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Company registered no: 03436993  
Registered charity no: 1065817

**Octavia Foundation**  
(a charitable company limited by guarantee)

**Trustees' Annual Report and  
Financial Statements**

**31 March 2018**

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## **Trustees, Auditors, Bankers, Investment Advisors & Registered office**

### **Trustees**

G Godfrey (Chair)  
T Hopkins (Hon Treasurer)  
D Dunbar  
I Amlak  
L Cooper  
R Stephens

Executive Director Reena Mukherji

### **Secretary and Registered Office**

Colin Hughes  
Secretary  
Emily House  
202-208 Kensal Road  
London W10 5BN

### **Auditors**

BDO LLP  
2 City Place  
Beeline Ring Road  
Gatwick, West Sussex  
RH6 0PA

### **Bankers**

HSBC  
Notting Hill Gate Branch  
25 Notting Hill Gate  
London  
W11 3JJ

### **Investment Advisors**

CCLA  
85 Queen Victoria Street  
London  
EC4V 4ET

### **Company registered number**

03436993

### **Registered Charity number**

1065817

## Trustees' Annual Report

The Trustees, who act as directors for the purposes of company law, present their annual report and financial statements of Octavia Foundation ('the Foundation') for the year ended 31 March 2018.

### Objectives and Activities

Our mission is to connect people affected by unemployment, ill health, social isolation or low incomes with opportunities for positive personal change.

We achieve this by supporting individuals living in Central and West London - primarily in the boroughs of Westminster, Kensington and Chelsea and Hammersmith and Fulham.

During the year, the Trustees continued to deliver projects and activities to support the achievement of our strategic objectives:

- To support the elderly and the vulnerable - through befriending, outreach and welfare grants.
- To create a sense of agency/empowerment - through our training for young people, youth media projects, work placements, mentoring support and supporting social enterprise.
- To support Octavia Housing residents, focusing particularly on the challenges that tenants may face through changing legislation.

### Public benefit

While developing and aligning our objectives and action plan for the year, the Trustees have taken into consideration the Charity Commission's public benefit requirements and guidance and are satisfied that the aims and objectives of Octavia Foundation fall within its charitable objectives, some of which are highlighted below, and are delivered for the public benefit.

### Significant activities contributing to the achievement of our objectives

The following five themes classify the variety of activities that we actively engage in to further our charitable objectives and purposes for public benefit. A breakdown of the income and expenditure is included within notes 2 and 3 on pages 15 and 16.

- Older and vulnerable people
- Young people and children
- Employment and training
- Financial inclusion
- Community involvement

Over 9,000 local people have benefitted from our services during 2017/18.

#### Older and vulnerable people

We have provided a wide range of activities that have supported older and vulnerable residents. These include:

- Garden Guardians - a volunteer gardening project that helped 25 older tenants of Octavia Housing to maintain and improve their gardens. This project was delivered by Age UK Kensington and Chelsea with funding from the Friends of Octavia, an associated registered charity that supports Octavia residents.

## Trustees' Annual Report (continued)

- An outreach and befriending project that helped 378 older and isolated people in Westminster. Volunteers give up at least an hour of their time each week and are recruited through a wide range of methods. This service was funded by the City of Westminster.
- A befriending service for older and vulnerable people funded by the Royal Borough of Kensington and Chelsea supported 39 local people.
- A community befriending service delivered weekly social activities for 46 local people.
- 91 local people volunteered on these services.
- A handyman service that helped 484 older and/or disabled Octavia Housing tenants with small repairs.

### Young people and children

We have continued to provide a comprehensive programme of activities and projects focused on meeting the needs of 162 local young people and helping them to reach their full potential. These include:

- A new facility, Base at the Reed, in Ladbroke Grove which opened in October 2017.
- Think Make Create, a media project for children and young people exploring emotional well-being.
- Activities for children and young people during school holidays.
- Base at the River in Pimlico providing 4 creative sessions each week for 50 weeks.

### Employment and Training

We have continued to help local residents who are unemployed with information, advice, guidance, work placement and volunteering opportunities during the year. Our outputs include:

- Delivery of Learn2Earn, a rolling 10 week employment programme delivered in partnership with Blenheim/CDP and funded by the Big Lottery. This supported 54 local people.
- Tenants into Work which supported 110 people.
- 45 people found paid work during the year.
- 26 people found volunteering opportunities to give them work experience.

### Financial inclusion

Financial hardship continues to affect local residents on low incomes. Our support for residents includes:

- Funding Westminster Citizens Advice Bureau (CAB) to offer dedicated debt counselling and welfare benefits sessions for Octavia Housing tenants at Emily House. In 2017/18 we delivered 736 advice sessions that supported 220 people.
- The assessment and provision of welfare and educational grants for 105 tenants in need. These grants were funded by the Friends of Octavia.
- Referring Octavia Housing residents in need to local food banks in Westminster, Brent and Kensington and Chelsea.

### Community involvement

During the year the Trustees implemented the Better Lives grant programme which provided one-off grants of up to £5,000 to 19 small charities in Kensington and Chelsea and Westminster. This was a new initiative designed to increase our reach.

## **Trustees' Annual Report (continued)**

### **Fundraising**

During the year, the Trustees have continued to implement our fundraising strategy to support our existing work and fund our planned expansion of activities. This has included fundraising from trusts and foundations and companies. We have continued to engage with local individuals, through the Octavia Circle and a range of community fundraising initiatives.

### **Governance**

Octavia Foundation is a registered charity, incorporated as a company limited by guarantee operating under a Memorandum and Articles of Association. It was established to further the charitable purposes of Octavia Housing (a Registered Provider of social housing) including the provision of housing and amenities, services and associated facilities for the poor, the disabled and the elderly.

Under a 'uniting direction' scheme authorised by the Charity Commission for England and Wales, the assets and liabilities of the Octavia Hill Housing Trust Gift Fund were transferred to the Foundation on 1 October 2007. One freehold property and two long leasehold properties in West London were included in the assets transferred. Under the terms of the direction, these properties (and any surplus they generate) are to be used to provide accommodation for persons, preferably women, who are either greater than 50 years old and in necessitous circumstances or less than 50 years old and in necessitous circumstances by reason of disability, illness or accident.

The Foundation conforms to the principles of the Good Governance Code for Voluntary and Community Organisations produced by the National Council for Voluntary Organisations (NCVO).

New Trustees are selected through specialist recruitment consultants and/or open advertisement. New Trustees receive induction into the organisation by meeting relevant staff and visiting projects. In addition, all Trustees attend external training. During the last year individual Trustees have undertaken training on governance and charity finance issues.

The Trustees meet four times a year and are responsible for the overall strategy and policy of the Foundation. They monitor the activities of the Foundation ensuring that these fall within its charitable objectives and are delivered for the public benefit.

An Investment Committee meets twice a year and reviews the performance of the investment portfolio.

Day to day management of operations is led by the Executive Director and specific activities and projects are delivered by paid staff.

The Foundation are registered with the fundraising regulator and adhere to their fundraising promise to make sure that our fundraising is legal, honest, open and respectful.

### **Connected undertakings**

The Foundation is a subsidiary of Octavia Housing, a Co-operative and Community Benefit Society and Registered Provider of Social Housing, and an exempt charity.

Octavia Housing provides the Foundation with £387k of unrestricted grant funding each year and £33k of restricted grant funding and additionally provides administrative and accounting services.

## **Trustees' Annual Report (continued)**

### **Financial performance in 2017/18**

The Foundation's operating income for the year was £953k. Total operating expenditure for the year was £1,079k. This is broadly in line with income and expenditure for the previous year.

As noted above, Octavia Housing continued to provide substantial financial support for the Foundation, donating £420k in the year (2016/17: £370k). Other major sources of funding are set out in note 2.

The Trustees set annual budgets and regularly review performance against budget on both income and expenditure.

### **Our future plans**

The Trustees are implementing a strategy which focuses on growing the activities to meet increased needs within the local community.

The experiences of the last year demonstrate that there continues to be a significant number of local people seeking our assistance. Over the last year we have significantly increased our reach. We have helped older and vulnerable people, increased our provision for young people and supported local small charities and provided greater assistance to those experiencing financial hardship. The Trustees expect this situation to continue for the foreseeable future and for our services to be needed more than ever in the coming year.

### **Reserves policy**

It is the policy of Octavia Foundation to maintain unrestricted funds at a sufficient level to cover management and administration costs for at least one year.

Due to increased activities in 2018/19, The Foundation will require reserves of some £1m to cover budgeted expenditure for the year to March 2019 in the event of any temporary interruption to its revenue funding.

Currently unrestricted reserves are £1,951k. During the year, the Trustees have used some of these reserves to support our activities and extend our reach.

During the year the Trustees will review the reserves policy with a view to reducing the amount earmarked to cover issues with reserve funding and release more funds for use in charitable work.

### **Investment policy**

Surplus cash balances are held in bank deposit accounts. No more than £85k is held in any one account so as to ensure that we are covered by the Financial Services scheme. The interest earned is used to support the Foundation's charitable projects.

The Foundation also has an investment portfolio. The Foundation's objective is to achieve capital growth, which over the long term will maintain the real value of the assets, and additionally to generate a reasonable level of income to be utilised on projects which further the objects of the Foundation.

Investment funds are managed by CCI.A and the funds are invested in the COIF Charities Investment Fund which is a managed fund.

A summary of its objectives are:

- Over the long term to achieve a total return in excess of inflation.
- To provide as part of this return a reliable income stream that maintains its real value over time.

## Trustees' Annual Report (continued)

- Control volatility to 75% of the UK equity market.

The investments should be suitable for charities and, inter alia, exclude companies that have any involvement in the production of landmines or cluster bombs including critical parts, companies that have considerable involvement in tobacco, the production of pornography and online gambling.

The investment strategy is not constrained by income requirements but, provided there are no large calls on capital, the trustees would expect to receive a gross income of an amount or percentage to be fixed annually by agreement. For 2018/19 this is forecast to be in the region of £67k.

### Pay policy for senior staff

The trustees and the executive director comprise the key management personnel of the Foundation in charge of directing and controlling, running and operating the Foundation on a day to day basis. All directors give of their time freely. Details of the key management personnel remuneration and expenses are disclosed in note 9 to the accounts.

The pay of the senior staff is reviewed annually by the Group's Nominations and Remuneration Committee and normally increased in accordance with inflation.

### Risk management

The Executive Director maintains a risk map which identifies the principal risks facing the Foundation and the principal mitigating actions that are being taken. The board reviews the risk map at each board meeting.

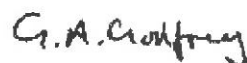
### Auditors

The Trustees will recommend the re-appointment of BDO LLP at the next Annual General Meeting.

### Disclosure of information to auditors

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Foundation's auditors are unaware; and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Foundation's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 415 A of the Companies Act 2006 relating to small companies.



G Godfrey  
Chair

13<sup>th</sup> December 2018



## **Octavia Foundation**

### **Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements**

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of expenditure over income for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

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

## **Independent auditors' report to the members of Octavia Foundation**

### **Opinion**

We have audited the financial statements of Octavia Foundation ("the Charitable Company") for the year ended 31 March 2018 which comprise the statement of financial activities (incorporating the income and expenditure account), the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2018 and of its' incoming resources and application of resources 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 Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in note 1 to the financial statements 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 related 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 Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: the Annual Report and Statement of Trustees' Responsibilities. 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.

## **Independent auditors' report to the members of Octavia Foundation (continued)**

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' 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 Directors' Report, which are included in the Trustees' 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 Strategic report or the Trustee's 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 Directors' 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 directors' report and from the requirement to prepare a strategic report.

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' responsibilities, 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Independent auditors' report to the members of Octavia Foundation (continued)**

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**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

### **Use of Report**

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 at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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.

**BDO LLP**

Paula Willock, (Senior Statutory Auditor)  
for and on behalf of BDO LLP, Statutory Auditor  
Gatwick

Date: 21 December 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

## Statement of Financial Activities for the year ended 31 March 2018

(Incorporating the Income and Expenditure Account)

		2018	2018	2018	2017
	Note	Restricted £	Unrestricted £	Total £	Total £
<b>Income from:</b>					
Donations	2	363,822	477,650	841,472	882,494
Charitable activities	2	43,131	-	43,131	43,648
Investments	2	-	68,135	68,135	66,788
<b>Total income</b>	2	<b>406,953</b>	<b>545,785</b>	<b>952,738</b>	<b>992,930</b>
<b>Expenditure on:</b>					
Raising funds		-	(65,266)	(65,266)	(96,666)
Charitable activities	3	(376,277)	(609,471)	(985,748)	(930,008)
Property running costs		(15,768)	-	(15,768)	(28,150)
Investment Management costs	8	-	(11,782)	(11,782)	(11,575)
<b>Total Expenditure</b>		<b>(392,045)</b>	<b>(686,519)</b>	<b>(1,078,564)</b>	<b>(1,066,399)</b>
<b>Net gain on investments</b>	8	<b>-</b>	<b>46,208</b>	<b>46,208</b>	<b>265,672</b>
<b>Net income/(expenditure)</b>		<b>14,908</b>	<b>(94,526)</b>	<b>(79,618)</b>	<b>192,203</b>
Transfer Between Funds		-	-	-	-
<b>Net movement in funds</b>		<b>14,908</b>	<b>(94,526)</b>	<b>(79,618)</b>	<b>192,203</b>
<b>Reconciliation of funds:</b>					
Total Funds brought forward		685,967	1,996,204	2,682,171	2,489,968
<b>Total Funds carried forward</b>		<b>700,875</b>	<b>1,901,678</b>	<b>2,602,553</b>	<b>2,682,171</b>

All funds relate to continuing activities.

The notes on pages 13 to 21 form part of these financial statements.

## Balance Sheet as at 31 March 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	7	637,580	680,382
Investments	8	1,963,638	1,929,212
		<u>2,601,218</u>	<u>2,579,594</u>
<b>Current assets</b>			
Debtors	9	37,233	130,201
Cash at bank and in hand		70,770	64,300
		<u>108,003</u>	<u>194,501</u>
<b>Creditors: amounts falling due within one year</b>	10	(106,668)	(91,924)
<b>Net current assets</b>		<u>1,335</u>	<u>102,577</u>
<b>Net assets</b>		<u>2,602,553</u>	<u>2,682,171</u>
<b>Restricted funds</b>	12	700,875	685,967
<b>Unrestricted funds</b>	13	1,901,678	1,996,204
		<u>2,602,553</u>	<u>2,682,171</u>

These financial statements were approved and authorised for issue by the Board of Trustees on 13<sup>th</sup> December 2018 and were signed on its behalf by:

*G. A. Godfrey*

G Godfrey  
Chair

Company Registration No: 03436993  
Registered Charity No: 1065817

The notes on pages 13 to 21 form part of these financial statements.

## Notes forming part of the financial statements

### 1 Legal Status

The company is a private charity limited by guarantee in England (Company registration number: 03436993, registered charity number: 1065817). The registered office of the company is Emily House, 202 - 208 Kensal Road, London W10 5BN.

### 2 Principal Accounting Policies

#### *Accounting convention*

The financial statements are prepared on a going concern basis in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP (FRS 102)), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Octavia Foundation meets the definition of a public benefit entity under FRS 102.

#### *Disclosure exemptions adopted*

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 102. Therefore, these financial statements do not include a statement of cash flows.

#### *Going concern*

The Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. In forming this opinion the Trustees have had regard to the risks identified, to the controls in place as set out in the Trustees report and to the level of unrestricted reserves which are in excess of requirements for the next year. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

#### *Incoming resources*

Incoming resources consist of government grants, other grants, donations and investment income. Where there is no contractual obligation on the part of a donor or grant awarding organisation incoming resources are accounted for in the period in which the funds are received. Where there is a contractual obligation they are accounted for on an accrual basis over the financial year to which the funds relate.

Investment income consists of dividends on listed investments and interest receivable on bank deposits and is recognised on the date they fall due.

Legacy income is accounted for on the earlier of cash receipt or notification of estate accounts being finalised.

#### *Resources expended*

Expenditure is included on an accruals basis. Items of capital expenditure in excess of £500 are included as fixed assets.

#### *Fixed assets - freehold property*

Freehold property is included at cost less depreciation and impairment.

Depreciation is charged at 2% per annum on the estimated cost of freehold buildings. Land is included in the cost of the freehold property and is not depreciated.

#### *Fixed assets - investment*

Listed investments are included at closing mid-market value at the balance sheet date. Any gain or loss on revaluation is recognised in the Statement of Financial Activities.

## Notes forming part of the financial statements (continued)

### *Restricted funds*

These comprise freehold property for the provision of housing to persons meeting the aims and objects of the Octavia Hill Housing Trust Gift Fund. In addition grants received from outside donors to fund specific projects together with expenditure not exceeding the grant received are included in restricted income and expenditure.

### *Unrestricted funds*

These comprise funds that the Trustees are free to use in accordance with the charitable objects of the Foundation. The Trustees consider that the Foundation would require £1m of its liquid assets to be available to continue its charitable activities until 31 March 2019 in the event of any temporary interruption to its revenue funding.

### *Donated services and facilities*

The estimated value of services and facilities provided free of charge to the Foundation by Octavia Housing is included in the Statement of Financial Activities as an amount of incoming resource and as an equivalent amount of resources expended. This amount represents an estimate of the costs incurred by Octavia Housing in providing the services and facilities donated to the Foundation.

### *Debtors*

Trade and other debtors are recognised at the settlement amount due after any trade discount.

### *Creditors*

Creditors are recognised where the charity has a present obligation resulting from a past event which 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.

### *Key Judgements and estimates*

- *Apportionment of costs between activities*

Support costs consisting of staff and direct costs have been allocated to the Foundation's charitable activities based on the expenditure incurred by the activity. Staff costs are allocated based on time spent by the employees on the projects whereas costs specifically incurred by the projects are charged directly.

- *Categorisation of housing properties*

The Foundation has undertaken a detailed review of the intended use of its housing properties. In determining the intended use, the Foundation has considered if the asset is held for social benefit. The Foundation has determined that all properties are held for social benefit.



## Notes forming part of the financial statements (continued)

### 2 Income

	2018	2018	2018	2017
	£	£	£	£
	Restricted	Unrestricted	Total	Total
Donation from Octavia Housing	33,421	386,579	420,000	370,000
Income from Westminster Council for provision of outreach and befriending service for older and vulnerable tenants	211,638	-	211,638	179,138
RBKC for Council for provision of outreach and befriending service for older and vulnerable people	5,000	-	5,000	35,000
Value of donated services received from Octavia Housing	-	36,270	36,270	38,227
NHS West London	-	15,000	15,000	-
Friends of Octavia	12,994	-	12,994	27,474
Cadogan Endowment Fund in partnership with the Kensington and Chelsea Foundation	-	-	-	6,000
John Lyon's Charity	5,000	-	5,000	25,000
John Lyon's Charity (Holiday Fund)	-	-	-	5,000
Grosvenor Estates/Westminster Foundation	-	-	-	10,000
Nisa Making a Difference Locally	-	-	-	2,327
Heritage Lottery Fund	-	-	-	62,139
M & G Limited	-	-	-	10,000
Sainsbury's Local - Brompton Road	-	4,356	4,356	3,154
John Lewis Partnership	7,000	-	7,000	5,000
Marks and Spencer - Brompton Road	-	2,024	2,024	1,982
Blenheim CDP	44,052	-	44,052	44,052
Westway Trust	2,500	-	2,500	3,000
National Lottery	-	-	-	1,520
Jean-Luc Baroni Ltd	-	2,500	2,500	-
Hyde Park Place	3,500	-	3,500	-
St Giles	15,000	-	15,000	-
Legacy	-	10,000	10,000	-
Harper Ri and Lee	70	643	713	-
London Funders	4,673	-	4,673	-
Grants and Donations from individuals, incl				
Octavia Circle members and donations under £1,000	18,974	15,296	34,270	21,481
Anonymous Donations	-	4,982	4,982	32,000
<b>Total Grant and Donations</b>	<b>363,822</b>	<b>477,650</b>	<b>841,472</b>	<b>882,494</b>
Charitable activity - Social housing rents	43,131	-	43,131	43,648
Investments	-	68,135	68,135	66,788
	<b>406,953</b>	<b>545,785</b>	<b>952,738</b>	<b>992,930</b>

The income from donations and grants was £841,472 (2017 - £882,494) of which £477,650 was unrestricted (2017 - £143,355) and £363,822 was restricted (2017 - £439,139).

Rental income is restricted income for both 2018 and 2017.

## Notes forming part of the financial statements (continued)

### 3 Charitable activity expenditure

	2018 £ Activity	2018 £ Support Costs	2018 £ Total	2017 £
Older peoples' activities	233,918	71,270	305,188	385,596
Young peoples' activities	235,488	71,748	307,236	232,533
Employment & training	89,602	27,300	116,902	128,953
Financial inclusion	67,580	20,590	88,170	63,994
Kensal Green Cemetery Project	14,749	4,494	19,243	118,932
Grenfell	25,762	7,849	33,611	-
Community Grants	88,449	26,949	115,398	-
	<u>755,548</u>	<u>230,200</u>	<u>985,748</u>	<u>930,008</u>

The expenditure on charitable activities was £985,748 (2017 - £930,008) of which £609,471 was unrestricted (2017 - £433,775) and £376,277 was restricted (2017 - £496,233).

### Analysis of Support costs

	Basis of Apportionment	Older peoples' activities £	Young peoples' activities £	Employment & training £	Financial inclusion £	Kensal Green Cemetery Project £	Grenfell £	Community Grants £	Total 2018 £
Public Relations	Staff Time	22,852	23,005	8,754	6,602	1,441	2,517	8,641	73,812
Governance	Staff Time	5,859	5,897	2,244	1,693	370	645	2,215	18,923
Administration	Staff Time	12,449	12,532	4,769	3,597	785	1,371	4,707	40,210
Human Resources	Headcount	17,207	17,323	6,591	4,971	1,085	1,895	6,506	55,578
Office costs	Floor Area	11,229	11,304	4,301	3,244	708	1,237	4,246	36,269
General expenses	Usage	1,670	1,683	640	482	105	184	633	5,397
Bank charges	Transaction	4	4	1	1	-	-	1	11
<b>Total Expenditure</b>		<b>71,270</b>	<b>71,748</b>	<b>27,300</b>	<b>20,590</b>	<b>4,494</b>	<b>7,849</b>	<b>26,949</b>	<b>230,200</b>

## Notes forming part of the financial statements (continued)

### 4 Analysis of Grants

This grants programme was introduced in 2017/18 to increase our reach into local communities and to support projects delivered by small charities that supported a wide range of community needs.

The Foundation Trustees awarded grants to 19 organisations as follows:

Organisation Receiving Grant Funding	Grant Awarded £
Avenues	4,976
Westminster Boating Base	5,000
Kensington Dragons	5,000
Al Hasaniya Moroccan Women's Centre	5,000
St John's Wood Adventure Playground	5,000
Dads House	2,400
Persian Care Centre	5,000
Action Disability Kensington and Chelsea	6,809
Tell it Parents Network	4,250
ETAT	5,000
Westminster CAB	5,000
South Westminster Community Festival	4,000
Beauchamp Lodge Settlement	5,000
DreamArts	5,000
St Andrews Club	5,000
In2Science UK	5,000
Cara Trust	3,014
SPID Theatre	3,000
Age UK Westminster	5,000
<b>Total</b>	<b>88,449</b>

Client Group	Number of grants awarded	Total Amount awarded £	Outputs
Older People	7	28,014	197 People
Young People	7	34,976	450 People
Community	5	25,459	8,575 People
	<b>19</b>	<b>88,449</b>	<b>9,222 People</b>

### 5 Governance expenditure

	2018 £	2017 £
Audit of these financial statements	3,720	2,000
Staff time allocation	15,203	18,520
	<b>18,923</b>	<b>20,520</b>

Governance costs are included within support costs expenses as part of the charitable activity expenditure in note 3.

## Notes forming part of the financial statements (continued)

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

The average weekly number of persons employed during the year was:

	2018 Number	2017 Number
Full time equivalent	15	19

The total staff costs during the year were:

	2018 £	2017 £
Wages & salaries	492,885	555,026
Social security costs	46,865	51,414
Other pensions costs	28,763	16,326
	<u>568,513</u>	<u>622,766</u>

The remuneration paid to higher paid staff fell into the following band:

	2018	2017
£70,001 to £80,000	1	1

The total amount payable to the Executive Director, who was the highest paid key management personnel in respect of emoluments was £72,082 (2017 - £70,259). Pension contributions of £6,733 (2017 - £6,666) were also made to a defined benefit scheme on her behalf.

The Trustees received no remuneration and no expenses in either year.

### 7 Fixed Assets – Freehold Property

	2018 £	2017 £
<b>Cost</b>		
At the start of the year	779,663	779,663
At the end of the year	<u>779,663</u>	<u>779,663</u>
<b>Depreciation</b>		
At the start of the year	129,281	116,479
Charge for the year	12,802	12,802
At the end of the year	<u>142,083</u>	<u>129,281</u>
<b>Net book value at 31 March</b>	<u>637,580</u>	<u>650,382</u>

## Notes forming part of the financial statements (continued)

### 8 Fixed Asset - investments

	2018 £	2017 £
<b>Listed investments</b>		
Market value at the start of the year	1,929,212	1,675,115
Revaluation gain	46,208	265,672
Investment management fees	(11,782)	(11,575)
<b>Market value at 31 March</b>	<b>1,963,638</b>	<b>1,929,212</b>
<b>Investments</b>		
COIF Charities Investment Fund	1,963,638	1,929,212
	<u>1,963,638</u>	<u>1,929,212</u>
Historic cost of investments at end of year	<u>1,801,000</u>	<u>1,801,000</u>

The revaluation gain is now shown gross of the investment management fees.

### 9 Debtors

	2018 £	2017 £
Sundry debtors and prepayments	37,233	130,201
	<u>37,233</u>	<u>130,201</u>

### 10 Creditors

	2018 £	2017 £
Trade Creditors	4,381	-
Due to Octavia Housing	70,366	64,513
Accrued Expenditure	31,921	27,411
	<u>106,668</u>	<u>91,924</u>

## Notes forming part of the financial statements (continued)

### 11 Restricted and unrestricted funds

The following assets comprise the restricted and unrestricted funds as at 31 March 2018.

	Freehold property	Investments	Net current assets	Total
	£	£	£	£
Unrestricted fund	-	1,963,638	(61,960)	1,901,678
Restricted funds	637,580	-	63,295	700,875
	<u>637,580</u>	<u>1,963,638</u>	<u>1,335</u>	<u>2,602,553</u>

The liability of members of the Foundation to contribute to a deficit in the event of winding up is limited to £10 per member.

### 12 Restricted Funds

	Balance 1 April 2017	Income	Expenditure	Balance 31 March 2018
	£	£	£	£
Octavia Hill Housing Trust Gift Fund - asset	650,382	-	(12,802)	637,580
Octavia Hill Housing Trust Gift Fund - surplus		43,131	(2,966)	40,165
<b>PROJECTS</b>				
Base at The Reed	-	18,392	(18,392)	-
Base at The River	-	29,300	(29,300)	-
NHS Prevent	1,565	-	-	1,565
Welfare and Education	-	12,995	(12,273)	722
Tenants Into Work	-	33,421	(33,421)	-
Older Peoples Christmas	-	8,850	(7,328)	1,522
Outreach Project	25,178	179,639	(201,677)	3,140
RBKC Befriending	-	27,500	(24,911)	2,589
Grenfell	-	9,673	(9,673)	-
Learn to Earn	8,842	44,052	(39,302)	13,592
<b>TOTAL PROJECTS</b>	<b>35,585</b>	<b>363,822</b>	<b>(376,277)</b>	<b>23,130</b>
	<u>685,967</u>	<u>406,953</u>	<u>(392,045)</u>	<u>700,875</u>

The surplus on the Octavia Housing Trust Gift fund has been distributed to other projects in accordance with the Governing Document.

## Notes forming part of the financial statements (continued)

### 13 Unrestricted Funds

	£
At 1 April 2017	1,996,204
Outgoing resources for the year before fund transfer	(94,526)
At 31 March 2018	<u>1,901,678</u>

It is the policy of Octavia Foundation to maintain unrestricted funds at a sufficient level to cover management and administration costs for at least one year.

### 14 Pensions

Octavia Foundation operates a defined contribution pension scheme with the Social Housing Pension Scheme. Octavia Foundation has no liability beyond its regular contributions on behalf of employees in respect of these schemes.

### 15 Related Party Transactions

Octavia Foundation is a wholly owned subsidiary of Octavia Housing (the parent), an exempt charity incorporated under the Co-operative and Community Benefit Societies Act 2014 and a Registered Provider of Social Housing. Octavia Housing is a member and has the power to appoint or remove the majority of Trustees, meaning that the Foundation is a subsidiary of the Group. A copy of the group financial statements can be obtained from Octavia Housing, Emily House, 202-208 Kensal Road, London, W10 5BN. This represents the smallest and largest group for which consolidated accounts are prepared.

During the year ended 31 March 2018 Octavia Foundation had incurred costs and received revenues from Octavia Housing as follows:

	2018 £	2017 £
Creditor balance at start of year	64,513	(81,037)
Net payments made on behalf of Octavia Foundation less amounts reimbursed	425,853	515,550
Donation made by Octavia Housing	(420,000)	(370,000)
Creditor balance at end of year	<u>70,366</u>	<u>64,513</u>

In addition, Octavia Housing made a non-cash donation of £36,270 (2017: £38,227) to The Foundation representing the value of donated office services.

The sum of £500 was received from G Godfrey, one of the trustees for a fundraising event.

