

Taunton Association for the Homeless



REGISTERED No: 23680R

ANNUAL REPORT

31 MARCH 2018

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Taunton Association for the Homeless

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, men and women escaping domestic violence, ex-offenders, the long term unemployed, ex-forces, individuals from leaving care, and people with learning difficulties and mental health issues.

At Present

We have 15 residences, employ just over 40 staff and support around 200 vulnerable people on any one night either in our own accommodation or in the community.

The TAH College was officially launched in December 2014 which offers our clients mentoring and a wide range of activities and courses to help develop key life skills. This continues to grow and we now offer over 10 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.

In December 2015, we launched our very own Letting Agency, Somerset West Lettings. This has grown and is very successful in providing private but affordable accommodation to those on a low income. It is a great platform for our clients to move onto independent living.

An Overview of the Year

It has been an unprecedented year for Taunton Association for the Homeless (TAH, but now trading as Arc).

In my last annual report I talked about funding cuts and contract ends and how we planned to avoid those cliff edge moments that create uncertainty and which force business change. We are now in as much control as any charitable organisation can hope to be.

Despite this financial year ending in a deficit, our new business model has proved to be sustainable. It is important to remember that over the past two years our grant income was cut by £628,224 (Pathway for Adults funding) and our decision to not proceed with the renewal of our Pathway to Independence contract (£541,368) meant further adjustments were required with our business. With some re-positioning of our marketing strategy and some minor adjustments to our operational model, we are now back on track, and budgeting a modest surplus of 2018/19.

This is exciting for TAH (Arc) and our successes are being monitored by statutory authorities which are looking to model newly commissioned services on our model of housing and support. Having shown our strengths, we have attracted additional funding from statutory bodies for new and exciting projects that extend our service offering even further: We received funding from the NHS for a Health Link worker in year and this post holder is now supporting homeless people to prevent hospital admissions and managing their discharge from hospital when ready into supported housing where needed. They are also facilitating primary health care for this group by arranging GP registrations, a far better service for clients rather than relying on expensive Accident and Emergency services.

With Sedgemoor District Council (SDC) we have successfully launched the Ambition Project. SDC have funded a caseworker and arranged a house for adults with a combination of issues. This is a service with a small number of clients now receiving intensive support. The project simply plans to get these individuals to a point where they stand as much chance as anyone to get permanent housing.

During the year we launched our Homeless Veterans Project which you can read about later in this report. It is already gaining widespread recognition for this unique approach to supporting homeless veterans.

Our own letting agency, Somerset West Letting Agency is now expanding and taking on new business, with its presence on Rightmove proving invaluable.

The TAH College (Arc Academy) is ready to expand its services with a broad range of new life skills and employability courses, having completed yet another successful year.

Overall, the year has been highly positive and fun. Staff turnover and sickness levels are at an all-time low which is indicative of a staff team that is happy and well supported. This is reflected in our Investors in People Silver Award, achieved just at the year end.

Justin Roxburgh
Chief Executive



The Big Sleep Out 2017

June 2017 brought our third and largest Big Sleep Out. 83 people joined us for a night under the stars at the Taunton Town Football Club. They were each sponsored by friends and family to raise funds to go towards our Outreach Team, and altogether we managed to raise an amazing £9,568!



This year the weather wasn't as kind to us as it had been in the past two years and although we had a dry evening, the heavens opened at 10pm just as everyone was settled down in their sleeping bags on the car park floor. As unfortunate as this was, it really gave a good impression of what rough sleeping can be like, with no shelter from bad weather and no choice but to get wet and put up with it. Despite the rain, an enjoyable evening was had by all with live music from local artists and a delicious BBQ cooked by our catering team with food kindly donated by Neil Norie at Premier Chef. We also treated our participants to a fried breakfast in the morning, thanks to the Rapid Relief Team.

We'd like to thank all those who participated in the event as well as those that contributed in some way to make the event as successful as it was.

Office Move

In July 2017, the head office packed their bags and moved across town to a brand new office space, based on The Crescent in Taunton.

The move had been discussed for some time and following planning approval to turn the office on East Reach into accommodation, we found a central and suitable space for us to base our head office.

On what felt like the hottest day of the year, all head office staff gathered their belongings and loaded furniture into a lorry to get started with the move. 9 months later, we are settled and very happy in our new head office and the old building is being used as our veteran only accommodation.

Based at the head office is our CEO, Finance Team, Fundraising and Communications Team, HR Department, Property Services and the Pathways Team for our move on accommodation.



Volunteer Appreciation Morning

In October, we decided to celebrate our fantastic volunteers, by holding a 'Volunteer Appreciation Morning'. We treated our volunteers to tea, coffee and cake at the local Quaker Meeting House, to show our thanks for all their hard work and support. It was great to get everyone together to show our appreciation. This year, we have had 122 volunteers join us in various different roles, and we look forward to recruiting more this year, as they play such a great part in what we do.



Homeless Shoebox Appeal

In December, the Homeless Shoebox Appeal was again a great success! Our kind community filled over 1,000 boxes with gifts for our clients and donated them so that no one had to go without a present this Christmas. Christmas can be a difficult time for our clients so to provide them with 2 boxes each really helped us to put a smile on their faces.

As well as the fantastic people who donated these items, we were joined by 38 volunteers during December who helped us to pick up, sort through, pack, wrap and prepare the boxes for distribution before Christmas came around. Altogether they volunteered a total of 205.5 hours! We could not have done it without them.

As we received such a huge amount of donations, we were also able to share these with our charities in need in the local area, allowing their clients to have a Christmas present too!





Veteran's Project (Victory House)

We are thrilled to say that during 2017, we began the long-awaited conversion of our property at 90-91 East Reach from an office building into 8 bed accommodation for homeless veterans. It has been an aim of ours for some time, striving to meet the demand for veteran only accommodation, which will allow us to meet their specific support needs.

We joined up with Splash Community Projects, a group of former British Forces and Royal Marines with

expertise in building works who help to put community projects into place. With an added passion for our project, a team from Splash started work in September 2017 and transformed our old offices into 8 bed accommodation. The four ground floor rooms are DDA compliant, with wet rooms and plenty of accessibility for wheelchair users, each with their own kitchenette and bathroom. The four first floor rooms have shared bathroom facilities.

We were delighted to officially launch our new homeless veterans project on 9th February, naming the property 'Victory House'.

As well as the fantastic support from Splash, we also had a £50,000 grant from the Royal British Legion, just over £12,000 donated from members of the public and SSAFA kindly paid for all of the furniture needed. Thank you to everyone who made a contribution.

Gibbins Richards Christmas Support

This year we started our festive celebrations early, thanks to the team at Gibbins Richards Estate Agents. They decided to support us again this Christmas, but this year set out to raise funds by creating their very own Christmassy music video to post on social media. For each share of their video, Gibbins Richards would make a donation.

So, we joined the Gibbins Richards Team at the start of November, dressed in our best Christmas jumpers and used our best singing voices to blast out Christmas carols whilst being recorded. It was a very enjoyable evening and the campaign raised an amazing £2,600! We'd like to thank Mark Richards and Mark Gibbins for setting this up and for everyone who joined in with the festivities that helped raise such a great amount!





School Soup Scheme

We're very lucky to now be receiving a lot of our food for Lindley House meals through donations, largely from supermarkets and other food outlets. But in 2017, we were contacted by a Food Technology Teacher from Haygrove School in Bridgwater with a new offer for us.

Mrs Hardman wanted to start a 'Soup Kitchen' at the school, where students can volunteer to put their cookery skills to the test by making large batches of soup to help us feed our clients.

Each Thursday, a group of students join together and use produce kindly donated by grocery store Carrots (in North Petherton) and create delicious soup which is then picked up and delivered to Lindley by a volunteer.

It is a fantastic initiative, connecting lots of people to the cause of homelessness by making a simple yet very important and useful contribution. The clients love the home cooked soup, and the project was even picked up by BBC who produced a small film about the different stages. Thank you to Haygrove School and Carrots!



Other Support at Christmas

As well as the vast amounts of support through our shoebox appeal, Christmas really showed us how generous and kind our community is, with various donations coming from all directions allowing us to create a very Happy Christmas from our clients.

Some of the highlights were...

Ethnic Street Pizza: A portable handmade wood fired pizza company visited Lindley House on the 22nd December, offering a very special and very delicious free meal for our 50+ clients. They each received a free handmade pizza and enjoyed an evening around their fire oven. A perfect Christmas treat!

On 18th December, CEO Justin attended a fantastic event organised by the students of Chilton Trinity School. They put together a wonderful Christmas event called 'Winter Wonders' and spent so much time organising it to raise valuable funds for TAH! It was a very inspiring evening and made £700!



At the end of November, we had a visit from a very special little girl. When out shopping with her Mum in the new Aldi store in Taunton, she was very lucky to win a £100 voucher they were offering as a new store promotion. As the voucher was handed to her, her Mum said she was allowed to decide how the voucher was spent. This little girl decided that instead of spending it on herself and family, it should be given to those in need, to help them have a happy Christmas. We were very lucky to benefit from this £100 voucher, which we spent on the Christmas buffet we provide for clients on Christmas Day.

Bridgwater and Taunton Carnivals

We were pleased to take part in another year of carnivals and attended both Taunton and Bridgwater Carnivals, armed with lots of volunteers with collecting buckets in their hands!

Typically, the rain joined us for both nights and we all got soaked through. But our volunteers carried on through the weather and raised a fantastic £716.92 at the two carnivals combined.

Thank you to the wonderful volunteers who stuck it out through the rain, and the organisers of Taunton and Bridgwater Carnivals who let us be a part of their events!



Harvest Festival

We were again overwhelmed with Harvest Festival Donations in September and October, coming from many schools and churches in the area. Each had collected a wide range of both perishable and non-perishable food items that were given directly to Lindley House, assisting our catering team to provide 3 nutritional and varied meals per day to the clients residing there.

It was great to see the thought and effort that many had put into their donated items, including the usual beautifully decorated bags that we receive from Ruishton Primary School each year.



Corporate Support

Throughout the year, we have received some fantastic support through local corporates, each making a great contribution to our work through fundraising and volunteering.

Valued supporters Claims Consortium have been a great help to us again this year, volunteering for us on a number of occasions, taking part in our Big Sleep Out and picking us as a beneficiary for their Christmas Fundraiser, raising £741! Claims Consortium and their CEO Jeremy Hyams also made a generous contribution towards our Wild Learning fees, which is a very popular course offered to clients.

Another regular supporter of ours, Girlings Retirement Rentals, held fundraisers for us at Christmas and Easter, together raising an incredible £831. Alongside this, they donated items of clothing and other useful items for our clients.

We're also pleased to say we have joined forces with the now newly managed Sherford Manor Nursing Home, helping each other grow with the same aim of offering a home for vulnerable people.

Alongside all this, we received fantastic support from Wilkie May and Tuckwood, Summerfield Developments, Gibbins and Richards, Capita, Acorn Solicitors, Cook Puddings, Kevin Shearn Family Law Practice, Red Berry Recruitment, Smith & Williamson Services Limited and many many more!



Community Events -

As well as the carnivals, we attended a number of other events within the community, helping us to raise funds and awareness. We again played a part in the annual Taunton Live Festival, with a stall in the town centre and contributed a decorated banner to their banner trail. The clients had great fun creating the bright and colourful banner to raise awareness for the charity.



We were also lucky enough to have been selected as a benefitting charity by a Steward at Glastonbury Festival, meaning that one of our fundraisers got the opportunity to attend the event for free, and money was raised for us through the well-known festival. We received a fantastic £1,500.



We also raised a brilliant £833 through attending a race event at the Taunton Racecourse just after Christmas. A group of volunteers joined together to collect cash and raise awareness throughout the day. We hope to return again this year.

Of course there was also the Annual Football Match in aid of James Norie, now in its 15th year! Always a fantastic event organised by valued supporter Neal Norie, raising funds for our accommodation unit, 'Norie House'. This year, the sun made an appearance and the event raised a fantastic £2,844.

Inspirational Individual Fundraisers -

This year we had lots of fantastic individuals taking on challenges in aid of us, who are a great inspiration!

Fundraiser Izzy took on the Great Wall of China Trek, raising a fantastic £445. Whilst Connor and Sam both ran long distances to fundraise for us, making over £600 between them!

We also had groups join together to fundraise for us, such as Kings College School students and students from the National Citizen Service, who both organised their own Big Sleep Outs.



Thank you to all of our supporters, staff, volunteers, board members, shareholders, 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 2018

I am delighted to report another highly successful year for Taunton Association for the Homeless (TAH, now trading as Arc)

This report covers the first full year of TAH (Arc) trading without government contracts but working with our new business model and following a successful restructure in January 2017. The team at Arc has performed extremely well throughout these changes and has continued to provide first class person centred support to around 350 people over the year.

Arc's financial position has remained strong over the year, although some adjustment was required early in the year as a result of unexpected void levels in some properties following the termination of a local authority contract. The senior management team and Board worked together to improve void performance and I am pleased to report that the situation has improved significantly. While the asset value is high, Arc has returned a deficit this year.

I am extremely pleased to report that our dedicated veterans project was officially opened in February with the support of funding from the Royal British Legion. This was a project close to my heart and I am delighted to see Victory House is providing both a home and support to ex forces personnel.

The Board and senior management team spent some time reviewing the strategy to ensure it was fit for purpose and improving governance. Each Board member is now linked to a service area or function of the organization and this is proving a successful partnership for both staff and the Board in building expertise, sharing skills and good practice. The Board reviews risk and performance at every meeting including liquidity, gearing, void levels, as well as other issues such as customer complaints and safeguarding incidents.

I must also thank our Chief Executive, Justin Roxburgh, our Finance Director Sarah Davies, the senior management team, and all the staff for their hard work and commitment over the year, which resulted in Arc achieving a Silver award in its latest Investors In People (IIP) award.

Finally, I must thank our volunteers for their significant contribution to our work. In this cohort I include the Board, which has developed in stature and ability in the last year, allowing my role as Chair to be so rewarding and enjoyable.

I will be stepping down as Chair at the AGM this year and will be handing over to my successor an organisation that is fit for the future.



Molly Holmes
Chair Person

31 July 2018

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

CHIEF EXECUTIVE'S REPORT

Year ended 31 March 2018

An unprecedented year for Taunton Association for the Homeless (TAH, but now trading as Arc). Since joining as Chief Executive in the summer of 2013 the organisation is now almost unrecognisable. We have developed and matured both in our culture and our financial stability.

In my last annual report I talked about funding cuts and contract ends and how we planned to avoid those cliff edge moments that create uncertainty and which force business change.

During the year we have further expanded our property portfolio, each property being renovated and upgraded to the highest standards by our in-house team.

Having purchased more properties, we reaped the benefits of our new rent and service charge funding model (now the main source of our income) and promoted our unique people culture of what's strong not what's wrong.

We are now largely financially self-reliant from our rental income with the benefit of additional grants from statutory bodies for specific purposes. Our fundraisers have also achieved a significant increase in donations both financial and material.

Our relationship with Livery (formerly Knightstone Housing Association) continues to be mutually beneficial and our partnerships with Somerset County Council, Taunton Deane, West Somerset and Sedgemoor Councils have never been stronger.

We are also a leading organisation in a Somerset partnership, Positive Lives, a group of like-minded organisations determined to find innovative ways in delivering high level services for vulnerable people in Somerset. The group evolved following funding cuts and thrives on co-production rather than competition. As the Chair over the last year TAH (Arc) has been a considerable driver for the changes achieved.

Our Board has been strong throughout the year and despite financial pressures following the end of contracted income retained their faith in both me and our Senior Management Team.

Our Staff Council has matured in the year and there are plans for it to be represented at Board level which demonstrates an open and transparent culture with good communication and understanding at all levels.

Towards the end of the financial year we embarked on a review of our Investors in People status. We are delighted that since the year end we have achieved a strong Silver award. This demonstrates the new culture of TAH (Arc) and places us in a very strong position to develop our service offering to the most vulnerable in our community, from a strong asset base, both in our housing and our people.

I look forward to developing TAH (Arc) over the coming year in the knowledge we have this strength.


Justin Roxburgh
Chief Executive

31/3/18

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 is 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 31/07/2018

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

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

Opinion

We have audited the financial statements of Taunton Association for the Homeless (the 'association') for the year ended 31 March 2018 which comprise 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

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 association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the committee of management's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the committee of management has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the association'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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The committee of management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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; or
- the revenue 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.

Responsibilities of the committee of management

As explained more fully in the committee of management's responsibilities statement set out on page 14, the committee of management is 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 it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the committee of management is responsible for assessing the association'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 committee of management either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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



Bishop Fleming LLP
Chartered Accountants & Statutory Auditors
16 Queen Square
Bristol, BS1 4NT
Date: 9/8/15

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

**INCOME AND EXPENDITURE ACCOUNT (incorporating the Statement of Comprehensive Income)
year ended 31 March 2018**

	Note	£	2018 £	£	2017 £
Income					
Rent Receivable	4	1,594,195		1,607,149	
Assessment Centre Rental Income		29,758		20,907	
Host Families		-		64	
Grants Receivable	5	223,292		662,751	
Donations		78,435		66,186	
Landlord Incentive Scheme (including SWLA)		1,636		4,977	
Other Income		13,000		26,000	
Hire of Meeting Room/Training Centre		550		1,299	
Somerset West Lettings Agency	9	<u>56,822</u>		<u>55,648</u>	
			1,997,688		2,444,981
Direct Expenditure					
Property Costs	6	421,739		475,419	
Employee Costs	8	1,119,242		1,255,665	
Food		39,363		40,950	
Residents Activities/Involvement		7,375		8,527	
Donated Funds Expended		45,722		11,878	
Landlord Incentive Scheme (including SWLA)		1,636		4,977	
Somerset West Letting Agency (SWLA)	9	<u>92,500</u>		<u>58,046</u>	
			<u>1,727,577</u>		<u>1,855,462</u>
Gross Operating Surplus			270,111		589,519
Central Costs	7		(171,498)		(194,826)
Fundraising Costs-staff costs			(52,989)		(50,488)
-other costs			(1,863)		(6,892)
Depreciation			<u>(89,012)</u>		<u>(75,211)</u>
Operating Surplus/(Loss)			(45,251)		262,102
Interest Received			1		78
Interest Paid			(6,298)		(1,620)
Other finance costs	16		<u>(2,000)</u>		<u>(4,000)</u>
Net Surplus/ (Deficit) to Reserves			(53,548)		256,560
Other Comprehensive Income					
Remeasurements on defined benefit pension deficit contributions			<u>2,000</u>		<u>(5,000)</u>
Total Comprehensive (Loss)/Income for the Year			<u>(51,548)</u>		<u>251,560</u>


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

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED


**BALANCE SHEET
as at 31 March 2018**

	Note	2018 £	2017 £
Fixed Assets			
Tangible Assets	10	2,533,698	2,054,653
Current Assets			
Stock		2,283	2,399
Debtors	11	191,213	153,913
Cash at Bank and in Hand		<u>126,998</u>	<u>140,268</u>
		320,494	296,580
Creditors: amounts falling due within one year	12	<u>(269,154)</u>	<u>(117,424)</u>
Net Current Assets		<u>51,340</u>	<u>179,156</u>
Total Assets less Current Liabilities		2,585,038	2,233,809
Creditors: amounts falling due after one year	13	<u>(547,863)</u>	<u>(120,087)</u>
Net Assets excluding defined benefit deficit contributions liability		<u>2,037,175</u>	<u>2,113,722</u>
Defined benefit deficit contributions liability	16	(162,000)	(187,000)
Net Assets		<u>1,875,175</u>	<u>1,926,722</u>
Called up Share Capital	17	51	50
General Reserve	17	<u>1,875,124</u>	<u>1,926,672</u>
Association Funds	17	<u>1,875,175</u>	<u>1,926,722</u>

The accounts were approved and authorised for issue by the Board of Management on *31st July 2018* and signed on its behalf by:-


.....
M Holmes
(Chairman)


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


.....
S Davies
(Secretary)

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

NOTES TO THE ACCOUNTS year ended 31 March 2018

1 Principal Accounting Policies

(a) Basis of Accounting

The accounts have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

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.

The financial statements are prepared in Sterling, which is the functional currency of the entity.

(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 2018 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 Freehold Property	- 10 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 2018

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 whose 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	2018 £	2017 £
	The net surplus is stated after charging		
	Depreciation owned assets	89,012	75,211
	Auditors remuneration - audit	6,780	6,660
	- non audit	-	200
	Operating lease payments	44,275	31,999

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 2018

4	Rents Receivable				
		Bed	2018	Bed	2017
		Nights	£	Nights	£
	Maximum Occupancy	57,199	1,848,791	62,067	1,861,019
	Less Unoccupied Rooms	<u>(6,428)</u>	<u>(213,461)</u>	<u>(5,653)</u>	<u>(161,788)</u>
	Actual Occupancy	<u>50,771</u>	1,635,330	<u>56,414</u>	1,699,231
	Less Bad Debts written off		(11,917)		(48)
	Plus Bad Debts written back (monies received)		11,362		3,765
	Less Bad Debts provided for		<u>(40,580)</u>		<u>(95,799)</u>
	Actual Rents Receivable		<u>1,594,195</u>		<u>1,607,149</u>
5	Grants Receivable		2018		2017
			£		£
	SCC Support Contracts		150,000		598,378
	Complex Adults-Sedgemoor District Council		9,689		-
	Somerset Partnership – Health Link Worker		4,822		-
	Taunton Deane & Sedgemoor Council – Outreach Services		<u>58,781</u>		<u>64,373</u>
			<u>223,292</u>		<u>662,751</u>
6	Property Costs		2018		2017
			£		£
	Motor and Travelling		3,437		3,687
	Rent, Rates and Insurance		162,790		225,970
	Heat and Light		61,206		70,199
	Repairs and Renewals		101,748		78,570
	Laundry and Cleaning		48,463		60,341
	TV Licences		6,873		7,130
	Telephones		20,937		22,053
	Outreach personalised budget		5,177		1,886
	Health Link personalised budget		48		-
	Complex Adults personalised budget		125		-
	Sundry Expenses including grounds maintenance		<u>10,935</u>		<u>5,583</u>
			<u>421,739</u>		<u>475,419</u>
7	Central Costs		2018		2017
			£		£
	Office, Rent, Rates and Insurance		28,082		9,163
	Stationery and Photocopying		10,260		11,246
	Telephone and Postage		11,821		11,336
	Promotional Expenses		5,951		1,647
	Office, Heat and Light		3,872		4,461
	Subscriptions		3,684		3,794
	Meetings Expenses		3,469		2,585
	Legal and Professional		73,186		111,456
	Auditors Remuneration		5,790		7,620
	Computer Costs		25,019		26,632
	Sundries		621		1,204
	Mortgage Interest		-		3,682
	(Profit)/Loss on Sale of Fixed Asset		<u>(257)</u>		<u>-</u>
			<u>171,498</u>		<u>194,826</u>

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

NOTES TO THE ACCOUNTS
year ended 31 March 2018

8 Employee Costs	2018	2017
	No.	No.
The average number of full time equivalent employees of the Association was:	36	42
Costs in respect of those employees were as follows:	£	£
Wages and Salaries, agency costs and other employee costs	957,996	1,037,542
Social Security Costs	90,292	93,128
Pension Costs	41,370	50,654
Redundancy	23,264	13,503
Governance	1,136	994
Volunteer expenses	2,286	1,932
Night Security Costs	<u>2,898</u>	<u>57,912</u>
	<u>1,119,242</u>	<u>1,255,665</u>
9 Somerset West Letting Agency (SWLA)	2018	2017
	£	£
Income		
EDF	37,350	45,858
Management Fee from Landlords	<u>19,472</u>	<u>9,790</u>
	<u>56,822</u>	<u>55,648</u>
Expenditure		
Salaries, Agency Costs, Staff Travel, Training & Other Staff Costs	74,302	43,867
Office, Rent and Rates, Heat & Light, Insurance & Rates	5,990	6,684
Stationery, Postage, Telephone and other Office Costs	7,092	4,330
Advertising & Promotional Expenses	3,428	2,597
Computer Costs	1,347	-
General Equipment & Maint, Health & Safety	<u>341</u>	<u>568</u>
	<u>92,500</u>	<u>58,046</u>
The average number of full time equivalent employees of SWLA was:	3	1

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

NOTES TO THE ACCOUNTS
year ended 31 March 2018

10 Tangible Assets

	Freehold Property and Imp- rovements £	Improve- ments to Leasehold Property £	Fixtures and Fittings £	Equip- ment £	Motor Vehicles £	Total £
Cost						
As at 1 April 2017	2,819,528	142,868	48,099	75,489	7,350	3,093,334
Additions	551,418	-	10,842	6,688	-	568,948
Disposals	-	-	(2,472)	-	(1,250)	(3,722)
As at 31 March 2018	<u>3,370,946</u>	<u>142,868</u>	<u>56,469</u>	<u>82,177</u>	<u>6,100</u>	<u>3,658,560</u>
Depreciation						
As at 1 April 2017	819,454	116,447	34,069	65,239	3,470	1,038,679
Charge for year	69,274	1,374	9,534	7,610	1,220	89,012
Disposals	-	-	(2,472)	-	(357)	(2,829)
As at 31 March 2018	<u>888,728</u>	<u>117,821</u>	<u>41,131</u>	<u>72,849</u>	<u>4,333</u>	<u>1,124,862</u>
Net book value						
As at 31 March 2018	<u>2,482,218</u>	<u>25,047</u>	<u>15,338</u>	<u>9,328</u>	<u>1,767</u>	<u>2,533,698</u>
As at 31 March 2017	<u>2,000,071</u>	<u>26,421</u>	<u>14,030</u>	<u>10,250</u>	<u>3,881</u>	<u>2,054,653</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

	2018 £	2017 £
Rents Receivable	182,597	222,398
Bad Debt Provision	(40,966)	(97,825)
Income Tax Recoverable	3,946	2,886
Other Debtors	14,035	4,343
Prepayments	<u>31,601</u>	<u>22,111</u>
	<u>191,213</u>	<u>153,913</u>

12 Creditors-amounts falling due within one year

	2018 £	2017 £
Trade Creditors	50,010	33,713
Taxation and Social Security	22,860	20,871
Other Creditors and Accruals	153,227	62,840
NatWest Bank Loan	<u>43,057</u>	-
	<u>269,154</u>	<u>117,424</u>

Included in Other Creditors and Accruals is £124,078 of deferred income. 2017:£14,010

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

NOTES TO THE ACCOUNTS
year ended 31 March 2018

13	Creditors – amounts falling due after one year	2018	2017
		£	£
	Rent Deposit Scheme	17,943	20,087
	NatWest Loan	<u>529,920</u>	<u>100,000</u>
		<u>547,863</u>	<u>120,087</u>

14 **Contingent Liabilities**

As at 31 March 2018 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 £2,943 though it is unlikely to crystallise. 2017:£4,893.

15 **Obligations under Leasing Agreements**

The following payments are committed to be paid:

Operating Leases

Plant and Machinery	2018	2017
	£	£
Payable within one year	3,670	3,752
Payable in 2 – 5 years	<u>7,174</u>	<u>9,667</u>
	<u>10,844</u>	<u>13,419</u>
Land and Buildings		
Payable within one year	51,531	29,031
Payable in 2 – 5 years	140,141	62,297
Payable in more than 5 years	<u>280,625</u>	<u>174,375</u>
	<u>472,297</u>	<u>265,703</u>

16	Pension Commitments	2018	2017
		£	£
	Defined Benefit Contributions	<u>39,669</u>	<u>49,361</u>
	Defined Contribution Contributions	<u>1,701</u>	<u>1,293</u>

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

NOTES TO THE ACCOUNTS year ended 31 March 2018

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

	2018	2017	2016
	£	£	£
Present value of provision	<u>162,000</u>	<u>187,000</u>	<u>202,000</u>

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

NOTES TO THE ACCOUNTS year ended 31 March 2018

16 Pension Commitments (continued)

Reconciliation of Opening and Closing Provisions

	2018 £	2017 £
Provision at start of period	187,000	202,000
Unwinding of the discount factor (interest expense)	2,000	4,000
Deficit contribution paid	(25,000)	(24,000)
Remeasurements - impact of any change in assumptions	(2,000)	(5,000)
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	<u>162,000</u>	<u>187,000</u>

General Reserve Impact

	2018 £	2017 £
Interest expense	2,000	4,000
Remeasurements – impact of any change in assumptions	(2,000)	5,000

Assumptions

	2018 % per annum	2017 % per annum	2016 % per annum
Rate of discount	1.72	1.33	2.06

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 2016. At the time of these accounts being signed off we had not received the updated employer debt number so it has been agreed to use the same number as last year. Therefore the estimated employer debt for Taunton Association for the Homeless Limited was £1,531,079 (2017 - £1,531,079).

17 Reconciliation of Movements in the Association's Funds

	Share Capital £	General Reserve £	Total £
As at 1 April 2017	50	1,926,672	1,926,722
Surplus/(Loss) in the year	-	(53,548)	(53,548)
Other recognises gains and losses		2,000	2,000
Issued £1 shares in the year	<u>1</u>	-	<u>1</u>
As at 31 March 2018	<u>51</u>	<u>1,875,124</u>	<u>1,875,175</u>

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

NOTES TO THE ACCOUNTS year ended 31 March 2018

18 Post Balance Sheet Events

As of 1st May 2018 the organisation moved its employees from the defined benefit pension scheme to a defined contribution pension scheme following a period of consultation. This scheme is with the Social Housing Pension Scheme so the employer debt on withdrawal has not been activated. This measure has been taken to reduce the risk for the organisation of potential increases in future pension scheme debts.

19 General Information

Taunton Association for the Homeless is a Co-operative and Community Benefit Society, limited by shares. The Association is registered in the United Kingdom. It's registered number is 23680R and registered office is 7, The Crescent, Taunton, TA1 4EA.

TAUNTON ASSOCIATION FOR THE HOMELESS LIMITED

BOARD OF MANAGEMENT

MOLLY HOLMES (Chairman)

LIAM CANHAM (Vice Chair)

PHILIP QURESHI

DAVID COOKE

ANTHONY PORTER

LEISA LAVENDER

LYN EMSLIE (Appointed 13th September 2017)

JADE HILL (Resigned 13th September 2017)

STEVE OGILVIE (Resigned 13th September 2017)

LIZ FOTHERGILL (Resigned 13th September 2017)

**Headquarters and Registered Office: 7 THE CRESCENT, TAUNTON TA1 4EA
Telephone: 01823 271326**

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



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