

Company registered no: 03436993  
Registered charity no: 1065817

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

Trustees' Annual Report and  
Financial Statements

Year ended 31 March 2020

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

### **Trustees**

Sandeep Katwala (Chair from 15/07/2020)  
Gwen Godfrey (Chair until 15/07/2020)  
Tom Hopkins (Hon Treasurer)  
David Dunbar  
Hugh Thornbery (Appointed 23/09/2019)  
  
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  
Beehive Ring Road  
Gatwick, West Sussex  
RH6 OPA

### **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 2020.

### 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, Hammersmith and Fulham and Brent.

During the year, the Trustees continued to deliver projects and activities to support the achievement of our objectives. The Foundation has launched a new strategy, Better Lives 2021, to reach more isolated and lonely people through our activities and supporting other local charities by 2021.

### 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 16 and 17.

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

Over 3,500 people have benefitted directly or indirectly from our services during 2019/20, which demonstrates our interest in and commitment to extending our services to meeting growing needs.

#### Older and isolated people

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

- A gardening and handyman service helped 472 older and disabled Octavia Housing tenants to maintain and improve their gardens and carry out small repairs to their homes
- An outreach and befriending service that helped 980 older and isolated people in Westminster and Kensington and Chelsea

#### Young people and children

We have continued to provide a comprehensive program of creative arts activities for young people at our digital media center Base at the Reed. During the year we have supported 338 children and young people from diverse backgrounds and communities and worked with a wide range of partners supporting young people with learning and physical disabilities, or experiencing poor mental health.

## Trustees' annual report (continued)

### Employment and Training

We have helped 276 unemployed residents with information, advice, guidance, work placement, volunteering opportunities and support to develop their own businesses.

### Volunteering

During the year we have been supported by over 1,000 volunteers who have donated their time to support our projects and volunteered within Octavia's charity shops.

### Financial inclusion

Financial hardship continues to affect local residents on low incomes. We have continued to support residents by funding dedicated debt and welfare benefits advice sessions for residents delivered by Westminster Citizens Advice Bureau and with funding from charities such as Friends of Octavia, we provided 222 small grants to residents in need of essential items and group activities. We have also continued to refer residents in need to local food banks in Westminster, Kensington and Chelsea, Brent and Hammersmith and Fulham.

### Community involvement

During the year the Trustees have provided small grants to local charities tackling loneliness and isolation primarily amongst young people through the Better Lives grants program. The fund has distributed over £42,581 to eight small charities supporting 943 people.

### Covid 19

As a consequence of pandemic, all the direct delivery services were suspended in March 2020 and were moved to remote delivery.

### Fundraising

The Trustees have continued to fundraise for our existing work our planned expansion of activities to meet growing needs. This has included fundraising from trusts and foundations, companies and individuals.

## **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.

## Trustees' annual report (continued)

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.

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

The Foundation is registered with the fundraising regulator and adheres 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.

### Financial performance in 2019/20

The Foundation's operating deficit for the year was £0.5m. Total operating expenditure for the year was £1m. This is broadly in line with income and expenditure for the previous year and demonstrates the commitment of the Trustees to utilise some of the Foundation's unrestricted reserves in a planned and considered way to meet growing needs.

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

### Our future plans

During the year, the Trustees have agreed a new strategy, Better Lives 2021, which seeks to significantly increase our reach and support more local people. "Better lives community strategy" was agreed in 2018 to run by 2021.

The experiences of the last year demonstrated 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 those seeking employment opportunities. As well as directly delivering activities and projects we have supported local charities with small grants to tackle loneliness and isolation in our communities. 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 and beyond.

### 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 six months and therefore, current unrestricted funds are being utilised to support projects delivery.

## Trustees' annual report (continued)

As per budgeted activities in 2020/21, The Foundation will require reserves of some £0.3m to cover budgeted expenditure for the year to March 2021 in the event of any temporary interruption to its revenue funding.

Currently unrestricted reserves are £1.4m. During the year, the Trustees have agreed to use reserves of £0.4m to fund planned expansion activities.

### Investment policy

Surplus cash balances are held in bank deposit accounts. We aim to ensure that 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 CCLA 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.
- 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.

### Pay policy for senior staff

The Executive Director is the key management personnel of the Foundation in charge of directing and controlling, running and operating the Foundation on a day to day basis. Details of the key management personnel remuneration and expenses are disclosed in note 6 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 works with the Trustees to identify the key risks facing the charity which are included in the Octavia Group's risk map and reviewed by its Audit and Risk committee

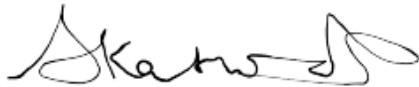
## Trustees' annual report (continued)

### 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.

**S Katwala**  
Chair



2nd December 2020



## **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. Octavia Foundation website is being merged with Octavia Housing following the rebranding campaign. 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 2020 which comprise the statement of financial activities (incorporating the income and expenditure account), the statement of financial position, statement of cashflows 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 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: 3 December 2020

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 2020

(Incorporating the income and expenditure account)

		2020	2020	2020	2019
	Note	Restricted £	Unrestricted £	Total £	Total £
<b>Income from:</b>					
Donations	2	250,890	131,728	382,618	835,043
Charitable activities	2	42,056	-	42,056	42,898
Investments	2	-	68,615	68,615	69,999
<b>Total income</b>	2	<u>292,946</u>	<u>200,343</u>	<u>493,289</u>	<u>947,940</u>
<b>Expenditure on:</b>					
Raising funds		-	(46,531)	(46,531)	(37,497)
Charitable activities	3	(233,851)	(698,603)	(932,454)	(967,256)
Property running costs	7	(18,180)	-	(18,180)	(12,802)
Investment management costs	8	-	(12,565)	(12,565)	(12,681)
<b>Total expenditure</b>		<u>(252,031)</u>	<u>(757,699)</u>	<u>(1,009,730)</u>	<u>(1,030,236)</u>
<b>Net gain on investments</b>	8	-	7,028	7,028	162,521
<b>Net income/(expenditure)</b>		<u>40,915</u>	<u>(550,328)</u>	<u>(509,413)</u>	<u>80,225</u>
Transfer between funds		-	-	-	-
<b>Net movement in funds</b>		<u>40,915</u>	<u>(550,328)</u>	<u>(509,413)</u>	<u>80,225</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward		730,978	1,951,800	2,682,778	2,602,553
<b>Total funds carried forward</b>		<u>771,893</u>	<u>1,401,472</u>	<u>2,173,365</u>	<u>2,682,778</u>

All funds relate to continuing activities.

The notes on pages 14 to 22 form part of these financial statements.

## Statement of Financial Position as at 31 March 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	7	611,976	624,778
Investments	8	1,697,941	2,113,478
		2,309,917	2,738,256
<b>Current assets</b>			
Receivables	9	13,522	132,280
Cash at bank and in hand		36,983	31,649
		50,505	163,929
<b>Payables: amounts falling due within one year</b>	10	(187,057)	(219,407)
<b>Net current liabilities</b>		(136,552)	(55,478)
<b>Net assets</b>		<b>2,173,365</b>	<b>2,682,778</b>
<b>Restricted funds</b>	12	771,893	730,978
<b>Unrestricted funds</b>	13	1,401,472	1,951,800
		<b>2,173,365</b>	<b>2,682,778</b>

These financial statements were approved and authorised for issue by the Board of Trustees on 2nd December 2020 and were signed on its behalf by:

**S Katwala**  
Chair



**Company Registration No: 03436993**  
**Registered Charity No: 1065817**

The notes on pages 14 to 22 form part of these financial statements.

## Statement of Cash Flows for the year ended 31 March 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities:</b>			
Net (expenditure)/income for the reporting period (as per the statement of financial activities)		(509,413)	80,225
<b>Adjustments for:</b>			
Depreciation charges	7	12,802	12,802
Gains/(losses) on investments	8	5,537	(149,840)
Interest receivable		(68,615)	(69,999)
Movement in debtors	9	118,757	(95,047)
Movement in creditors	10	(32,350)	112,739
<b>Net cash used in operating activities</b>		<b>(473,282)</b>	<b>(109,120)</b>
<b>Cash flows from investing activities:</b>			
Interest received and other investment income		68,616	69,999
Investment sale proceeds		410,000	-
<b>Net cash provided by investing activities</b>		<b>478,616</b>	<b>69,999</b>
<b>Change in cash and cash equivalents in the reporting period</b>			
		5,334	(39,121)
Cash and cash equivalents at the beginning of the reporting period		31,649	70,770
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>36,983</b>	<b>31,649</b>

## Notes forming part of the financial statements

### 1 Principal accounting policies

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.

#### 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.

#### 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 £1.2m of its liquid assets to be available to continue its charitable activities until 31 March 2021 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.

### Receivables

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

### Payables

Payables 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 and the properties are held at historic cost rather than as investment properties and carried at fair value.

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

### 2 Income

	2020 Restricted £	2020 Unrestricted £	2020 Total £	2019 Total £
Outreach and befriending service (Westminster)	121,852	-	121,852	179,138
Payroll Giving Donations over £1,000	-	65,000	65,000	-
Friends of Octavia	42,249	-	42,249	38,288
Heritage Lottery Fund	27,000	-	27,000	33,750
Value of donated services from Octavia Housing	-	36,160	36,160	40,641
Outreach and befriending service (RBKC)	25,000	-	25,000	25,000
Grants and donations from organisations under £1,000	9,060	443	9,503	8,666
Arts Council	8,789	-	8,789	-
Cheque donations over £1,000	-	5,800	5,800	-
Westminster Almshouses	4,000	1,500	5,500	-
Grants and donations from individuals under £1,000	320	4,484	4,804	12,958
John Lyon's Charity	4,000	-	4,000	-
The Campden Charities	3,000	-	3,000	-
Mactaggart Third Fund	-	3,000	3,000	-
Grosvenor Estate Management	-	2,400	2,400	-
Turning Point	2,000	-	2,000	-
Jean-Luc Baroni Ltd	-	1,700	1,700	1,600
Virgin Money Giving donation over £1,000	-	1,241	1,241	-
Shepherds Bush Housing	1,220	-	1,220	-
Vernon Potter Rapper Partnership	1,200	-	1,200	1,200
City Security	1,200	-	1,200	-
Donation from Octavia Housing	-	-	-	420,000
Blenheim CDP	-	-	-	44,052
Legacy	-	-	-	10,000
Co-Operative Loneliness Fund	-	-	-	9,950
Hyde Park Place	-	-	-	5,300
Westway Trust	-	-	-	2,500
Mears Ltd	-	-	-	2,000
Lottery Funding	-	10,000	10,000	-
<b>Total Grant and Donations</b>	<b>250,890</b>	<b>131,728</b>	<b>382,618</b>	<b>835,043</b>
Charitable activity – social housing rents	42,056	-	42,056	42,898
Investments	-	68,615	68,615	69,999
	<b>292,946</b>	<b>200,343</b>	<b>493,289</b>	<b>947,940</b>

The income from donations and grants was £382,618 (2019 - £835,043) of which £131,728 was unrestricted (2019 – £475,767) and £250,890 was restricted (2019 - £359,276).

Rental income is restricted income for both 2020 and 2019.

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

### 3 Charitable activity expenditure

	2020 Activity	2020 Support Costs	2020 Total	2019 Total
	£	£	£	£
Older peoples' activities	361,246	64,346	425,592	380,049
Young peoples' activities	160,011	28,506	188,517	209,789
Employment & training	143,239	25,515	168,754	86,382
Financial inclusion	84,389	15,035	99,424	121,123
Grenfell Residents Grants	-	-	-	612
Community Grants (note 4)	42,581	7,586	50,167	169,301
	<b>791,466</b>	<b>140,988</b>	<b>932,454</b>	<b>967,256</b>

The expenditure on charitable activities was £932,454 (2019: £967,256) of which £698,306 was unrestricted (2019: £607,987) and £233,851 was restricted (2019: £359,269).

The total support costs are calculated using varying methods of allocation:

Support cost	By reference to	2020 Charge £	2019 Charge £
Public Relations	Staff time	35,502	62,816
Governance	Staff time	15,727	13,442
Admin	Staff time	31,210	35,106
Human Resources	Headcount	14,403	38,763
Office Costs	Floor area	36,160	40,641
General Expenses	Usage	7,976	11,845
Bank Charges		10	-
		<b>140,988</b>	<b>202,613</b>

The table below sets out how these support costs have been apportioned to the various charitable activities:

	Older peoples activities	Young people activities	Employment and Training	Financial Inclusion	Community Grants	Total 2020
	£	£	£	£	£	£
Public Relations	16,203	7,178	6,425	3,786	1,910	35,502
Governance (note 5)	7,178	3,180	2,846	1,677	846	15,727
Admin	14,245	6,310	5,648	3,328	1,679	31,210
Human Resources	6,573	2,912	2,607	1,536	775	14,403
Office costs	16,503	7,311	6,544	3,856	1,946	36,160
General expenses	3,640	1,613	1,443	851	429	7,976
Bank Charges	4	2	2	1	1	10
<b>Total Expenditure</b>	<b>64,346</b>	<b>28,506</b>	<b>25,515</b>	<b>15,035</b>	<b>7,586</b>	<b>140,988</b>

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

### 4 Analysis of community grants

The grants programme was introduced in 2018/19 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 8 organisations in 2020 (2019: 26) totalling £42,581 (2019: £133,837) as follows:

Organisation Receiving Grant Funding	Category	Number of people reached	Grant awarded £
Adventure Play Hub	Young People	40	7,000
Avenues Youth Project	Young People	78	4,598
Friends of Kensal Rise Library	Community	585	5,000
Kongolese Centre for Information & Advice	Young People	120	4,542
Horniman Adventure Playground	Young People	40	5,000
Solidarity Sports	Young People	38	7,500
Tell It Parents Network	Young People	7	4,000
Youth Action Alliance	Young People	35	4,941
<b>Total</b>		<b>943</b>	<b>42,581</b>

Client Group	Number of organisations awarded	Total amount awarded £
Young People	7	37,581
Community	1	5,000
	<b>8</b>	<b>42,581</b>

### 5 Governance expenditure

	2020 £	2019 £
Professional fees – external audit	6,300	6,000
Professional fees - consultancy	2,470	-
Staff time allocation	6,957	7,442
	<b>15,727</b>	<b>13,442</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:

	<b>2020</b> <b>Number</b>	<b>2019</b> <b>Number</b>
Full time equivalent	<u>11</u>	<u>12</u>

The total staff costs during the year were:

	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
Wages and salaries	395,231	392,554
Social security costs	37,187	34,871
Other pensions costs	28,146	21,291
	<b><u>460,564</u></b>	<b><u>448,716</u></b>

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

	<b>2020</b>	<b>2019</b>
£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 £70,602 (2019 - £70,844). Pension contributions of £7,005 (2019 - £6,867) were also made to a defined benefit scheme on her behalf.

The Trustees received no remuneration in either year for membership on the Foundation board; no expenses were paid to Trustees in 2020 (2019 - nil).

### 7 Fixed Assets – Freehold Property

	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
<b>Cost</b>		
At the start of the year	779,663	779,663
Additions during the year	-	-
At the end of the year	<b><u>779,663</u></b>	<b><u>779,663</u></b>
<b>Depreciation</b>		
At the start of the year	154,885	142,083
Charge for the year	12,802	12,802
At the end of the year	<b><u>167,687</u></b>	<b><u>154,885</u></b>
<b>Net book value at 31 March</b>	<b><u>611,976</u></b>	<b><u>624,778</u></b>

Property expenses totalling £5,378 were incurred during the year (2019 - nil)

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

### 8 Fixed Asset – investments

	2020	2019
	£	£
<b>Listed investments</b>		
Market value at the start of the year	2,113,478	1,963,638
Sale of investments	(410,000)	-
Gain / (Loss) on revaluation of investments	7,028	162,521
Investment management fees	(12,565)	(12,681)
<b>Market value at 31 March</b>	<b><u>1,697,941</u></b>	<b><u>2,113,478</u></b>
<b>Investments</b>		
COIF Charities Investment Fund	1,697,941	2,113,478
	<b><u>1,697,941</u></b>	<b><u>2,113,478</u></b>
Historic cost of investments at end of year	<b><u>1,490,610</u></b>	<b><u>1,801,000</u></b>

The investment manager fees and gain are shown together in the cash flow statement.

### 9 Receivables

	2020	2019
	£	£
Receivables and prepayments	19,160	137,918
Less provision of doubtful debts	(5,638)	(5,638)
	<b><u>13,522</u></b>	<b><u>132,280</u></b>

### 10 Payables

	2020	2019
	£	£
Trade Payables	141	15,631
Due to Octavia Housing (note 15)	162,404	184,985
Accrued Expenditure	24,512	18,791
	<b><u>187,057</u></b>	<b><u>219,407</u></b>

## 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 2020.

	Freehold property	Investments	Net current assets / (liabilities)	Total
	£	£	£	£
Unrestricted fund	-	1,697,941	(296,469)	<b>1,401,472</b>
Restricted funds	611,976	-	159,917	<b>771,893</b>
	<u><b>611,976</b></u>	<u><b>1,697,941</b></u>	<u><b>(136,552)</b></u>	<u><b>2,173,365</b></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 2019	Income	Expenditure	Balance 31 March 2020
	£	£	£	£
Octavia Hill Housing Trust Gift Fund - asset	<b>624,778</b>	-	<b>(12,802)</b>	<b>611,976</b>
Octavia Hill Housing Trust Gift Fund - surplus	<b>83,063</b>	<b>42,056</b>	<b>(5,378)</b>	<b>119,741</b>
<b>PROJECTS</b>				
Base at The Reed	-	4,860	(4,860)	-
NHS Prevent	1,565	-	-	1,565
Welfare and Education	-	35,749	(28,174)	7,575
Tenants Into Work	-	4,220	(4,220)	-
Older Peoples Christmas	-	3,720	(3,720)	-
Outreach Project	-	121,902	(121,902)	-
RBKC Befriending	-	25,000	(23,639)	1,361
Digital Media Project	-	35,789	(35,789)	-
Gardening (Friends of Octavia)	-	6,500	-	6,500
Campden Charities	-	3,000	(1,397)	1,603
Volunteer Celebration Event	-	6,150	(6,150)	-
Westminster Almshouses	-	4,000	(4,000)	-
Learn to Earn	21,572	-	-	21,572
<b>TOTAL PROJECTS</b>	<u><b>23,137</b></u>	<u><b>250,890</b></u>	<u><b>(233,851)</b></u>	<u><b>40,176</b></u>
<b>Total Restricted Funds</b>	<u><b>730,978</b></u>	<u><b>292,946</b></u>	<u><b>(252,031)</b></u>	<u><b>771,893</b></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 2019	1,951,800
In year movements	(550,328)
<b>At 31 March 2020</b>	<b><u>1,401,472</u></b>

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 controlled 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 2020 Octavia Foundation had incurred costs and received revenues from Octavia Housing as follows:

	2020	2019
	£	£
Payables balance at start of year	184,985	70,366
Net movements between Octavia Foundation and Octavia Housing for services	(22,581)	534,619
Donation made by Octavia Housing	-	(420,000)
Payables balance at end of year	<b><u>162,404</u></b>	<b><u>184,985</u></b>

In addition, Octavia Housing made a non-cash donation of £36,160 (2019: £40,641) to the Foundation representing the value of donated office services.