

Company number: 1926938

Charity number: 1017599

Threshold Housing Link

Report and financial statements

Financial year ending 31 March 2016

Threshold Housing Link

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For the year ended 31 March 2016

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Reference and administrative details

For the year ended 31 March 2016

Company number	1926938
Charity number	1017599
Registered office and operational address	1 John Street SWINDON SN1 1RT
Country of registration	England & Wales
Country of incorporation	United Kingdom

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Lindsey Cattelain	Trustee (appointed 14th May 2016)
Stephen Davies	Trustee (appointed 13th October 2016)
Paul Goodge	Vice Chair (resigned 26th February 2016)
Michael O'Shea	Trustee (appointed 17th February 2016), Vice Chair (appointed 26th April 2016)
David Price	Chair (resigned as Chair on 25th April), Resigned as a trustee on 1st June 2016
Jeremy Rice	Secretary, Chair (appointed 25th April 2016)

Key management Personnel Cher Sawyer Smith
Graeme Willis Chief Executive (resigned 9th May 2016)
Chief Executive (appointed 1st December 2016)

Bankers Co-Operative Bank
PO Box 250
SKELMERSDALE
WN8 6WT

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Reference and administrative details

For the year ended 31 March 2016

Legal Advisors Peninsula Business Services
The Peninsula
2 Cheetham Hill Road
MANCHESTER
M4 4FB

Auditors Sayer Vincent LLP
Chartered Accountants and Statutory Auditors
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

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Trustees' annual report

For the year ended 31 March 2016

The trustees present their report and the audited financial statements for the year ended 31 March 2016.

Reference and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated in June 1972 and registered as a charity on 23 February 1993.

Governing Document

The organisation was formed in June 1972 and was known as The Swindon Cyrenians (AGAPE) when first registered as a charity. The charity is now branded as Threshold Housing Link, a registered charity No. 1017599 and is a company limited by guarantee, registered no. 1926938. The company is governed by its Memorandum of Association which establishes the objects and powers of the charitable company and the charity is regulated under its Articles of Association; the co-joined document is known as the Memorandum and Articles of Association. This document can be viewed on Threshold's website www.thl.org.uk. In any event of the company needing to be wound up members are required to contribute an amount not exceeding £10. There are 27 paid up members. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Recruitment and Appointment of the board of trustees

The directors of the company are also charity trustees and, for the purposes of charity law and under the company's Articles, are known as Trustees and members of the board of trustees. Under the

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requirements of the Memorandum and Articles of Association the Trustees are elected to serve for a period of three years, after which they must be re-elected at the next Annual General Meeting.

Recruitment is undertaken continually through recommendations and word of mouth, adverts in the local media, our website, information leaflets, presentations, Voluntary Action Forums, REACH (a skilled volunteer placement agency) and parish magazines etc. There is a documented induction process, which usually takes three months to complete and includes observing management meetings, visiting our projects and schemes, meeting other trustees, staff and service users as well as completing a full application form, providing references and undergoing a Disclosure and Barring Service (DBS) check. The Board of Trustees seek to maximise the skill base of the board and training is available in areas of the specific knowledge required for the nature of the charity's business and operations and the role of trustee. This assists people's understanding and capability to review services, monitor and evaluate data relating to the outputs and outcomes of the schemes and services. A broad skills mix is required; an annual skills review monitors and highlights any learning that has taken place and identifies areas of potential loss due to retirement thereby creating a need for growth and expansion with particular skill bases. An "away day" enables the board to review operations, discuss ideas for developments or consolidation of activities and develop of strategy. There is also the opportunity to meet team leaders and senior staff to cement relationships as well as gain insight into staff morale and opportunities for transformation and/or leadership development. This activity also enables and empowers their ability to consider succession planning and training requirements.

The board meets monthly to receive reports from all departments as well as financial overviews, project development updates and ideas for modernisation and improvement. All Trustees give their time voluntarily and receive no benefits from the charity. During 2015/16, over 360 volunteer hours were gifted to the charity by the board of trustees. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

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At the AGM in 2015 David Price was elected from the membership as chairperson to the board of trustees. He stepped down as Chair on 25th April 2016 and resigned as a trustee on 1st June 2016. Jeremy Rice was elected as chairperson by the board of trustees with effect from 25th April 2016. There were two resignations during the financial year; one trustee resigned in February 2016 and another in June 2016. The current number of members on the board of trustees stands at four. The maximum number of board members, as outlined in the Memorandum and Articles of Association, is determined as one third of the membership or up to ten people. Underrepresented groups on the board, currently include people from ethnic minorities and those with disabilities therefore we aim to be more proactive to encourage people from these groups to consider joining our membership and becoming a trustee. There will be a concerted campaign to attract people from these diverse groups; enlistment will be promoted by way of open days, presentations, media adverts and interviews.

Organisational Structure

The board of trustees is responsible for the strategic direction and policy of the charity. The charity currently employs 31 contracted staff (19 full time; 9 part time and 3 relief workers). Delegation of the day-to-day management of the charity, its services, targets and key performance indicators is entrusted to the employed Chief Executive Officer and the senior management team, who, in the case of the Chief Executive Officer, reports directly to the board. The Business Manager and Operations Manager make up the senior management team who are supported and advised by a Finance Officer. Together they supervise twenty eight permanently employed staff. The senior team is assisted by two team leaders and one senior worker operating at frontline level ensuring good practice is upheld and that the team continues to develop their skills to assist and support the client group and carry out the organisations charitable objectives. This structure is kept under review by the board of trustees to ensure the management team has access to appropriate expertise and resources either through staff appointments or the use of external consultants.

External relationships

Insofar as it is complimentary to the charity's objects, the charity is guided and bound by local and national policy and/or legislation. At the national level, we are bound by homeless legislation, namely the Rent Act 1977 and the Housing Act 1985, 1996 and 2002. At the local level, some key national documents that have influenced our local authority's strategic approach to homelessness and have impacted upon our operations include:

- The Homelessness Act 2002 and the associated Homelessness Code of Guidance for Local Authorities
- The Audit Commission's Key Lines of Enquiry (KLOE) 8, Homelessness and Housing Needs
- The Housing Corporation's Homelessness Strategy
- Independence and Opportunity – Strategy for Supporting People
- The Government publication – Sustainable Communities; Settled Homes; Changing Lives

Other parties we work with include external specialist consultants, legal and HR advisors as well as suppliers of various other resources that enable Threshold to employ, operate and facilitate services.

Our partner Housing Associations, who are Registered Social Landlords (RSL's), often influence our strategy, processes and operations through the managing agent agreements, review systems and reporting mechanisms. Currently we are working with Sanctuary and Sarsen (Aster Group).

Our external relationships are vital to our positive accomplishments. Our outreach service is key to the success of the Swindon Borough Councils Rough Sleeper Panel (RSP) and provides vital access and support to hard to reach clients who often do not engage with statutory or official services and departments. The RSP is a multi agency panel and includes representatives from other hostel providers, probation, police, housing, the town centres management team, drug and alcohol services and health care workers e.g. Community Psychiatric Nurses (CPN) and the Health Visitor for the

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For the year ended 31 March 2016

homeless. The representation of local agencies within this group has provided invaluable support to the charity and has established improved links within the community, identifying policy developments, innovative action plans for assisting and supporting clients as well as prospective funding opportunities for service enrichment, development or enhancement.

Objectives and Activities

Threshold Housing Link (established 1972) is a charity based in Swindon that actively tackles the issue of homelessness by providing low threshold/easy access to supported accommodation for single homeless and hard to engage rough sleepers and sofa surfers. Our supported accommodation has a pro-active personal development and resettlement programme to enable move-on from hostel accommodation into more independent living.

The charity draws on the insight, skills and knowledge of our service users to develop its services that provide what homeless people really need to be able to have the "Chance to Change" and ensure that we do not provide what we think they need.

Threshold provides encouragement and training to help homeless people move from the street to a home, supporting them to learn as much as possible to be necessary to be independent and self-sufficient and develop their ability to take advantage of or (re)join education, employment or training opportunities.

We assist over 350 people each year in our 8 hostel outlets and over 900 people through our 2 tertiary services, Street Outreach and a rent management scheme (KeyScheme+). Please refer to pages 8 – 12 for further details.

Our sofa surfers and rough sleeper client group often have complex issues with substance misuse, mental health, social exclusion and the effects of being homeless on their confidence, self-esteem,

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For the year ended 31 March 2016

wellbeing and ability to communicate and sustain positive relationships. Our direct access emergency hostel reports that 72% of their client group had declared a period of sleeping rough prior to being accommodated which can be broken down to show 51% were sleeping rough for up to 1 week, 17% between 1 & 4 weeks, 20% between 1 & 3 months, 12% between 3 & 6 months and 3% over 6 months.

Of those accommodated in 2015/16, 91% were from Swindon with 1% from outlying areas in Wiltshire and 8% from outside Wiltshire. Ethnically 84% were White British, 4% Black British, 8% White European and 4% from other ethnic minorities.

All our service users undergo a needs assessment and support planning phase when they come into our projects and these are reviewed regularly during their stay. Our needs assessments are person centred and focus on outcomes, especially results that leave service users able to live well with less support. The aim is for people to first address the underlying issues around their homelessness situation and then undertake a programme of recovery and enablement for their independence.

Positive resettlement from our Direct Access Emergency Hostel in 2015/16 was at a level of 63%, with 21% of our residents at our substance misuse project moving on positively and from the longer term Resettlement Move-On Hostels a level of 58% was achieved.

As of 31 March 2016 we employed 33 contracted employees (26 full time: 7 part time) and 15 people volunteered on a regular basis of which 4 were paid up members and/or trustees.

Our Purpose and Objectives

The charity's purposes as set out in the objects contained in the Company's Memorandum and Articles of Association are:

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"The relief of poverty, hardship, sickness, and old age, through the provision of accommodation, support and advisory services to those in need, in particular of persons who;

- a) by reasons of mental or physical infirmity are unable to fulfil their duties as citizens or their obligations to their employers; or*
- b) are homeless, ex-offenders and those with substance misuse issues and or addictions; or*
- c) are fleeing exploitation, abuse and violence".*

The aim of the charity is to reduce the impact of homelessness on people through the provision of supported accommodation, support and advice to single homeless people. Our aims fully reflect the purposes that the charity was set up to further.

Ensuring our work delivers our aims

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The Trustees met eleven times during the year to receive management reports, discuss proposals and plans for development and service improvement in the undertaking of their Governance responsibilities of being Trustees of the Charity and Directors of the Limited Company. The Trustees also met with senior managers for an organisational review and development day.

The focus of our work

Our main objectives for the year continued to be the provision, operation and management of services to assist those who are single and homeless. All our schemes and services can be accessed by self-referrals or direct from other agencies such as Probation, Social Services and the local authority. Emergency assistance is available through our:

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- Street Outreach Service; supporting, assessing risk and need of those sleeping on the streets, at breakfast clubs, our drop-in day centre and attendance at The Filing Station Soup Run; or
- Culver Court, our emergency, direct access hostel; aimed at those in need of immediate accommodation; supporting 20 residents each day

For those moving on from our 'first stage' emergency direct access hostel, Culver Court, we provide various types of move-on resettlement hostels. The remit of these hostels vary in the length of stay and levels of support provided and include:

- 1 Substance Misuse 2nd stage resettlement hostel of all genders; intensively supporting 4 residents each day with 24/7 staff cover, (since 1 September 2016 this has been converted into general resettlement for 5 residents and is mixed.)
- 2 Move-on resettlement hostels for men; supporting 7 residents each day with additional out of hours on-call support
- 1 Move-on resettlement hostel for women; supporting 5 residents each day with additional out of hours on-call support
- 1 Move-on resettlement hostel that is mixed; supporting 5 residents each day with additional out of hours on-call support
- 2 Adjoined resettlement hostels for young people of all genders aged between 16 and 21 years of age; intensively supporting 6 residents each day with 24/7 staff; and

The strategies we use to meet our objectives include:

- Providing a range of services that meet identified needs of single homeless people
- Focused provisions specifically for rough sleepers, women, young people and those with substance misuse issues
- Working in partnership with other agencies to secure the widest range of support and advice is available for the needs of our client group; and by
- Creating opportunities for people to encounter positive activities that increase self-esteem, confidence, social and leisure time interactions and experience a home environment whilst

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exploring and learning the skills necessary to secure and maintain an independent home and life style of their choice

Public Benefit

The Trustees are aware of the Charity Commission guidance on Public Benefit and confirm that they have complied with the duty in the Charities Act 2011 and to have due regard to it. They consider the full information which follows in this annual report, about the Trust's aims, activities and achievements in the many areas of interest that the charity supports, demonstrates the benefit to its beneficiaries and through them to the Public that arise from those activities.

How our activities deliver public benefit

The charity's main activities and who it tries to help are described below. All our charitable activities focus on tackling homelessness and poverty and are undertaken to further our charitable purposes for the public benefit.

Access to our services

Equal access to our services is an important issue for us. We are currently monitoring the access to our services by gender, disability and sexual orientation. We are aware that Black and Minority Ethnic (BME) Communities are disproportionately represented in deprived areas of our town. We believe equal access to our services is vital to our success and that successful outcomes must be shared by all communities that use our services.

Health and the homeless

People who experience homelessness have some of the highest and costliest health needs in the local community and so the integration and cooperation between the local authority, voluntary sector and health services will impact on a range of health, social and economic outcomes of homeless people and Threshold aims to be part of the local initiatives in this area. We currently

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partnership work with the local substance misuse treatment agencies, mental health teams and social services and other voluntary organisations.

Further to this we are joining locally driven efforts to encourage increased partnership working across health and housing to improve homeless people's health and wellbeing. To this end we will proactively seek partnerships and joint working initiatives that support the basis that the right home environment is essential to health and wellbeing, throughout life.

With regard to one particular issue we will support and encourage the recognition that the housing workforce (which includes those agencies working within the homeless arena) plays a significant role in supporting people's effective discharge from hospital and their ability to live independently and healthily at home, in whatever form that may be. We are linking to specific health and social care workers aligned to our clients in an effort to improve processes, behaviours and interactions that support a homeless person when faced with ill health.

Rough Sleeping

Nationally 3,569 people were counted or estimated by local authorities to be sleeping rough on any one night in the 2015 count. This was up from 2,744 in 2014, 2,414 in 2013, 2,309 in 2012, 2,181 in 2011 and 1,768 in 2010; overall this was a 30% increase since 2014 and a 102% increase since 2010. All regions reported an increase in the numbers of people rough sleeping compared to 2014; London (940), South East England (827), South West England (509), North West England (220), North East England (38) and East England (418). West Midlands (249), East Midlands (208), and Yorkshire & Humber (160). For the South West Region this is an increase of 41% since 2014.

The indirect costs associated with the consequences of rough sleeping (e.g. health and mental health problems, drug/alcohol misuse, crime) can be significant. Sleeping rough is dangerous and damaging to individuals and communities. The longer someone sleeps out, the worse their problems

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will become and the more costly to resolve once they get help. The average annual local authority expenditure per rough sleeper individual is in the region of £9,900.

Funded by a grant from Swindon Borough Council, Threshold's own free reserves, various donations and our own fundraising efforts, our Street Outreach Service was enabled to make contact with over 750 people and offered face to face contacts with these people who are rough sleeping, sofa surfing or threatened with homelessness. Of that figure 122 clients were registered as rough sleepers at some point during 2015/16. Individual advice is provided at drop-in times and also by special appointment. The grant funding received is restricted specifically to this project and we are grateful for the continued support of Swindon Borough Council, The Filling Station.

Assistance was provided with preventing homelessness, accessing accommodation, supporting benefit applications and appeals, organising physical and mental care interventions as well as providing advocacy, support and advice. By Outreach arranging GP appointments and health care staff appointments for the homeless people they interact with and support there is an improvement to people's general health and a reduction in hospital admissions and A&E attendances. Further to this the team was proactive in raising welfare concern and safeguarding applications on 26 occasions.

PPO Supported Accommodation

Funded by Wiltshire Probation (SWITCH), Threshold provides supported accommodation to homeless offenders on release from prison or as a part of a community order to divert those who are classified as Persistent Prolific Offenders (PPO) away from a transient, chaotic lifestyle. The aim is to promote a more constructive alternative to being homeless on discharge from prison; offering the chance for offenders to rehabilitate themselves through a resettlement programme that teaches essential life skills that enables them to secure stable accommodation. The aim is to empower them to seek a life away from crime and make a positive contribution to society.

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The risk may be high but the potential public benefit is great as the project encourages homeless (ex) offenders to take an active role in the services and support systems designed to assist them and desist from their former criminal activity that was often used to feed an addiction or pay for temporary accommodation. However, this grant funding has now ceased in 2016, from Probation for the PPO project at Bronte Close, due to the restructuring and cutbacks within the probation service.

Substance Misuse

Threshold's small supported accommodation scheme is open to men and women and has 4 bed spaces and is an intensive, supportive environment that is staffed 24/7. It is aimed at assisting those homeless people who are striving to have a life free from addiction. Those in the early stages of contemplation, and steps to recovery are given 6 months to prepare and undertake detox and access to community rehabilitation programmes. We were able to help in a variety of tangible ways and where appropriate can also arrange referrals to our partners where assistance is needed in relation to housing, debt, or social service related issues. Often drug abuse leads to a life apart from society with associated problems of depression, crime and poverty. We are pleased that by working with our partners we can offer a holistic approach to the problems arising from drug abuse. During 2015/16 56 referrals were received and 10 people moved-in to the project out of the 20 offers that were made and 19 accepted, following 32 offers of an interview. This project ceased on 1 September 2016, as a substance misuse project and has become a general resettlement project.

Young Persons Project

Threshold's small supported accommodation scheme for young people of all genders aged between 16 and 21 years old has 6 bed spaces and is an intensive, supportive environment that is staffed 24/7. It is aimed at assisting people to gain the support, skills and behaviours that will enable them to live independently and provide them with opportunities for positive activities that divert them away from potentially becoming involved in anti-social behaviour and petty crime. Support through

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the resettlement programme in Threshold's supported accommodation creates cost savings for the Local Authority 16+ and Adults Services through reduced use of residential care plus those costs associated with a youth offender or "Not in Employment Education or Training (NEET). The project is funded by the accommodation fees charged, Supporting People Grant (SPG), donations and Threshold's own fundraising efforts. During 2015/16 74 referrals were received and 9 moved in.

Resettlement Move-On Projects

Threshold operates 4 (5 houses with effect from 1st September 2016 as OAY usage has been changed to a resettlement house) move-on resettlement hostels offering 22 bed spaces and includes one 5 bedroomed project hostel specifically for women. People can stay for up to 2 years whilst they learn the essential life skills and coping mechanisms that will enable them to attain, maintain and sustain independent accommodation in the community; learning to be self-sufficient, good tenants and neighbours. The high support provision costs incurred by Threshold are dominated by staff costs, the overall costs being around £22,290 per year per bed space for the active approach. The active approach is twice as expensive at first sight but this is not the whole story, as it ignores the actual through life costs to society and the fact that high support costs are only incurred for the rehabilitation period, typically around 2 years.

The passive approach is currently costing Swindon Borough Council £15,758 (figures from tax year 2015/16) in "Claimed" deposit guarantees. With the funding allocated by SBC's Drug & Alcohol Team to the provision of Drug and Alcohol Services being £1,886,000 (Alcohol: £537,000 Drug Treatment: £1,349,000), excluding additional costs for: Shared Care services, Needle exchange, Supervised consumption at pharmacies & cost of medication, Custody Interventions, and residential rehabilitations/detox facilities.

This would suggest that the approximate figure over 2 years (the typical length rehabilitation/resettlement within move-on accommodation) is £26,112 in comparison to the

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£44,579 cost of supported accommodation over the same period, but as the “Passive” approach would be an on-going endeavour, and with the average age of Threshold’s client group being 26 years old, this endeavour could last up to 25 years costing £652,800 in housing and drug/alcohol treatment alone.

During 2015/16 83 referrals were received and 16 people moved-in to the different projects out of the 21 offers that were made following 56 offers of an interview. These projects are funded by the accommodation fees charged, Supporting People Grant (SPG), donations and Threshold’s own fundraising efforts.

Positive Activities

The Positive Activities Worker continues to encourage homeless people to experience events and activities that will promote wellbeing, confidence, positive time filling and diversions away from anti-social behaviour and crime. Over the year the part time worker successfully engaged with 31 service users in 91 sessions that included cycling, pilates, swimming, running, walking, cooking and commencing the Duke of Edinburgh Bronze Award scheme. This role and the associated activities are now funded solely by donations and Threshold’s own fundraising efforts as the grant from the Wiltshire Police and Crime Commissioner was not extended beyond one year.

Monitoring and Evaluation

All our services collate data, request feedback from service users, suppliers and partner agencies. This is used to review activities, plan for developments and create innovative solutions for issues and needs that require attention and support.

The “Outcomes Star” is a method of evaluating progress of service users through their journey of rehabilitation and resettlement into independent living with a less chaotic lifestyle and Threshold has adopted this approach over the last three years.

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University Students, seconded to Threshold for their community learning placements whilst undertaking social work degree qualifications, provide valuable evaluation and feedback during their secondment and this enables improvements to the programme for future students, up-to-date knowledge transference and training for our staff groups. This programme also generates funding for the charity.

Financial review of the year

It has been challenging for the staff team to plan developments against the backdrop of limited resources, grant cuts, constant insecurities of funding and negative opinions about the planned initiatives but they did it and they should be congratulated for their valiant efforts and determination to succeed with the planned objectives. The support from our partners linked to the concerted efforts of the employees of the charity certainly made a difference and thanks goes to all those who helped achieve these goals. Initiatives have been aided by sound internal financial management and positive financial support from our partners in the Community Safety Partnership, Wiltshire Probation Trust and SWITCH, our bank, insurers and accountants.

Against the insecurities created by austerity and the impact that this has had on the level of general donations, plus the potential of us having to experience commissioning and tendering for our current contracted Supporting People services from the local authority, we have managed to perform close to within our predicted budget with a small deficit.

Incoming resources from our charitable activities amounted to generating £1,041,249 and was available for operating the accommodation and other related services for single homeless people. Resources expended to operate those services amounted to £1,047,415 with a net deficit of £6,166.

Principal Funding Sources

Our main funder is Swindon Borough Council through the payment of Housing Benefit and the Supporting People Grant. Aside from the income generated by the fees charged for the supported accommodation (£560,497) and the Supporting People Grant (£394,640) we also received grant awards to support the work of the Street Outreach Team (£19,366 SBC), the Day Centre operations (£9,272 – SBC), Filling Station £1,567, Prolific and priority offender scheme £3,750. Over 360 hours of volunteering was donated by the trustees and this equates to £3,600 if taken at an average of £10 per hour. Extra fundraising activities generated a total of £39,370 in donations and gifts and other trading activities. These included income from the following:

- Sleepout! £8,618
- Run 4 Home £920
- Student placements £4,200
- Mecca Concert £508
- 100 club £1,030
- Big Issue donations £326
- Half marathon £478
- Swindon Christian Donation of £2,000
- and various members of the public.

Principal resources expended

As of the 31 March 2016 we employed 33 contracted employees (26 full time : 7 part time) and this is the greatest overall expenditure at £693,191 (66%). Administration and organisational support costs amounted to £223,213 (21%). These costs include admin staff), rates, council tax and water, light and heat, insurance, premises costs, depreciation, rent, telephone, fax and internet, printing, postage and stationary, computer and website costs plus mortgage interest and bank charges. Governance costs amounted to £30,076 (3%) of resources expended.

The senior management team at THL have been graded and salaries defined using the national joint council for local government services salary and grading guide. The trustees of Threshold are responsible for the grading and remuneration of the senior management team.

Reserves

Cash flow projections for income and expenditure are regularly reviewed to ensure that the level of available assets and income reserves is adequate, and that the charity is in a position to meet all its commitments. The charity's reserves policy states that Threshold will accrue funds "*sufficient to cover three month's running costs in order to ensure an orderly closure of the project should this become necessary, taking into account future needs, forecasts of future income and expenditure, and the level of liabilities both current and future*". Once this level is achieved, a review is undertaken and frequently some of the money is invested into property to provide additional accommodation schemes, which create supplemental income streams, property assets and enable further fundraising. These decisions support prudent activity that has enabled the development of five additional accommodation services over the past thirteen years.

Last year a designated reserve fund of £10,000 was established to cover future replacement costs of all IT hardware and associated software following the need to replace the server and backup provision for the business. It is envisaged that during the next financial year approximately 50% of all the charity's computers will need to be replaced. This investment in equipment will help protect our business continuity capability.

A major repairs and renewals designated fund of £50,000 is kept to fund all major renewals, refurbishments and repairs to the charity's properties and ensure the agencies obligations of repair to the leased entities. This fund covers major purchases within the hostels and offices so that they can operate and be managed in good repairing order to uphold health and safety. This fund covers

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the replacement of boilers, roofs, windows, bathrooms, kitchens, carpets, large household goods and other necessary office equipment etc.

Restricted funds of £7,612 are held alongside £60,000 of designated funds for activities covered by grant awards and carried over for the next financial year e.g. outreach, key scheme and positive activities.

Threshold currently has unrestricted free reserves, being the net balance of current unrestricted assets and liabilities, of £99,866 and holds property with a net book value of £676,561.

Investment Policy

Each year most of the charity's income is spent so, aside from retaining a prudent amount of reserves in accordance with the charity's policy, there are few funds available for long-term investment. However, notwithstanding this, we place some income and/or grants that are received in advance, into high interest savings accounts before draw down in an effort to attract additional revenue. Donations can also accrue Gift Aid or be placed in CAF CASH and COIF Accounts before use. The Board of Trustees do not speculate in commercial money markets.

Risk Assessment

The Trustees have examined the major strategic, business and operational risks to which the charity may be exposed and are confident that there are systems in place which are adequate to meet such potential risks as the Trustees have identified. The Trustees continue to keep processes under review.

Identified risks include:

- The recommissioning of the Supporting People Contracts: This is the major funding of provision for the accommodation services and all contracts are to be retendered between 2017 and 2018.

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A budget is to be set aside to enable specialist assistance with contracting to enable the charity to compete against major competitors.

- Not having sufficient expertise to lead and manage the charity. Insufficient recruitment of members to the board of trustees; the board is quorate and has taken on new trustees to replace outgoing trustees. Our aim during 2016 is to gain a maximum of 10 trustees.
- Threshold has endured some major changes in the last 12–18 months with regards to the Senior Management Team. There has been the sad loss of the Organisation's Operation Director and the subsequent resignation of the CEO. Unfortunately during these periods, there has not been the manpower or expertise within the Organisation to access major funding streams. However this will change moving forward with a full Senior Management Team from 2017 onwards.
- Can the charity financially sustain and manage projects that are not currently funding themselves or when the funding is not confirmed.

Quality

Threshold endeavours to conform to the guidelines of PQASSO (Practical Quality Assurance System for Small Organisations) which is a system designed specifically for voluntary and community organisations (VCO's). The system covers important elements of an efficient and effective organisation – efficient use of resources and effective service delivery. Quality standards are also essential in ensuring that an organisation is legally sound, able to achieve planned outcomes and is fit for purpose. PQASSO attends to all the performance areas that are important to funders and commissioners through twelve quality areas:

- Planning
- Governance
- Leadership and management
- User centred service
- Managing people

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- Learning and development
- Managing money
- Managing resources
- Communications and promotion
- Working with others, monitoring; and
- Evaluation and results

PQASSO focuses on the processes within an organisation and makes sure that they are effectively managed in order to meet the needs of customers; it aims to ensure continual improvement in these processes and customer satisfaction. and requires the organisation to address areas that are deemed essential for the effective governance and management of a voluntary and community organisation; namely good control with a focus on outcomes and charity related finance issues. We will also be evaluating quality by having our own internal audit process.

Plans for the future

- To strengthen our partnership and joint working capabilities through developing initiatives that will lever in funding to support the services to single homeless people. Recent meetings with other services and funders have identified a gap in the provision for women in crisis and we are embarking on the development of plans to bridge this gap through collaborative working practices and protocols which are being explored along with appropriate funding sources.
- To strengthen the board of trustees by recruiting up to 10 members during the year. Underrepresented groups on the board, currently include people from ethnic minorities, those with disabilities and women therefore we aim to be more proactive to encourage people from these groups to consider joining our membership and becoming a trustee. There

Threshold Housing Link

Trustees' annual report

For the year ended 31 March 2016

will be a concerted campaign to attract people from these diverse groups; enlistment will be promoted by way of open days, presentations, media adverts and interviews.

- Our strategy in terms of moving forward with funding, is to gain more corporate relationships in terms of fundraising support, business buddies, skill exchange and to raise awareness of the charity.
- Our new CEO Graeme Willis join us on 1st December 2016 he will assist in moving the charity forward.
- Using social media and digital marketing effectively to gain more support and raise awareness of the charity.
- Using social media and digital marketing to raise more funds for the charity.
- Benchmarking against our competitors has not been carried out for a number of years. This will be carried out during 2017.
- As part of the wider development of the agency we will continue to investigate the viability of tendering for a range of additional support contracts and actively pursue alternative sources of funding by strengthening our approaches to grant awarding bodies, corporate sponsors and individual donors.

Statement of responsibilities of the board of trustees

The trustees (who are also directors of Threshold Housing Link for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company **for** that period. In preparing these financial statements, the trustees are required to:

Threshold Housing Link

Trustees' annual report

For the year ended 31 March 2016

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware;
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Threshold Housing Link

Trustees' annual report

For the year ended 31 March 2016

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2016 was 27 (2015: 24). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditors

Sayer Vincent LLP were appointed as the charitable company's auditors during the year and have expressed their willingness to act in that capacity.

The trustees' annual report has been approved by the trustees on 8th December 2016 and signed on their behalf by

Name: Jeremy Rice

Title: Chairperson

Independent auditors' report

To the members of

Threshold Housing Link

We have audited the financial statements of Threshold Housing Link for the year ended 31 March 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Independent auditors' report

To the members of

Threshold Housing Link

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us
- The financial statements are not in agreement with the accounting records and returns
- Certain disclosures of trustees' remuneration specified by law are not made
- We have not received all the information and explanations we require for our audit
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the trustees' annual report and take advantage of the small companies' exemption from the requirement to prepare a strategic report

Catherine Sayer (Senior statutory auditor)

16 December 2016

for and on behalf of Sayer Vincent LLP, Statutory Auditors
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

For the year ended 31 March 2016

	Note	Unrestricted £	Restricted £	2016 Total £	Unrestricted £	Restricted £	2015 Total £
Income from:							
Donations and legacies	2	14,026	–	14,026	9,335	–	9,335
Charitable activities							
Supported accommodation	3	955,127	43,638	998,765	966,797	133,357	1,100,154
Other trading activities	4	25,495	–	25,495	13,231	–	13,231
Investments		2,963	–	2,963	548	–	548
Total income		997,611	43,638	1,041,249	989,911	133,357	1,123,268
Expenditure on:							
Raising funds	5	3,220	–	3,220	2,289	–	2,289
Charitable activities							
Supported accommodation	5	958,616	85,579	1,044,195	959,448	109,729	1,069,177
Total expenditure		961,836	85,579	1,047,415	961,737	109,729	1,071,466
Net income / (expenditure) for the year	6	35,775	(41,941)	(6,166)	28,174	23,628	51,802
Transfers between funds		–	–	–	–	–	–
Net income / (expenditure) before other recognised gains and losses		35,775	(41,941)	(6,166)	28,174	23,628	51,802
Gains / (losses) on revaluation of fixed assets		143,191	–	143,191	–	–	–
Net movement in funds		178,966	(41,941)	137,025	28,174	23,628	51,802
Reconciliation of funds:							
Total funds brought forward		669,097	49,553	718,650	640,923	25,925	666,848
Total funds carried forward		848,063	7,612	855,675	669,097	49,553	718,650

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the financial statements.

As at 31 March 2016

	Note	£	2016 £	2015 £
Fixed assets:				
Tangible assets	11		688,197	551,666
			688,197	551,666
Current assets:				
Debtors	12	66,021	71,060	
Cash at bank and in hand		332,565	380,353	
		398,586	451,413	
Liabilities:				
Creditors: amounts falling due within one year	13	(79,817)	(115,677)	
Net current assets			318,769	335,736
Total assets less current liabilities			1,006,966	887,402
Creditors: amounts falling due after one year	14		(151,291)	(168,752)
Total net assets / (liabilities)			855,675	718,650
The funds of the charity:	16			
Restricted income funds			7,612	49,553
Unrestricted income funds:				
Designated funds		60,000	60,000	
Revaluation reserve		182,624	40,925	
General funds		605,439	568,172	
Total unrestricted funds			848,063	669,097
Total charity funds			855,675	718,650

Approved by the trustees on 8 December 2016 and signed on their behalf by

Jeremy Rice
Chairperson

Statement of cash flows

For the year ended 31 March 2016

	Note	2016 £	2015 £
Cash flows from operating activities	17		
Net cash provided by / (used in) operating activities		(21,659)	71,156
Cash flows from investing activities:			
Dividends, interest and rents from investments		2,963	548
Purchase of fixed assets		(11,313)	(1,280)
Net cash provided by / (used in) investing activities		(8,350)	(732)
Cash flows from financing activities:			
Repayments of borrowing		(17,779)	(15,335)
Net cash provided by / (used in) financing activities		(17,779)	(15,335)
Change in cash and cash equivalents in the year		(47,788)	55,089
Cash and cash equivalents at the beginning of the year		380,353	325,264
Cash and cash equivalents at the end of the year	18	332,565	380,353

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (August 2014) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 April 2014. No restatements were required.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Support and governance costs are re-allocated on the following basis which is an estimate, based on direct expenditure, of the amount attributable to each activity

• Supported accommodation	99%
• Fundraising	1%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

• Freehold property	50 years
• Hostel equipment	3 years
• Motor vehicles	3 years
• Computer equipment	3 years
• Office equipment	15% reducing balance

l) Debtors

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

Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

1 Accounting policies (continued)

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2016 total £	2015 Total £
Donations and gifts	13,875	–	13,875	9,139
Membership fees	151	–	151	196
	14,026	–	14,026	9,335

3 Income from charitable activities

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Fees from residents	560,497	–	560,497	572,166
Swindon Borough Council				
Supporting People grant	394,630	–	394,630	394,631
Outreach workers	–	19,366	19,366	21,603
Day centre	–	9,272	9,272	9,272
Key Scheme	–	–	–	17,000
Prolific and Priority Offender scheme	–	15,000	15,000	15,000
Other grants	–	–	–	70,482
Total income from charitable activities	955,127	43,638	998,765	1,100,154

4 Income from other trading activities

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Sleepout	8,619	–	8,619	5,603
Student placement charges	4,200	–	4,200	4,500
Miscellaneous income	12,676	–	12,676	3,128
	25,495	–	25,495	13,231

5 Analysis of expenditure

	Cost of raising funds	Supported accommodation	Governance costs	Support costs	2016 Total	2015 Total
	£	£	£	£	£	£
Staff costs (Note 7)	–	579,959	–	113,232	693,191	724,180
Housing association charges	–	105,607	–	–	105,607	111,986
Rates, council tax and water	–	1	–	13,352	13,353	16,888
Light and heat	–	–	–	30,464	30,464	36,273
Repairs and maintenance	–	14,244	–	–	14,244	17,628
Bad debts	–	3,238	–	–	3,238	23,499
Insurance	–	–	–	14,996	14,996	13,436
Other premises costs	–	7,651	–	8,917	16,568	14,300
Staff recruitment, training and travel	–	24,160	–	–	24,160	15,669
Food and catering	–	22,592	–	–	22,592	23,045
Depreciation	–	14,493	–	3,480	17,973	17,731
Fundraising events	723	–	–	–	723	32
Student placement expenses	–	2,100	–	–	2,100	–
Mortgage interest	–	6,203	–	–	6,203	6,274
Legal and professional fees	–	–	16,415	–	16,415	6,086
Auditors' remuneration	–	–	13,342	–	13,342	7,800
Trustee indemnity insurance and other costs	–	–	319	–	319	375
Rent	–	–	–	12,105	12,105	12,000
Telephone, fax and internet	–	120	–	11,703	11,823	10,014
Printing, postage and stationery	–	–	–	1,521	1,521	2,971
Computer and website costs	–	(1)	–	9,302	9,301	9,796
Subscriptions	–	70	–	–	70	775
Bank charges	–	–	–	545	545	639
Sundry expenses	–	16,562	–	–	16,562	69
	723	796,999	30,076	219,617	1,047,415	1,071,466
Support costs	2,196	217,421	–	(219,617)	–	–
Governance costs	301	29,775	(30,076)	–	–	–
Total expenditure 2016	3,220	1,044,195	–	–	1,047,415	1,071,466
Total expenditure 2015	2,289	1,069,177	–	–	1,071,466	

Of the total expenditure, £978,397 was unrestricted (2015: £961,737) and £85,579 was restricted (2015: £109,729).

Notes to the financial statements

For the year ended 31 March 2016

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 33 (2015: 34).

9 Related party transactions

There are no related party transactions to disclose for 2016 (2015: none) except for transactions with a trustee disclosed in note 7.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties (2015: none).

10 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

	Freehold property £	Office equipment £	Hostel equipment £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation						
At the start of the year	601,635	23,435	134,669	5,499	73,130	838,368
Additions in year	–	–	501	–	10,812	11,313
Revaluations in the year	104,645	–	–	–	–	104,645
At the end of the year	706,280	23,435	135,170	5,499	83,942	954,326
Depreciation						
At the start of the year	54,612	19,815	133,646	5,499	73,130	286,702
Charge for the year	13,653	1,080	840	–	2,400	17,973
Eliminated on revaluation	(38,546)	–	–	–	–	(38,546)
At the end of the year	29,719	20,895	134,486	5,499	75,530	266,129
Net book value						
At the end of the year	676,561	2,540	684	–	8,412	688,197
At the start of the year	547,023	3,620	1,023	–	–	551,666

Freehold property includes two properties held at valuation on an open market basis of £445,000. The valuation was carried out in March 2016 by independent, qualified valuers, Haslams Chartered Surveyors. One further property is held at the trustees' assessment of its market value at year end.

The net book value of all freehold property on an historic cost basis is £493,937 (2015: £506,098).

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31 March 2016

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2016	2015
	£	£
Depreciation	17,973	17,731
Interest payable	6,000	6,000
Operating lease rentals:		
Property	113,852	104,164
Auditors' remuneration (excluding VAT):		
Audit	7,600	7,500
Under accrual for prior year	600	-
Other services	1,200	900
	<hr/>	<hr/>

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

Staff costs were as follows:

	2016	2015
	£	£
Salaries and wages	636,424	665,109
Social security costs	56,454	55,202
Employer's contribution to defined contribution pension schemes	313	3,870
	<hr/>	<hr/>
	693,191	724,181
	<hr/>	<hr/>

No employee earned more than £60,000 during the year (2015: nil).

The total employee benefits including pension contributions of the key management personnel were £89,330 (2015: £106,087).

Other than as disclosed below, the charity trustees were not paid or received any other benefits from employment with the charity in the year (2015: £nil). No charity trustee received payment for professional or other services supplied to the charity (2015: £nil).

The staff costs above include a payment of £2,669 (2015: £nil) to a charity trustee, David Price. Due to the departure of the entire senior management team of the organisation, the trustees felt it necessary for David Price to step in and serve as Chief Operating Officer as an interim measure. The payment represents his remuneration for one month's service in this role. However, there was no legal authority to make this payment. This was declared to the Charity Commission as soon as the oversight was identified. The trustees are satisfied that the charity received value for money for this transaction and have received confirmation from the Charity Commission that they are satisfied with the trustees' assurance that value for money was achieved.

No other trustees were paid or received any other benefits from employment with the charity in the year (2015: £nil), or received payment for professional or other services supplied to the charity (2015: £nil), or received any reimbursement of expenses (2015: nil).

12 Debtors

	2016 £	2015 £
Trade debtors	52,692	52,210
Other debtors	2,541	620
Prepayments and accrued income	10,788	18,230
	<hr/>	<hr/>
	66,021	71,060
	<hr/>	<hr/>

13 Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans	19,082	19,400
Trade creditors	3,227	59,359
Taxation and social security	15,120	15,120
Other creditors	(270)	4,456
Accruals and deferred income	42,658	17,342
	<hr/>	<hr/>
	79,817	115,677
	<hr/>	<hr/>

14 Creditors: amounts falling due after one year

	2016 £	2015 £
Bank loans due in 1 – 2 years	19,584	19,856
Bank loans due in 2 – 5 years	61,910	62,411
Bank loans due in over 5 years	69,797	86,485
	<hr/>	<hr/>
	151,291	168,752
	<hr/>	<hr/>

Bank loans totalling £170,373 (2015: £188,152) are secured against The Old Apple Yard and 10 Bronte Close.

15 Analysis of net assets between funds

	General unrestricted £	Designated £	Revaluation £	Restricted £	Total funds £
Tangible fixed assets	505,573	–	182,624	–	688,197
Net current assets	251,157	60,000	–	7,612	318,769
Long term liabilities	(151,291)	–	–	–	(151,291)
Net assets at the end of the year	605,439	60,000	182,624	7,612	855,675
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

16 Movements in funds

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Restricted funds:					
Outreach donations	1,563	–	(1,563)	–	–
Key Scheme +	24,147	–	(21,691)	–	2,456
SBC – day centre	1,588	9,272	(9,272)	–	1,588
Prolific and Priority Offenders	–	15,000	(15,000)	–	–
Services Manager and Team Leader	9,915	–	(9,915)	–	–
Outreach workers	–	19,366	(19,366)	–	–
PAW grant	12,340	–	(8,772)	–	3,568
Total restricted funds	49,553	43,638	(85,579)	–	7,612
Unrestricted funds:					
Designated funds:					
IT reserve fund	10,000	–	–	–	10,000
Designated major repair	50,000	–	–	–	50,000
Total designated funds	60,000	–	–	–	60,000
Revaluation reserve	40,925	143,191	–	(1,492)	182,624
General funds	568,172	997,611	(961,836)	1,492	605,439
Total unrestricted funds	669,097	1,140,802	(961,836)	–	848,063
Total funds	718,650	1,184,440	(1,047,415)	–	855,675

Purposes of restricted funds

The Outreach donations fund is for the provision of street outreach services which assess the risks and supports the needs of those sleeping on the streets.

The Key Scheme+ fund is an initiative to support service users to access private lettings through selecting landlords, property and tenancy inspections and continuing support of the individual.

SBC – Day Centre fund is to support the work of our drop-in day centre.

Prolific and priority offenders is a fund to work with high risk offenders.

Services Manager and Team Leader funds are to support specific positions.

Outreach Workers funds are amounts received to support the work of our Outreach programme.

The PAW grant is funds received to support a Positive Activities Worker post.

Designated IT reserve fund

This fund was created this year to cover future replacement costs of all IT hardware and associate software following the need to replace the server and backup provision for the business.

Designated major repair reserve

A transfer of 3% of gross rents from owned and managed properties is made from general funds to the repair fund each year up to a cap of £50,000. Any major repairs will be charged to the repair fund.

Revaluation reserve

This represents the difference between the revalued amount of the freehold property and the value under the historic cost basis. The transfer represents the balance required to correct the amount held for movements in the year.

Notes to the financial statements

For the year ended 31 March 2016

17 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2016 £	2015 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(6,166)	51,802
Depreciation charges	17,973	17,731
Dividends, interest and rent from investments	(2,963)	(548)
Decrease in debtors	5,039	792
Increase/(decrease) in creditors excluding loans and overdraft	(35,542)	1,379
Net cash provided by / (used in) operating activities	(21,659)	71,156

18 Analysis of cash and cash equivalents

	At 1 April 2015 £	Cash flows £	Other changes £	At 31 March 2016 £
Cash at bank and in hand	380,353	(47,788)	-	332,565
Total cash and cash equivalents	380,353	(47,788)	-	332,565

19 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2016 £	2015 £
Less than one year	106,911	95,816
One to five years	-	8,348
	106,911	104,164

The majority of property leased by the company is on a rolling 12 months lease and so there is no outstanding obligation at the year end.

20 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

21 Post balance sheet event

The charity has ended the provision of substance misuse services post year end and vacated premises at Mirreller House on 1 September 2016. The trustees estimate the impact of this on the charity is an annual saving of £38,000 per annum.