Total funds carried forward	469,408	105,205	3,376,093	4,015,604	7,966,310

3 Income from donations and legacies

	Unrestricted	Restricted	2019	Unrestricted	Restricted	2018
	£	£	Total	£	£	Total
			£			£
Legacies	1,256	–	1,256	5,416	–	5,416
Donations	225,149	–	225,149	160,891	–	160,891
	226,405	–	226,405	166,307	–	166,307

4 Income from charitable activities

	Unrestricted	Restricted	2019	Unrestricted	Restricted	2018
	£	£	Total	£	£	Total
			£			£
<u>Hostels</u>						
<u>Penny Wade House Hostel</u>						
Housing Benefit Income	239,233	–	239,233	208,844	–	208,844
London Borough of Richmond – Supporting People contract	91,739	–	91,739	102,440	–	102,440
London Borough of Richmond – Service Level Agreement	96,868	–	96,868	96,868	–	96,868
Sub total	427,840	–	427,840	408,152	–	408,152
<u>Wilton Road Hostel</u>						
Housing Benefit Income	234,579	–	234,579	209,068	–	209,068
London Borough of Merton – Supporting People contract	144,725	–	144,725	144,725	–	144,725
London Borough of Merton – Housing Management grant	6,640	–	6,640	12,890	–	12,890
Other Income	–	–	–	6,960	–	6,960
Sub total	385,944	–	385,944	373,643	–	373,643
<u>Lower Grove Hostel</u>						
London Borough of Richmond – Supporting People contract	48,855	–	48,855	48,509	–	48,509
Sub total	48,855	–	48,855	48,509	–	48,509
<u>Supported Housing Schemes</u>						
<u>Sandycombe Road Supported Housing Scheme</u>						
Housing Benefit Income	47,683	–	47,683	48,268	–	48,268
Richmond Parish Lands Charity Trust grant	–	17,000	17,000	–	17,000	17,000
Other Income	–	–	–	16	–	16
Sub total	47,683	17,000	64,683	48,284	17,000	65,284

Notes to the financial statements

For the year ended 31 March 2019

4 Income from charitable activities (continued)

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
<u>Heath Road Supported Housing Scheme</u>						
Housing Benefit Income	3,227	-	3,227	72,671	-	72,671
Other Income	-	-	-	300	-	300
Sub total	3,227	-	3,227	72,971	-	72,971
<u>St John's Lodge Supported Housing Scheme</u>						
Housing Benefit Income	42,713	-	42,713	42,002	-	42,002
Sub total	42,713	-	42,713	42,002	-	42,002
<u>Vectis Road Supported Housing Scheme</u>						
Housing Benefit Income	31,259	-	31,259	47,995	-	47,995
Sub total	31,259	-	31,259	47,995	-	47,995
<u>Rosa House Supported Housing Scheme</u>						
Housing Benefit Income	36,997	-	36,997	42,799	-	42,799
Richmond Parish Lands Charity Trust grant	-	14,400	14,400	-	14,400	14,400
Sub total	36,997	14,400	51,397	42,799	14,400	57,199
<u>Barnard Road Supported Housing Scheme</u>						
Housing Benefit Income	33,329	-	33,329	47,272	-	47,272
Sub total	33,329	-	33,329	47,272	-	47,272
<u>Boyd Close Supported Housing Scheme</u>						
Housing Benefit Income	26,869	-	26,869	33,891	-	33,891
Sub total	26,869	-	26,869	33,891	-	33,891
<u>Brenda Close Supported Housing Scheme</u>						
Housing Benefit Income	66,244	-	66,244	-	-	-
Sub total	66,244	-	66,244	-	-	-
<u>Lisbon Avenue Supported Housing Scheme</u>						
Housing Benefit Income	19,976	-	19,976	-	-	-
Sub total	19,976	-	19,976	-	-	-
<u>Other Services</u>						
<u>Skills Development Service</u>						
Hampton Fuel Allotment Charity grant	-	22,500	22,500	-	20,000	20,000
DCF Drapers Charitable Trust	-	-	-	-	7,000	7,000
The Albert Hunt Trust	-	-	-	-	2,000	2,000
London Community Foundation	-	10,013	10,013	-	5,000	5,000
Garfield Weston	-	10,000	10,000	-	-	-
The Peter Stebbings Memorial Charity	-	-	-	-	2,550	2,550
The 29th May 1961 Charitable Trust grant	-	-	-	-	3,500	3,500
Other Income	-	-	-	-	4,164	4,164
Sub total	-	42,513	42,513	-	44,214	44,214
<u>Rough Sleeper Outreach Service</u>						
London Borough of Richmond – Supporting People	40,380	-	40,380	45,380	-	45,380
London Borough of Richmond – Service Level Agreement	68,220	-	68,220	68,220	-	68,220
Barnes Workhouse Fund grant	-	5,500	5,500	-	5,500	5,500
Hampton Fuel Allotment Charity grant	-	-	-	-	2,500	2,500
Berkeley Foundation	-	-	-	-	10,000	10,000
Sub total	108,600	5,500	114,100	113,600	18,000	131,600
<u>Tenancy Sustainment Service</u>						
London Borough of Richmond – Supporting People	29,414	-	29,414	34,036	-	34,036
London Borough of Richmond – Service Level Agreement	51,165	-	51,165	49,955	-	49,955
Sub total	80,579	-	80,579	83,991	-	83,991

Notes to the financial statements

For the year ended 31 March 2019

4 Income from charitable activities (continued)

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
<u>Fresh Start Service</u>						
London Borough of Kingston	-	144,989	144,989	-	225,000	225,000
Other Income	-	-	-	1,247	-	1,247
Sub total	-	144,989	144,989	1,247	225,000	226,247
<u>Rough Sleeper Service (Sutton & Merton)</u>						
London Borough of Merton	-	173,670	173,670	-	177,970	177,970
Sub total	-	173,670	173,670	-	177,970	177,970
<u>Rough Sleeper Service (Richmond, Kingston & Wandsworth)</u>						
London Borough of Richmond	-	191,500	191,500	-	193,125	193,125
Sub total	-	191,500	191,500	-	193,125	193,125
<u>Greater London Authority Rough Sleeper Service</u>						
Greater London Authority	-	18,500	18,500	-	18,500	18,500
Sub total	-	18,500	18,500	-	18,500	18,500
<u>MHCLG Rough Sleeper Service (Richmond)</u>						
London Borough of Richmond	-	276,313	276,313	-	-	-
Sub total	-	276,313	276,313	-	-	-
<u>MHCLG Rough Sleeper Service (Kingston)</u>						
London Borough of Kingston	-	261,100	261,100	-	-	-
Sub total	-	261,100	261,100	-	-	-
<u>Rough Sleeper Outreach (Wandsworth)</u>						
PMM	-	25,000	25,000	-	-	-
Sub total	-	25,000	25,000	-	-	-
<u>Homeless Health Link Service</u>						
Big Lottery Fund	-	154,260	154,260	-	164,682	164,682
Richmond Parish Lands Charity Trust grant	-	7,500	7,500	-	-	-
Sub total	-	161,760	161,760	-	164,682	164,682
<u>Domestic Violence Service</u>						
London Borough of Richmond grant	-	-	-	89,930	-	89,930
Sub total	-	-	-	89,930	-	89,930
<u>Volunteering</u>						
Hampton Fuel Allotment Charity grant	-	17,500	17,500	-	17,500	17,500
Sub total	-	17,500	17,500	-	17,500	17,500
<u>Core Grants</u>						
London Borough of Richmond – Supporting People	-	-	-	15,831	-	15,831
London Borough of Richmond – Service Level Agreement	22,033	-	22,033	15,747	-	15,747
Richmond Parish Lands Charity Trust grant	15,747	22,600	38,347	-	14,750	14,750
Other Income	395	-	395	17,995	-	17,995
Sub total	38,175	22,600	60,775	49,573	14,750	64,323
Housing and almshouses	197,058	-	197,058	189,746	-	189,746
Total income from charitable activities	1,595,348	1,372,345	2,967,693	1,693,605	905,141	2,598,746

5 Income from investments

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Interest earned – SPEAR	15,608	-	15,608	3,413	-	3,413
Interest earned – QHT	-	-	-	3,986	-	3,986
Div	-	-	-	13	-	13
	<u>15,608</u>	<u>-</u>	<u>15,608</u>	<u>7,412</u>	<u>-</u>	<u>7,412</u>

6a Analysis of expenditure (current year)

	Cost of raising funds	Housing and almshouses	Hostels	Supported Housing Schemes	Homeless Healthlink Service	Skills Development Service	Rough Sleeper Outreach Service	Tenancy Support Service	Domestic Violence Service	Fresh Start Service	Rough Sleeper Service (Sutton & Merton)	Rough Sleeper Service (Richmond, Kingston & Wandsworth)	Greater London Authority Rough Sleeper Service	MHCLG RSI Kingston	MHCLG RSI Richmond	Wandsworth Outreach	Volunteering Service	Governance Costs	Support Costs	2019 Total	2018 Total
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Staff costs (Note 8)	131,934	-	595,667	79,517	137,904	38,978	90,548	68,309	-	163,022	97,423	155,568	16,289	75,127	84,849	3,241	18,558	-	475,436	2,232,370	1,898,059
Premises Costs	-	185,287	93,064	289,339	-	-	-	296	-	-	1,204	809	-	25,133	23,605	-	-	-	142,727	142,727	408,193
Infrastructure Costs	594	-	13,722	18,270	6,151	1,187	4,408	3,326	-	12,186	3,592	6,105	406	31,217	22,617	750	252	-	54,985	178,668	114,246
Fundraising Costs	3,825	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,900	5,900
Client Costs	-	-	3,359	2,357	3,736	7,377	5,869	-	-	1,157	1,387	2,317	-	20,164	25,327	-	-	-	1,347	74,597	18,521
Other Direct Costs	-	61,959	1,098	300	-	-	-	-	-	-	-	-	-	5,000	-	-	-	39,377	40	107,774	49,566
	136,353	247,246	706,910	389,783	148,775	47,542	100,825	71,931	-	176,370	103,606	164,799	16,695	156,641	156,398	3,991	18,810	39,377	674,635	3,360,687	2,492,657
Support costs	31,196	-	152,296	92,279	20,417	6,300	7,355	7,356	-	38,043	69,443	25,296	4,013	101,959	117,673	1,009	-	-	(674,635)	-	-
Governance costs	1,850	-	17,181	6,050	1,680	-	850	1,412	-	1,600	1,632	1,405	975	2,500	2,242	-	-	(39,377)	-	-	-
Total expenditure 2019	169,399	247,246	876,387	488,112	170,872	53,842	109,030	80,699	-	216,013	174,681	191,500	21,683	261,100	276,313	5,000	18,810	-	-	3,360,687	2,492,657
Total expenditure 2018	154,719	-	898,728	361,883	163,070	62,169	117,488	87,202	89,715	153,976	176,959	193,125	15,317	-	-	-	18,955	-	-	-	2,492,657

6b Analysis of expenditure (prior year)

	Cost of raising funds £	Hostels £	Supported Housing Schemes £	Homeless Healthlink Service £	Skills Development Service £	Rough Sleeper Outreach Service £	Tenancy Support Service £	Domestic Violence Service £	Fresh Start Service £	Rough Sleeper Service (Sutton & Merton) £	Rough Sleeper Service (Richmond, Kingston & Wandsworth) £	Greater London Authority Rough Sleeper Service £	Volunteering Service £	Governance Costs £	Support Costs £	2018 Total £
Staff costs (Note 8)	127,607	616,751	14,718	111,180	49,126	93,103	68,648	74,234	103,595	133,711	155,466	10,245	18,453	-	321,222	1,898,059
Premises Costs	-	97,320	248,273	-	-	590	436	-	-	-	-	-	-	-	61,574	408,193
Infrastructure Costs	1,368	8,327	10,363	21,875	775	1,908	1,410	750	16,141	3,182	4,097	76	-	-	43,974	114,246
Fundraising Costs	3,055	-	-	493	-	17	13	-	8	-	-	-	-	-	489	4,075
Client Costs	288	4,910	1,554	4,136	3,051	1,435	1,170	-	298	360	821	-	-	-	498	18,521
Other Direct Costs	-	209	-	103	-	9	-	-	-	-	-	-	502	47,131	1,612	49,566
	132,317	727,516	274,909	137,786	52,952	97,062	71,677	74,984	120,042	137,253	160,384	10,322	18,955	47,131	429,368	2,492,657
Support costs	20,338	150,031	74,914	23,604	8,370	19,095	14,113	13,884	32,237	38,074	31,336	4,020	-	-	(429,368)	
Governance costs	2,064	21,181	12,060	1,680	847	1,331	1,412	847	1,697	1,632	1,405	975	-	(47,131)	-	
Total expenditure 2018	154,719	898,728	361,883	163,070	62,169	117,488	87,202	89,715	153,976	176,959	193,125	15,317	18,955	-	-	2,492,657

Notes to the financial statements

For the year ended 31 March 2019

7 Net income / (expenditure) for the year

This is stated after charging:

	2019 £	2018 £
Depreciation	33,928	40,619
Operating lease rentals:		
Property	399,371	268,140
Auditor's remuneration (excluding VAT):		
Audit	10,500	13,649
Other services	-	-
	<u> </u>	<u> </u>

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

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	1,773,136	1,553,765
Social security costs	160,564	149,861
Staff Expenses	20,405	14,656
Temporary Staff	196,152	100,685
Staff Training/Support	17,012	16,320
Recruitment	8,380	10,127
DBS Checks	882	1,448
Volunteer Expenses	772	208
Employer's contribution to defined contribution pension schemes	44,681	38,149
Other forms of employee benefits	10,386	12,842
	<u>2,232,370</u>	<u>1,898,059</u>

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

	2019 No.	2018 No.
£70,000 – £79,999	-	1
£80,000 – £89,999	-	-
£90,000 – £99,999	1	-
	<u> </u>	<u> </u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £335,577 (2018: £183,441).

Notes to the financial statements

For the year ended 31 March 2019

9 Staff numbers

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

	2019 No.	2018 No.
Raising funds	3.1	2.6
Penny Wade House Hostel	9	11.8
Wilton Road Hostel	7.8	7.8
Lower Grove Road Hostel	1.4	1.4
Sandycombe Road Supported Housing Scheme	0.4	0.4
Heath Road Supported Housing Scheme	–	–
St John Lodge Supported Housing Scheme	0.6	0.4
Vectis Road Supported Housing Scheme	0.4	0.4
Rosa House Supported Housing Scheme	0.4	0.4
Barnard Road Supported Housing Scheme	0.4	0.4
Boyd Close Supported Housing Scheme	0.4	0.4
Homeless Healthlink Service	3.8	3.8
Skills Development Service	2	1.8
Operational Management	2	
Rough Sleeper Outreach Service – Richmond	3	4
Rough Sleeper Outreach Service – Wandsworth	2	
Rough Sleeper Outreach Service – Wandsworth/Kingston	2	
Rough Sleeper Outreach Service – Merton/Sutton	1	
Tenancy Support Service	3	2.8
Domestic Violence Service	1	0.2
South West London resettlement service		9
Trailblazers	7	7.0
Central Support	9.4	9.4
QHT	1	
	61.1	64

10 Tangible fixed assets

	Land and buildings and Almshouses £	Land and buildings and housing £	Fixtures & fittings £	Computer equipment £	Total £
Cost					
At the start of the year	486,348	1,084,055	95,893	12,882	1,679,178
Additions in year	–	–	4,440	–	4,440
At the end of the year	486,348	1,084,055	100,333	12,882	1,683,618
Depreciation					
At the start of the year	166,682	135,800	35,857	12,264	350,603
Charge for the year	8,166	9,088	16,056	618	33,928
At the end of the year	174,848	144,888	51,913	12,882	384,531
Net book value					
At the end of the year	311,500	939,167	48,420	–	1,299,087
At the start of the year	319,666	948,255	60,036	618	1,328,575

All of the above assets are used for charitable purposes.

11 Debtors

	2019 £	2018 £
Trade debtors – SPEAR	136,585	70,200
Trade debtors – QHT	–	22,060
Other debtors	10,568	270,670
Staff Loans	6,906	1,542
Prepayments – SPEAR	9,055	12,662
Prepayments – QHT	–	3,950
Accrued income	58,096	7,000
	221,210	388,084

12 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors – SPEAR	133,900	48,569
Taxation and social security	–	–
Trade creditors – QHT	–	43,673
Other creditors	103,157	54,599
Accruals – SPEAR	87,125	63,733
Accruals – QHT	–	7,001
Deferred income	20,000	2,280
	344,182	219,855

13 Deferred income

	2019 £	2018 £
Balance at the beginning of the year	2,280	–
Amount released to income in the year	(2,280)	–
Amount deferred in the year	20,000	2,280
Balance at the end of the year	20,000	2,280

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

	Endowment	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	1,250,667	48,420	–	1,299,087
Net current assets	2,764,230	3,712,287	39,725	6,516,242
Net assets at the end of the year	4,014,897	3,760,707	39,725	7,815,329

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

	Endowment	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	1,267,921	33,345	–	1,301,266
Net current assets	2,747,683	3,812,156	105,205	6,665,044
Net assets at the end of the year	4,015,604	3,845,501	105,205	7,966,310

15a Movements in funds (current year)

	At 1 April 2018 £	Income & gains £	Expenditure & losses £	At 31 March 2019 £
Restricted funds:				
Core Charitable Services	–	22,600	(22,600)	–
Volunteering	4,375	17,500	(17,500)	4,375
Sandycombe Road Supported Housing Scheme	–	17,000	(17,000)	–
Rosa House Supported Housing Scheme	–	14,400	(14,400)	–
Skills Development Fund	6,500	42,513	(41,163)	7,850
Trainee Outreach Service	2,500	5,500	(8,000)	–
Fresh Start	71,024	144,989	(216,013)	–
DCLG (Sutton & Merton)	1,011	173,670	(174,681)	–
DCLG (Richmond, Kingston & Wandsworth)	–	191,500	(191,500)	–
Wandsworth outreach	–	25,000	(5,000)	20,000
MHCLG Kingston	–	261,100	(261,100)	–
MHCLG Richmond	–	276,313	(276,313)	–
GLA	3,183	18,500	(21,683)	–
Homeless Healthlink	16,612	161,760	(170,872)	7,500
Total restricted funds	105,205	1,372,345	(1,437,825)	39,725
Unrestricted Funds				
Designated funds				
Designated development fund	–	1,290,994	–	1,290,994
Cyclical maintenance fund	822,342	427,658	(18,697)	1,231,303
Total designated funds	822,342	1,718,652	(18,697)	2,522,297
General funds	3,023,159	3,494,802	(5,279,551)	1,238,410
Total unrestricted funds	3,845,501	5,213,454	(5,298,248)	3,760,707
Endowment Funds				
Almshouses				
Property reinvestment	1,213,124	–	–	1,213,124
Housing	–	–	–	–
Property reinvestment	2,802,480	–	(707)	2,801,773
	4,015,604	–	(707)	4,014,897
Total funds	7,966,310	6,585,799	(6,736,780)	7,815,329

Purposes of restricted funds

The Core Charitable Services Support Fund

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

Volunteering

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

Sandycombe Road Supported Housing Scheme

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

Rosa House Supported Housing Scheme

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

The Skills Development Fund

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

FRESH START

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

DCLG

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

GLA

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

Trainee Outreach Worker

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

Homeless Health Link service

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

15b Movements in funds (prior year)

	At 1 April 2017 £	Income & gains £	Expenditure & losses £	At 31 March 2018 £
Restricted funds:				
Core Charitable Services	–	14,750	(14,750)	–
Volunteering	4,375	17,500	(17,500)	4,375
Sandycombe Road Supported Housing Scheme	–	17,000	(17,000)	–
Rosa House Supported Housing Scheme	–	14,400	(14,400)	–
Skills Development Fund	21,375	44,214	(59,089)	6,500
Trainee Outreach Service	2,500	18,000	(18,000)	2,500
Fresh Start	–	225,000	(153,976)	71,024
DCLG (Sutton & Merton)	–	177,970	(176,959)	1,011
DCLG (Richmond, Kingston & Wandsworth)	–	193,125	(193,125)	–
GLA	–	18,500	(15,317)	3,183
Homeless Healthlink	15,000	164,682	(163,070)	16,612
Total restricted funds	43,250	905,141	(843,186)	105,205
Endowment Funds				
Almshouses				
Property reinvestment	1,213,124	–	–	1,213,124
Housing	–	–	–	–
Property reinvestment	2,803,187	–	(707)	2,802,480
	4,016,311	–	(707)	4,015,604
Unrestricted funds				
Designated funds				
Designated development fund				
Cyclical Maintenance fund	884,359	–	(62,017)	822,342
Total designated funds	884,359	–	(62,017)	822,342
General funds	445,300	1,673,579	(1,649,471)	469,408
General Funds SET	2,523,017	224,057	(193,323)	2,553,751
Total unrestricted funds	3,852,676	1,897,636	(1,904,811)	3,845,501
Total funds	7,912,237	2,802,777	(2,748,704)	7,966,310

16 Analysis of cash and cash equivalents

	At 1 April 2018	Cash flows	At 31 March 2019
	£	£	£
Cash at bank and in hand	6,373,119	257,326	6,630,445
Notice deposits (less than three months)	93,954	(87,619)	6,335
Total cash and cash equivalents	6,467,073	169,707	6,636,780

17 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	272,911	207,195	-	1,450
One to five years	314,270	224,278	-	-
Over five years	-	35,253	-	-
	587,181	466,726	-	1,450

18 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.

19 Taxation

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