

Company Number: 03638571
Charity Number: 1078945

PRAXIS COMMUNITY PROJECTS

TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

The trustees present their report and the financial statements of Praxis Community Projects ("Praxis") for the year ended 31 March 2020

REFERENCE AND ADMINISTRATIVE DETAILS

The trustees of the charity, who are also the directors of the company, have held office since 1 April 2019, as follows:

Barbara Roche	<i>Chair</i>
Elijah Sambo	
Pasha Michaelsen	<i>(vice chair)</i>
Jumana Rahman	
Colin Cormack	<i>(retired 31 July 2019)</i>
Raphael Perret	<i>(Treasurer and Chair Finance and Resources Committee)</i>
Dylan Matthews	
Martin Cosarinsky Campos	
Constance Cullen	<i>(appointed 18 July 2019)</i>
Shashi Giblin	<i>(appointed 18 July 2019)</i>
Tom Brand	<i>(appointed 7th November 2019)</i>

The principal address of the charity and the registered office of the company is the offices of Praxis at Pott Street, London E2 0EF

The following act for the charity in the capacity of:

Banker: HSBC plc, 465 Bethnal Green Road, London E2 9QW

Auditor: Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG

The senior staff of Praxis are:

Sally Daghlian OBE	Chief Executive and Company Secretary
Maria Iglesias	Head of Services
Marika Wilkinson	Head of Fundraising and Communications

OUR CHARITY

Praxis' core purpose is to work with migrants in crisis or at risk, to ensure that they can live in safety, overcome the barriers they face and have control over their own destinies. Our **Vision** is for *a world where people are not defined by their immigration status; a world where people who have migrated are treated with dignity and respect.*

We provide specialist services, build community, challenge exclusion and inspire solidarity with migrants.

We seek ways to use the evidence from our service delivery to influence policy, improve service provision and build a more welcoming community in which people can integrate and thrive. Supporting people to speak for themselves is an integral part of this strategy.

Our direct services are pan-London but we share our expertise and influence nationally and internationally.

OUR OBJECTIVES

Praxis' charitable objectives are to:

- (a) (a) advance the education and relieve the poverty, sickness and distress of members of the public, particularly refugees, migrants and asylum seekers (the beneficial class) in particular but not exclusively by:
 - (i) (1) the provision of counselling, translating and interpreting services regarding matters of importance to the beneficiaries of the charity, including the matter of detention and related issues;
 - (ii) (2) the provision of advice regarding financial matters, welfare benefits, housing, health, education, training and employment;
 - (iii) (3) the provision of ESOL classes and vocational training; and
 - (iv) (4) the carrying out of research to assess the needs of the beneficial class.
- (b) (b) provide facilities for recreation or other leisure time occupation with the object of improving the conditions of life of those members of the beneficial class who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances.
- (c) (c) advance the education of the public, in particular the beneficial class, of different cultures of the beneficial class through, but not exclusively, the provision of art and drama workshops and other similar cultural and educational activities.
- (d) promote racial harmony by undertaking workshops which help people understand the causes and effects of racist attitudes and how individuals may learn to live with and overcome them.

Our five strategic aims build on the objectives of the Charity, and set the framework for our activities.

(1) Migrants at-risk will be able to access services recognising their human rights and needs.

We provided specialist immigration advice and a range of welfare services and interventions targeted at those facing the highest risks, including homelessness, ensuring pathways out of destitution. Acting in collaboration with other charities and service providers, we improved access to legal advice and support services for migrants in need.

(2) Destitute migrants will be able to access safe accommodation and support.

Praxis provided safe, temporary homes and support to migrants at-risk with 'no recourse to public funds' (NRPF) through our housing projects; we used our experience and expertise to influence local authorities and the homelessness sector to improve the wider provision of accommodation and support for NRPF families and single migrants.

(3) The challenges faced by undocumented, destitute migrants and those with uncertain immigration status will be more widely understood

We shared our knowledge and expertise through training, networking, alliance building and events. We use the evidence gathered through our front-line work to lead, influence and create change at local and national level and contributed to improving the public narrative on migration and fostering support for migrants.

(4) Service users find resilience, voice and a sense of belonging

Praxis helped create community and social connectedness through our peer support groups, providing opportunities to develop confidence, skills, knowledge and potential. We supported our service users to speak up about the issues that affect them and contribute to public and policy debates, and to shaping our own work.

(5) A robust and sustainable charity, able to champion the needs of our beneficiaries

Praxis developed its infrastructure, strategic management and thinking capacity to increase sustainability and impact.

OUR ACTIVITIES

We focus our activities on three main areas:

- Advice and support
- Homelessness and destitution; and,
- Group work to build community, resilience and voice.

Our advice and group work services are targeted towards those most at risk, with the greatest need, and where we can achieve the most impact. Our beneficiaries include people with insecure status or without documentation to prove their status, those who have experienced trafficking or enslavement, asylum seekers and refugees, homeless and destitute migrants and victims of exploitation and gender violence. Projects are independently evaluated wherever possible. External verifiers include the Advice Quality Standard, last reviewed June 2020, and the Office of the Immigration Service Commissioner (OISC). Praxis has Investors in People status.

As at August 2020 Praxis has 44 staff members, 35 full-time equivalents working in teams as follows: advice services; housing; group work; fundraising and communications; finance and resources; interpreting.

Praxis's Response to Covid-19

The Covid-19 pandemic had an immediate impact on the people we exist to support. People presented to Praxis facing increased destitution and homelessness, vulnerability to declining health and severe safeguarding issues, while lockdown isolated them from the communities and networks that could help them.

In March 2020, Praxis responded quickly and effectively to redesign our services to be delivered remotely, and ensure we were able to address the changing unmet needs of at-risk migrants, while adhering to public health guidelines to maintain the safety of staff, service users and wider public.

- All face-to-face contact with clients was suspended – our advice and interpreting services quickly mobilised to offer support remotely, operating over the phone and at full capacity to meet need.

- We developed and implemented new, strict protocols within our housing projects to ensure continued safe and supportive environments for residents.
- We continued to deliver vital but modified services to street homeless migrants, supporting access to emergency accommodation across the capital
- All of our therapeutic groups have been delivered online to reduce isolation and anxiety
- All staff began working remotely, bar a skeleton of three facilitating home working including receiving essential documents from the Home Office to enable us to progress cases.
- We continued to engage in sector representations to the Home Office calling for flexibility, for those with no recourse to public to be supported through the pandemic, and to modify requirements and restrictions.

We also launched a brand new service: *The Covid Inclusion Project*, manned by trained volunteers who are calling 600 at-risk and vulnerable people to ensure they have access to the basic essentials, support and guidance they need to survive this crisis.

As the impact of the pandemic continues we will continually review our approach, while monitoring emerging trends and needs as the situation unfolds.

ADVICE AND SUPPORT

The increased use of the 'No Recourse to Public Funds' condition¹ and cuts to frontline services and cuts to Legal Aid mean that many of London's most at-risk migrants, refugees and people seeking asylum face homelessness and destitution and are unable to access the support they need.

Praxis's advice team delivers specialist advice services to migrants at risk, in addition to second-tier advice and training to frontline staff and other professionals.

During the year, the Praxis Advice Team worked on 4,910 cases (2018-19: 1,988), providing expert information and advice to 2,310 people (2018-19: 1,139). Our specialist teams, registered up to OISC² Level 3, have worked on 1,607 immigration cases and submitted 698 immigration applications, 83% of which were successful in helping people to obtain long-term settlement or citizenship, gain limited leave to remain, to have their 'no recourse to public funds' (NRPF) condition lifted, or to obtain travel documents or replacement papers. We have raised over £370,000 directly for beneficiaries in the form of grants or by identifying backdated, new or additional funds available to them.

In May 2019, in response to increased vulnerability of EU Migrants as a result of Brexit, our *EU Settlement Scheme Project* was launched to provide immigration advice and complex case work for homeless European migrants and those with EU rights. Since its launch we have supported 425 people to apply for status, of which 89 were granted pre-settled status and 121 were granted settled status.

¹ No Recourse to Public Funds Condition means you cannot claim most benefits, tax credits, healthcare, or housing assistance that are paid for by the state regardless of circumstances or need.

² OISC is an accreditation granted by Office of the Immigration Services Commissioner which certifies being fit and competent to provide immigration advice and/or representation, depending on the level of accreditation.

TRAINING AND SUPPORT

Praxis's training programme works to increase the capacity of other organisations, enabling better support for at-risk migrants and refugees in the UK. Immigration policies and people's entitlements are complex and frequently changing and the landscape of services available can be hard to navigate, making it difficult for migrants to secure their rights and access the support they need. In the last year we shared our expertise with 202 organisations, including hospitals, homelessness organisations, schools, local authorities and charities. This training provided knowledge of immigration policies and practical insights on support available and has encouraged the implementation of best practices in migrant support.

We also expanded our work with local authorities and the Greater London Authority to enable councils across London to be better equipped to support migrants in need. We have collaborated with 11 London Boroughs to train frontline workers and managers so they can better understand the challenges faced by their migrant residents and review policies and processes with the aim of improving local authority services and reducing discrimination.

We provided an interpreting service working under contract to the GP Care Group to deliver specialist language support in 10 GP surgeries across East London.

HOMELESSNESS AND DESTITUTION

We remain committed to ensuring that our services reach those most in need and have continued to deliver innovative projects in partnership with homeless outreach projects and hospitals across London. Our *Street Legal Project* acts as legal lifeline for vulnerable migrants, refugees and people seeking asylum who are street homeless and difficult to reach. Since the project re-launched in July 2019, we have worked with teams from St Mungo's to provide accredited immigration advice to 73 non-EEA migrant rough sleepers, whilst our *Routes Home* project has provided case work support and immigration advice to 41 entrenched rough sleepers, resolving 22 of these cases.

Our *Hospital Immigration Support Service* provided expert immigration advice and casework across seven hospitals, to people who would have otherwise been destitute or homeless on discharge. We also provided training to hospital staff to ensure they could better recognise and treat destitute migrants in their care. An externally commissioned evaluation found that this project was 'effectively filling a gap in services'³ by preventing destitution and homelessness within this marginalised group.

We have continued working with Local Authorities, supporting them to address the needs of homeless and destitute migrants by providing immigration advice and enabling sustainable routes out of destitution. Services provided include a drop-in service for Tower Hamlets, the provision of advice within social services in Hackney and a range of services targeted towards destitute migrants in Newham.

Praxis also continues to build on the success of our innovative housing project in partnership with Commonweal Housing. We provided accommodation to 30 adults and 31 children during the year, also supporting residents to settle into their new areas, join peer support groups and access complementary support services. Our housing project won the Homeless Link Innovation Awards in July 2019 and was chosen as one of the finalists for the Guardian Public Service Awards, providing an important platform to share its success, challenges and learning, and raise awareness of migrant destitution.

³ Independent Evaluation of the Praxis Hospital Immigration Service, December 2019, prepared by Becky Rice

GROUP WORK

Praxis's user-led groups, activities, classes and events have supported 350 refugees and migrants in crisis to reduce isolation, build resilience and strengthen their voices. Intrinsically linked to our housing and advice work, our group work supports individuals to flourish and overcome exclusion and isolation. The activities and achievements of the five groups are outlined in table 1 below.

During the year, the group developed a set of outcome indicators to measure how successful our groups are in working towards our broad organisational outcomes. In a survey completed by group attendees⁴:

- 88% said they experienced reduced isolation;
- 79% experienced improved resilience
- 79% felt that they had strengthened their voice; gained an increased understanding of their own situation and had more choices, control and freedom over their future.

100% of participants said that Praxis has improved their lives for the better.

Table 1: Group Activity in 2019-20

Group	Description	Key activities in 2019-20
Brighter Futures	A group of young people, aged 16-25, who have worked together to speak up for young migrants and their rights, and use their creativity as a tool to challenge negative perceptions of migration in the UK	<ul style="list-style-type: none"> • A powerful short film entitled <i>Standing Tall for Justice</i> • A 'passport' with poetry that they had written about their experience - this was also made into a short film • A series of podcasts exploring language, identity and media representations of young migrants • An arts and activism event, <i>Words Apart</i>, with poetry and visual art challenging negative perceptions of young migrants. • A presentation at the launch of the APPG on the impact of the No Recourse to Public Funds condition on young people

⁴ This survey was completed by 66 group work participants from across Praxis groups

Group	Description	Key Activities in 2019-20
Women Inspiring New Generations (WINGS)	A group of women, who with their young children, have come together to nurture their wellbeing, build new positive relationships and find respite from the demands of everyday life. <i>WINGS</i> mums discuss the issues that affect them and share knowledge and experience in order to build solidarity and strength.	<ul style="list-style-type: none"> • The group published their first poetry collection, exploring representations of feelings such as family, peace, love and success. • The group participated in the <i>Step Up Migrant Women</i> event at parliament during the debate of the new Domestic Abuse Bill, campaigning to ensure that the Bill provides equal protection for migrant survivors of domestic abuse, and worked together on a project lead by the Irene Taylor Trust and The Royal Philharmonic Orchestra where they wrote and performed lullabies for their babies. 8
GIANTS	A volunteer led, innovative space where migrant men - fighting against isolation and poor mental health can come together. User-led, the group has used creativity to explore and express feelings and opinions, and worked together to challenge negative stereotypes of migrant men.	<ul style="list-style-type: none"> • Group members composed a song highlighting their strength and determination in the face of the systemic oppression they experience in their day to day lives. This was performed at the Praxis annual Human Rights Day event to an audience of over 200. • A particular success of the group this year is that a previous member has become volunteer co-facilitator and is now leading sessions with the support of his peers.
Service User Forum	<i>The Service User Forum</i> takes place every second month and is attended by a committed group of current and former service users. Members are committed to listening to the wider Praxis community and gathering feedback that plays a crucial role in decision making processes within the organisation.	
Trauma – Informed Yoga	Run in partnership with Ourmala and Globe Community Foundation, these classes have enabled our service users to begin to work through trauma and improve both mental and physical health.	

ADVOCACY AND CAMPAIGNING

A key focus of the year was the development of our capacity and work to create systemic change through evidence-based advocacy, campaigning and influencing activities.

We continue to support members of the Windrush generation in speaking out against the injustices of the Windrush scandal on national and international media platforms, at consultations and public events. These individuals highlighted new facets to the injustices they have faced, proposed solutions, and fed into the design of the compensation scheme for victims of the scandal. We continued to build on this work throughout the year, further strengthening the voices of our service users to reshape the narrative on migration through public events and campaigns, and influence people who have the power to achieve long-term, positive change. We supported two public events led by service users and group members; *Words Apart*, a Brighter Futures poetry event aimed at changing the public narrative on migration and our annual human rights' day celebration.

"Today I was able to, if only for a moment, see the world from the eyes of amazing people on stage, live through their worries and see some of their joy" - Member of the audience at Words Apart

In 2019 we supported service users to join *Lift the Ban*, a coalition campaign working to grant people seeking asylum the right to work. They joined members of more than 230 organisations throughout the UK and sent postcards to the Home Office, drew placards, joined public events and were featured in *The Economist* advocating for the right of asylum seekers to live in dignity.

In early 2020 we advocated publicly for continuation of funding by the Home Office to support vulnerable EU migrants, many of whom are facing homelessness and destitution, to apply with the EU Settlement Scheme. Following months of uncertainty over availability of funding, in March 2020 the Home Office announced its continuation.

Praxis has participated in a number of networks to share learning, resources and contribute to the development of sustainable solutions to migrant destitution. Networks include NRPF working group, NACCOM, Tower Hamlets Community Advice Network, Migrant Rights Network, Refugee and Migrant Children's Consortium, Housing and Immigration Group, Refugee Legal Group. We have delivered a St Martin's Frontline Network project bringing together practitioners to discuss and share experience around issues facing migrants⁵ and participated in peer learning sets, researching potential new ways in which to increase immigration advice capacity.⁶

CHARITY STRUCTURE, GOVERNANCE AND MANAGEMENT

Status

Praxis Community Projects is a registered charity and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £1 to the assets of the charity in the event of the charity being wound up during the period of membership, or within one year thereafter.

The members of the company comprise individuals, who are the trustees of the charity and the directors of the company, and certain groups that have a historical interest in the charitable activities of Praxis. The members groups are: Arewa Association, SACC - Salvador Allende Cultural Centre, Vamos Juntos, Diaspora Support Network and the Uganda Social Justice Arena.

⁵ <https://frontlinenetwork.org.uk/news-and-views/2020/05/stories-from-the-frontline-migrant-refugee-support-during-c-19/>

⁶ <https://www.phf.org.uk/publications/methods-of-increasing-the-capacity-of-immigration-advice-provision/>

Constitution

The company was incorporated on 25 September 1998 and is registered at Companies House under number 03638571. It took over the assets, liabilities and activities of The Robert Kemble Christian Institute ("RKCI") from 1 April 1999. It was registered as an incorporated charity with the Charity Commissioners under registration number 1078945 on 13 January 2000.

RKCI was originally established by a Deed of Declaration of Trust dated 6 June 1983 following the premature death of the Reverend Robert Kemble, a minister of the United Reformed Church, who had worked extensively with displaced people in Central London. Initial funding for the charity came from a bequest in Reverend Kemble's will. There were no restrictions attached to the use of this legacy.

The incorporated charity is now governed by the rules and regulations set down in its company Memorandum and Articles of Association which were originally dated 25 September 1998 and were subsequently amended on 29 November 1999 and 13 July 2006. In March 2018 the Memorandum of Articles and Association were amended to bring them into line with current legislation and the current context of the charity's work.

Organisational structure, governance and management

The overall strategic direction of the charity is determined by the trustees who meet formally six times a year for quarterly board meetings, an AGM and a strategy away day. The trustees agree the strategic and operational priorities and annual budget. They also establish policies and procedures for the running of the charity. There are two sub-groups, the Finance and Resources Committee which meets six times a year and reports to each of the main board meetings and a Premises Committee, formed to assist the organisation to find new premises in advance of the end of its lease in 2025. The finance and resources committee takes responsibility for monitoring and reporting to the Board on key areas including financial planning and management, fundraising, human resources and risk management. From time to time, small groups of trustees and staff work together to consider relevant strategic or operational issues. In addition to attending board meetings the board deploys the expertise and interest of individual trustees to support the chief executive and staff in agreed ways. The organisation has a Service User Forum designed to engage service users in the planning and governance of the organisation and give feedback on services. One of the trustees attends the service-user forum and two service-user representatives attend trustee meetings in an advisory capacity. We have one member group representative on the trustee board.

The day to day management of Praxis is delegated to the Chief Executive and the senior management team which has been strengthened by the addition of a head of fundraising and communications. The Chief Executive presents an overview report to each board meeting, along with reports on service delivery, quality assurance and performance. The trustees receive quarterly financial reports and management accounts, including cash flows.

Method of recruitment, appointment, induction and training of trustees

Recruitment

Trustees are selected through an open recruitment and search process led by the chair and a trustee recruitment panel which includes the chief executive. Trustees are selected on the basis of criteria established by the Board, comprising relevant skills and experience, knowledge of the areas of work in which the charity is engaged, understanding of governance and an understanding of the communities with which the charity works. In this period, following a review of skills, organisational needs and risks, three new trustees were appointed bringing additional strategic and financial management skills, operational and policy expertise in housing and homelessness and legal expertise in property matters.

Appointment

Trustees hold office for a period of three years from the date of appointment (or such shorter period as the Trustee may agree) and, if qualified, are eligible for reappointment for further terms of three years, not exceeding three terms in total.

Induction and training

New trustees receive formal induction, including meetings with the CEO and chair, key documents including the Memorandum and Articles of Association, the strategic plan, and opportunities to meet staff and shadow work. Individual trustees are eligible for governance related training courses and are encouraged to attend. The board reviews its own performance, skills and composition annually at the strategic review day.

Diversity

The Board has not set diversity targets, but is diverse, in terms of gender, age, nationality and ethnicity and maintaining diversity is a factor in board recruitment. The board currently comprises 50% women and 50% men, includes three trustees with Asian or black African backgrounds, two trustees with migrant or refugee backgrounds and trustees of mixed European and other backgrounds. The age profile is mixed. There is stakeholder representation on the Board and the board is supporting a service-user Forum to develop stronger engagement of beneficiaries in governance. Trustees bring a diverse mix of skills and experience including finance, legal, community development, operations.

Related parties and related party transactions

- 1 From time-to-time member groups make use of Praxis facilities. One trustee is a member of one of these groups and represents their views at Board meetings.
- 2 Robert Kemble Trustees Limited hold the head lease on the premises for which the landlord is the Thames North Trust, a body controlled by the United Reformed Church.
- 3 Rent of £20,000 is payable annually in respect of the Pott Street premises to the United Reform Church.

Remuneration policy for key management personnel.

Trustees are responsible for setting remuneration levels for the charity's senior staff; the Chief Executive, Head of Services, Head of Fundraising and Communications and Finance director services.

In setting their remuneration, the trustees consider the skills, experiences and competencies required for the post; salary levels for comparable roles elsewhere in the sector; the charity's ability to pay and its track record in attracting and retaining committed and motivated employees. Salary levels are reviewed periodically by the trustees using independent advice.

Grant making policy

Praxis does not give grants directly as a method of furthering its charitable objectives. The charity applies for and distributes welfare payments according to need and the criteria of the donors. We are particularly grateful to The Vicars Relief Fund (St Martin in the Fields), London Catalyst Samaritan Grant and the London Churches Refugee Fund. We also provide hardship payments to destitute residents in our housing projects. In 2019/20 Praxis distributed £27,975 in welfare payments.

PUBLIC BENEFIT

The charitable purposes, objectives and activities, which Praxis undertakes for the public benefit, and achievement in delivering these are set out in the relevant sections of this report. The Trustees ensure that the services delivered by Praxis are not unreasonably restricted and are relevant to the needs of our beneficiaries, thereby enabling them to settle effectively in the UK and contribute positively to society. The Trustees have complied with their duty to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

FUNDRAISING AND SUSTAINABILITY

A significant proportion of Praxis's funds come from charitable trusts and foundations. In recent years we have received a growing number of donations from individuals and are working to increase our individual donor base. We are registered with the Fundraising Regulator and abide by their Fundraising Promise and the Code of Fundraising Practice. We comply with the General Data Protection Regulation which became law in 2018. We do not contact people unknown to us or without their permission. We do not use any commercial participators or professional fundraisers. We do not use any intrusive or persistent approaches. We have not received any complaints about our fundraising.

We continued to invest in the charity's infrastructure during the period, strengthening our governance arrangements in 2019 by recruiting three new trustees to strengthen our strategic financial capacity and bring property-related legal expertise and knowledge of housing and homelessness. We undertook a review of our management and organisational structure with a view to ensuring the best arrangements to support our governance and future development. We created a new Head of Fundraising and Communications post to sit on the Senior Management Team, leading on the diversification of income to support long term sustainability as well as providing strategic support in the development of our campaigning and advocacy work. We developed and implemented a fundraising database to allow us to better analyse and target fundraising activities and ensure GDPR compliance. We also developed and launched a new mobile-friendly website.

RISK AND CORPORATE GOVERNANCE MATTERS

We hold board meetings six times per year and regular meetings of the finance and resources committee; monitoring the financial position, including cash-flow and fundraising at every meeting. During the COVID-19 pandemic, the frequency of these meetings has been increased to provide Trustees with clear visibility over the projected impact on both cash-flow, staff and operations. In addition to service specific planning, Trustees reviewed the overall funding environment and considered potential specific short, medium and long term impacts on the Charity. This included risks from new ways of working, and staff welfare issues. Trustees reviewed over-arching risk assessments and cashflow projections at regular intervals and continue to closely monitor the situation as it develops.

We identify, review and manage risk on a regular basis, and the risk register is presented at Board and Finance Committee meetings. To address strategic risk the current priorities are to develop the organisational and management infrastructure to support growth, ensure legal and fiduciary compliance and improve efficiency, as well as ensuring the ongoing sustainability of the operating model for the charity once the Pott Street site becomes unavailable. These risk areas have become more relevant in light of the substantial changes to ways of working required by the organisation's response to the ongoing pandemic. We have also invested in some upgrading and minor refurbishment to our premises to improve hygiene and cleaning in relation to the risks posed by the pandemic. These include a new kitchen, refurbished toilets and installation of screens.

Once a year, we hold a full day strategic review meeting where trustees reflect on the external environment, progress against the strategy and key strategic questions. The board also use this opportunity for self-appraisal and skills audit.

We are strengthening our management structure and ability to respond to risk with key posts added to the senior management team, including a head of fundraising and communications and Head of Finance and Resources.

We continue to face building related risks, particularly in relation to potential repair costs arising from working in an old building that is no longer suitable for our needs. Our landlord, the United Reformed Church, has declared its intention to demolish and redevelop the site at the end of our lease in 2025. As a result, we are exploring options to find a new home for Praxis. We will review our premises requirements in the light of our learning from the Covid-19 pandemic which has required us to develop new operating models. The Robert Kemble Trust Limited continues to hold the lease on the Pott Street premises as Trustee for Praxis.

FINANCIAL REVIEW

Total income of the Charity for the year was £2,007,735 (2019: £1,902,163) and total expenditure amounted to £1,834,495 (2019: £1,596,799). Overall there was a surplus for the charity of £173,240. This was a successful year for the charity, building on the strong performance in 2019 and further increasing reserves to support the organisation's future growth and sustainability. At 31 March 2020, the charity held £715,096 in unrestricted reserves, of which £190,131 was designated for specific purposes.

We are very grateful for all the support we receive, both financial and non-financial. We would like to thank the following supporters in particular as well as those who wish to remain anonymous: AB Charitable Trust, the Allen & Overy Foundation, ARHAG, Attlee Foundation, the Aurum Trust, BBC-Children in Need, Browne Jacobson LLP, The National Lottery Community Fund, British Red Cross, Commonweal Housing, Crisis, Dischma Trust, East End CAB, the Esmee Fairbairn Foundation, French Huguenot Church, the Greater London Authority, Henry Smith Charity, Homeless Link, London Borough of Hackney, London Borough of Newham, London Borough of Tower Hamlets, London Legal Support Trust, Metropolitan H A (Migration Foundation), Milton Damerel Trust, Oak Foundation, Paul Hamlyn Foundation, the Pilgrim Trust, Royal National Theatre, St Martin's Network, St Mungos, Time Bank, Tower Hamlets GP Care Group, 29th May 1961 and the Tudor Trust.

Reserves policy

The Policy is to maintain sufficient reserves to enable operating activities to continue over a reasonable period should a shortfall in income occur and to take account of potential risks and contingencies that may arise. These included the following elements:

- Projects which Praxis is obliged to deliver, but where there is some risk of funding not covering the full cost of delivery.
- Financial capacity to enable Praxis to manage staff levels in accordance with its policies and legal obligations.
- The working capital needed to operate.
- Some capacity to manage operational expenditure at a time of unforeseen uncertainty in income streams.
- A general margin for unexpected events.

Trustees have undertaken a thorough review of the level of reserves required to meet the requirements outlined above, paying particular attention to the projected medium and long term impacts of the COVID-19 pandemic, as well as the realised growth in Praxis's activity, and the organisation's plans for the future. Given the uncertainty over the long term changes in the funding environment, the charity's ambitious plans and the significant investment required to deal with the aftermath of COVID-19 and a move to new premises, the Trustees have revised the calculation methodology for required reserves. Consequently, the level of reserves Praxis is required to hold is greater than in previous years.

During 2019-20, a total of £44,342 was spent from funds designated in 2018-19 for business development activities. Given the scale of anticipated business development activities over the next three years, including the implementation of a Head of Finance and Resources post, development of the campaigns function and investment in digital transformation, Trustees have designated a further £48,474 towards business development activities. These designated funds will also support the organisation to transition from the existing rental arrangement which will end by 2025 and has an annual cost which is significantly below market rate for the area. Managing this move and any consequent increase in operating costs is critical to the long term planning for the organisation. As at 31 March 2020, the total level of designated reserves was £190,131.

Excluding these designated funds, general reserves at 31 March 2020 were £524,965 which is in line with the level determined by the Trustees consideration of the reserves policy.

Cash balances at 31 March 2020 represent just over 4 months of expenditure at budgeted levels for 2020-21. The reserves are considered to be adequate based on current levels of activity. The charity continues to operate as a going concern, with robust forward planning in place for the medium and long term.

PLANS FOR FUTURE PERIODS

The external operating environment is uncertain with a challenging economic and social outlook. COVID-19 has thrown up new challenges, with the 2020/21 starting under lock-down conditions. In response, we adapted our services, halting group work and face –face contact with clients except in the most pressing circumstances. With most staff working remotely, we continue to deliver legal advice and casework and support service users, particularly those most isolated and at risk. As 2020 progresses we face the task of cautiously rebuilding face-face services with the new norms of social distancing, heightened cleaning regimes and the use of protective equipment.

Over the course of 2020 we will develop a new 5 year strategic plan to take us forward from April 2021. The political context is one of a majority government that is implementing Brexit with little apparent regard for the impact on EU citizens in the UK and continuing its restrictive immigration policies, despite some minor changes during the pandemic. Need for our services and advocacy will continue to rise. The world has changed in other ways and Trustees will reflect on the learning from our response to Covid-19 and the opportunities this has identified to deliver services in new ways. We will build on the positive opportunities for advocacy that the pandemic has thrown up including a heightened public awareness of the unjust and discriminatory policies that drive migrant exclusion and contribute to poor health outcomes. We will continue our partnerships and systemic influencing with local authorities and homelessness organisations to tackle migrant destitution and build on the provision of temporary accommodation for all homeless people during the pandemic.

In 2020/21 we will launch an evidence based, advocacy campaign, co-produced with service users, to build an alliance of voluntary and statutory organizations, civic bodies and individuals to challenge the use of the 'no recourse to public funds' condition. We aim to improve services and reduce poverty, destitution and exclusion of migrant families. We will strengthen our advocacy and have recruited a campaigns manager – with support from Trust for London- to build the campaign and help us use evidence gathered through our frontline services to inform and create systemic change at local and national level. We will develop our national reach through advocacy and training, using our expertise in relation to migrant destitution and homelessness to influence and improve service provision for our beneficiaries. Amplifying the voice of our service users and beneficiaries and ensuring that they are at the heart of our advocacy will be a key part of our future strategy.

We will continue to invest in our sustainability and infrastructure to ensure that we can meet the demands of compliance and organise ourselves in the best way possible to deliver maximum impact. Infrastructure projects to strengthen our IT and data management will be implemented to secure our capacity to work remotely, as well as increasing efficiencies. We will review our premises requirements for the future and continue a search for a suitable future home for Praxis, given the end of our lease in 2025 and the landlord's intention to demolish the building.

FUNDS HELD AS CUSTODIAN

Although the charity maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, Praxis does not currently hold, and the Trustees do not intend that it will in the future hold, any funds as custodian for any third party.

During the year Praxis held funds donated by London Churches Refugee Fund and London Catalyst (Samaritans) to be distributed to destitute clients in accordance with the funds rules.

Statement of trustees' responsibilities

The trustees (who are also directors for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK 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 have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper 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 we are aware:

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

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 the financial statements may differ from legislation in other jurisdictions.

In preparing this report the Trustees have taken advantage of the small companies exemptions provided by Part 15 of the Companies Act 2006.

This report was approved by the Trustees on 20 October 2020 and was signed for and on behalf of the Board by:

 Barbara Roche - Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRAXIS COMMUNITY PROJECTS**Opinion**

We have audited the financial statements of Praxis Community Projects for the year ended 31 March 2020 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 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 14 to 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRAXIS COMMUNITY PROJECTS (continued)**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. 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 (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have 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 (which incorporates the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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' report

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.



Murtaza Jessa (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 20 October 2020

PRAXIS COMMUNITY PROJECTS
STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
For the year ended 31 March 2020

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	Notes	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
INCOME FROM:					
Donations & Legacies	1	243,512	-	243,512	432,940
Investments		805	-	805	212
Raising funds:					
Income from lettings	2	2,151	-	2,151	1,664
Charitable activities:					
Advice & Group Activities	3	1,672	699,930	701,602	477,199
Housing & Homelessness	3	232,375	528,261	760,636	687,795
Interpreting	3	299,029	-	299,029	302,353
TOTAL INCOME		779,544	1,228,191	2,007,735	1,902,163
EXPENDITURE ON:					
Charitable expenditure:					
Advice Services & Group Activities	4,7	20,451	717,171	737,622	544,539
Housing & Homelessness	5,7	202,605	619,158	821,763	754,805
Interpreting	6,7	275,110	-	275,110	293,955
Other		-	-	-	3,500
TOTAL EXPENDITURE		498,166	1,336,329	1,834,495	1,596,799
NET INCOME/(EXPENDITURE)		281,378	(108,138)	173,240	305,364
Transfer between funds		(177,678)	177,678	-	-
NET MOVEMENT IN FUNDS		103,700	69,540	173,240	305,364
RECONCILIATION OF FUNDS					
Fund balances brought forward at 1 April 2019	14	611,396	51,521	662,917	357,553
FUND BALANCES CARRIED FORWARD 31 MARCH 2020		715,096	121,061	836,157	662,917

All activities are from continuing operations

The notes on pages 24 to 33 form part of these financial statements.

**PRAXIS COMMUNITY PROJECTS
BALANCE SHEET AT 31 MARCH 2020**

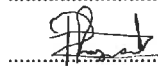
Page 19

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	9	33,820	15,539
CURRENT ASSETS			
Debtors	10	278,841	203,226
Cash in hand and in bank		730,880	729,822
		1,009,721	933,048
CREDITORS			
amounts falling due within one year	11	(166,790)	(233,854)
NET CURRENT ASSETS		842,931	699,194
TOTAL ASSETS LESS CURRENT LIABILITIES		876,751	714,733
CREDITORS			
amounts falling due after one year	13	(40,594)	(51,816)
NET ASSETS		836,157	662,917
FUNDS			
Restricted Funds	14	121,061	51,521
Unrestricted Funds			
General Reserves	15	524,965	425,396
Designated	15	190,131	186,000
TOTAL FUNDS		836,157	662,917

The financial statements have been prepared in accordance with the special provision relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006

The financial statements were approved by the trustees and authorised for issue on 20 October 2020 and signed on their behalf by

 Barbara Roche, Chair

 Raphael Perret, Treasurer

The notes on pages 24 to 33 form part of these financial statements.

PRAXIS COMMUNITY PROJECTS
Financial statements for the year ended 31 March 2020
STATEMENT OF CASH FLOWS

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	2020	2019
	£	£
Cash flows from operating activities:		
Net Cash provided by operating activities (see below)	27,710	298,249
Cash flows from investing activities:		
Dividends & interest	805	212
Purchase of fixed assets	(27,457)	(10,355)
Net cash (used in)/investing activities	(26,652)	(10,143)
Cash flows from financing activities	-	-
Change in cash & cash equivalents in the reporting period	1,058	288,106
Cash & cash equivalents at the beginning of the reporting period	729,822	441,716
Cash & cash equivalents at the end of the reporting period	730,880	729,822
Reconciliation of net income to net cash flow from operating activities		
Net income as per SOFA	173,241	285,364
Adjustments		
Depreciation	9,175	7,850
Dividends & interest	(805)	(212)
(increase)/decrease in debtors	(75,615)	(12,120)
Increase in creditors	(67,373)	28,016
Less pensions non-cash expenditure	(603)	(1,369)
Less pensions deficit plan cash paid	(10,310)	(9,279)
Net Cash provided by operating activities	27,710	298,249
Analysis of cash & cash equivalents		
Cash in hand	637,683	722,092
Notice deposits (less than 3 months)	93,197	7,730
Total cash & cash equivalents	730,880	729,822

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of financial statements is as follows:

a. Basis of Accounting

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 to 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) and the Companies Act 2006.

Praxis Community Projects meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes(s).

b. Preparation of the accounts on a going concern basis

Having considered future budgets and cash flows, the trustees confirm that they have no material uncertainties about the entity's ability to continue as a going concern for the foreseeable future.

c. Fixed assets

Expenditure on fixed assets is capitalised where the cost (or the value if donated) is in excess of £5,000; otherwise it is written off through the Statement of Financial Activities. Costs of replacements of major equipment and pianos are charged to designated funds set aside for that purpose by appropriations from Revenue.

Tangible fixed assets are depreciated at rates calculated to write off the cost, less estimated residual value of each asset evenly over its expected life, as follows:-

Furniture, fittings and equipment to be written off over four years

d. Funds

The different funds are defined as follows:

Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.

Unrestricted funds are those funds available to the charity for its general purposes.

Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside to use for a specific purpose. The aim and use of designated funds is set out in page 10 in the Reserves Policy.

It is the policy of the trustees to retain unrestricted funds, amounts in which in their judgement, can help to mitigate the short term effect of income volatility and retain funds to generate sufficient income to meet current and future operational activities of the charity.

e. Income recognition

This comprises fees receivable from the various activities and investment income. All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income can be measured reliably.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacies are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy with the title of the asset having been transferred to the charity.

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

Investment income is credited to income when it is 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. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

f. Expenditure

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably.

Expenditure is recognised on an accruals basis as a liability is incurred, inclusive of VAT, which cannot be recovered.

Charitable activities comprise mainly of the provision of accommodation including welfare and catering, premises and administrative costs.

Support costs have been allocated to charitable activities. Governance activities comprise organisational administration and compliance with constitutional and statutory requirements. Costs include direct costs of external audit, legal fees and other professional advice

g. 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.

h. Cash at bank and in hand

Cash at bank and in hand includes bank accounts, 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.

i. 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.

j. Pension Scheme

The charity makes contributions into a defined contribution scheme on behalf of all employees who have enrolled in the scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. The amount charged to the statement of financial activities in respect of pension costs is the total contribution payable for the year.

k. Estimation uncertainty

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

l. 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.

	Total Funds 2020 £	Total Funds 2019 £
1. DONATIONS & LEGACIES		
Donations from individuals, trusts and other similar institutions	243,512	432,940
2. INCOME FROM LETTINGS		
Rent receivable under operating Leases	2,151	1,664
	<u>2,151</u>	<u>1,664</u>
3. GRANTS & CONTRACT INCOME		
Grants and contract income	<u>1,761,267</u>	<u>1,467,347</u>
4. ADVICE & GROUP ACTIVITIES		
Direct Costs:		
Staff Costs (note 8)	485,622	340,688
Other costs	134,330	108,436
	<u>619,952</u>	<u>449,124</u>
Support costs (note 7)	117,670	95,415
	<u>737,622</u>	<u>544,539</u>
5. HOUSING & HOMELESSNESS		
Direct Costs:		
Staff Costs (note 8)	541,447	356,594
Other costs	149,120	298,341
	<u>690,567</u>	<u>654,935</u>
Support costs (note 7)	131,196	99,870
	<u>821,763</u>	<u>754,805</u>

6. INTERPRETING

	Total Funds 2020	Total Funds 2019
Direct Costs:		
Staff Costs (note 9)	220,220	228,828
Other costs	1,529	1,040
	<u>221,749</u>	<u>229,868</u>
Support costs (note 7)	53,361	64,087
	<u>275,110</u>	<u>293,955</u>

7. SUPPORT COSTS 2020

	Advice	Housing	Interpreting	Total 2020	Total 2019
	£	£	£	£	£
Staff Costs (note 9)	29,642	33,049	13,442	76,133	53,019
Premises Costs	25,434	28,357	11,534	65,325	59,133
Depreciation- Owned Assets	3,572	3,983	1,620	9,175	7,850
Audit Fee	4,205	4,688	1,907	10,800	10,800
Governance Costs	1,451	1,619	658	658	3,728
Other Costs	53,366	59,500	24,200	137,066	126,895
	<u>117,670</u>	<u>131,196</u>	<u>53,361</u>	<u>302,227</u>	<u>259,372</u>

Support costs consist of premises and office costs and are distributed by staff ratio.

SUPPORT COSTS 2019

	Advice	Housing	Interpreting	Total 2019
	£	£	£	£
Staff Costs (note 9)	19,504	20,415	13,100	53,019
Premises Costs	21,753	22,769	14,611	59,133
Depreciation- Owned Assets	2,888	3,022	1,939	7,850
Audit Fee	3,973	4,158	2,669	10,800
Governance Costs	617	645	414	1,676
Other Costs	46,681	48,860	31,354	126,895
	<u>95,415</u>	<u>99,870</u>	<u>64,087</u>	<u>259,372</u>

Support costs consist of premises and office costs and are distributed by staff ratio.

7. SUPPORT COSTS (continued)

Net incoming resources for the year are stated after charging:

	Total 2020	Total 2019
Fees payable to the charity's auditor for the audit of the charity's annual accounts	10,800	10,800
Depreciation	9,175	7,850

8 STAFF COSTS

	2020	2019
The average monthly number of employees employed by the charity during the year (excluding trustees) was:-	No.	No.
Charitable activities	32	26.5
Support & governance	8	6.5
	<u>40</u>	<u>33</u>
Staff costs for the above persons:	£	£
Wages and salaries	1,101,455	814,224
Social security costs	101,939	73,086
Pension costs	35,771	20,573
Temporary staff costs	84,257	71,246
	<u>1,323,422</u>	<u>979,129</u>
Staff costs by service area	2020	2019
Staff costs by service area:	£	£
Advice & Group Activities	485,622	340,688
Housing & Homelessness	541,447	356,594
Interpreting	220,220	228,828
Support	76,133	53,019
	<u>1,323,422</u>	<u>979,129</u>
Of which attributable to key management personnel (excluding consultancy fees)	135,410	145,694

One employee received emoluments between £60,000 and £70,000 in the current year (2018-19 one).

The trustees neither received nor waived any emoluments for their services to the charity, and were not reimbursed for any expenses incurred on behalf of the charity during the current or previous year.

The charity has taken out an insurance policy that provides professional insurance cover for the trustees.

	2020	2019
	£	£
9. TANGIBLE FIXED ASSETS – FURNITURE, FIXTURES AND EQUIPMENT		
Cost:		
1 April 2019	87,182	76,827
Additions	27,457	10,355
	<u>114,639</u>	<u>87,182</u>
Balance at 31 March 2020		
Depreciation:		
1 April 2019	71,643	63,793
Charge for the period	9,176	7,850
	<u>80,819</u>	<u>71,643</u>
Balance at 31 March 2020		
Net Book Value at 31 March 2019	<u>33,820</u>	<u>15,539</u>
10. DEBTORS		
Trade Debtors	278,341	198,144
Prepayments	-	4,582
Loans to Staff	500	500
	<u>278,841</u>	<u>203,226</u>
11. CREDITORS		
Amounts due within one year:		
Trade Creditors	54,410	113,378
Other taxes & social security	48,056	36,012
Defined Benefit Pension plan deficit	10,619	10,310
Accruals, including provisions	53,705	74,154
	<u>166,790</u>	<u>233,854</u>
Provision fund movements are as follows:		
Provisions at the start of the year	31,200	-
Provisions made in the year	10,000	31,200
	<u>(19,635)</u>	<u>-</u>
Release in the year		
Provision at the end of the year	<u>21,565</u>	<u>31,200</u>

The brought forward provision was made in respect of dilapidations and decorations in Pott street in line with lease requirements within twelve months. Due to staff issues the work was completed in July 2020. An additional provision of £10,000 has been recognised with respect to the replacing liability for appliances and equipment supplied as part of the Housing project.

£

13. CREDITORS DUE AFTER ONE YEAR

Defined Benefit Pension plan deficit	40,594	51,816
	<u>40,594</u>	<u>51,816</u>

14. FUNDS	As at 1 April 2019	Income	Expenditure	Transfers	As at 31 March 2020
	£	£	£	£	£
Restricted income funds					
London Borough of Tower Hamlets	-	30,500	(37,187)	6,687	-
Homeless Link	-	49,988	(7,788)	-	42,200
Migration Foundation	-	20,000	(20,000)	-	-
Oak Foundation	-	62,657	(89,252)	26,595	-
East End CAB (LBTH-MSG)	-	32,405	(36,950)	4,545	-
St Mungos	-	202,595	(217,299)	14,704	-
British Red Cross	-	18,500	(20,504)	2,004	-
The Big Lottery	5,000	96,169	(113,180)	12,011	-
Paul Hamlyn Foundation	17,333	98,500	(63,793)	11,793	63,833
ISD Innovation Fund	-	6,986	(6,986)	-	-
Tudor Trust	25,000	-	(25,000)	-	-
Henry Smith Foundation	-	42,000	(54,339)	12,339	-
London Borough of Hackney	-	53,123	(58,896)	10,526	4,753
BBC -Children in Need	-	17,872	(25,574)	7,702	-
The Attlee Foundation (LBTH-MSG)	-	3,093	(3,093)	-	-
ARHAG (DCLG)	-	97,541	(113,285)	15,744	-
St Martins in the Fields	-	51,968	(75,972)	24,004	-
Greater London Authority	-	39,636	(41,248)	1,612	-
London Borough of Newham	-	129,129	(132,356)	10,470	7,243
Crisis	-	116,321	(133,537)	17,216	-
Other Trusts	-	25,908	(25,908)	-	-
Other Income	4,188	33,300	(34,182)	(274)	3,032
Total restricted funds	<u>51,521</u>	<u>1,228,191</u>	<u>(1,336,329)</u>	<u>177,678</u>	<u>121,061</u>
Unrestricted income funds					
Designated funds	186,000	-	(44,342)	48,474	190,131
General reserves	425,396	779,544	(498,166)	(181,809)	524,965
Total unrestricted funds	<u>611,396</u>	<u>779,544</u>	<u>(498,166)</u>	<u>(177,678)</u>	<u>715,096</u>
Total Charity Funds	<u>662,917</u>	<u>2,007,735</u>	<u>(1,834,495)</u>	<u>-</u>	<u>836,157</u>

14. FUNDS (continued)

RESTRICTED FUNDS 2018	As at 1 April 2018	Income	Expenditure	Transfers	As at 31 March 2019
	£	£	£	£	£
London Borough of Tower Hamlets	-	32,238	(36,696)	4,458	-
Migration Foundation	10,404	12,500	(24,654)	1,750	-
Oak Foundation	-	79,986	(86,640)	6,654	-
Bridge House Trust	15,667	-	(15,667)	-	-
East End CAB (LBTH-MSG)	-	27,000	(32,484)	5,484	-
St Mungos	2,500	80,596	(88,581)	5,485	-
British Red Cross	-	9,675	(9,675)	-	-
The Big Lottery	27,135	193,781	(221,642)	5,726	5,000
Paul Hamlyn Foundation	17,333	52,000	(54,785)	2,785	17,333
ISD Innovation Fund	-	27,950	(29,468)	1,518	-
Tudor Trust	-	75,000	(50,000)	-	25,000
Henry Smith Foundation	10,175	41,400	(52,936)	1,361	-
London Borough of Hackney	-	78,652	(81,243)	2,591	-
BBC -Children in Need	-	17,606	(18,352)	746	-
The Attlee Foundation (LBTH-MSG)	-	6,702	(7,046)	344	-
ARHAG (DCLG)	-	98,741	(104,811)	6,070	-
St Martins in the Fields	-	32,957	(34,521)	1,564	-
Greater London Authority	-	19,960	(20,998)	1,038	-
London Borough of Newham	-	14,100	(14,779)	679	-
Other Trusts	1,171	42,174	(44,378)	1,967	934
Other Income	11,795	9,000	(17,541)	-	3,254
Total restricted funds	96,180	952,018	(1,046,897)	50,220	51,521
Unrestricted income funds					
Designated funds	-	-	-	186,000	186,000
General reserves	261,373	950,145	(549,902)	(236,220)	425,396
Total unrestricted funds	261,373	950,145	(549,902)	(50,220)	611,396
Total Charity Funds	357,553	1,902,163	(1,596,799)	-	662,917

As explained in the Accounting Policies, the Restricted Funds represent grants and donations given to the charity for specific projects on which it is accountable to the donors. During the course of the year, all projects have been reviewed to determine the appropriate status with regard to their treatment as restricted or unrestricted reserves and adjustments made as necessary. Central shared costs are recovered from each project on the basis of staff time, and where this has resulted in a deficit in a restricted project funds have been transferred from general reserves. Remaining balances carried forward as restricted reserves represent ongoing commitments to complete works outstanding as at 31 March 2020 or where any remaining funds are restricted to the purposes for which they were received. Transfers to restricted funds represent that part of unrestricted funds spent on the various projects.

As explained in the Reserves Policy, the Trustees have designated £190,217 of unrestricted funds to invest in business development, including an amount of £100,000 towards the potential move to new premises.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS 2020

	Fixed assets	Net current assets	Creditors after one year	Total
	£	£	£	£
Restricted funds:	6,312	114,749	-	121,061
Unrestricted funds:				
Designated funds	-	190,131		190,131
General Reserves	27,508	538,051	(40,594)	524,965
NET ASSETS	33,820	842,931	(40,594)	836,157

ANALYSIS OF NET ASSETS BETWEEN FUNDS 2019

	Fixed assets	Net current assets	Creditors after one year	Total
	£	£	£	£
Restricted funds:	-	51,521	-	51,521
Unrestricted funds:				
Designated funds	-	186,000		186,000
General Reserves	15,539	461,673	(51,816)	425,396
NET ASSETS	15,539	699,194	(51,816)	662,917

16. PENSION COMMITMENTS

GP4 Pension Scheme (operated by the Pensions Trust)

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

16. PENSION COMMITMENTS (continued)

Deficit contributions

From 1 April 2019 to 31 January 2025:	£11,243,000 per annum	(payable monthly and increasing by 3% each on 1st April)
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Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum	(payable monthly and increasing by 3% each on 1st April)
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From 1 April 2016 to 30 September 2028:	£54,560 per annum	(payable monthly and increasing by 3% each on 1st April)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

	2020 £	2019 £
Reconciliation of opening and closing provisions:		
Provision at start of period	62,126	72,002
Unwinding of discount factor (interest expense)	786	1,152
Deficit contribution paid	(10,310)	(9,279)
Remeasurements – impact of any change in assumptions	(1,389)	568
Remeasurements – amendments to the contribution schedule	-	(2,317)
	<u>51,213</u>	<u>62,126</u>
Split as follows:		
Due within one year	10,619	10,310
Due after one year	40,594	51,816
	<u>51,213</u>	<u>62,126</u>
Income and expenditure Impact	£	£
Interest expense	786	1,152
Remeasurements – impact of any change in assumptions	(1,389)	568
Remeasurements – amendments to the contribution schedule	-	(2,317)
Contributions paid in respect of future services *	-	-
Cost recognition in income & expenditure account	-	-

16. PENSION COMMITMENTS (continued)

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company

ASSUMPTIONS

	31 March 2020	31 March 2019	31 March 2018
Rate of discount - % per annum	2.53	1.39	1.71

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. It is these contributions that have been used to derive the company's balance sheet liability

17 FINANCIAL INSTRUMENTS

	Total	Total
	2020	2019
	£	£
Financial assets measured by amortised cost	278,841	198,644
Financial liabilities measured by amortised cost	54,410	113,379

Financial assets include trade debtors and staff loans.

Financial liabilities include trade and sundry creditors.

18 RELATED PARTY TRANSACTIONS

There were no related party transactions to be reported in the financial year.

19. STATEMENT OF FINANCIAL ACTIVITY 2019

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
INCOME FROM:			
Donations & Legacies	357,940	75,000	432,940
Investments	212	-	212
Raising funds:			
Income from lettings	1,664	-	1,664
Charitable activities:			
Advice & Group Activities	33,735	443,464	477,199
Housing & Homelessness	254,241	433,554	687,795
Interpreting	302,353	-	302,353
TOTAL INCOME	950,145	952,018	1,902,163
EXPENDITURE ON:			
Charitable expenditure:			
Advice Services & Group Activities	19,331	525,208	544,539
Housing & Homelessness	236,616	518,189	754,805
Interpreting	293,955	-	293,955
Other	-	3,500	3,500
TOTAL EXPENDITURE	549,902	1,046,897	1,596,799
NET INCOME/(EXPENDITURE)	400,243	(94,879)	305,364
Transfer between funds	(50,220)	50,220	-
NET MOVEMENT IN FUNDS	350,023	(44,659)	305,364
RECONCILIATION OF FUNDS			
Fund balances brought forward at 1 April 2018	261,373	96,180	357,553
FUND BALANCES CARRIED FORWARD 31 MARCH 2019	611,396	51,521	662,917