

Threshold Housing Link

Report and financial statements

Financial Year ending 31 March 2017

Contents

For the year ended 31 March 2017

Contents	Pages
Reference and administrative details	1
Trustees' annual report	2
Independent auditor's report	14
Statement of financial activities (incorporating an income and expenditure account)	17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20

Reference and administrative details

For the year ended 31 March 2017

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:
	Jeremy Rice
	Michael O'Shea
	Lindsey Cattelain
	(appointed 1 st June 2016)
	Stephen Davies
	(appointed 13 th October 2016, resigned 24 th April 2017)
	David McLurgh
	(appointed 13 th December 2016, resigned 23 rd July 2017)
	Bryan Saunders
	(appointed 1 st March 2017)
	David Price
	(resigned 1 st June 2016)
	Annie Anderson
	(appointed 24 th April 2017)
Key Management Personnel	Cher Sawyer Smith
	Chief Executive (resigned 9 th May 2016)
	Graeme Willis
	Chief Executive (appointed 1 st December 2016)

These dates reflect meeting dates and may not be in line with those in the public domain.

Bankers	Co-Operative Bank PO Box 250 SKELMERSDALE WN8 6WT
Legal Advisors	Peninsula Business Services The Peninsula 2 Cheetham Hill Road MANCHESTER M4 4FB
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane LONDON EC1Y 0TL

Threshold Housing Link

Trustees' annual report

For the year ended 31 March 2017

The trustees present their report and the audited financial statements for the year ended 31 March 2017.

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. In any event of the company needing to be wound up members are required to contribute an amount not exceeding £10. There are 25 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 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

Threshold Housing Link

Trustees' annual report

For the year ended 31 March 2017

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.

The board meets bi 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.

At the AGM in 2016 David Price resigned as chairperson to the board of trustees and Jeremy Rice was elected as chairperson by the board of trustees with effect from 1st June 2016. The current number of members on the board of trustees stands at five. 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.

Organisational Structure and Decision Making

The overall responsibility for the charity rests with the Board of Trustees, who are appointed as directors of the charitable company. The Trustees who served during the year and up to the date of this report are listed above. Authority from the Trustees is delegated to the Chief Executive Officer, who is also the company secretary, and is responsible for the day to day running of the charity.

Remuneration of key management personnel is set by the trustees after considering the remuneration of equivalent staff at similar charitable organisations.

External relationships

The charity has funding relationships with Swindon Borough Council.

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 Housing and Aster.

The charity also maintains close collaborative and strategic links with other homelessness, health and social care organisations both within Swindon and nationally.

Risk Management

The charity is aware of non-financial risks presented by events and their outcomes that may have a significant effect on:

- Operational Performance
- Achievement of aims and objectives
- Meeting expectations of stakeholders

For the year ended 31 March 2017

The charity's activities are subject to a variety of regulatory and legal compliance issues and as such the organisation has considered those major risks to which it is exposed and maintains a comprehensive risk register which is regularly reviewed and systems have been designed to mitigate those risks. Regular reports are brought to the Board of Trustees.

All operational and building risk assessments are reviewed annually, with routine inspection being undertaken at frequent intervals. Specific staff members have been identified as having health and safety responsibilities. All monitoring requirements are adhered to, with reports being submitted to funders as per specific arrangements. A Business Continuity Plan is in place which cover eventualities such as fire, flooding, loss of use of buildings and pandemic situations effecting staff and residents.

Most of Threshold's income comes from property rents, service charges and statutory grants and most costs relate directly to service provision. Our fixed assets relate to ownership and management and lease agreements on accommodation. Our balance sheet reflects the value of these property assets but these funds are not available for general charitable expenditure. It is further recognised that these fixed assets generate periodic maintenance and repair costs for the charity.

The level of service provided by Threshold mainly corresponds to the level of grant funding and as such the charity does not expect to be able to operate independently of statutory funding in its current form. The retendering of Adult Homelessness Services by Swindon Borough Council in March 2018 poses a major challenge to the organisation. The organisation has responded to this by improving staff training, introducing a new support and rental monitoring system and adopting a psychologically informed approach. A greater emphasis has also been placed on fundraising and increasing our donor and supporter base and a new fundraising strategy is being developed for 2017-18.

There is a notice period built into each funding agreement which allows us to wind down services. This serves as protection against Threshold becoming insolvent. In addition, insurance provides cover against the inability to provide services due to damage to buildings, etc. The risks to service charge income is covered by a cautious estimate of occupancy level and bad debts in each year's budget and considerable work has been undertaken to reduce voids. Management accounts, cash flow forecasts and budget variances are regularly monitored and acted upon.

Objectives and Activities

Threshold Housing Link (established 1972) is a charity based in Swindon that actively tackles the issue of homelessness by providing 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.

For the year ended 31 March 2017

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 assisted over 350 people during the period of this report in our 7 hostels and over 900 people through our 2 tertiary services, Street Outreach and a rent management scheme, KeyScheme+ (which Threshold ceased to operate in May 2017).

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, 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.

All residents undergo a needs assessments 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.

Our Purpose and Objectives

The charity's purposes as set out in the objects contained in the Company's Memorandum and Articles of Association
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 12 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.

Threshold Housing Link

Trustees' annual report

For the year ended 31 March 2017

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:

- 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 1st 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 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.

Rough Sleeping

We have continued to see a rise in the number of people sleeping rough both nationally and locally. 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 will become and the more costly to resolve once they get help.

Funded by Threshold's own free reserves, a grant from Swindon Borough Council, 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 154 clients were registered as rough sleepers at some point during 2016-17. 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 and 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 concerns and safeguarding applications.

Direct Access

Our provision for single homeless men at Culver Court continues to see heavy demand for the 20 beds. Considerable work has been undertaken in developing staff's skills in the provision of services to those suffering from complex trauma. Many of the residents have multiple needs relating to substance and alcohol use, severe and enduring poor mental

Threshold Housing Link

Trustees' annual report

For the year ended 31 March 2017

health and issues raised through childhood neglect and abuse. A psychologically informed approach is being developed to better meet the needs of both staff and residents in delivering the first stage of the resettlement process

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. 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. Due to lack of funding, this project ceased on 1st September 2016 as a substance misuse project and has become part of our 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. The project is funded by the accommodation fees charged, Support Grant, donations and Threshold's own fundraising efforts. Due to changes in the local authorities tendering process this scheme will close on 31st September 2017.

Resettlement Move-On Projects

Threshold operates 5 houses with effect from 1st September 2016 as 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.

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 and Threshold has adopted this approach over the last three years. The "Inform" support, risk and rent management system was introduced into the organisation in August 2017 enabling better monitoring, reporting and analysis of data.

For the year ended 31 March 2017

Social Work students, seconded to Threshold for their community learning placements, 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

The past year has been challenging for the team with the closure of a number of services due to limited resources, grant cuts and constant insecurities of funding however the organisation is now on a sound footing and staff should be congratulated for their valiant efforts and determination to succeed with the planned objectives. Thanks goes to all those who helped achieve these goals. Initiatives have been aided by sound internal financial management.

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.

Incoming resources from our charitable activities amounted to generating £1,006,405 and was available for operating the accommodation and other related services for single homeless people. Resources expended to operate those services amounted to £994,674 with a net surplus of £11,731

Principal Funding Sources

Our main funder is Swindon Borough Council through the payment of Housing Benefit and the Support Grant. Aside from the income generated by the fees charged for the supported accommodation (£541,629) and the Support Grant (£394,624) we also received grant awards to support the work of the Street Outreach Team (£20,683- SBC) and the Day Centre operations (£6,075 – SBC). Extra fundraising activities generated a total of £26,954 in donations and gifts. Part of the donations were from the following:

- Sleepout £6,324
- Nationwide £2,455
- Filing Station £1,500
- Co-op £1,084
- Christmas Care £1,000
- Asda Foundation £500
- Network Rail £505
- NCS £600
- Parish of New Town £290
- Energym £225
- Moveahome £200

and many generous members of the public.

Principal resources expended

As of the 31 March 2017 we employed 29 contracted employees (23 full time: 6 part time) and this is the greatest overall expenditure at £670,506 Administration and organisational support costs amounted to £196,713. 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 £9,567 (1%) of resources expended.

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

Threshold currently has unrestricted free reserves, being the net balance of current unrestricted assets and liabilities, of £265,146 and holds property with a net book value of £708,857.

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

Threshold Housing Link

Trustees' annual report

For the year ended 31 March 2017

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.

Plans for the Future

- To strengthen our partnership and joint working capabilities through developing initiatives that will not only lever in funding but provide holistic approaches to support single homeless people. Recent meetings with other services have identified a gap in the provision for women in crisis, daycentre provision and additional resettlement accommodation 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 will be a concerted campaign to attract people from these diverse groups 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 mentors, skills exchange and awareness raising. To broaden our base of grant giving bodies and continue to apply for grant funding for key posts and developments and to widen our "friends and supporters" network.
- Our new CEO Graeme Willis joined us on 1st December 2016 and our Business Manager Michael Keenan started on the 12th June 17. As a result we now have a strong Senior Management Team that are developing and moving the charity forward.
- Using social media and digital marketing effectively to gain more support, raise awareness and ultimately raise more funds of the charity.
- Benchmarking against our competitors had not been carried out for a number of years and was carried out during 2017. Whilst salary levels had not risen in a number of years they were still well within the median range
- As part of the wider development of the organisation 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).

Trustees' annual report

For the year ended 31 March 2017

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:

- 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 auditor is 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 auditor is 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.

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 trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Threshold Housing Link

Trustees' annual report

For the year ended 31 March 2017

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 18 December 2017 and signed on their behalf by

Name: Jeremy Rice

Title: Chairperson

Independent auditor's report

To the members of

Threshold Housing Link

Opinion

We have audited the financial statements of Threshold Housing Link (the 'charitable company') for the year ended 31 March 2017 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

Independent auditor's report

To the members of

Threshold Housing Link

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

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

Responsibilities of trustees

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, and for such internal control as the trustees determine 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 trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report

To the members of

Threshold Housing Link

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Jonathan Orchard (Senior statutory auditor)

21 December 2017

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

	Note	Unrestricted £	Restricted £	2017 Total £	Unrestricted £	Restricted £	2016 Total £
Income from:							
Donations and legacies	2	27,589	5,000	32,589	14,026	–	14,026
Charitable activities							
Supported accommodation	3	936,253	26,758	963,011	955,127	43,638	998,765
Other trading activities	4	7,931	–	7,931	25,495	–	25,495
Investments		2,874	–	2,874	2,963	–	2,963
Total income		974,647	31,758	1,006,405	997,611	43,638	1,041,249
Expenditure on:							
Raising funds	5	2,493	–	2,493	3,220	–	3,220
Charitable activities							
Supported accommodation	5	959,708	32,473	992,181	958,616	85,579	1,044,195
Total expenditure		962,201	32,473	994,674	961,836	85,579	1,047,415
Net income / (expenditure) for the year	6	12,446	(715)	11,731	35,775	(41,941)	(6,166)
Transfers between funds		1,897	(1,897)	–	–	–	–
Net income / (expenditure) before other recognised gains and losses		14,343	(2,612)	11,731	35,775	(41,941)	(6,166)
Gains on revaluation of fixed assets		50,138	–	50,138	143,191	–	143,191
Net movement in funds		64,481	(2,612)	61,869	178,966	(41,941)	137,025
Reconciliation of funds:							
Total funds brought forward		848,063	7,612	855,675	669,097	49,553	718,650
Total funds carried forward		912,544	5,000	917,544	848,063	7,612	855,675

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 16a to the financial statements.

Balance sheet

Company no. 1926938

As at 31 March 2017

	Note	2017 £	2016 £
Fixed assets:			
Tangible assets	11	719,337	688,197
		719,337	688,197
Current assets:			
Debtors	12	53,049	66,021
Cash at bank and in hand		383,619	332,565
		436,668	398,586
Liabilities:			
Creditors: amounts falling due within one year	13	(106,522)	(79,817)
		330,146	318,769
Total assets less current liabilities		1,049,483	1,006,966
Creditors: amounts falling due after one year	14	(131,939)	(151,291)
		917,544	855,675
Total net assets		917,544	855,675
 The funds of the charity:	 16a		
Restricted income funds		5,000	7,612
Unrestricted income funds:			
Designated funds		60,000	60,000
Revaluation reserve		238,414	182,624
General funds		614,130	605,439
Total unrestricted funds		912,544	848,063
Total charity funds		917,544	855,675

Approved by the trustees on 18 December 2017 and signed on their behalf by

Jeremy Rice
Chairperson

Statement of cash flows

For the year ended 31 March 2017

	Note	2017 £	2016 £
Cash flows from operating activities	17		
Net cash provided by / (used in) operating activities		72,935	(21,659)
Cash flows from investing activities:			
Dividends, interest and rents from investments		2,874	2,963
Purchase of fixed assets		(5,622)	(11,313)
Net cash used in investing activities		(2,748)	(8,350)
Cash flows from financing activities:			
Repayments of borrowing		(19,133)	(17,779)
Net cash used in financing activities		(19,133)	(17,779)
Change in cash and cash equivalents in the year		51,054	(47,788)
Cash and cash equivalents at the beginning of the year		332,565	380,353
Cash and cash equivalents at the end of the year	18	<u>383,619</u>	<u>332,565</u>

1 Accounting policies

a) Statutory information

Threshold Housing Link is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is 1 John Street, SWINDON, SN1 1RT.

b) 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) (September 2015) 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.

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.

o) Financial instruments

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 £	2017 total £	2016 Total £
Donations and gifts	26,954	–	26,954	13,875
Membership fees	635	–	635	151
	<hr/>	<hr/>	<hr/>	<hr/>
	27,589	–	27,589	14,026
	<hr/>	<hr/>	<hr/>	<hr/>

3 Income from charitable activities

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Fees from residents	541,629	–	541,629	560,497
Swindon Borough Council				
Supporting People grant	394,624	–	394,624	394,630
Outreach workers	–	20,683	20,683	19,366
Day centre	–	6,075	6,075	9,272
Prolific and Priority Offender scheme	–	–	–	15,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total income from charitable activities	936,253	26,758	963,011	998,765
	<hr/>	<hr/>	<hr/>	<hr/>

4 Income from other trading activities

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Sleepout	7,171	–	7,171	8,619
Student placement charges	–	–	–	4,200
Miscellaneous income	760	–	760	12,676
	<hr/>	<hr/>	<hr/>	<hr/>
	7,931	–	7,931	25,495
	<hr/>	<hr/>	<hr/>	<hr/>

5 Analysis of expenditure

	Cost of raising funds £	Supported accommodation £	Governance costs £	Support costs £	2017 Total £	2016 Total £
Staff costs (Note 7)	–	547,552	–	122,954	670,506	693,191
Housing association charges	–	95,282	–	–	95,282	105,607
Rates, council tax and water	–	–	–	14,463	14,463	13,353
Light and heat	–	–	–	34,550	34,550	30,464
Repairs and maintenance	–	19,656	–	–	19,656	14,244
Bad debts	–	13,778	–	–	13,778	3,238
Insurance	–	13,737	–	–	13,737	14,996
Other premises costs	–	7,595	–	6,725	14,320	16,568
Staff recruitment, training and tra	–	11,115	–	5,824	16,939	24,160
Food and catering	–	21,770	–	–	21,770	22,592
Depreciation	–	24,620	–	–	24,620	17,973
Fundraising events	430	–	–	–	430	723
Student placement expenses	–	–	–	–	–	2,100
Mortgage interest	–	4,849	–	–	4,849	6,203
Legal and professional fees	–	–	1,200	–	1,200	16,415
Auditors' remuneration	–	–	8,367	–	8,367	13,342
Trustee indemnity insurance and other costs	–	–	–	197	197	319
Rent	–	–	–	12,000	12,000	12,105
Telephone, fax and internet	–	14,110	–	–	14,110	11,823
Printing, postage and stationery	–	3,068	–	–	3,068	1,521
Computer and website costs	–	5,540	–	–	5,540	9,301
Subscriptions	–	1,380	–	–	1,380	70
Bank charges	–	657	–	–	657	545
Sundry expenses	–	3,255	–	–	3,255	16,562
	430	787,964	9,567	196,713	994,674	1,047,415
Support costs	1,967	194,746	–	(196,713)	–	–
Governance costs	96	9,471	(9,567)	–	–	–
Total expenditure 2017	2,493	992,181	–	–	994,674	1,047,415
Total expenditure 2016	3,220	1,044,195	–	–	1,047,415	

Of the total expenditure, £942,462 was unrestricted (2016: £978,397) and £34,370 was restricted (2016: £85,579).

Notes to the financial statements

For the year ended 31 March 2017

6 Net income / (expenditure) for the year

This is stated after charging:

	2017 £	2016 £
Depreciation	24,620	17,973
Interest payable	4,849	6,000
Operating lease rentals:		
Property	105,821	113,852
Auditors' remuneration (excluding VAT):		
Audit	7,700	7,600
Under accrual for prior year	-	600
Other services	1,300	1,200
	<hr/>	<hr/>

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

Staff costs were as follows:

	2017 £	2016 £
Salaries and wages	619,229	636,424
Social security costs	51,277	56,454
Employer's contribution to defined contribution pension schemes	-	313
	<hr/>	<hr/>
	670,506	693,191
	<hr/>	<hr/>

No employee earned more than £60,000 during the year (2016: nil).

The total employee benefits including pension contributions of the key management personnel were £80,841 (2016: £89,330).

Other than as disclosed below, the charity trustees were not paid or received any other benefits from employment with the charity in the year (2016: £nil). No charity trustee received payment for professional or other services supplied to the charity (2016: £nil).

No trustees were paid or received any other benefits from employment with the charity in the year (2016: £2,669), or received payment for professional or other services supplied to the charity (2016: £nil), or received any reimbursement of expenses (2016: nil).

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 29 (2016: 33).

9 Related party transactions

There are no related party transactions to disclose for 2017 (2016: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties (2016: none).

Notes to the financial statements

For the year ended 31 March 2017

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	706,280	23,435	135,170	5,499	83,942	954,326
Additions in year	–	–	2,628	–	2,994	5,622
Revaluations in the year	13,720	–	–	–	–	13,720
At the end of the year	720,000	23,435	137,798	5,499	86,936	973,668
Depreciation						
At the start of the year	29,719	20,895	134,486	5,499	75,530	266,129
Charge for the year	17,842	1,693	793	–	4,292	24,620
Eliminated on revaluation	(36,418)	–	–	–	–	(36,418)
At the end of the year	11,143	22,588	135,279	5,499	79,822	254,331
Net book value						
At the end of the year	708,857	847	2,519	–	7,114	719,337
At the start of the year	676,561	2,540	684	–	8,412	688,197

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 was revalued by Butfield Ltd for March 2017 and has been revalued in the current year.

The net book value of all freehold property on an historic cost basis is £481,585 (2016: £493,937).

All of the above assets are used for charitable purposes.

12 Debtors

	2017 £	2016 £
Trade debtors	42,600	52,692
Other debtors	1,151	2,541
Prepayments and accrued income	9,298	10,788
	53,049	66,021

Notes to the financial statements

For the year ended 31 March 2017

13 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans	19,301	19,082
Trade creditors	566	3,227
Taxation and social security	11,855	15,120
Other creditors	(150)	(270)
Accruals and deferred income	74,950	42,658
	<hr/>	<hr/>
	106,522	79,817
	<hr/>	<hr/>

14 Creditors: amounts falling due after one year

	2017 £	2016 £
Bank loans due in 1 – 2 years	19,841	19,584
Bank loans due in 2 – 5 years	64,779	61,910
Bank loans due in over 5 years	47,319	69,797
	<hr/>	<hr/>
	131,939	151,291
	<hr/>	<hr/>

Bank loans totalling £151,240 (2016: £170,373) are secured against The Old Apple Yard and 10 Bronte Close.

15a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Revaluation reserve £	Restricted £	Total funds £
Tangible fixed assets	480,923	–	238,414	–	719,337
Net current assets	265,146	60,000	–	5,000	330,146
Long term liabilities	(131,939)	–	–	–	(131,939)
Net assets at 31 March 2017	614,130	60,000	238,414	5,000	917,544
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

15b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Revaluation reserve £	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 31 March 2016	605,439	60,000	182,624	7,612	855,675
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

16a Movements in funds (current year)

	At 1 April 2016 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2017 £
Restricted funds:					
Key Scheme +	2,456	–	(2,456)	–	–
SBC – day centre	1,588	6,075	(5,766)	(1,897)	–
Outreach workers	–	20,683	(20,683)	–	–
Nationwide van	–	5,000	–	–	5,000
PAW grant	3,568	–	(3,568)	–	–
Total restricted funds	7,612	31,758	(32,473)	(1,897)	5,000
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	182,624	50,138	–	5,652	238,414
General funds	605,439	974,647	(962,201)	(3,755)	614,130
Total unrestricted funds	848,063	1,024,785	(962,201)	1,897	912,544
Total funds	855,675	1,056,543	(994,674)	–	917,544

16b Movements in funds (prior year)

	At 1 April 2015 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2016 £
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

16 Movements in funds (continued)**Purposes of restricted funds**

- 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.
- Nationwide van funds are amounts received for the purchase of a new van.
- The PAW grant is funds received to support a Positive Activities Worker post.
- 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.
- Services Manager and Team Leader funds are to support specific positions.

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.

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

	2017	2016
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	11,731	(6,166)
Depreciation charges	24,620	17,973
Dividends and interest from investments	(2,874)	(2,963)
Decrease in debtors	12,972	5,039
Increase in creditors excluding loans and overdraft	26,486	3,823
Net cash provided by operating activities	72,935	17,706

18 Analysis of cash and cash equivalents

	At 1 April 2016 £	Cash flows £	Other changes £	At 31 March 2017 £
Cash at bank and in hand	332,565	–	–	332,565
Total cash and cash equivalents	332,565	–	–	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	
	2017 £	2016 £
Less than one year	92,709	106,911
	92,709	106,911

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

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 £10.