

Taunton Association for the Homeless



REGISTERED No: 23680R
ANNUAL REPORT
31 MARCH 2024

Taunton Association for the Homeless trading as Arc

Community Benefit Society 23680R

With nearly 50 years' experience, Arc are committed to offering a high standard of support and accommodation for those experiencing homelessness in Somerset. Working collaboratively and with our client's best interests at heart we strive to make a positive difference and create a world in which one day our services are no longer needed.

Our Purpose

Our mission is to house and support homeless people in safe and secure environments, enabling them to develop skills, rediscover talents and aspirations and tap into their potential. It's never just about putting a roof over someone's head, but enabling people in vulnerable circumstances to recover, to grow and to thrive. Every year, as a result of our work, hundreds of homeless people are offered that safe space and second chance and succeed in their journey towards independence.

Our Clients

We support homeless individuals, which includes rough sleepers or those who find themselves without permanent accommodation. Our clients are aged between 18 and 65+, all genders, and come from varying different backgrounds. Each client is different which is why we take a personalised approach to support.

At Present

We currently have 16 properties which can house 169 people on any one night. As well as supporting these clients, we also support anyone found to be rough sleeping in Sedgemoor. We employ over 40 staff and have a growing team of volunteers. Amongst our properties, we have a 40-bed building providing 3 meals per day and 24-hour support. We also have specialist accommodation for veterans at our property 'Victory House'. We offer 1 to 1 support and have our own wellbeing centre, offering help with physical and mental health. We continue to grow to meet the demands on our services and to provide the support required to meet our clients' needs.

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AN OVERVIEW OF THE YEAR

Throughout April 2023 – March 2024, Arc have continued to work hard to offer supported accommodation where people can be inspired and empowered by their own strengths. At the end of March 2024, we have 16 properties and can house 169 people.

This year saw an exceptional rise in referrals as sadly the rate of homelessness increased. 403 people were referred to our services. During this year, we have housed and supported 268 people and enabled 53 clients to move on successfully into independent living. 27 people have transitioned within Arc's services (moving on to more independent projects).

We continue to develop where we can to meet our clients' needs and meet the demands on our services. It has been another challenging year with the impacts of the pandemic and the cost-of-living crisis continuing to cause a rise in homelessness as well as an increase in the cost of providing our services. In addition, we have been amongst a housing crisis, where the supply of housing has not been keeping up with demand.

Move ons to permanent independent options continues to be a challenge for our residents due to the National housing crisis. Arc continues to work creatively and collaboratively with partners to find solutions and ensure that anyone experiencing homelessness in Somerset has access to the support they need to plan for their future.

Board Members update

During this year we have welcomed new members to our board, as well as saying goodbye to others, including our Chair, Lynn Emslie.

Lynn Emslie resigned as Chair and as a member of Arc's board in February 2024. Lynn joined Arc's board in 2017 and has been the Chair for the past 5 years. During this time, she has steered Arc through many changes both in personnel and operating landscape and seen the organisation develop to where it is today.

Lynn has gone on to the role of Chair of the Independent Advisory Panel for Death in Custody, working with government ministers, parliamentarians and senior officials covering all aspects of state detention. We would like to thank Lynn for everything she has contributed to Arc and to wish her every success in the future.



Following Lynn's departure, board member and Vice Chair **Karen Ayling** has taken the role of Interim Chair. Upon appointment Karen said: "I will do my utmost to ensure we can continue as we have been over the last 12 months and work with the Arc team to develop our operational plans to chart a clear way forward for Arc where all of us can see how our efforts make a difference."

During the course of the year, we also said farewell to **Dominic Macer** and **Victoria Stoker**. Dominic joined our board in July 2022 and Victoria in November 2018, both leaving due to personal commitments. We wish them both the best of luck. We want to welcome new co-opted member, **Laurence Russell**. Laurence has been a long-standing supporter of Arc and has recently began volunteering as a 'Buddy' for Arc, offering mentoring for clients. Currently working as Head of Insolvency for a large local firm of accountants, Laurence is both a qualified accountant and insolvency practitioner with a background in finance, marketing and business development. Laurence is passionate about Arc as "we provide more than a roof over someone's head". Our existing board members as of March 2024 are Karen Ayling, Martin Lyne, Jo Reece, Sean Canavan, Simon Cornelius, Susan Bennett and Jo Hake.



NHS Armed Forces Contract

One of our services 'Victory House' provides a dedicated supported accommodation service for veterans facing homelessness. Since its launch in 2018, we have seen a real benefit in offering this specialised service, enabling us to meet their specific needs and witnessing the clients build a strong support network with one another. Five years later and our work with this community continues to be recognised and applauded and this led us to an introduction to the Armed Forces Project Manager at NHS Somerset. Having recently signed the Armed Forces Covenant; NHS Somerset were dedicated to increasing the support for the armed forces community in the county and were interested in involving voluntary organisations where they could.

As a result, we are delighted to have partnered with NHS Somerset and CIC Ark at Egwood to introduce two new roles to Somerset, responsible for launching armed forces hubs that will provide key support to the armed forces community. One role is based at Ark, an intergenerational, therapeutic land-based day serve in South Somerset. The second role is based with us. The hubs will offer information and signposting to help our armed forces community to navigate the system and find the services and help they need.

We were delighted to officially launch the two new hubs during March at an event held at Ark. We were joined by Deputy Lieutenant Brigadier Toomey, representing HM's Lord Lieutenant of Somerset and Shelagh Meldrum Chief Nursing Officer at NHS Somerset.



***L-R** Ark's Armed Forces Lead Jon Richardson, Deputy Lieutenant Brigadier Toomey, Ark's CEO Nigel Bell, Arc's Head of Development Rosie Hather*

The service is still in its early stages, and we are looking forward to its development.

Our continued work towards registered provider status

In last year's annual report, we wrote of our intention to become a registered provider of social housing which will support Arc's growth and development as a provider of supported accommodation. As a registered provider we can continue to enhance our offer in providing high standard, safe and good quality accommodation and services to our residents.

The preparation for our application and to meet regulations under this status has continued to be a key focus of our Board and our Leadership Team. We are pleased to be further along in the process and will continue to update our stakeholders. If you are interested to hear more about our decision to become a registered provider or what this means for Arc, please get in touch with our Leadership Team.

CCS 'highly commended' in 2023's Homeless Link's National Excellence Awards



We were thrilled that our social enterprise, Crescent Cleaning Services (CCS), was highly commended in the Social Enterprise of the Year category at the 2023 national excellence awards run by Homeless Link. Homeless Link is the national membership charity for frontline homelessness organisations in England, and its annual awards recognise the innovative and impactful work happening across the sector to support people experiencing homelessness in England. An eight-strong judging panel with a variety of expertise and perspectives, including lived-experience of homelessness, commended CCS for its success in creating routes into employment for local people experiencing homelessness. Rick Henderson, Chief Executive of Homeless Link, said "Crescent Cleaning Services has a hugely positive impact on its local community, providing people

experiencing homelessness with skills and meaningful employment and empowering them to move on to jobs with other organisations. We congratulate them on their achievements and impact."

We're so pleased that CCS is being recognised for its impact and we continue to work on the growth of our social enterprise.

Big Sleep Out 2023



On Friday 9th June, we hosted our annual Big Sleep Out, which sees participants get sponsored to sleep outside for one night. The event took place in our car park and saw over 30 people give up their beds and raise funds to support Arc. Despite a warm and dry evening, our participants faced an uncomfortable night sleeping on the hard ground and were disturbed by the surrounding sounds of Taunton town centre, prominently the resident seagulls! As well as our fantastic participants, the event was supported by local organisations and people offering their services to create an enjoyable evening. We were joined by 5 local musicians to entertain us, a first aider and security guard to keep us safe and received donations of food, tea and coffee to serve and cardboard to sleep on. Despite a lower attendance this year, the participants put a great effort into their fundraising, and the event was a great success, not only raising funds but raising awareness of homelessness. We are now looking forward to the 10th anniversary of our Big Sleep Out, to be hosted in June 2025.

Success of Arc's Outreach Team

In March 2023, we were pleased to announce the offer of an additional 3-year contract with Sedgemoor District Council (now part of Somerset Council) to run the rough sleeper outreach service across Sedgemoor. In April 2023 we recruited two new Outreach Workers, whose work during the past year has been commended having made a positive impact quickly on the streets of Bridgwater and Burnham on Sea. During this financial year the outreach drop-in service at Westfield Church in Bridgwater was attended on 322 occasions. They offered 'street action' on 780 occasions, which means direct visits to those sleeping rough, providing support in the means of advice and/or supplies. Many of those they have supported have had positive moves into suitable accommodation. The team have also been working hard to introduce a multi-agency service at the drop-in centre, meaning that those visiting can access support from a number of organisations to meet a variety of needs. A great service which is making a difference to many vulnerable people in Sedgemoor.



Champions of change event

Each year we hosting an event to bring our supporters together, giving us an opportunity to say a big thank you for their commitment to our charitable work. In November 2023, we were delighted to join together at the Collar Factory in Taunton to host our 'Champions of Change' event giving attendees an opportunity to meet members of our team and showcase the wide range of services we offer. We were also thrilled to be joined by former client and now CCS colleague James, who bravely and opened stood up in front of the crowd to tell his story. We were pleased to receive some positive feedback from our guests:



"I was very impressed with the event – I had no idea that Arc was so large and did so much. The Arc staff were very enthusiastic about explaining how homeless people are supported and given the tools for independent living."

"It was a privilege to listen to James' story and meet other Arc clients and staff. I thought that the displays were excellent, imparting lots of information in a concise and clear way. Even now, after all these years liaising with Arc, I found new things to absorb."

A treat for our female clients

Using funding, which was specifically given to support our female clients, we hosted a pamper event to treat our female clients to haircuts, massages, manicures and facials. A recent similar event had been very popular, and we'd since received lots of requests to arrange another! Self-care is an important contribution towards someone's wellbeing and being able to offer the opportunity to our female clients to feel relaxed and pampered was great! As well as this, it's a great opportunity to introduce our female clients to one another, which often leads to the formation of new friendships and important support networks.



A big thank you to the fantastic business owners for offering their services.

Leadership growth

During the year, we have introduced several new leadership roles which has further strengthened our operations in housing management and support services. Our Senior Housing Support leads also specialise in various areas to add value to our resident experience and enhance our procedures including:

Safeguarding: Providing expert advice and guidance on safeguarding matters, working collaboratively to investigate, minimising risk and offering support to both clients and colleagues on next steps. Our Designated Safeguarding Lead works closely with Social Care colleagues and partners to ensure that all residents and clients are safe and have access to the services they need.



Rents: Taking the lead on rent collections, supporting clients with budgeting and maintaining their accommodation.

Pet Services: Arc are partnered with StreetVet to enable us to accept clients with pets into our services. Pets are an important part of our clients ongoing wellbeing and help with loneliness and connection.

The Reach Centre: Supporting the development of our wellbeing hub which continues to drive a multi-agency approach offering different services to our clients and residents. The reach centre provides important support for those experiencing homelessness related to their health, wellbeing and circumstances. We are always seeking new partners to further diversify our offer to residents and clients, please do get in touch if you would like to hear more.

Veteran Support: Leading on the development of our offer to the armed forces community and their families.

We're excited to grow and improve our services through this new approach and welcome the colleagues taking on these roles at Arc.

Volunteer update



As always, we celebrated national Volunteers Week in June, saying a big thank you to our wonderful volunteer team at our volunteer get together. We are incredibly grateful for the support our volunteers provide Arc and our clients, in several capacities. Food collectors, donation coordinators, kitchen volunteers, buddies, counsellors, board members, events volunteers - all so important and all contributing towards changing the lives of homeless people locally. On average, at any one time we have roughly 40 people volunteering for Arc and we're so happy to see this continuing to grow as we look at ways to develop our volunteer offering. We're so pleased that our volunteers feel they gain from their time with us too, with one volunteer telling us "It is lovely to be a part of the Arc team, and the staff are always grateful for the small part I play in supporting the clients." Thank you, volunteers.

Support included / Community Spirit

Each year we continue to be amazed and appreciative of the incredible support we are shown by our community. It has been a difficult couple of years for many people due to the pandemic and cost of living crisis, but that has not halted the kindness and generosity of supporters who enable us to go above and beyond for our clients. There is simply too much to mention everyone in our report. We'd like to give our sincere thanks and admiration to those who have supported us this year and for their contribution towards changing the lives of those experiencing homelessness in Somerset. Here are some highlights:



We were delighted to be selected as Taunton Good Afternoon Choir's charity of the year and attended multiple concerts of theirs with the opportunity to speak to the audience about Arc and hold a bucket collection. The choir and their guests were very generous and raised a total of £1210!

A great deal of support we have received this year has been in the form of 'gifts in kind', meaning that instead of donating money, donations of goods or services are given. This is always really helpful as there are many items, we provide our clients with, and the donation of these items saves us money. Lush in Taunton kindly hosted a donation drive for us to encourage gift in kind donations from members of the public, and donated toiletries for our client's use. We made a great partnership with Wellington School who have been making regular donations of single duvets, an item we are often in need of. Asda Bridgwater have been a great support this year and kindly donated items required by our Outreach Team to support local people sleeping rough. As well as the many local organisations providing support, there are lots of members of the public who have donated goods which have been gratefully received by us and our clients.



Christmas time always brings an incredible amount of community spirit, and this year was no different with great efforts of fundraising and giving from many. One that stood out was local estate agents Gibbins Richards, who wrote and recorded a charity song in aid of Arc called 'You're just what I needed today'. A catchy song that we didn't stop singing all season, and what an

inspirational and creative way to support charity. We're so grateful to them and for the awareness and funds raised.

In addition, we were supported by lots of other people and organisations, many getting involved in our Christmas shoebox appeal, donating shoeboxes full of gifts to give at Christmas. We also had our annual Christmas visit from the wonderful Ethic Street Pizza and from Augustus, both treating our clients to special meals during the festive season.



Once again, a huge thank you to all those that supported Arc this year. We couldn't do it without you!

CHAIR'S REPORT

Year ended 31 March 2024



I am pleased to be writing my first report for Arc's annual accounts as I have taken on the interim position of Chair since Lynn Emslie's departure. I would like to take this opportunity to thank Lynn for her 7-year commitment to Arc's Board, with 5 years as Chair, in which time she helped Arc to tackle challenges and grow as an organisation. I am delighted to Chair this charitable organisation I am passionate about, and I will do my utmost to support the Arc team in developing our operational plans and continuing to make a difference.

One key area of focus and progression in this past year has been our aim for registered provider (RP) status. We have continued to work hard towards our application, reviewing our policies and procedures and implementing best practice. This has led us to act and operate as if we are a registered provider, giving us opportunity to prepare and hopefully create a manageable pathway should we be successful in our application. We look forward to keeping you updated on this work.

Andy Price, who took the position of Interim CEO in July 2023 has provided great support and guidance to the board and Arc colleagues in our work towards RP status and in setting the strategic direction of the organisation. Our sincere thanks go to Andy for his time as interim and we wish him all the best in future endeavours. Our thanks also to Caroline Moylan, who is standing as Interim CEO following Andy's departure, and until our permanent CEO Paul Richards begins his post in the Autumn of this year. Paul brings to Arc over 40 years' experience in social housing and will lead Arc through this period of change, and beyond.

Along with clear strategic direction, I am pleased to report that we have a very strong leadership team to take us forward and deliver our strategic aims into 2024/2025. We also have a strong board, who between them hold a diverse set of skills and expertise which has helped and will continue to guide us in our development. This past year has brought its many challenges, and I'd like to thank the board and leadership team for their commitment, adaptability and resilience. That goes also for our brilliant employees and volunteers, who every day show hard work and passion towards Arc's mission. Also, to our donors and supporters of Arc, who continue to make a difference and who we are so grateful for. Our work is only possible with the right people, partners, and support.

We continue to develop our relationships with the newly formed Somerset Council, as well as with other stakeholders to ensure we remain a partner of choice. We are committed to collaboration and partnership working, designing and delivering services to support some of our most vulnerable in society.

We look forward to another year of growth and development and will continue in our mission to ensure those experiencing homelessness have access to support and secure accommodation.

A handwritten signature in blue ink, appearing to read 'Karen Ayling'. The signature is written in a cursive style.

Karen Ayling
Interim Chair

CHIEF EXECUTIVE'S REPORT

Year ended 31 March 2024



Sadly, we have seen rough sleeping and homelessness continue to increase as the Housing Crisis in the UK continues. This, alongside ongoing austerity measures, cuts to public services and the cost-of-living crisis means more people than ever are needing the support of organisations like Arc.

We continue to see an increase in demand for our services and accommodation. We always want to push ourselves to offer more to our community and remove the barriers people face to being street homeless. This year, through our partnership work we have been able to introduce new programmes to focus on this, including the Armed Forces project with our NHS colleagues, which tackles the unique issues our ex-service clients face and the continuation of our Street Vet Partnership meaning we can accept people who have a pet, safely.

We know that the challenges our clients face are complex meaning we must take a creative approach in solving these issues, working closely with stakeholders to help us.

The journey for Arc to become a Registered Housing Provider has made good progress this year. Alignment to the regulatory standards, compliance with the National Housing Federations code of governance and an enhanced focus on client engagement are all positive steps in how we continue to grow as an organisation. Regulation gives Arc a framework for our leadership, quality and practice which will both enhance the experience for our clients and bring about growth opportunities and access to new funding streams, enabling us to do more.

On a personal note, I have thoroughly enjoyed my time at Arc, leading the organisation alongside a dedicated board and senior leadership team. Arc is aspirational in its ambitions to ensure everyone has a safe place to call home, but most importantly alongside this, Arc never loses sight of the importance of every individual. Ensuring that our clients are treated with respect, with empathy and without judgement. Relationships and making connections with people are what is at the heart of the organisations success and is something to continue to prioritise and be proud of.

Our wonderful, passionate colleagues, continue to show their compassion and professionalism, despite the challenges faced in the sector and in our communities. Our volunteers, provide must needed support to both our colleagues and clients. Without them, we could not deliver half of what we do. I would like to extend my immense gratitude to you all – thank you.

I would also like to give a special mention to all of our partners. Tackling homelessness cannot happen without a multi-agency response. We are very lucky to have extraordinary stakeholders which not only support our service delivery but also support us through donations and funding throughout the year.

Finally, I would like to say thank you to those who give generously to Arc. This support often means the difference to someone going hungry, cold or worse. All your donations make a difference, thank you.

A handwritten signature in cursive script, appearing to read 'Caroline Moylan'.

Caroline Moylan

Interim Chief Executive

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 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



Martin Lyne

Treasurer

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 (the 'association') for the year ended 31 March 2024 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2023 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

In auditing the financial statements, we have concluded that the Board of Management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board of Management with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The board of management are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 in relation to which 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 revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the society's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Board of Management

As explained more fully in the Board of Management's responsibilities statement set out on page 18, the Board 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 Board 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 Board 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed over page:

Identifying and assessing potential risks of material misstatement due to irregularities

We considered the following when identifying and assessing risks of material misstatement due to irregularities, including fraud and non-compliances with laws and regulations:

- the legal and regulatory framework in which the association operates.
- the nature of the sector in which the association operates.
- the control environment and controls established to mitigate such risks.
- the results of our enquires of management about their identification and assessment of risks and irregularities.
- discussions with the audit engagement team about where fraud might occur
- the incentives for fraud,

As a result of these procedures, we concluded that opportunities and incentives may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut off. In accordance with International Auditing Standards, we concluded that a risk in relation to the potential for management override of controls existed.

Audit responses to risks identified

We undertook audit procedures to respond to the risks identified and designed our audit testing to respond to these risks. The additional procedures we undertook included the following:

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing board meeting minutes;
- enquiring of management in relation to actual and potential claims or litigations;
- performing detailed transactional testing in relation to the recognition of revenue with a particular focus around year-end cut off; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit

procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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.

Use of our report

This report is made solely to the association's members, as a body, in accordance with section 87 of the Cooperative 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.

A C Mole LLP

A C Mole LLP

Chartered Accountants & Statutory Auditors

Stafford House

Blackbrook Park Avenue

Taunton

TA1 2PX

Date: 24 October 2024

INCOME AND EXPENDITURE ACCOUNT (incorporating the Statement of Comprehensive Income)

Year ended 31 March 2024

	Note	2024 £	2024 £	2023 £	2023 £
Income					
Rent Receivable	4	2,350,136		2,065,040	
Grants Receivable	5	158,990		84,405	
Donations		107,271		117,304	
Crescent Cleaning Services	9	56,652		44,279	
			2,673,049		2,311,028
Direct Expenditure					
Property Costs	6	518,010		504,543	
Employee Costs	8	1,479,485		1,235,159	
Food		22,353		28,614	
Donated Funds Expended		36,289		74,501	
Crescent Cleaning Services	9	93,011		92,409	
			2,149,148		1,935,226
Gross Operating Surplus			523,901		375,802
Central Costs	7		(186,479)		(173,416)
Depreciation and Amortisation	10/11		(148,846)		(146,564)
Operating Surplus/(Loss)			188,576		55,822
Interest received			3,457		975
Interest Paid			(33,431)		(34,787)
Other Finance Costs	17		(14,000)		(10,000)
Net Surplus/(Deficit) to Reserves			144,602		12,010
Other Comprehensive Income					
Actuarial (Loss)/Gain on Defined Benefit Pension Scheme			(42,000)		(29,000)
Total Comprehensive Income/(Loss) for the Year			102,602		(16,990)

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

BALANCE SHEET

As at 31 March 2024

	Note	2024 £	2023 £
Fixed Assets			
Intangible Assets	10	15,494	9,407
Tangible Assets	11	3,034,487	3,148,758
Current Assets			
Stock		1,880	2,538
Debtors	12	195,152	142,012
Cash at Bank and in Hand		<u>630,637</u>	<u>393,094</u>
		827,669	537,644
Creditors: amounts falling due within one year	13	<u>(372,917)</u>	<u>(284,988)</u>
Net Current Assets		<u>454,752</u>	<u>252,656</u>
Total Assets less Current Liabilities		3,504,733	3,410,821
Creditors: amounts falling due after one year	14	<u>(952,325)</u>	<u>(964,015)</u>
Net Assets excluding defined benefit deficit contributions liability		<u>2,552,408</u>	<u>2,446,806</u>
Defined benefit liability	17	(224,000)	(221,000)
Net Assets		<u>2,328,408</u>	<u>2,225,806</u>
Called up Share Capital	18	24	24
General Reserve	18	<u>2,328,384</u>	<u>2,225,782</u>
Association Funds	18	<u>2,328,408</u>	<u>2,225,806</u>

The accounts were approved and authorised for issue by the Board of Management on 20.09.2024 and signed on its behalf by: -



.....
K Ayling (Chair)



.....
M Lyne (Treasurer)



.....
S Bennett (Secretary)

NOTES TO THE ACCOUNTS

Year ended 31 March 2024

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) Going Concern

The financial statements have been prepared on a going concern basis. The board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. The Board have considered the foreseeable future for their going concern assessment to cover the period to 30 September 2025. There are currently no material uncertainties that the Association feels will affect this assessment.

(c) 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 2024 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.

(d) 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.

(e) 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.

(f) Stock

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

(g) Operating Leases

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

(h) Pensions

Defined contribution pension plan

The Association operates three Social Housing defined contribution pension schemes. 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.

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

Defined benefit pension plan

The Association also 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 costs of providing benefits which it is intended should remain at a substantially level percentage of current future earnings of the employees concerned.

2. Net (Deficit)/Surplus

	2024	2023
	£	£
The net surplus is stated after charging		
Depreciation and Amortisation owned assets	148,846	146,564
Audit remuneration – audit	14,244	11,076
Audit remuneration – non audit	-	-
Operating lease payments	36,239	36,996

3. Taxation

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

NOTES TO THE ACCOUNTS
year ended 31 March 2024

4 Rents Receivable	Bed Nights	2024 £	Bed Nights	2023 £
Maximum Occupancy	61,573	2,669,111	61,573	2,244,156
Less Unoccupied Rooms	(3,941)	(213,284)	(3,846)	(140,472)
Actual Occupancy	57,632	<u>2,455,827</u>	57,727	<u>2,103,684</u>
Less Bad Debts written off		(11,144)		(13,911)
Plus Bad Debts written back (monies received)		-		3,563
Less Bad Debts provided for		(94,547)		(28,296)
Actual Rents Receivable		<u>2,350,136</u>		<u>2,065,040</u>
5 Grants Receivable		2024 £		2023 £
Positive Lives Grant - SCC		4,597		5,881
NHS Armed Forces Grant		8,333		-
Outreach and Drug Navigator - SDC		74,183		70,631
Somerset Community Foundation Costs of Living Fund		17,781		5,850
GWR Grant		-		43
Pets at Home		2,000		2,000
Sainsburys Eat Better Grant		500		-
The Asda Foundation		400		-
John Lewis Grant		1,000		-
Second Step		998		-
National Lottery Community Fund		49,198		-
		<u>158,990</u>		<u>84,405</u>
6 Property Costs		2024 £		2023 £
Motor and Travelling		9,659		6,005
Rent, Rates and Insurance		159,653		148,309
Heat and Light		200,452		187,376
Repairs and Renewals		95,812		102,239
Laundry and Cleaning		22,243		24,275
TV Licences		4,492		6,148
Telephones		18,416		16,457
Outreach and Drug Navigator SDC expenses		4,829		6,297
Sundry Expenses including Grounds maintenance		2,454		7,437
		<u>518,010</u>		<u>504,543</u>

NOTES TO THE ACCOUNTS
year ended 31 March 2024

7 Central Costs	2024	2023
	£	£
Office, Rent, Rates and Insurance	33,479	33,781
Stationery and Photocopying	6,623	7,331
Telephone and Postage	10,441	10,659
Promotional Expenses	2,077	5,355
Office, Heat and Light	8,711	7,757
Subscriptions	4,078	3,191
Meeting Expenses	1,542	2,837
Legal and Professional	55,686	55,015
Auditors Remuneration	14,244	11,076
Computer Costs	48,924	33,854
Fundraising Costs	388	1,866
Sundries	286	694
	<u>186,479</u>	<u>173,416</u>

8 Employee Costs	2024	2023
	No	No
The average number of full-time equivalent employees of the Organisation excluding Crescent Cleaning Services was:	43	35
Costs in respect of the staffing of the Association (excluding Crescent Cleaning Services) were as follows:	£	£
Wages and Salaries, agency costs and other employee costs	1,354,925	1,090,540
Social Security Costs	97,306	95,103
Pension Costs	18,332	40,277
Governance	1,508	1,300
Volunteer Expenses	4,654	5,197
Night Security Costs	2,760	2,742
	<u>1,479,485</u>	<u>1,235,159</u>

NOTES TO THE ACCOUNTS
year ended 31 March 2024

9 Crescent Cleaning Services (CCS)	2024	2023
The average number of full-time equivalent employees was:	No 2.7	No 2.7
	£	£
Cleaning Income	19,715	4,355
Enterprise Development Fund	-	14,360
Community Reach Fund	36,937	20,564
Somerset Social Entrepreneurs	-	5,000
	<u>56,652</u>	<u>44,279</u>
Expenditure		
Salaries, Recruitment, Training and other staff costs	76,069	83,963
Borrowing Costs	2,017	501
Cleaning Materials and equipment	6,745	3,744
Vehicle and Travel Costs	6,717	2,409
Computer and telephone costs	1,127	1,139
Health & Safety costs	180	390
Promotion and Advertising costs	154	184
Sundry costs	2	79
	<u>93,011</u>	<u>92,409</u>

10 Intangible Assets

	Intangible Assets £
Cost	
As at 1 April 2023	9,960
Additions	9,960
Disposals	-
As at 31 March 2024	<u>19,920</u>
Depreciation	
As at 1 April 2023	553
Charge in the year	3,873
Disposals	-
As at 31 March 2024	<u>4,426</u>
Net Book Value	
As at 31 March 2024	<u>15,494</u>
As at 31 March 2023	<u>9,407</u>

NOTES TO THE ACCOUNTS
year ended 31 March 2024

11 Tangible Assets

	Freehold Property and Impr- ovements £	Improve- ments to Leasehold Property £	Fixtures and Fittings £	Office Equipment £	Motor Vehicles £	Total £
Cost						
As at 1 April 2023	4,467,064	178,457	97,710	32,817	10,100	4,786,148
Additions	5,639	-	5,480	2,564	17,019	30,702
Disposals	-	-	-	-	-	-
As at 31 March 2024	<u>4,472,703</u>	<u>178,457</u>	<u>103,190</u>	<u>35,381</u>	<u>27,119</u>	<u>4,816,850</u>
Depreciation						
As at 1 April 2023	1,398,256	127,257	77,764	29,490	4,623	1,637,390
Charge in the year	121,740	2,800	12,955	2,338	5,140	144,973
Disposals	-	-	-	-	-	-
As at 31 March 2024	<u>1,519,996</u>	<u>130,057</u>	<u>90,719</u>	<u>31,828</u>	<u>9,763</u>	<u>1,782,363</u>
Net Book Value						
As at 31 March 2024	<u>2,952,707</u>	<u>48,400</u>	<u>12,471</u>	<u>3,553</u>	<u>17,356</u>	<u>3,034,487</u>
As at 31 March 2023	<u>3,068,808</u>	<u>51,200</u>	<u>19,946</u>	<u>3,327</u>	<u>5,477</u>	<u>3,148,758</u>

Somerset Council 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.

12 Debtors

	2024 £	2023 £
Rents Receivable	253,560	103,480
Bad Debt Provision	(149,685)	(43,924)
Income Tax Recoverable	12,304	11,856
Other Debtors	18,106	7,199
Prepayments	<u>60,867</u>	<u>63,401</u>
	<u>195,152</u>	<u>142,012</u>

13 Creditors – amounts falling due within one year

	2024 £	2023 £
Trade Creditors	19,663	5,910
Taxation and Social Security	23,953	20,455
Other Creditors	10,880	9,016
Accruals and Deferred income	268,944	171,919
NatWest Credit Cards	4,357	6,095
Somerset Community Foundation Loan	7,754	1,248
NatWest Bank Loans (see note 14)	<u>37,366</u>	<u>70,345</u>
	<u>372,917</u>	<u>284,988</u>

NOTES TO THE ACCOUNTS
year ended 31 March 2024

14 Creditors – amounts falling due after one year	2024	2023
	£	£
Somerset Community Foundation Loan	24,666	32,419
NatWest Bank Loans (see below)	<u>927,659</u>	<u>931,596</u>
	<u>952,325</u>	<u>964,015</u>

The bank loans are secured by National Westminster Bank plc with an unlimited legal charge over 5 of the Association's properties together with an unlimited debenture over all the assets of the

15 Contingent Liabilities

There were none at the year end or at the prior year end.

16 Obligations under Leasing Agreements

The following payments are committed to be paid:

	2024	2023
	£	£
Plant and Machinery		
Payable within one year	2,657	3,883
Payable in 1 – 5 years	-	<u>2,657</u>
	<u>2,657</u>	<u>6,540</u>
Land and Buildings		
Payable within one year	32,500	32,500
Payable in 1 – 5 years	82,083	107,083
Payable in more than 5 years	<u>121,875</u>	<u>129,375</u>
	<u>236,458</u>	<u>268,958</u>

17 Pensions and other post-retirement benefits

a) Defined contribution plans

The company operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £31,402 (2023-£35,252).

b) Defined benefit pension plans

The company operates a defined benefit pension plan for qualifying employees providing benefits based upon Finance Pensionable Earnings or Career Average Revalued Earnings, depending on the benefit groups and service applicable for each member. The pension plan is funded by the payment of contributions and assets of the plan are held in a separately administered fund.

The most recent comprehensive actuarial valuation of pension plan assets and the present value of the defined benefit obligation were carried out on 30th September 2020.

The total cost recognised in the period was as follows:

	2024
	£000
Current service cost	0
Past service cost	0
Plan introductions, changes, curtailments and settlements	4
Net interest expense	10
Recognised in profit and loss	<u>14</u>
Recognised in other comprehensive income	<u>(42)</u>

NOTES TO THE ACCOUNTS
year ended 31 March 2024

17 Pensions and other post-retirement benefits (continued)

Amounts recognised in the balance sheet were as follows:

	2024 £000	2023 £000
Present value of funded obligations	(1,170)	(1,181)
Fair value of plan assets	<u>946</u>	<u>960</u>
	(224)	(221)

Amounts recognised in the balance sheet were as follows:

	2024 £000
Opening defined benefit obligation	1,181
Current service cost	0
Past service cost	0
Interest expense	57
Actuarial gain	(23)
Contributions by scheme participants	0
Benefits paid	(45)
(Gains)/losses on curtailment	0
Liabilities extinguished on settlements	<u>0</u>
Closing defined benefit obligation	<u>1,170</u>

b) Defined benefit pension plans (continued)

Changes in the fair value of the pension assets were as follows:

	2024 £000
Opening plan assets	960
Interest income	47
Actual return (loss) on plan assets (excluding interest income)	(65)
Assets distributed on settlements	0
Contributions by employer	53
Contributions by scheme participants	0
Benefits paid	<u>(49)</u>
Closing plan assets	<u>946</u>

The amount that each major class of pension plan assets constitutes the fair value of the total plan assets was as follows:

	2024 £000	2023 £000
Equity instruments	95	18
Debt instruments (bonds)	49	48
Property	44	70
Other assets	<u>758</u>	<u>824</u>

The return on plan assets was as follows:

2024	2023
£000	£000
<u>946</u>	<u>960</u>

NOTES TO THE ACCOUNTS
year ended 31 March 2024

17 Pensions and other post-retirement benefits (continued)

	2024 £000
Interest income	47
Actual return (loss) on plan assets (excluding interest income)	<u>(65)</u>
Total return (loss) on plan assets	<u>(18)</u>

The principal actuarial assumptions used were as follows:

	2024	2023
Discount rate	4.89%	4.78%
Inflation (RPI)	3.17%	3.19%
Inflation (CPI)	2.77%	2.75%
Salary Growth	3.77%	3.75%

The mortality assumptions used for longevity (in years) on retirement at age 65 are:

Retiring at the balance sheet date		
• males		20.5
• females		23.0
Retiring in 20 years		
• males		21.8
• females		24.4

18 Reconciliation of Movements in the Association's Funds

	Share Capital	General Reserve	Total
	£	£	£
As at 1 April 2023 as previously stated	24	2,225,782	2,225,806
Surplus/(Loss) in the year	0	144,602	144,602
Other recognises gains and losses	0	(42,000)	(42,000)
As at 31 March 2024	<u>24</u>	<u>2,328,384</u>	<u>2,328,408</u>

19 Capital Commitments

There were no capital commitments as at 31st March 2024.

20 Post Balance Sheet Events

Since the year end the Interim CEO Andy Price resigned and the Board appointed another Interim CEO Caroline Moylan to support with the leadership and recruitment process for a substantive CEO. In July 2024 Paul Richards was appointed to as the new permanent CEO for Arc and will commence his post from September 2024.

21 General Information

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

BOARD OF MANAGEMENT

LYNN EMSLIE (Resigned as Chair February 2024)

KAREN AYLING (Interim Chair, Appointed February 2024)

LAURENCE RUSSELL (Co-opted December 2023)

VICTORIA STOKER (Resigned December 2023)

JO HAKE (Appointed 20th September 2022)

DOMINIC MACER (Resigned September 2023)

SUSAN BENNETT (Co-opted on 20th September 2022)

MARTIN LYNE (Co-opted on 22nd November 2022)

SEAN CANAVAN (Co-opted on 22nd November 2022)

JO REECE (Co-opted on 22nd November 2022)

SIMON CORNELIUS (Co-opted on 7th February 2023)