



**TAUNTON ASSOCIATION
FOR THE HOMELESS**

Rebuilding lives for good



REGISTERED No: 23680R

ANNUAL REPORT

31 MARCH 2016

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TAUNTON ASSOCIATION FOR THE HOMELESS

Rebuilding lives for good

With over 40 years' experience Taunton Association for the Homeless (TAH) is Somerset's largest charitable organisation supporting homeless people and those at risk of homelessness.

Our purpose

Our aim is to provide clients with security, safety, warmth, support, advice and guidance so that even the most vulnerable can fulfil their potential and move towards an independent life.

Every year, as a result of our work, hundreds of people are able to take on their own tenancies and become valuable members of our communities.

Our Clients

Our clients include rough sleepers, women escaping domestic violence, ex-offenders, the long term unemployed, ex-forces, young individuals from leaving care, and people with learning difficulties and mental health issues. Over 50% of clients we see are aged between 16—25 and a rising number are young females.

At Present

- We now have **18 residences**, employ over **60 staff** and support over **200 vulnerable people** on any one night either in our own accommodation or in the community.
- We believe in personal development and **provide opportunities** for people to grow and develop their lives.
 - Educational and life skills courses and tailor made to suit **individual needs**.
 - The **TAH College** was officially launched in December 2014 which offers our clients mentoring and a wide range of activities and This continues to grow and we now offer many free training courses for our clients.
 - We have in place a **Tenant Accreditation Scheme** and **Bond Guarantee Scheme** to help clients achieve their own tenancies.
 - We have established our own Lettings Agency, **Somerset West Lettings Agency** to help our clients move on into the private housing sector, a service that has grown rapidly since its creation in December 2015



TAUNTON ASSOCIATION
FOR THE HOMELESS
Rebuilding lives for good

An Overview of the Year

In April 2015, we were delighted that a group of Scouts decided to support TAH by running in the Taunton ½ Marathon and Fun Run. The 'Phoenix Explorer' Scouts visited TAH and received a talk about the work we do and as a result they felt moved to help our clients by raising money. The Scouts did a fantastic job in the Marathon and Fun Run and raised over £200 for us!

Also as a result of the talk TAH gave to the scout group, we were thrilled to be picked as one of the benefitting charities of the St George's Day Parade in April. This raised a fantastic £230 for us.



Left: The Scouts and Scout Leader who ran for us! Right: Our Fundraiser Rosie collecting the donations from the Marathon and St George's Day Parade.

Easter brought us another fantastic donation of Easter Eggs from Red Berry Recruitment, Spirit Health Club and Nuffield Health Gym. We were overwhelmed by the amount of chocolate that filled our office, and were able to give an Easter Egg to every single one of our clients. Of course, they were thrilled.



Our Operations Manager Daz receiving the generous Easter Egg donation from Red Berry Recruitment.

There was another fantastic fundraiser in **April**, but this time, it was a client raising funds for us – and by jumping out of a plane! James lives in one of TAH's 'Move On' properties and recently, has sadly been suffering with an illness called ataxia, which severely affects your mobility. As a man who has been active his whole life, and craves adrenaline rush, he told his support worker that he'd always dreamed to skydive and wanted to tick it off of his bucket list, before he would be unable to. James saved his own money to pay for the skydive and raised an amazing £250 for TAH! Not only that, he had an amazing once in a life time experience and we've never seen him smile so much! Well done James!



Left: James before the jump...

Right: James once landed!

In May 2015, TAH were awarded a grant from the Taunton Mayor's Fund, which allowed us to start the 'Growing Opportunity Project'. The project is part of our TAH College and teaches clients to garden and gives them the opportunity to grow their own fruit and vegetables. The project started off fantastically and has come on leaps and bounds, with the effects on our clients being very positive and evident. The clients have taken control of their gardening space and have produced some delicious fruit and veg, which has been taken back to their residencies and cooked for dinner! Due to the success Growing Opportunity, TAH are now beginning another gardening project with clients, to renovate an overgrown courtyard into a community space.

Right: Just some of the produce from their efforts



In June 2015, TAH held their very first ‘Big Sleep Out’, a fundraising event where participants were sponsored to sleep outside for just one night in order to raise valuable funds and awareness for the homeless. The event was a huge success, with 50 individuals taking part from all different backgrounds, males and females aged from just 4 years old to 84 years old! The night was tough, showing some of the harsh realities of homelessness, and no one managed to sleep much, but the night was also incredibly positive and enjoyable. As well as sleeping outside, the night consisted of BBQ food, socialising and some live music and everyone was in high spirits. The next morning, participants received a ‘Survivors Breakfast’ and we all shared our thoughts and experiences. The night certainly raised a lot of awareness and how tough it can be to sleep outside. It also raised a fantastic amount of funds! All in all, the evening raised an amazing £7346, much more than we had ever hoped for. Due to the success of the event, it will now run annually and we aim for it to become even more successful each year!

Left: The Mayor and her husband amongst some participants

Right: Sleepers in the morning



In July 2015, our main residence, Lindley House, received a lick of paint, all thanks to kind students of Somerset College of Arts and Technology. A group of 11 Painting and Decorating students volunteered their time 3 days a week for 3 weeks to re-vamp the communal areas of Lindley House. With 50 plus people living in Lindley House, brushing past the walls daily, the place definitely needed brightening up, and the students did an amazing job! Lindley House looked fantastic once they had finished and we couldn't have been more grateful.



The students from Somerset College

August 2015 saw the 13th year of the annual Charity Football Match, in memory of James Norie. James was a client of ours, living at Norie House but very sadly passed away in 2000 when he was just 21 years old. Now, each year, his father Neal Norie organises a Charity Football Match to remember James and to raise funds for TAH. The day is always very enjoyable, with lots going on alongside the football match. As always, it was a very successful event and raised a fantastic £1572 for TAH. We can't thank Neal enough for his support.

August 2015 also had us celebrating our fantastic volunteers! We held a 'Volunteer Evening' to thank our hosts and volunteers for the fantastic work that they do, and to show them how grateful we are. We calculated that over the last 12 months, our clients had the benefit of 2964 hours of volunteer work, which is estimated to be worth in the region of £35k! The value of their work is not to be underestimated. This is outstanding and just goes to show what people in our community feel about the value of TAH and our work. The evening was a great success and a very enjoyable time was had by all. Some of the wonderful food was provided by our kitchen team and some even provided by our volunteer baker, Paul.



The room was filled with volunteers and hosts!

In September 2015, TAH said goodbye to our Chair of Trustees, Rowina Shanley. Sadly, Rowina had to leave due to a conflict of interest. The position was then advertised and at the AGM, a new Chair was elected – Molly Holmes. Molly is a freelance consultant specialising in community engagement, strategy and service improvement for the not for profit sector. Molly has experience in Housing Associations and Supported Housing and is very passionate about helping TAH to succeed. We also welcomed two new board members – Nick Fox and Anthony Porter.

In October 2015, we held another successful fundraising event. A folk band from Plymouth, Mad Dog Mcrea, performed live at Taunton Rugby Club in aid of TAH, where we benefitted from the ticket sales and a raffle held on the night. The evening was great fun, with brilliant music and fantastic company – everyone was in very high spirits with lots of dancing going on! Altogether, the night raised a brilliant £3040!



October 2015 also saw TAH taking part in Taunton Carnival for the very first time and we were delighted to be chosen as a benefitting charity! We had a stall during the daytime and collected during the evening. We had fantastic fun and managed to raise an amazing £2000. As well as Taunton Carnival, we also took part in Wellington and Bridgwater Carnival. It was brilliant to be involved and also great that some of our clients volunteered with the collection.



Clients and Staff Volunteering on the evening of Taunton Carnival and 'Toby the TAH Dog'!

In November and December 2015 we were overwhelmed with donations for the Christmas Period. A local group set up an appeal called the 'Homeless Shoebox', where members of the public were filling shoeboxes with items that they believed would help homeless individuals. For example, toiletries, socks, hats, gloves. Many wrapped their boxes as Christmas presents and added an additional gift, such as chocolate or sweets. A lot also included Christmas cards to wish a stranger a Merry Christmas, even at hard times. The gifts were very heart-warming, and across the two months, we received more than 300! Which meant we were able to give a box to each client that we assist as a Christmas present.



A few of the shoeboxes donated

As well as the shoeboxes, we received other very generous donations from individuals, churches and businesses in the community for the Christmas Period. Donations meant we were able to put on a fantastic Christmas Dinner on Christmas Eve which was, as always, very successful and the clients were very grateful.

December 2015 also saw the official launch of our new letting agency – Somerset West Letting Agency, which aims to meet the need for private but affordable housing within the Sedgemoor and West Somerset areas. The launch was very successful and well-attended, with the Mayor of Bridgwater cutting the ribbon to declare the letting agency officially open! Somerset West Letting Agency is based in Bridgwater and managed by Karen Milton, with assistance from Lauren Freeman. It is growing from strength to strength and is a valuable part of TAH.



Representatives from TAH, Sedgemoor County Council and the Mayor of Bridgwater at the Opening of Somerset West Letting Agency

In January 2016, we kicked the New Year off with a Charity Ball, organised by NatWest bank! It was a fantastic evening which involved a 3 course meal, a raffle, an auction followed by live music. The night was well-attended and a great fundraiser and awareness raiser for TAH! We showcased our brand new video, featuring some of our clients, which went down brilliant. The night raised an amazing £2700! We'd like to thank NatWest for organising such a great night for us.



TAH Staff all glammed up for the event

In February 2016, TAH clients took part in Taunton's annual Swimathon. The event raised funds for other local charities and the clients put a great amount of effort in on the day and did fantastically with their swimming. As a result, the team were presented with an award for their efforts and TAH hope to be chosen as a benefitting charity for this year's event. Well done to our clients!



Left: The Swimathon Team in action! Right: Some of the team receiving an award

In March 2016, a group of local people set up a movement called 'I Am Not Lost'. They sparked up interest on social media to get a more local people together in order to take part. On 14th March, these people met up in the evening to tie scarves, hats and gloves to trees, lampposts, bridges and anything else they could find with the message 'I Am Not Lost'. The idea being that these items of clothing were left for those that may be rough sleeping or stuck out in the cold. They were able to help themselves to these items to keep them warm. This was not only a huge help to rough sleepers, but also raised a great deal of awareness across the town. Many people stopped to read the messages attached to the items of clothing and it caught the eye of the press first thing the next morning! As a result, BBC Somerset ran a show about the I Am Not Lost project and the local newspaper included a brilliant article about it and how others could help. Well done to the fantastic people that set this up and everyone that was involved!



Just one of the scarves and labels left dotted around Taunton

Thank you to all of our supporters, staff, board members, stakeholders, contractors and everyone else who made this past year successful and enjoyable.

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

CHAIRMAN'S REPORT

Year ended 31 March 2016

I am pleased to report a further successful year for Taunton Association for the Homeless (TAH). We continued to deliver our two main contracts with Somerset County Council for the year with literally hundreds of successful outcomes for people coming through our services. Targets and outcomes set in our Business Plan are being achieved and collaborations with other organisations have proved fruitful. During the year our relationships with these organisations and our local housing authorities (Taunton Deane, Sedgemoor and West Somerset) have become even closer with innovative approaches succeeding over funding cuts.

Despite consideration of becoming a Registered Provider with the Government's Homes and Communities Agency, TAH has remained independent, instead looking at collaborating with an existing Registered Provider.

The Board has updated itself further with additional governance issues, acknowledging the importance of modern governance as a key to successful development and running of our business. Our Company Secretary Esther Bishop remains well informed in these areas and has ensured that governance remains high on Board agendas. The start of the year brought three new members to the Board, myself, Anthony Porter a Chartered Accountant and Partner of a renowned accountancy firm and Nick Fox, a Facilities Manager at a large multi-national firm. The skills we bring support the other expertise within the Board and we are presently in the process of yet further recruitment.

Our staff team has continued to develop with higher levels of skills and qualifications being achieved than ever before, allowing us to improve the levels of expert services that we provide. They continue to be flexible, committed and hard working. The Staff Council has grown in stature significantly during the year and is now regularly reporting progress to the Board, as well as being involved with strategic direction at the highest level.

The Senior Management Team is proving rigorous in its deliberations, recommending only proposals that are well thought through, stress tested and robust to the Board.

Our financial situation remains strong thanks to Sarah Davies, our Finance Director, and the year has seen some of the cash balance used for converting a couple of properties and to purchase an additional property, with further acquisitions in the pipeline. The extra revenue from these investments is already supporting our budgets. This drive to greater financial independence has also been strengthened by our fundraising activities.

Our CEO has a firm hand on the tiller and has positioned the organisation well with confidence and pragmatism in a climate of funding cuts and constant change. The organisation has continued to mature and develop significantly under his stewardship in the last year.

There are challenges ahead, but with the skills, passion and determination combined with strong leadership TAH is looking forwards to a further year providing the very best services and support for homeless people in this area.

Molly Holmes

Molly Holmes

Chair

26/7/16

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

CHIEF EXECUTIVE'S REPORT

Year ended 31 March 2016

Taunton Association for the Homeless (TAH) has completed yet another challenging year. One of our contracts with Somerset County Council (SCC) will suffer cuts of 100% from May 2016 and just prior to the year end TAH made the brave decision to not re-tender for the other contract with SCC on grounds of safeguarding risks and insufficient budget. Discussions on this contract are on-going. However, we were successful in obtaining a significant grant since the year end from SCC which has been a considerable help.

Our new business plan has been robust and a further full review is taking place shortly to ensure TAH's vision and core values are at the root of everything we do. Being flexible is the key to survival and this is made possible by the strong relationship between the Board and the Senior Management Team. We also remain strong due to our partnerships with statutory bodies and other providers with whom we work so closely.

Despite financial pressures TAH has continued to increase its property portfolio thus generating further rental income. This growth will stand TAH in good stead as government funding becomes less and less reliable.

I reported last year that TAH needed to become a Registered Provider (RP) with the Government's Homes and Communities Agency. The relationship between Government and RP's is somewhat unstable at present and so TAH has decided to remain independent but to form a collaboration with an RP. We are in the process of working through this new relationship with Knightstone since the year end. This will allow TAH to charge the higher rents associated with supported housing but without the government being able to have control over TAH.

TAH's College has expanded even further now and offers a variety of both academic and life skills courses to both clients and staff of both TAH and other organisations. Membership of the college is now automatic to all clients and there is an expectation of self-development.

During the year TAH launched the Somerset West Lettings Agency opening an office in Bridgwater. Numbers of properties in management are growing fast and this enterprise will soon become a significant part of TAH's business helping house clients and generating income.

The Staff Council has matured significantly during that last year and I would like to record my thanks to its members for their time, commitment but overall their pragmatism.

I continue to be humbled by our staff who, despite funding cuts and all that comes with this, are more committed and passionate about their work than ever. Thank you so very much, every one of you.


The Senior Management Team (SMT) has also developed over the year, and stress test any proposal before it is presented to the Board. Members of the Team really do support one another. Thank you to you all.

TAH's Finance Director, Sarah Davies has had a particularly challenging year due to the funding cuts, but has shepherded the organisation's finances with incredible dexterity throughout. With her and two accountants now on the Board TAH is in safe hands.

The Board has had the benefit of a new Chair, Molly Holmes, since the Annual General Meeting in 2015. Molly has truly hit the road running and her support for the SMT and other members of the Board is proving invaluable. Whatever lies ahead for TAH we will be in a strong position to navigate our way through to success.

Another first class year with TAH going from strength to strength.

Justin Roxburgh
Chief Executive



26/7/16

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

STATEMENT OF THE BOARD OF MANAGEMENT RESPONSIBILITIES

The Board of Management is responsible for preparing the accounts in accordance with applicable law and regulations. We are required by law to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Association, and of the surplus or deficit of the Association for that period.

In preparing these accounts we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the association will continue to operate.

The board of management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014.

We are also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We have a reserves policy.

On behalf of the Board of Management



P Qureshi
Chairman of the Audit Committee

Date *26th July 2016*

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

We have audited the financial statements of Taunton Association for the Homeless for the year ended 31 March 2016 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the Association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association'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 Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of board of management and auditor

As explained more fully in the Statement of the Board of Management's Responsibilities set out on page 13, the Board of Management is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board of Management; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2016 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and with the Co-operative and Community Benefit Societies Act 2014.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the Association has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation;
- the income and expenditure account, any other accounts to which our report relates, and the balance sheet are not in agreement with the Association's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Bishop Fleming LLP
Chartered Accountants & Statutory Auditors
16 Queen Square
Bristol, BS1 4NT
Date:

Bishop Fleming LLP
2/8/16

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

INCOME AND EXPENDITURE ACCOUNT
year ended 31 March 2016

	Note	£	2016 £	£	2015 £
Income					
Rent Receivable	4	992,276		946,065	
Assessment Centre Rental Income		31,232		35,549	
Host Families		232		171	
Grants Receivable	5	1,237,999		1,307,073	
Donations		62,211		57,061	
Landlord Incentive Scheme		5,155		8,758	
Other Income		26,613		27,419	
Hire of Meeting Room/Training Centre		1,189		890	
South West Lettings Agency	9	<u>31,902</u>		<u>-</u>	
			2,388,809		2,382,986
Direct Expenditure					
Property Costs	6	477,907		521,146	
Employee Costs	8	1,507,020		1,482,293	
Food		49,990		52,471	
Residents Activities/Involvement		12,207		14,584	
Host Families		506		534	
Donated Funds Expended		25,505		30,102	
Landlord Incentive Scheme		5,155		8,758	
South West Lettings Agency	9	31,902		-	
BYMCA Mediation		<u>-</u>		<u>5,500</u>	
			<u>2,110,192</u>		<u>2,115,388</u>
Gross Operating Surplus			278,617		267,598
Central Costs	7		(127,505)		(134,348)
Fundraising Costs-staff costs			(44,482)		(12,564)
-other costs			(7,628)		(9,058)
Depreciation			<u>(60,050)</u>		<u>(90,964)</u>
Operating Surplus			38,952		20,664
Interest Received			1,850		5,281
Other finance costs	16		(3,000)		(5,000)
Exceptional Item	18		<u>(21,941)</u>		<u>(161,448)</u>
Net Surplus/ (Deficit) to Reserves			<u>15,861</u>		<u>(140,503)</u>

Continuing Operations

None of the Association's material activities were acquired or discontinued during the current or previous year.

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 March 2016**

	2016	2015
	£	£
Surplus/ (Deficit) for the year	15,861	(140,503)
Remeasurements on defined benefit pension deficit contributions	<u>(62,000)</u>	<u>(7,000)</u>
Total gains and losses relating to the year	<u>(46,139)</u>	<u>(147,503)</u>

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

**BALANCE SHEET
as at 31 March 2016**

	Note	2016 £	2015 £
Fixed Assets			
Tangible Assets	10	1,524,933	1,239,047
Current Assets			
Stock		3,503	4,753
Debtors	11	98,984	85,573
Cash at Bank and in Hand		<u>518,727</u>	<u>847,206</u>
		621,214	937,532
Creditors: amounts falling due within one year	12	<u>(176,289)</u>	<u>(198,909)</u>
Net Current Assets		<u>444,925</u>	<u>738,623</u>
Total Assets less Current Liabilities		1,969,858	1,977,670
Creditors: amounts falling due after one year	13	<u>(92,699)</u>	<u>(102,375)</u>
Net Assets excluding defined benefit deficit contributions liability		<u>1,877,159</u>	<u>1,875,295</u>
Defined benefit deficit contributions liability	16	(202,000)	(154,000)
Net Assets		<u>1,675,159</u>	<u>1,721,295</u>
Called up Share Capital	17	47	44
General Reserve	17	<u>1,675,112</u>	<u>1,721,251</u>
Association Funds	17	<u>1,675,159</u>	<u>1,721,295</u>

The accounts were approved and authorised for issue by the Board of Management on *26th July 2016* and signed on its behalf by:-

M Holmes
.....
M Holmes
(Chairman)

P Qureshi
.....
P Qureshi
(Chair of the Audit Committee)

E Bishop
.....
E Bishop
(Secretary)

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

NOTES TO THE ACCOUNTS year ended 31 March 2016

1 Principal Accounting Policies

(a) Basis of Accounting

The accounts have been prepared in accordance with applicable accounting standards and the Financial Reporting Standard for Smaller Entities (effective 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities) under the historical cost accounting convention.

The defined benefit deficit contributions liability has been accounted for in accordance with the Financial Reporting Standard FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland. Information on the impact of first time adoption of FRS 102 is given in note 20.

(b) Rental Income

Rental income is accounted for on a receivable basis and provision has been made in these accounts for rents owing at 31 March 2016 where there is not a reasonable expectation of recovery.

For properties where the association acts as managing agents the rent collected by the association is included in rental income. The amount payable to the property owner is included in expenditure. This treatment fairly reflects the level of activity undertaken by the association and is consistent with other properties owned by the association.

Under the South West Letting Agency, we do not show the rental income due to it being paid to the landlord less a management fee. This management fee is shown as income.

(c) Other Income

All other income is recognised in the period in which it is receivable, provided conditions for recognition are met, unless the income relates to a specified future period in which case it is deferred.

Government grants on capital expenditure are credited to a deferral account and are released to revenue over the expected useful life of the relevant asset by equal annual instalments.

(d) Depreciation

Depreciation is provided on tangible fixed assets in equal instalments in order to write off the cost over their anticipated useful lives. The anticipated useful lives are as follows:

Freehold Property	- 40 years
Improvements to Leasehold Property	- over the period of the lease, or 25 years where the lease is for an indefinite term.
Fixtures and Fittings	- 3 years
Office Equipment	- 3 years
Motor Vehicles	- 5 years

Fixtures and Fittings comprise the initial cost of fitting out new premises only. Fixtures and Fittings within the Association's Hostels and Satellite Houses are subject to considerable wear and tear and are constantly being replaced and renewed. Expenditure on Fixtures and Fittings which is therefore of a replacement nature is written off to revenue in the year in which the cost is incurred.

(e) Stock

Stock of foodstuffs and consumables is valued at the lower of cost and net realisable value.

(f) Operating Leases

Rentals paid under operating leases are charged to the profit and loss account as incurred.

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

NOTES TO THE ACCOUNTS year ended 31 March 2016

1 Principal Accounting Policies (Continued)

(g) Pensions

The Association participates in the Social Housing defined benefit CARE pension scheme. Contributions are based on pension costs across the various participating Associations taken as a whole. The assets of the scheme are invested and managed independently of the finances of the Association. Pension costs are assessed in accordance with the advice of an independent qualified actuary. Costs include the regular cost of providing benefits which it is intended should remain at a substantially level percentage of current future earnings of the employees concerned.

Exemption from full disclosure of pension assets and liabilities has been taken in accordance with FRS 102. The pension scheme is a multi-employer defined benefit scheme. Taunton Association for the Homeless Limited's assets and liabilities cannot be separately identifiable from those of other members of the scheme.

Contributions paid during the year are charged to the income and expenditure account.

The Association also operates a Social Housing defined contribution pension scheme which was set up with the introduction of Auto-enrolment. The pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

2	Net (Deficit)/Surplus	2016 £	2015 £
	The net surplus is stated after charging		
	Depreciation owned assets	60,050	90,964
	Auditors remuneration - audit	6,450	6,450
	- non audit	-	-
	Operating lease payments	31,999	31,320
	Exceptional Item –Impairment of 90-91 East Reach	-	161,448
	Exceptional Item –Legal fees for RP Status & Collaboration	21,941	-

3 Taxation

As an exempt charity, Taunton Association for the Homeless Limited is exempt from tax under sections 478, 481 and 485 of the Corporation Tax Act 2010.

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

NOTES TO THE ACCOUNTS
year ended 31 March 2016

4	Rents Receivable				
		Bed Nights	2016 £	Bed Nights	2015 £
	Maximum Occupancy	58,125	1,102,225	56,584	1,044,171
	Less Unoccupied Rooms	<u>(1,856)</u>	<u>(34,637)</u>	<u>(2,044)</u>	<u>(34,315)</u>
	Actual Occupancy	<u>56,269</u>	1,067,588	<u>54,540</u>	1,009,856
	Less Bad Debts written off		(19,274)		(12,520)
	Plus Bad Debts written back (monies received)		8,796		7,705
	Less Bad Debts provided for		<u>(64,834)</u>		<u>(58,976)</u>
	Actual Rents Receivable		<u>992,276</u>		<u>946,065</u>
5	Grants Receivable		2016 £		2015 £
	SCC Support Contracts		1,173,197		1,215,980
	Homeless Transition Fund		5,614		91,093
	Taunton Deane & Sedgemoor Council – Outreach Services		<u>59,188</u>		<u>-</u>
			<u>1,237,999</u>		<u>1,307,073</u>
6	Property Costs		2016 £		2015 £
	Motor and Travelling		3,332		7,564
	Rent, Rates and Insurance		278,270		268,899
	Heat and Light		68,620		75,991
	Repairs and Renewals		60,625		100,196
	Laundry and Cleaning		36,878		39,548
	TV Licences		7,130		7,130
	Telephones		18,963		15,939
	Outreach personalised budget		2,796		3,413
	Sundry Expenses		<u>1,293</u>		<u>2,466</u>
			<u>477,907</u>		<u>521,146</u>
7	Central Costs		2016 £		2015 £
	Office, Rent, Rates and Insurance		6,976		6,980
	Stationery and Photocopying		15,461		15,282
	Telephone and Postage		11,874		9,057
	Promotional Expenses		3,392		6,523
	Office, Heat and Light		5,305		5,237
	Subscriptions		4,089		3,789
	Meetings Expenses		1,537		1,252
	Legal and Professional		37,795		39,681
	Auditors Remuneration		6,450		6,450
	Computer Costs		28,196		32,390
	Sundries		1,050		1,022
	Mortgage Interest		5,380		5,760
	(Profit)/Loss on Sale of Fixed Asset		-		925
			<u>127,505</u>		<u>134,348</u>

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

NOTES TO THE ACCOUNTS
year ended 31 March 2016

8	Employee Costs	2016	2015
		No.	No.
	The average number of full time equivalent employees of the Association was:	48	49
	Costs in respect of those employees were as follows:	£	£
	Wages and Salaries, agency costs and other employee costs	1,287,778	1,281,800
	Social Security Costs	93,848	93,095
	Pension Costs	59,251	33,520
	Redundancy	-	2,962
	Governance	2,263	4,800
	Volunteer expenses	2,937	3,217
	Night Security Costs	<u>60,943</u>	<u>62,899</u>
		<u>1,507,020</u>	<u>1,482,293</u>
9	South West Lettings Agency	2016	2015
		£	£
	Income		
	EDF	31,792	-
	Management Fee from Landlords	<u>110</u>	-
		<u>31,902</u>	<u>-</u>
	Expenditure		
	Salaries, Agency Costs, Staff Travel, Training & Other Staff Costs	12,581	-
	Office, Rent and Rates, Heat & Light	3,428	-
	Other Office Costs Stationery, Postage and Photocopying	3,907	-
	Advertising & Promotional Expenses	1,856	-
	Computer Costs	8,093	-
	General Equipment & Maint, Health & Safety	<u>2,037</u>	-
		<u>31,902</u>	<u>-</u>

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

NOTES TO THE ACCOUNTS
year ended 31 March 2016

10 Tangible Assets

	Freehold Property £	Improve- ments to Leasehold Property £	Fixtures and Fittings £	Equip- ment £	Motor Vehicles £	Total £
Cost						
As at 1 April 2015	1,906,117	142,868	26,825	60,558	6,100	2,142,468
Additions	316,539	-	18,278	9,868	1,250	345,935
Disposals	-	-	-	-	-	-
As at 31 March 2016	<u>2,222,656</u>	<u>142,868</u>	<u>45,103</u>	<u>70,426</u>	<u>7,350</u>	<u>2,488,403</u>
Depreciation						
As at 1 April 2015	717,540	113,486	23,082	48,640	672	903,420
Charge for year	43,590	1,589	3,332	10,214	1,325	60,050
Disposals	-	-	-	-	-	-
As at 31 March 2016	<u>761,130</u>	<u>115,075</u>	<u>26,414</u>	<u>58,854</u>	<u>1,997</u>	<u>963,470</u>
Net book value						
As at 31 March 2016	<u>1,461,526</u>	<u>27,793</u>	<u>18,689</u>	<u>11,572</u>	<u>5,352</u>	<u>1,524,933</u>
As at 31 March 2015	<u>1,188,577</u>	<u>29,382</u>	<u>3,743</u>	<u>11,918</u>	<u>5,427</u>	<u>1,239,047</u>

Somerset County Council (SCC) holds a charge over the freehold property at 44, William Street, Taunton. In the event that the Association ceases to use this property in accordance with its current objects before July 2026, it could be required to pay the sum of £190,000 to SCC. As this event is considered to be unlikely no provision has been made in the accounts.

11 Debtors

	2016 £	2015 £
Rents Receivable	141,331	133,813
Bad Debt Provision	(69,324)	(66,647)
Income Tax Recoverable	1,668	2,043
Other Debtors	3,905	-
Prepayments	<u>21,404</u>	<u>16,364</u>
	<u>98,984</u>	<u>85,573</u>

12 Creditors-amounts falling due within one year

	2016 £	2015 £
Trade Creditors	69,802	45,991
Taxation and Social Security	23,171	25,255
Other Creditors and Accruals	77,701	122,387
Lloyds Mortgage	<u>5,615</u>	<u>5,276</u>
	<u>176,289</u>	<u>198,909</u>

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

NOTES TO THE ACCOUNTS
year ended 31 March 2016

13	Creditors – amounts falling due after one year	2016	2015
		£	£
	Rent Deposit Scheme	18,982	23,043
	Lloyds mortgage	<u>73,717</u>	<u>79,332</u>
		<u>92,699</u>	<u>102,375</u>

The mortgage is secured on the property at 90-91 East Reach, Taunton and is repayable by instalments over a 15 year term ending in June 2026. Interest is being charged at 6.6%.

14 **Contingent Liabilities**

As at 31 March 2016 a potential contingent liability exists arising from Bonds given out from the Rent Deposit Scheme which could be claimed on. The estimated liability at the year-end is £2,695 (2015-£6,281) though it is unlikely to crystallise.

15 **Obligations under Leasing Agreements**

The following payments are committed to be paid:

	Operating Leases	
	2016	2015
	£	£
Plant and Machinery		
Expiring within one year	-	-
Expiring in 2 – 5 years	<u>2,968</u>	<u>2,289</u>
	<u>2,968</u>	<u>2,289</u>
Land and Buildings		
Expiring in more than 5 years	<u>29,031</u>	<u>29,031</u>

16	Pension Commitments	2016	2015
		£	£
	Defined Benefit Contributions	<u>92,191</u>	<u>54,317</u>
	Defined Contribution Contributions	<u>1,752</u>	<u>-</u>

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

NOTES TO THE ACCOUNTS

year ended 31 March 2016

16 Pension Commitments (continued)

Taunton Association for the Homeless Limited participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Association 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 with an effective date of 30 September 2014. This actuarial valuation was certified on 23 November 2015 and showed assets of £3.123m, liabilities of £4.446m and a deficit of £1.323m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

Tier 1 From 1 April 2016 to 30 September 2020:	£40.6m per annum (payable monthly and increasing by 4.7% each year on 1 April)
Tier 2 From 1 April 2016 to 30 September 2023:	£28.6m per annum (payable monthly and increasing by 4.7% each year on 1 April)
Tier 3 From 1 April 2016 to 30 September 2026:	£32.7m per annum (payable monthly and increasing by 3.0% each year on 1 April)
Tier 4 From 1 April 2016 to 30 September 2026:	£31.7m per annum (payable monthly and increasing by 3.0% each year on 1 April)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2011; this valuation was certified on 17 December 2012 and showed assets of £2.062m, liabilities of £3.097m and a deficit of £1.035m. To eliminate this funding shortfall, payments consisted of the Tier 1, 2 & 3 deficit contributions.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement, the Association 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.

Present Values of Provision

	2016	2015	2014
	£	£	£
Present value of provision	<u>202,000</u>	<u>154,000</u>	<u>159,000</u>

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

NOTES TO THE ACCOUNTS
year ended 31 March 2016

16 Pension Commitments (continued)

Reconciliation of Opening and Closing Provisions

	2016	2015
	£	£
Provision at start of period	154,000	159,000
Unwinding of the discount factor (interest expense)	3,000	5,000
Deficit contribution paid	(17,000)	(17,000)
Remeasurements - impact of any change in assumptions	(1,000)	7,000
Remeasurements - amendments to the contribution schedule	<u>63,000</u>	<u>-</u>
Provision at end of period	<u>202,000</u>	<u>154,000</u>

General Reserve Impact

	2016	2015
	£	£
Interest expense	3,000	5,000
Remeasurements – impact of any change in assumptions	(1,000)	7,000
Remeasurements – amendments to the contribution schedule	<u>63,000</u>	<u>-</u>

Assumptions

	2016	2015	2014
	% per annum	% per annum	% per annum
Rate of discount	2.06	1.92	3.02

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.

Taunton Association for the Homeless Limited has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Social Housing Pension Scheme based on the financial position of the Scheme as at 30 September 2015. As of this date the estimated employer debt for Taunton Association for the Homeless Limited was £1,175,026 (2015 - £1,012,749).

17 Reconciliation of Movements in the Association's Funds

	Share Capital £	General Reserve £	Total £
As at 1 April 2015	44	1,721,251	1,721,295
Surplus in the year	-	15,861	15,861
Other recognises gains and losses		(62,000)	(62,000)
Issued £1 shares in the year	<u>3</u>	<u>-</u>	<u>3</u>
As at 31 March 2016	<u>47</u>	<u>1,675,112</u>	<u>1,675,159</u>

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

NOTES TO THE ACCOUNTS year ended 31 March 2016

18 Exceptional Item – Legal & Professional fees

During the year ended 31 March 2016 the Board of Management began investigating the possibility of becoming a Registered Provider. Following the investigation the Board decided that the best way forward for TAH was not to become a Registered Provider but instead collaborate with an existing Registered Provider. Negotiations with Registered Providers started in the year. All of investigations undertaken incurred significant legal and professional fees which are one-offs and exceptional by nature.

During the year ended 31 March 2015 The Board of Management reviewed the value of 90-91 East Reach. As a result of that review it was evident that there had been a permanent diminution in value of the property and the Board recognised an impairment to provide for that diminution.

19 Post Balance Sheet Events

In April 2016 a property on Belvedere Road was purchased for just under £225,000. It is currently being converted into a seven bed HMO (House of Multiple Occupancy).

20 First Time Adoption of FRS 102

The Association has adopted FRS 102 for the year ended 31 March 2016 for accounting for the defined benefit deficit contributions liability and has restated the comparative prior year amounts.

Transition to FRS 102 - reconciliations

	Explanation	31 March 2015 £	1 April 2014 £
Restated Balance Sheet			
Original Association Funds		1,875,295	2,027,798
Defined benefit contributions liability adjustment	1	<u>(154,000)</u>	<u>(159,000)</u>
Restated Association Funds		<u>1,721,295</u>	<u>1,868,798</u>
£			
Restated Income and Expenditure Account for the year ended 31 March 2015			
Original Deficit		(152,503)	
Remove defined benefit deficit contributions	1	17,000	
Add interest expense for defined benefit deficit contributions liability	1	<u>(5,000)</u>	
Restated deficit for the financial year		<u>(140,503)</u>	

The statement of total recognised gains and losses is a new statement in these accounts and therefore the comparative figures in that statement are a restatement from the prior year accounts.

1. The Association has a deficit funding arrangement in place with The Pensions Trust. Under FRS 102 the Association is required to recognise 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 that deficit. The present value is calculated using the discount rate detailed in note 16 of these accounts. The unwinding of the discount rate is recognised as a finance cost.

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED
BOARD OF MANAGEMENT

MOLLY HOLMES (Chairman) (Appointed 15 September 2015)

LIZ FOTHERGILL (Vice Chair)

DAVID EDMONDSON

PHILIP QURESHI

STEVE OGILVIE

DAVID COOKE

ANTHONY PORTER (Appointed 15 September 2015)

NICK FOX (Appointed 15 September 2015)

ROWINA CLIFT-SHANLEY (Resigned 15 September 2015)

JEFF GRIFFIN (Resigned 8 January 2016)

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A Co-operative and Community Benefit Societies Member Registered No: 23680R

