

Annual Report and Financial Statements 1 April 2017-31 March 2018



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Thames Reach Charity

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Annual Report

REFERENCE AND ADMINISTRATIVE DETAILS

Introduction

Thames Reach Charity, operating as Thames Reach, is a charity registered in England and Wales number 1166311 and a company limited by guarantee number 10098652. Thames Reach is a member of the National Housing Federation, currently operating under the National Housing Federation Model Rules 1997.

The objects of the Association, as described in the Model Rules, shall be 'to carry on for the benefit of the community the business of providing housing, accommodation and assistance to help house people and associated facilities and amenities for poor people'.

Our principal address and registered office is: Employment Academy, 29 Peckham Road, London, SE5 8UA.

Details of the members of the Board are given on pages 17-18.

The Senior Management Team (SMT) consists of:

Jeremy Swain, Chief Executive (Bill Tidnam appointed 1 July 2018*)

Christine Smith-Gillespie, Director of Finance and Central Services (Paul Jackson appointed 1 August 2018)

Bill Tidnam, Director of Operations (Catherine Parsons appointed 1 August 2018*)

*Bill Tidnam and Catherine Parsons were appointed to their respective roles on a temporary basis to cover Jeremy Swain's secondment to the Ministry of Housing, Communities and Local Government (MHCLG).

Bankers and Auditor

Bankers: National Westminster Bank plc
Lambeth North Branch
PO Box 7929
91 Westminster Bridge Road
London SE1 7ZB

Barclays Bank plc
PO Box 35721
London E14 4WA

Auditor: Moore Stephens LLP
150 Aldersgate Street
London
EC1A 4AB

OBJECTIVES AND ACTIVITIES

Our Vision

The vision of the organisation is to end street homelessness.

Our Mission

The organisation's mission is to assist homeless and vulnerable men and women to find decent homes, build supportive relationships and lead fulfilling lives.

Statement of Purpose

Thames Reach supports homeless and former homeless people and others who, although they have not been homeless in the past, require assistance and interventions to sustain themselves in accommodation and to improve the quality of their life. The organisation specialises in helping people with complex and multiple problems, including those associated with poor mental health and substance misuse. It manages a range of services, including street outreach, frontline hostels, day services, specialist supported housing for people with substance misuse and mental health problems, tenancy support services, health initiatives and a range of employment, training and education schemes and programmes.

Public Benefit

We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. The trustees believe there is a clear public benefit derived from the activities of the Charity in their work assisting homeless and vulnerable men and women to find decent homes, build supportive relationships and lead fulfilling lives.

Prevention and Partnerships

Thames Reach's frontline services, such as street outreach, hostels and drop-in advice services are at the heart of the organisation, effectively ameliorating rough sleeping by directly assisting people to move, and remain, off the street. Thames Reach also offers a range of services, including tenancy support, geared around prevention: that is, helping people to sustain accommodation and develop new skills so they can avoid drifting into a downward spiral of homelessness characterised by destructive moves into poorer and less stable accommodation.

Thames Reach works to achieve its vision of ending street homelessness through effective partnerships and actively addresses unmet need. We seek collaborative ways of working with, amongst others, voluntary sector organisations, central and local government, the business sector, the police, ambulance services and the fire brigade, GPs and other health specialists, supportive individuals and local communities.

Ethos and Values

Thames Reach strives to bring its ethos and values alive so that they are widely understood and inspire and drive the work of the organisation. The following statements of the organisation's ethos and values are discussed at induction sessions for new staff, as well as in workshops and debates and are a reference point for organisational policies, strategies and the development of new initiatives:

1. Never giving up on people

We believe that the effects of homelessness and social exclusion are a great injustice and that the road to recovery can often be long and painful. We are committed to never giving up on people, no matter how complex, chaotic and challenging they may be.

2. Highest aspirations, expectations and respect for service users

We are passionate about our belief that people can make real and lasting changes in their lives. We have the highest aspirations, expectations and respect for our service users and will never be indifferent to their individual needs.

3. Staff: compassion, integrity, professionalism and commitment

Thames Reach's staff are characterised by their compassion, integrity, professionalism and commitment. In return, unstinting support will be given to staff making decisions in the best interest of service users, trusting in their ability to work autonomously.

4. Integrity of the whole

The success of Thames Reach depends on the integrity of the whole body. We believe passionately in achieving trust and mutual respect between the different parts of the organisation to accomplish this objective.

5. Generous partnerships

Our aims can only be achieved by working in partnership with others; we know we do not have all the solutions. We generously give time, resources and expertise to others if the ultimate outcome gets us closer to achieving our vision and mission.

6. Open-mindedness

We are renowned for our open-mindedness, creativity, flexibility and refusal to allow rigid, dogmatic approaches to reduce effectiveness or inhibit actions.

7. We tell it as it is

Our strength lies in knowing what is happening on the ground and we use this knowledge to make an impact at the highest level, especially by giving our service users the chance to speak directly to those with influence and power. We always 'tell it as it is', presenting information and delivering our messages with integrity and honesty.

Thames Reach's service users

Thames Reach works with three distinctive groups of people:

- People who have a long-term relationship with the organisation that involves a needs assessment and a support plan.
- People who seek advice and support around specific issues, which usually requires a brief intervention but not long-term involvement from Thames Reach.
- People assisted as part of a broader engagement with services operating in partnership with Thames Reach.

Thames Reach works with a full-range of needs but in terms of our own organisational focus we are committed to supporting men and women with complex and multiple needs. Where a long-term relationship is appropriate, our approach focuses on providing a personalised service to each individual with a support plan and an emphasis on recovery and change, using techniques such as mindfulness and the development of Psychologically Informed Environments (PIEs).

Staff

Thames Reach has a highly committed and skilled work force and a clear progression route through the organisation for people who wish to pursue a career in an organisation working with homeless and excluded people. Many people join Thames Reach as volunteers, trainees and apprentices and move into more senior positions over time. Thames Reach's workforce is distinctive in that 23% of the workforce (63 individuals) are themselves former users of services and, as such, are powerful role models who can inspire others to make progress away from homelessness and social exclusion.



Services

Thames Reach offers a range of services including supported accommodation to homeless people, those at risk of homelessness and other vulnerable people in need of assistance, particularly those with multiple and complex needs.

Rough sleepers' services

We manage a number of services for rough sleepers and those involved in a street lifestyle, working directly with rough sleepers every night of the year on the streets of the capital. Our London Street Rescue team provides a service across 14 London boroughs and at Heathrow Airport. Some boroughs with a particularly large number of rough sleepers commission their own bespoke services and Thames Reach has a borough-specific team operating in Croydon and enhanced services in Newham and Haringey. Thames Reach's STAR team delivers face-to-face support to people with complex needs, including those in rough sleeping hotspots.

Day services

Thames Reach manages three distinctive day services:

The Employment Academy in Camberwell offers a range of services designed to help the long-term workless, especially those from Southwark and Lambeth, to find and retain work.

In Hackney, we manage the Greenhouse service in collaboration with Hackney Council and NHS North East London and the City. This community resource addresses the housing, employment and health-related needs of socially excluded people in the borough. The Single Homeless Hub that operates from within the Greenhouse brings together staff from the Hackney Act services, working with single people in the borough to prevent homelessness by helping people retain accommodation, or by accessing alternative housing.

In Camden, the Spectrum Centre works with socially excluded people from the borough, notably those with substance misuse issues who have experienced periods of rough sleeping.

Accommodation

Thames Reach manages different kinds of accommodation on behalf of Registered Providers (RPs), including high-support frontline hostels, specialist supported housing for people with mental health and substance misuse issues and self-contained flats for people who have been homeless, or are at risk of becoming homeless. The total number of units of accommodation managed by the organisation in partnership with RSLs as at 31 March 2018 was 368. These were situated in seven different boroughs.

In addition to these schemes, we manage 29 bed-spaces in seven properties leased to Thames Reach which form the Peer Landlord London scheme and have purchased eleven self-contained flats as part of an initiative called Brokerage and Resettlement in Lambeth (BRiL) for people moving on from long-term institutional care. 20 flats in total will eventually be occupied under the BRiL initiative.

Thames Reach also provides flexible and responsive tenancy support, often referred to as floating support, to over 1,350 vulnerable people living in their own accommodation across a number of London boroughs. As well as helping prevent homelessness, by helping tenants to develop strong support networks, improve independent living skills, increase confidence and find work, these services also help people rebuild their lives after a period of street homelessness.

Employment and skills services

Our employment and skills services are responsible for ensuring that all Thames Reach service delivery teams can support their service users to develop the skills that they need to manage their lives and to progress towards employment. The work includes direct support to service users to build their skills and confidence, training for staff and service users and the forming of partnerships with external bodies including accommodation providers and employers.

There are a number of services that contribute to achieving our employment outcomes based at the Employment Academy in Camberwell, south London, including the Thames Reach Volunteering and Employment for Life (TRaVEL) programme, which is often the first step for people on the journey towards employment. The Moving In Moving On (MIMO) painting and decorating course is an entry-level programme that forms a strong base from which those completing it can move onto accredited training, while other programmes operating from the Employment Academy, such as Step Up, are designed to assist people already in work to increase their skills and employability. A vast range of partner organisations assist the employment and skills service, including the National Theatre, Cardboard Citizens, and also McKinsey, who jointly manage the Work Ready Programme, through which participants follow an intensive programme of personal development and skills improvement involving direct engagement with prospective employers.

Health services

Many homeless people have significant health problems and do not always access the services that they need to help them manage their health and stay well. Thames Reach provides a range of services, mostly in collaboration with other organisations and bodies which complement our work, designed to help vulnerable and excluded people to manage and improve their health, with a focus on maximising their choice and control over the services they receive.

A key development in the year has been the move towards a Living Well Alliance in Lambeth, which draws together the whole range of mental health services for working age adults in the borough. The Alliance brings together the same partners who have collaborated to deliver the successful Integrated

Personalised Support Alliance (IPSA) – Thames Reach with the Lambeth Clinical Commissioning Group, the South London and Maudsley NHS Mental Health Trust (SLaM), Certitude (a charity supporting people with learning disabilities and mental health needs) and social care within Lambeth Council – and uses the principles of collaboration to develop and improve services with the aim of promoting recovery and helping people stay well, to make their own choices, and to participate in daily life. Thames Reach staff support the Alliance by providing social support that helps people manage their mental health better, as well as help in finding and keeping accommodation that can help people move on with their lives after a period of illness.

In the course of the year we have participated in a process of design aimed at ensuring that people can get the help they need when they need it, that we make the most effective use of clinicians, and reduce reliance on crisis services.

Rents

In 2017-2018 the average rent in accommodation managed by Thames Reach was £103.09 (2016-2017: £98.37) per week, excluding personal and service charges.

Business Plan 2016-19

Background to the Business Plan

The Business Plan was developed in consultation with staff at all levels in the organisation, service users and Board members and sets out the strategic direction of Thames Reach. It establishes the key objectives the organisation is seeking to achieve as it strives to fulfil its mission and vision. We produce an annual work programme to deliver the Business Plan objectives, agreed by the Board of trustees and reviewed annually. Responsibility for ensuring that Business Plan objectives are achieved is devolved to the Senior Management Team (SMT) and each department, service and team work-plan contributes towards this goal.

Thames Reach's business priorities for 2016-19 focus on:

- Core business areas where we have a strong track record in delivery
- Illustrating and consolidating the distinctiveness of our service offer
- Achieving a replicable delivery model that avoids becoming overly complex
- Being cost effective without risking our reputation for delivering quality services
- Working in partnership where it can be demonstrated that the partnership enhances the service offer and does not create organisational inefficiencies
- Identifying new areas of unmet need, in response to which we will provide effective solutions.

The Business Plan is structured around four core areas where Thames Reach currently provides services and seeks to develop more projects and programmes during the period of the Business Plan:

1. Services for the multiply disadvantaged
2. Specialist health interventions
3. Community-based employment support
4. Preventative housing interventions.

More information on the 2016-19 Business Plan can be found at:
www.thamesreach.org.uk/about-us/research-reports/reporting

Delivering the Business Plan objectives: Progress in Year 2

1. Services for the multiply disadvantaged

This Business Plan theme focuses on:

- Responsive street outreach services
- Hostels that can maintain complex individuals and help them address the underlying issues that have led to their homelessness
- Specialist accommodation for people with drug, alcohol and mental health needs
- Tenancy sustainment services for people with wide-ranging needs and chaotic lifestyles.

Street outreach services

Thames Reach has continued to develop its highly effective street outreach services. During 2017-18 our outreach teams helped 924 individuals to move off the streets after a period of rough sleeping. Our London Street Rescue services operates across 14 London boroughs and at Heathrow airport. During the year we were funded to provide enhanced outreach services in the boroughs of Haringey and Newham, and we expanded our outreach services to work on London's night public transport systems.

In September we set up two new services, both funded by the Greater London Authority:

Safe Connections works across London to help rough sleepers without a local connection find suitable accommodation. In some cases this will involve advocacy to help them exercise their statutory rights to access housing and treatment where they do have a connection, and in others it may involve identifying suitable housing options in new areas.

The Rough Sleeping Social Impact Bond service works with an identified group of 175 of the most entrenched rough sleepers across London, with the aim of helping them into sustained settled accommodation, mental health and substance misuse treatment, as well as training, volunteering and employment. The service is funded on a 100% payment by results basis, and we are working with social investors to provide the capital to support the service until payments are received. While this approach means that Thames Reach is taking on additional risk around the successful delivery of outcomes, we have a great deal of freedom to work flexibly to achieve results with complex individuals.

In the course of the year we successfully bid to deliver an expanded service for people sleeping rough in the London Borough of Croydon. This service builds on the previous service that we ran in the borough, and brings together the core outreach and resettlement service with the support that we provide for non-commissioned services and our hospital discharge service in the borough.

Hostels for homeless people with complex needs

Thames Reach manages hostels and supported for rough sleepers and other homeless people across London. We constantly seek to improve both the physical design of the buildings and the service that we provide to residents in response to changing needs and challenges.

The year has seen a significant refurbishment of our 42 bed Robertson Street hostel in Lambeth, with the aim of improving our ability to support people to move on, to provide better facilities for people needing personal care, and to improve the hostels systems and communal spaces. This work was

funded by the Greater London Authority through the Homelessness Change Programme, which was channelled through the owning housing association, PA Housing, and topped up by a generous grant from a family trust. The total cost of the project was around £1.8 million.

This was a complex piece of work that involved moving residents on from half the hostel, carrying out the refurbishment in those rooms and then moving the remaining residents into the refurbished rooms to allow the work to be completed. The project was finished on schedule in February and residents are very happy with the improved facilities, which include en-suite bathrooms, resident kitchens and exercise spaces.

In the course of the year we have watched the construction of the 50 bed replacement for our Graham House Hostel in Lambeth. The new project will be known as Martha Jones House and is being built by developers for Places for People (who own Graham House), as part of the large scale redevelopment of the Vauxhall Cross area which will see the existing hostel demolished. The new scheme provides improved facilities and a greater range of accommodation, which will give greater flexibility to house people with a range of needs. We expect that the final move will now take place in early September.

Specialist accommodation

Our Thames Reach Greenwich project opened a new 12 bed scheme in Plumstead in January. This forms the assessment 'hub' for this 29 bed dispersed project which works closely with the Royal Borough of Greenwich, to house homeless people with support needs in the borough. After a short assessment period, residents can move on into their own accommodation, into other linked schemes in the project, or into other more suitable accommodation, or in some cases into drug or alcohol treatment. We're grateful to the owning housing association, L&Q, for their investment in refurbishing and adapting this former care home for its new role, for the support of Greenwich and funding from the MHCLG's Rough Sleeping Prevention Fund that has allowed us to provide the staffing necessary to manage the scheme.

In the course of the year we have increased the number of flats that we have bought to house people moving towards greater independence as part of our Brokerage and Resettlement in Lambeth (BRiL) project. The scheme continues to provide opportunities for people with long and complex mental health histories to successfully move on from expensive and restrictive registered care home settings, and to have much more control over where and how they live.

Other services such as Thames Reach Wandsworth and Thames Reach Sutton provide accommodation and support over a number of shared houses where support is provided in partnership with, for example, health specialists such as Community Mental Health Teams.

In Westminster and Southwark we manage supported accommodation with teams on site for people with mental health issues. In Lambeth we have a small project for homeless women who have a history of unsettled accommodation and complex support needs.

Tenancy support

Thames Reach continued to provide the GLA commissioned Tenancy Sustainment service which supports around 850 former rough sleepers in their own flats across South London. The service together with the accommodation, which is provided by a range of housing associations, provides a vital route away from the street and from hostels and temporary accommodation, and our staff provide support

first to help people take up accommodation, then to sustain it and move on with their lives, establishing contact with relevant health and treatment services and undertaking training and employment, before helping tenants to move on to greater independence when they are ready.

The year also saw the recommissioning of our floating support service in Brent. Challenges to the process meant that it was stopped and restarted on a number of occasions before we were finally successful in winning the contract to provide the 'generic' service in the borough. The new service is also known as Brent Reach, and while it has some staff and service users in common with the original service, it is primarily a new service for Thames Reach, with staff transferring into the organisation as part of a TUPE process. We bid for and deliver the service in partnership with EACH Housing and Support, and it has the capacity to work with up to 400 people in Brent to sustain their tenancies.

Fulfilling Lives initiative

Together with Certitude (the other delivery partner represented on the governing core strategic group), we have formed a partnership to deliver the Big Lottery funded 'Fulfilling Lives' partnership in the boroughs of Lambeth, Southwark and Lewisham, following the decision by the group to replace the previous provider. We have been involved in the partnership responsible for the delivery of this project since 2012. It involves the delivery of personalised support to people with a history of unsuccessful use of services. It seeks different and more effective ways of working with those who consume significant public resources (NHS, criminal justice, social care etc) but who continue to have very poor outcomes. Thames Reach has taken on responsibility for the service delivery aspects of the project, and existing staff TUPE'd into the organisation at the start of January.

We also continued to provide floating support to around 100 people affected by mental ill health in the London Borough of Sutton.



2. Specialist health interventions

Poor health is both a cause and consequence of homelessness and social exclusion and Thames Reach delivers a number of specialist health interventions, usually in partnership with other organisations and bodies. We seek to:

- Reach out to marginalised individuals to help them address a health issue such as diabetes or poor mental health.
- Deliver effective social and practical support in collaboration with clinical services where we provide the 'mortar' binding together the range of interventions
- Work with health colleagues to disrupt the revolving door scenario of repeat homelessness following the treatment of a health problem.

Lambeth Living Well Hub

In addition to the work around the development of a broader Living Well Alliance outlined above, Thames Reach has continued to make a significant contribution to the Lambeth Living Well Hub which brings together different teams and disciplines to collectively offer a new 'front door' or first point of access, for people needing mental health support in the London Borough of Lambeth. The partnership comprises: Thames Reach, Certitude, a charity supporting people with mental health issues and learning disabilities, the South London and Maudsley NHS Foundation Trust (SLaM), the London Borough of Lambeth and Lambeth Clinical Commissioning Group (CCG).

The Hub combines clinical specialists, support to GPs and practical, community-based assistance to address issues such as housing, money management, social connections and increasing skills. This holistic range of interventions aims to help people address their mental health issues at an early stage and by doing so reduce the disruptive impact that their illness has on their lives. Peer support offered by individuals who themselves have experienced using services for people with mental health issues is an essential part of the service model. The focus is on helping people to recover and stay well, have greater choice and control over the services they receive and to be able to lead their life on an equal footing with others.

The Hub is making a considerable contribution to a significant change in the delivery of services in Lambeth, shifting the system away from a low volume, high cost approach to patient care to a high volume, low cost response empowering people to access help earlier and on their terms. In 2017/18 the Hub saw an average of 518 people each month. Introductions came from GPs (57%), Police (11%), and self-introduction (10%), with others coming from a range of agencies. Most introductions were recorded as having a diagnosis of depression or 'low mood'.

Integrated Personalised Support Alliance (IPSA)

Commencing operation in April 2015, the IPSA provides a range of complementary support through an Alliance Rehabilitation Team comprising voluntary sector staff, social workers, nurses, occupational therapists and consultant psychiatrists. Support on offer includes medication support, talking therapies, practical assistance to resolve benefit issues, improve daily living skills and help to move into accommodation in the community. The IPSA assists people to develop effective support structures, enabling them to maintain themselves in the community, be less dependent on secondary care services and avoid admission to hospital. Peer supporters who have experienced using mental health services are an integral part of the package of support on offer.

During 2017-18 the IPSA continued to identify alternatives to in-patient admission to hospital (including the provision of accommodation through the BRiL project – see above) and reduce admission rates to rehabilitation wards. As part of the development of the larger Living Well Alliance, we are participating in the extension of this approach - which focuses on identifying the specific needs of individuals, identifying more suitable alternative housing and treatment options, and regularly reviewing placements to ensure that they are still suitable - to the broader group of people living in specialist housing in Lambeth.

3. Community-based employment support

For a number of years the organisation has given a high priority to helping people improve skills to maximise their chances of finding employment and participating on an equal footing in community life. Our focus has been on:

- Developing our Employment Academy in Camberwell, South London to meet the needs of the local community and specifically to help those people most distant from the job market to increase their skills, confidence and self-esteem
- Working in partnership with other voluntary sector organisations, business partners and local authorities to increase employability and reduce social isolation.

Employment Academy

The Employment Academy is a flagship employment hub in South London which helps the long-term unemployed, especially people living in Southwark and Lambeth, to find and sustain work. It is also a general community resource with space available for use by local groups and organisations and a vibrant café operates from the site, open to the wider community as well as users of the building.

Up to 1,800 people use the Employment Academy every month with a number of partner organisations offering services from the building including:

- PACT, which works with people affected by imprisonment and their families
- Toucan, an organisation supporting people with learning disabilities
- The Southwark Wellbeing Hub, managed by Together UK, which supports people with mental health issues to lead independent, fulfilling lives in the community
- Leonard Cheshire Disability, which assists people with disabilities through providing information, advice and guidance in areas such as benefits, mobility, housing and employment.

In addition, the building serves as the base for our employment and skills services, which are detailed above and which work in partnership to offer a wide range of services aimed at helping homeless people and those with little recent experience of work move towards and into employment, and to progress in employment, by providing information, advice and guidance, basic skills training, opportunities to volunteer, as well as help in finding and keeping work.

These include:

- iReach, a programme funded by the Worshipful Company of Information Technologists, which offers people with little or no computer skills the opportunity to learn at their own pace. Each session involves tailored support and mentoring provided by Thames Reach staff and volunteers and, this year, iReach has also started operating at different accommodation projects across Thames Reach and in people's own homes

- Step Up, a programme funded by the Walcot Foundation and Trust for London, which aims to support low pay workers on the London Living Wage to increase their salaries and improve their working situation. Step Up can also notify people of job vacancies, training opportunities and networking events. More about Step Up can be found here: www.stepup.london
- The Work Ready Programme, developed with McKinsey aims to help service users increase their skills and employability through an intensive week of engagement, during which service users experience a range of interventions and support to help them increase their confidence and skills. The week usually starts with the group going on a residential weekend at a centre outside London where they are involved in various team building and skills development exercises. This is followed by a week of workshops and events in which people undertake group-work and receive one-to-one support to improve their CV writing and approach to interviews. There are visits to different companies and organisations to get some experience of different work settings and the week culminates in a graduation ceremony. During the year we ran three programmes targeted at service users in our Outreach services (including Spectrum Day Centre), users of the Employment Academy; and tenants in the Tenancy Sustainment service for former rough sleepers
- Moving in Moving On (MIMO), Thames Reach's painting and decorating training course for long term unemployed, homeless, and vulnerable men and women, which, during the year, was able to expand by offering longer and more regular programmes throughout the year as a result of receiving additional funding from the Maria Marina Foundation, Heart of Experian and the Westminster Foundation. We continued to run a women-only course in response to the success of a pilot in 2016-17.

4. Preventative housing interventions

We are determined to do everything we can to help people avoid the misery of homelessness and poor housing and we work collaboratively with partners to deliver programmes and initiatives to prevent homelessness and help people sustain their accommodation and lead fulfilling lives.

Currently our particular focus is on developing models of intervention in partnership with local authorities, health colleagues, landlords and others that maximise people's chances of retaining their accommodation and ability to sustain themselves without continual, ongoing support from specialist agencies.



Vital Regeneration

Our Vital Regeneration subsidiary focuses primarily on employment and skills development and works with households who have been accepted by the City of Westminster as being statutorily homeless. These households are predominantly single-parent households, usually women-led, with a significant proportion being from ethnic minorities.

Vital Regeneration works in partnership with Westminster City Council to deliver a European Union Employment and Social Innovation (EaSI) funded project to provide five Personal Case Handlers to work within Westminster Housing Options to deliver employment support. They are part of a multi-disciplinary team working with service users living in temporary accommodation who are waiting to be rehoused as well as new households approaching Westminster's One Stop Shop as a result of housing and financial problems.

Hackney Greenhouse - Single Homeless Hub

The year has seen a welcome increase in the support provided by the London Borough of Hackney for this service. As part of their response to the introduction of the Homelessness Reduction Act which came into force at the start of April 2018, Hackney has taken greater financial responsibility for the building from which the service is delivered, and expanded staffing both through Thames Reach and the borough. This built on existing integration between the council and Thames Reach which saw the service as the gateway to housing support for single people in the borough.

Brent Single Homeless Prevention Scheme (SHiPS)

This project is a partnership between the project lead – social investors Bridges Fund Management, and Thames Reach and Crisis. Bridges are responsible for the management of the project and provide the investment necessary for this payment by results project to function, and Thames Reach and Crisis provide the front line staffing. Payments are made when assessments are completed, homelessness is prevented or relieved and when these outcomes are sustained.

The project work with the Brent Housing Options service to identify people who are at imminent risk of homelessness and either prevent their homelessness, or relieve this by obtaining alternative accommodation. From the beginning of the project in September 2017 to the end of March 2018 the project completed assessments with 302 people, 73 of whom had their homelessness prevented or relieved.

Peer Landlord London

We continue to deliver the Peer Landlord London scheme. The service aims to provide affordable shared accommodation for rough sleepers and other homeless people who are in work or close to work. Costs are reduced by tenants accepting responsibility for the day to day management of the accommodation, and by the property owners (our partners Commonweal) leasing the properties to Thames Reach at a sub-market rate. We currently manage seven properties which are a mixture of three and four bedroom properties with a total of 29 bed-spaces. Around 70% of the tenants have previously been street homeless, indicating that the project is benefiting people who have suffered extreme forms of homelessness.

More on Peer Landlord London, including the summary evaluation report, can be found at: www.commonwealhousing.org.uk/our-projects/peer-landlord-london

5. Equipping the organisation to deliver the 2016-19 Business Plan

In order that Thames Reach can deliver the ambitious outcomes described in the Business Plan it must be financially robust, have proper structures and processes in place, a flexible and highly competent staff group and the highest standards of governance. During the year, there was notable progress in the following areas:

Financial resilience

We have continued to develop a range of income streams to maintain financial resilience. Our experience of attracting social investment to deliver on the London Homelessness SIB has enabled us to attract further investment loan investment to purchase flats under our BRiL programme (see page 6). We are comfortable with a Payment by Results (PbR) funding model where the outcomes sought align with Thames Reach's own aims and competencies and we hope that there will be further opportunities for a social investment and PbR programme to be initiated, particularly where responses are needed to help people who have multiple needs and are severely disadvantaged.

Our three year non-statutory fundraising strategy has achieved its targets and in the area of trusts and foundations, considerably exceeded them. We also continue to receive vital and greatly welcomed support from a number of corporate supporters whose workforces, at all levels, enthusiastically back our work to end homelessness.

We have also managed to increase the earned income from the community buildings that we own - the Employment Academy in Camberwell and Elmfield and Hudson House in Stockwell. Income derived from rents and the use of events and meeting space is used to fund our employment services and initiatives across the organisation.



We have been able to attract capital funding to enable us to upgrade our Robertson Street hostel (see pages 8-9) in part through the GLA Hostel Improvement Programme and in part through a generous grant from a supportive trust.

Supporting staff

Our committed and competent workforce deserve an environment in which people feel valued and supported and where those putting in the most and performing at the highest level are appropriately acknowledged and rewarded. We have developed new ways of communicating with staff including through a regular news bulletin and have a current focus on staff wellbeing.

Our highly acclaimed trainee programme is the entry point for many people seeking employment at Thames Reach and remains extremely popular and considerably over-subscribed.

Thames Reach provides tailored support for managers and 10 managers completed an Institute of Leadership and Management (ILM) award during the year, our third year of the programme which brings real value to developing competent and committed managers. Additionally one member of the leadership team is enrolled on the London Housing Foundation Leadership and Management Programme delivered by London South Bank University.

Governance

Our Chair Stephen Howard has spent considerable time visiting our services and attending sub-committee meetings to build a real understanding of the complexity of our services.

Communicating our messages

It is essential that policy makers, commissioners, politicians, the public and the vast range of stakeholders supporting our work are kept abreast of the issues engaging Thames Reach and the challenges facing our service users as they seek to escape homelessness and social exclusion. As we make clear in our ethos and values, we feel obligated to make sure that the messages we impart are accurate and candid and that our service users are actively involved in shaping the message and in speaking to those in positions of power. In short – we seek to tell it as it is.

Thames Reach engages with government, policy makers, other voluntary sector organisations, and the public through a range of groups, meetings and events, operating on a local, regional, nation and international level. We are currently working with the Communities Secretary along with other homelessness charities, political leaders, and other experts as part of the Rough Sleeping Advisory panel to develop a strategy to end rough sleeping.

At a regional level we have been active contributors through Thames Reach's Chief Executive to the London Mayor's No Nights Sleeping Rough Task Force.

On an international level we actively support the work of the Institute of Global Homelessness (IGH), a collaboration of not-for-profit organisations that is seeking to quantify homelessness on an international scale and set in place a plan to end street homelessness across 150 world cities by 2030.

During the year we have continued to campaign to raise awareness about the damage caused by super-strength alcohol, which is having a brutally detrimental impact on the health of vulnerable people.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Board Members 2017/2018

All of the Board members listed below served throughout the year. None of the Board has any beneficial interest in the organisation. No non-executive Board member claimed expenses and no senior staff were remunerated for their work on the Board.

Stephen Howard
(Chair)
Appointed October 2016

Chairman, Power to Change
Chairman, We are Futures
Trustee, Big Society Trust
Director, Big Issue Social Investments Limited
Trustee, American International Church
Director, Thanda UK

Vasim Ul Haq BA ACMA FCA
(Vice Chair)

Advisory Partner, Wilkins Kennedy LLP
First elected AGM 2001

Peter Davey

Housing and Charity Consultant
CIH Member
Board Member, Stonewall Housing Association
Trustee, Edward Carpenter Community Trust
First elected AGM 1988

William Flenley QC

Barrister and writer specialising in professional negligence, insurance, contract and property law
Former Chairman, Professional Negligency Bar Association
Bencher, Middle Temple
First elected AGM 2001

Crispin O'Brien

Chartered Accountant
Former KPMG partner
Senior adviser to NEF consulting
First elected May 2007

Jeremy Swain*
(On secondment to the
MHCLG as of July 2018)

Chief Executive and Company Secretary,
Thames Reach
Appointed 1 February 1999

Tony McBrearty

Regeneration Consultant
First elected AGM 1986

Joanna Wade

Thames Reach Chair of Governance Committee and
Senior Independent Director
Former trustee of Crisis
Employment Judge
First elected AGM 1996



Michael Scorer

Thames Reach Chair of Services Committee
Strategic director for housing and modernisation at the London Borough of Southwark since February 2018, and over 20 years experience in both local and national government in housing, social care and health
First elected AGM 2011

Caroline Tulloch

CFO, Unforgettable (e-commerce dementia start-up and social business)
Previously investment director, Bridges Ventures (investing in social enterprises to support growth and scale impact)
First elected AGM 2014

David Ford

Founder, Expert Link
Previously Board Member South London YMCA
Consultant and Trainer to the Voluntary Sector
Salvation Army Homeless Services Coordinator Croydon
First elected November 2015

Elizabeth Clowes
Appointed October 2016

Qualified social worker, and former health and social care commissioner
Particular interest in homelessness and mental health
First elected AGM 2016

Becca Taber
Appointed 2017

Deputy Director for Strategy at Ministry of Housing, Communities and Local Government
Previously Head of Rough Sleeping and Single Homelessness
Head of Accelerated Construction, Housing Supply
Current Mentor with the Girls' Network

* Executive Salaries

Jeremy Swain, Chief Executive £87,386.

Due to the recessionary pressures facing Thames Reach and the need to achieve savings which have affected salary levels across the organisation, all the Senior Management Team at Thames Reach have taken a voluntary salary sacrifice which started in 2011-12 and remains in place.

In addition, the members of the Senior Management Team did not accept the cost of living increase awarded to staff in 2016/2017. The ratio between the Chief Executive salary and Thames Reach trainees and apprentices is 1:5.

Board processes

Thames Reach's process for selecting new Board members is detailed in its Board Renewal Strategy. Thames Reach chooses to use open and transparent recruitment practices for new Board members, which includes externally advertising positions on the Board. New Board members undertake an induction, including visits to a range of Thames Reach projects, which gives them the opportunity to

meet staff and service users. The Board appraises its performance as a group and, additionally, individual members are appraised by the Chair of the Board. The Chair is appraised annually by the Senior Independent Director (SID) on the Board who has a special responsibility for ensuring that the Chair is accountable to the Board. The Board also undertakes the occasional appraisal undertaken by an external consultant. Thames Reach's appraisal processes are set out in the Board Appraisal Strategy.

The Board strives to ensure that its membership reflects wider society and is diverse in both profile and encapsulated in Thames Reach's Policy Statement on Equality and Diversity (see page 22).

Charity Governance Code

At the Board Away Day in October 2017 the principles set out in the Charitable Code of Governance were adopted.

Since then the Board have agreed they will continue to progressively refresh the Board and conduct Board appraisals. (5.8.2 & 3) Board members are fully appraised in a 360 degree appraisal every three years. During this first year as a Charity the Chair, Senior Independent Director, Vice-Chair, Treasurer and Chair of the Services Committee were appraised and it was agreed they will continue to serve as Board members despite in some instances exceeding nine years total service. (5.7.4)

The Board membership is currently 12 but it is not limited to this number as there have been instances in the past, when, post-merger or transfer of undertakings it has been of benefit to have a larger number for a period of time. (5.6.2)

The Board has agreed to adopt the Nolan principles. (3.4.3)

The Governance Committee is currently working on updating the Conflict of Interests Policy which will be sent to the full Board for approval during the year 2018/19. (3.5.2)

The Governance Committee receives an annual Human Resources Report which monitors the diversity of staff, the leadership team and the Board. This is also reported annually to the full Board. (6.5.2)

(Numbering refers to the Charitable Code of Governance www.charitygovernancecode.org/en/pdf)

The Work of the Board

Sir Ken Olisa OBE continues as the Honorary President of Thames Reach. Our Chair, Stephen Howard, took up office in October 2016 and is assisted by Vasim Ul Haq, the vice-chair. The role of the Board is to provide clear strategic direction and effective risk management to enable the organisation to achieve its vision of ending street homelessness in partnership with other organisations, individuals and groups and its mission of helping homeless people to find decent homes, develop supportive relationships and to live fulfilling lives.

There were five trustee Board meetings during the year and all meetings were quorate. Additionally, Board members and the Senior Management Team (SMT) spent a planning day together to discuss what a successful organisation looks like and how do we know we are one? In addition the Board discussed how we convey our impact, government's plans and priorities to reduce rough sleeping and Board members had an opportunity to reflect on their visits to different Thames Reach projects.

The Board reviews major risks to the organisation via the reporting mechanisms established which link the main Board with the three standing committees. It also receives direct reports from the Chief

Executive, which are provided at every Board meeting. Detailed systems and procedures have been established to manage and mitigate the risks faced by Thames Reach. These include:

- Financial risk assessments covering risk to funding and issues of compliance which are reported to the Finance, Audit and Fundraising Committee and the Board
- An effective system of internal audit of individual teams that has now entered its tenth year
- Health and safety reports which are submitted to the Services Committees on a quarterly basis for scrutiny, with a report going to the full Board annually
- An organisational risk assessment covering all aspects of operations and delivery from which key areas of risk are selected, analysed and focused on by the committees over the year with a view to mitigating risk
- Reports on performance against service delivery outcome targets which the Board receives after scrutiny by the Services Committee
- Reports on the progress of actions within the organisational work programme, established to deliver on Business Plan outcomes.

The Work of the Committees

All three committees of the Board, as detailed below, met regularly throughout the year. All meetings were quorate.

The committee chairs referred up to the full Board all issues and matters requiring the attention of the full Board and each chair provided a summary report at Board meetings throughout the year.

Finance, Audit and Fundraising Committee

The committee met on four occasions during the year. Caroline Tulloch chaired the first two committee meetings before her absence on maternity leave. Vasim Ul Haq chaired the remaining meetings in Caroline's absence. The other Board members on the committee were Crispin O'Brien, Vasim Ul Haq and Jeremy Swain.



The principal duty of the committee is to provide a strategic overview of the financial position of the organisation by examining budgets and making recommendations, approving the end-of-year accounts and considering the financial risk factors and insurance requirements for the organisation.

During the year, the committee scrutinised the quarterly accounts, quarterly fundraising reports, approved the final accounts and annual report and recommended the annual budget. The committee routinely scrutinises the financial risk analysis at each meeting before it reaches the full Board. The committee also gave particular attention to the finances of the Thames Reach Employment Academy, voids, arrears and bad debts issues in Thames Reach's accommodation projects and the non-statutory fundraising strategy and plan.

Services Committee

The committee met on four occasions during the year and was chaired by Michael Scorer. Other Board members on the committee were Brigid Sutcliffe, David Ford, Elizabeth Clowes and Jeremy Swain. Services committee meetings are attended by Service User Advisors – Thames Reach service users who acts as an adviser through direct experience of using services.

The committee's role is to ensure that the standards and performance of services delivered to homeless and vulnerable people remain high and that services continue to develop and improve coherently and effectively. During the year the committee focused on:

- Improving reporting on the performance indicators and outcomes that Thames Reach uses to assess progress in delivering its vision and mission
- Service user engagement – the service user survey was undertaken this year, 94% of respondents were 'satisfied' or 'very satisfied' with the service provided by Thames Reach
- Scrutinising the results of internal audits of services
- Reviewing how effectively Thames Reach deals with complaints.



Governance Committee

The committee met on three occasions during the year and was chaired by Joanna Wade. The other Board members were Peter Davey, Tony McBrearty, Becca Taber and Jeremy Swain.

The committee's primary responsibilities include overseeing the renewal of Thames Reach's Board, including the recruitment of new Board members, making arrangements for the appraisal of the Chief Executive and overseeing the appraisal of the Board's performance. The committee is also responsible for reviewing the remuneration of the Chief Executive and other senior staff at Director-level or above and making recommendations on HR-related issues following scrutiny of the annual HR report.

During the year the committee focused on:

- Reviewing the annual Human Resources (HR) report and making recommendations to the Board on issues arising from it
- Recruitment of new Board members
- Reviewing the annual health and safety report and making recommendations to the Board on issues arising from it
- Overseeing changes required by the Charity Code of Governance
- Succession planning.

Policy Statement on Equality and Diversity

Thames Reach is committed to equality of opportunity and the encouragement and celebration of diversity. This means that in the provision of services and employment of staff and volunteers to provide these services, the organisation aims to ensure that no one is unfairly discriminated against because of their race, gender, age, disability, sexuality, social standing, religious beliefs, refugee status, ethnic or national origin, marital status or because of responsibility for dependents.

As well as recognising a duty to promote equality of opportunity for staff, service users and others associated with the organisation, Thames Reach regards the diversity of these groups as an organisational strength to be valued and nurtured.

Health and Safety and Wellbeing

It is Thames Reach's policy to energetically fulfil its responsibility to maintain a healthy and safe working environment for all its employees, volunteers, visitors and service users and to ensure that all that is reasonable and practical is done to reduce and manage risks. Thames Reach's Board has a responsibility to ensure this policy is implemented in a rigorous manner and is committed to continuous improvement in health and safety performance. Performance is monitored through annual reports to the Board and regular reports to the Services Committee. The Chair of the Services Committee was the formally designated Health and Safety Officer.

As a member of the British Safety Council, Thames Reach is kept up-to-date with changes in legislation and good practice. Thames Reach has implemented its health and safety strategy which aims to achieve further reductions in workplace accidents and ill health and also seeks to increase service user involvement, promote wellbeing and commits the organisation to reviewing all its existing policies and procedures associated with health and safety on a regular basis.

Encouragement to address health, wellbeing and work-life balance is embedded through team work-plans and from information sheets circulated to staff. All local health and safety representatives across

the organisation are supported to acquire a Foundation Certificate in Health and Safety. Managers are required to attain a local authority approved Certificate in Supervising Health and Safety. Our new e-learning means all staff can access health and safety information on a more regular basis.

Operationally, we have again responded positively to commissioners who have required detailed reporting of incidents. We also report serious incidents to the Charity Commission.

Further Information

More information about Thames Reach can be found on our website at www.thamesreach.org.uk

Follow Thames Reach on Twitter @ThamesReach

FUTURE PLANS

Future plans – 2018 -19

An annual work programme has been agreed to provide structure and achieve the delivery of Business Plan objectives.

The core business areas established in the Business Plan where we will seek to make progress during 2018-19 are:

Services for the multiply disadvantaged

- Extend the number of local authorities in which we provide our core services
- Work with central local and regional government to develop services help entrenched rough sleepers move away from homelessness and find suitable settled accommodation
- Work with partners to provide better routes into treatment services for homeless people
- Open Martha Jones House as a replacement for our Graham House hostel
- Support the development of a Housing First housing and support model in the UK
- Work with partners to develop a set of effective housing, employment and reconnection offers that significantly reduce rough sleeping amongst migrant groups
- Improve the amount of positive moves from our hostels.

Specialist health interventions

- Work with partners to implement the changes in services needed to deliver the Business Plan of the Lambeth Living Well alliance
- Highlight the multiple health needs of people who have slept rough and support better access to the services they need
- Campaign for, and help deliver, services that provide an effective response to homeless people with mental health problems.

Community-based employment support

- Review the performance of service teams across the organisation in achieving learning and employment outcomes and set new targets to help more people find and sustain employment.

Preventative housing interventions

- Develop new housing models that enable people to live contented and settled lives through piloting shared accommodation models and provide a template for others organisations
- Develop a more consistent approach to using the private rented sector as a move-on option
- Work with Deptford Reach to gather evidence of its impact in preventing homelessness.

Equipping the organisation to deliver the 2016-19 Business Plan

- Review our quality assurance, auditing and compliance processes
- Develop a Registered Provider subsidiary in order to take ownership of Robertson Street.

REVIEW OF THE FINANCIAL POSITION

The Statement of Financial Activities shows total incoming resources of £17,370,559 (charity) / £17,823,428 (group) an increase on last year of 11%. This increase is the restricted income raised to fully refurbish Robertson Street, one of our hostels in Lambeth. The Resources expended of £15,818,101 were the same as the position last year. In keeping with previous years, 99% of the expenditure was incurred on direct charitable expenditure. Expenditure on fundraising and publicity represents 1% of total income.

During 2017/2018 the key work was sustaining the organisation and continuing to review costs and processes whilst balancing the changing needs of commissioners and maintaining the quality of our current services and responding to new opportunities. We have increased the use of volunteers and continue our work with paid Grow trainees, individuals who have experienced homelessness, as well as working with university interns. We have continued to work with the Lambeth Health Alliance and the Lambeth Living Well Collaborative with assistance from Guy's and St Thomas' Charity. We have also continued to develop our programme for housing in Lambeth – Brokerage and Resettlement in Lambeth (BRiL).



Thames Reach does not own the hostels and flats that it manages but does own the Employment Academy and the Hudson and Elmfield site as well as one floor of an office building in Vauxhall. We are working to maximise our use of these buildings to help funding the work of our employment services. We operate a five-year rolling programme of renewal in relation to furniture and equipment.

Thames Reach has maintained its record of financial stability and of maximising the use of its resources on direct charitable expenditure. In order to ensure the ongoing fulfilment of these objectives in the coming years the Board, through the Finance, Audit and Fundraising Committee and the Treasurer, will continue to monitor closely the levels of reserves that are necessary.

Reserves

The Board of Thames Reach recognises the need to maintain financial stability in order to achieve our strategic intent and carry out the charitable objects of the organisation. The Board therefore consider it prudent to maintain adequate reserves which, in conjunction with appropriate financial controls and risk management systems, will minimise any disruption to our services.

The level of reserves is reviewed annually to ensure they are maintained at an appropriate level. The reserves policy is reviewed regularly by the Finance, Audit and Fundraising Committee to ensure the reserves are maintained at a level adequate for potential risks.

Risk Factors

Financial risk assessment procedures have been implemented and are reported to the Finance, Audit and Fundraising committee and the Board on a regular basis. These procedures identify any significant risks and monitor progress and planning in relation to management of these organisational risks.

Analysis of Assets

Note 16 sets out an analysis of the assets and liabilities attributable to the various funds. These assets are sufficient to meet the organisation's obligations on a fund-by-fund basis.

Statement of the Board's Responsibilities

Regulations require the Board to prepare accounts for each financial year which give a true and fair view of the organisation's state of affairs at the end of the year and of its income and expenditure for that period.

In preparing those accounts, the Board is required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- prepare the accounts on a going-concern basis unless it is inappropriate to presume that the organisation will continue in business.

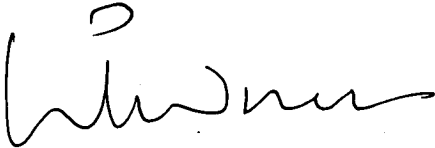
The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the organisation's transactions and which disclose with reasonable accuracy at any time the financial position of the organisation and to enable it to ensure that the accounts comply with the Section 151 of the Charities Act 2011 and the Companies Act 2006. It is also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Auditor

A resolution proposing that Moore Stephens ☐ LLP be reappointed as auditor of the organisation will be put to the Board of Trustees.

On behalf of the Board



Bill Tidnam

18 October 2018

Independent Auditor's Report to the Members of Thames Reach Charity

We have audited the financial statements of Thames Reach Charity (the 'charitable company') for the year ended 31 March 2018 which comprise the Consolidated Statement of financial activities, Balance sheet, Cash flow statement 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 FRS 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 2018 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; and
 - 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 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 audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial

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

We have nothing to report in this regard.

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 annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the annual report have 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 strategic report or the trustees' report.

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; 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 exemption in preparing the trustees' report]].

Responsibilities of trustees

As explained more fully in the trustees' responsibilities Statement set out on page X, the trustees 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

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

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the 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.

Moore Stephens LLP

Philip Clark (Senior statutory auditor)
for and on behalf of MOORE STEPHENS LLP
Chartered Accountants and Statutory Auditor
London, UK

6 November 2018

Statement of Financial Activities

Consolidated Statement of financial activities for the year ended 31 March 2018

	Notes	Unrestricted funds		Restricted funds		Total 2018		Total 2017
		£	£	£	£	£	£	£
		Charity	Group	Charity	Group	Charity	Group	
Income								
Income from charitable activities								
Accommodation services	2	7,160,133	7,160,133	1,236,646	1,236,646	8,396,779	8,396,779	7,389,871
Support activities	3	3,577,368	4,030,237	874,040	874,040	4,451,408	4,904,277	4,690,785
Pathways to occupation	4	1,729,621	1,729,621	2,790,448	2,790,448	4,520,069	4,520,069	3,732,403
Investment income		2,303	2,303	-	-	2,303	2,303	8,875
Total income		12,469,425	12,922,294	4,901,134	4,901,134	17,370,559	17,823,428	15,821,934
Expenditure								
Cost of raising funds		143,173	143,173	24,968	24,968	168,142	168,142	152,669
Charitable activities		11,940,924	12,268,574	3,381,385	3,381,385	15,322,309	15,649,959	15,442,854
Total expenditure	5	12,084,097	12,411,748	3,406,353	3,406,353	15,490,451	15,818,101	15,595,523
Net incoming/(outgoing) resources before transfers		385,328	510,547	1,494,781	1,494,781	1,880,108	2,005,327	226,411
Transfers between funds	14	(8,922)	(8,922)	8,922	8,922	-	-	-
Net movement in funds		376,406	501,625	1,503,703	1,503,703	1,880,108	2,005,327	226,411
Fund balances at 1 April 2017		7,022,150	7,506,335	3,995,335	4,105,180	11,017,485	11,611,515	10,791,074
Fund balances at 31 March 2018		7,398,556	8,007,960	5,499,037	5,608,883	12,897,593	13,616,842	11,017,485

None of the activities of the organisation were acquired or discontinued during the above year.

The organisation has no recognised gains or losses other than dealt with above.

Balance Sheet

Balance sheet at 31 March 2018

	Notes	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Non-current Assets					
Tangible assets	9a	10,746,214	8,463,030	10,746,214	8,462,032
Investments	9b	-	45,001	-	-
		<u>10,746,214</u>	<u>8,508,031</u>	<u>10,746,214</u>	<u>8,462,032</u>
Current assets					
Debtors	10	3,073,131	2,884,086	2,934,917	2,675,030
Cash at bank and in hand		3,927,712	4,701,997	3,074,275	4,143,276
		<u>7,000,843</u>	<u>7,586,083</u>	<u>6,009,192</u>	<u>6,818,306</u>
Creditors:	11	(4,130,214)	(4,482,599)	(3,857,812)	(4,262,853)
Net current assets		<u>2,870,629</u>	<u>3,103,484</u>	<u>2,151,380</u>	<u>2,555,453</u>
Total assets less total liabilities, being net assets	16	<u>13,616,843</u>	<u>11,611,515</u>	<u>12,897,593</u>	<u>11,017,485</u>
Funds					
Share capital	13	-	-	-	-
Restricted funds	14	5,608,883	4,105,180	5,499,037	3,995,335
Unrestricted funds:					
Designated funds	15	6,202,396	6,246,548	6,202,396	6,246,548
General funds		1,805,564	1,259,787	1,196,160	775,602
		<u>8,007,960</u>	<u>7,506,335</u>	<u>7,398,556</u>	<u>7,022,150</u>
Total Restricted and Unrestricted funds		<u>13,616,843</u>	<u>11,611,515</u>	<u>12,897,593</u>	<u>11,017,485</u>

18 October

These financial statements were approved by the Board on ... 2018 and authorised for issue and were signed on its behalf by:

S. Howard
Chair



C. Tulloch
Treasurer



Cash Flow Statement

Cash flow statement for the year ended 31 March 2018

Notes	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Net cash inflow from operating activities	1,774,894	(123,635)	1,515,279	(134,326)
Capital expenditure and financial investments				
Payments to acquire tangible fixed assets	(2,584,280)	(940,181)	(2,584,280)	(940,181)
Cash and cash equivalents from new subsidiary	-	708,497	-	-
Proceeds on disposal of Investment	35,100	-	-	-
Other Net Assets acquired by group	-	(51,661)	-	-
Cash outflow from financing activities	-	(25)	-	(25)
Increase/(Decrease) in cash	(774,286)	(407,005)	(1,069,001)	(1,074,532)
Reconciliation to changes in resources				
Net income before transfers	2,005,327	226,411	1,880,108	226,411
Loss on assets written off	14,443	1,956	4,542	1,956
Depreciation of tangible fixed assets	296,554	267,892	295,557	267,892
(Increase)/Decrease in debtors	(189,045)	(645,768)	(259,887)	(436,712)
Increase/(Decrease) in creditors	(352,385)	25,874	(405,041)	(193,873)
	1,774,894	-123,635	1,515,279	-134,326
Net cash inflow from financing activities				
Repayment long-term loans	-	(25)	-	(25)
	-	(25)	-	(25)
Reconciliation of net cash flow				
(Decrease)/Increase in cash	(774,286)	(407,005)	(1,069,001)	(1,074,532)
Balance at 1 April 2017	4,701,998	5,109,003	4,143,276	5,217,808
Balance at 31 March 2018	3,927,712	4,701,998	3,074,275	4,143,276

Notes to the Financial Statements

Notes to the financial statements for the year ended 31 March 2018

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) and the Companies Act 2006.

Thames Reach meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Basis of consolidation

The group financial statements consolidate the financial statements of Thames Reach Charity Limited and all its subsidiary undertakings drawn up to 31 March each year. No profit and loss account is presented for Thames Reach Charity Limited as permitted by section 408 of the Companies Act 2006. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities. Control of Vital Regeneration Limited was effective from 1 March 2018. Vital Regeneration Limited has been included in the group financial statements using the purchase method of accounting.

Notes to the financial statements for the year ended 31 March 2018

1. Accounting policies

c) Income

Grants, charges, material donations and Supporting People funding are recognised in the period in which they are receivable. Supporting People and rental charges are stated net of voids. Smaller donations and bank interest received are recognised on receipt.

Income which is specifically for the performance of the main service of the organisation is analysed as income from charitable activities".

Grants for the purchase of fixed assets (equipment and furniture) are treated as restricted funds. The assets purchased are capitalised and the depreciation of these assets is allocated to the restricted fund on a yearly basis thereby reducing the restricted fund to nil over the same period as the asset.

d) Expenditure

Expenditure is recognised on an accruals basis.

Salary and other costs expended in directly providing the main services of the organisation are analysed as "charitable activities".

Other support costs are allocated to "charitable activities" or "cost of raising funds" on the basis of the estimated staff time spent on each area.

Governance costs comprise those costs relating to compliance with constitutional and statutory requirements, Board expenses and other costs of strategic development.

e) Tangible fixed assets and depreciation

Assets over £500 are capitalised. Tangible fixed assets other than freehold land and assets under construction are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold and leasehold building	over fifty years on cost
Fixtures, fittings and equipment	over four years on cost
Motor vehicles	over five years on cost

f) Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

Notes to the financial statements for the year ended 31 March 2018 (continued)
1. Accounting policies (continued)
f) Pensions

The pension costs charged in the financial statements represent the contributions payable by the organisation during the year to the defined contribution scheme.

g) Accumulated Funds

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements. Designated funds comprise funds which have been set aside at the discretion of the Board for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

2. Accommodation services

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Support contracts	4,065,977	-	4,065,977	3,964,974
Rental income	3,094,156	-	3,094,156	3,395,463
Other income	-	1,236,646	1,236,646	29,434
	7,160,133	1,236,646	8,396,779	7,389,871

3. Support activities

London Councils	-	364,021	364,021	292,084
Support contracts	1,127,436	-	1,127,436	1,606,548
GLA	1,860,500	347,426	2,207,925	1,890,347
Health Commission	-	-	-	-
London Borough of Lambeth	0	162,593	162,593	-
London Borough of Hackney	100,000	-	100,000	100,000
London Borough of Croydon	68,000	-	68,000	68,000
London Borough of Haringey	40,551	-	40,551	-
London Borough of Tower Hamlets	-	-	-	447,084
London Borough of Lewisham	-	-	-	29,479
Trust Income	115,577	-	115,577	57,826
Other income	227,115	-	227,115	176,526
Donations	38,190	-	38,190	22,891
	3,577,368	874,040	4,451,408	4,690,785

By activity:

	Accommodation/ Community Support £	Outreach £	Tenancy sustain- ment £	Total 2018 £	Total 2017 £
London Councils	-	364,021	-	364,021	292,084
Support Contracts	373,599	-	753,837	1,127,436	1,606,548
GLA	1,082,722	1,125,203	-	2,207,925	1,890,347
Health Commission	-	-	-	-	-
London Borough of Croydon	-	68,000	-	68,000	68,000
London Borough of Hackney	-	100,000	-	100,000	100,000
London Borough of Lambeth	162,593	-	-	162,593	-
London Borough of Haringey	-	40,551	-	40,551	-
London Borough of Tower Hamlets	-	-	-	-	447,084
London Borough of Lewisham	-	-	-	-	29,479
Trust Income	99,555	12,997	3,025	115,577	57,826
Other income	26,896	26,159	174,060	227,115	176,526
Donations	38,190	-	-	38,190	22,891
	1,783,555	1,736,931	930,923	4,451,408	4,690,785

Notes to the financial statements for the year ended 31 March 2018 (continued)

4. Pathways to occupation

	General funds £	Restricted funds £	Total 2018 £	Total 2017 £
Support contracts	-	-	-	-
Health Commission	118,920	2,265,641	2,384,561	71,446
London Borough of Lambeth	22,478	159,452	181,930	270,466
London Borough of Hammersmith and Fulham	-	-	-	-
London Borough of Lewisham	-	-	-	-
London Borough of Southwark	-	-	-	29,300
Trusts - Health Related	-	213,788	213,788	1,951,138
Trusts - Employment and Skills related	-	-	-	55,062
Trusts - Other	-	144,933	144,933	384,230
Donations	146,696	6,633	153,329	128,640
Other income	1,441,527	-	1,441,527	842,121
	<u>1,729,621</u>	<u>2,790,448</u>	<u>4,520,069</u>	<u>3,732,403</u>

5. Total Expenditure

	Staff costs	Other costs	Total 2018	Total 2017
Costs of raising funds	143,173	24,968	168,141	152,669
Charitable activities	8,626,273	6,696,037	15,322,310	15,442,854
	8,769,446	6,721,005	15,490,451	15,595,523
Total 2017	<u>9,315,206</u>	<u>6,433,428</u>	<u>15,748,634</u>	

Notes to the financial statements for the year ended 31 March 2018 (continued)

5. Total expenses (continued)

Analysis of Governance and support costs	2018	2017
	£	£
Support costs		
Staff training and recruitment	137,600	117,387
Rent and service charges	516,386	489,735
IT support and equipment	557,770	653,419
Travel costs	138,012	153,505
Partnership contracts	703,518	232,997
Property costs	1,872,926	2,085,558
Insurance	164,337	159,870
Telephone and communication costs	196,190	212,568
Printing, postage, stationery and publicity	66,689	76,806
Food	185,649	208,858
Legal and professional	441,745	92,837
Tenants and clients welfare	187,682	179,867
RSL management and maintenance	1,316,088	1,427,185
Other direct costs	215,512	324,773
	<u>6,700,105</u>	<u>6,415,365</u>
Governance Costs		
Audit fee	20,900	17,160
	<u>6,721,005</u>	<u>6,432,525</u>

Other direct costs include cost of furniture and depreciation.

6. Board

None of the non-executive board members (or any persons connected with them) received any remuneration or benefits from the organisation during the year.

The key management personnel of the association comprises the senior management team who received remuneration of £247,616 (2017: £252,904).

7. Employees

Average monthly number of employees (Full time equivalents) during the year

	2018	2017
	Number	Number
Housing and project services	296	295
Fundraising and publicity	2	2
	<u>298</u>	<u>297</u>

Notes to the financial statements for the year ended 31 March 2018 (continued)

7. Employees (continued)

Analysis of staff costs	2018	2017
	£	£
Wages and salaries	7,241,045	7,530,545
Social security costs	581,707	629,436
Other pension costs	406,203	466,322
Agency, relief and volunteer costs	540,491	536,694
	<u>8,769,446</u>	<u>9,162,996</u>

The number of employees whose annual emoluments were over £60,000 or more (excluding Employers NI and 6.5% Pension contribution) were:

	2018	2017
£100,001-110,000	-	-
£90,001-100,000	-	-
£80,001-90,000	1	1
£70,001-80,000	2	2
	<u>3</u>	<u>3</u>

8. Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

9a. Tangible fixed assets: Charity

	Freehold and Leasehold property	Furniture, fittings, equipment & motor vehicles	Total
	£	£	£
Cost			
At 1 April 2017	9,364,775	1,253,373	10,618,148
Additions	1,471,527	1,112,753	2,584,280
Disposal		(152,243)	(152,243)
At 31 March 2018	<u>10,836,302</u>	<u>2,213,883</u>	<u>13,050,185</u>
Depreciation			
At 1 April 2017	1,166,977	989,139	2,156,116
Charge for the year	181,044	114,513	295,557
Disposal		(147,701)	(147,701)
At 31 March 2018	<u>1,348,021</u>	<u>955,951</u>	<u>2,303,971</u>
Net book value			
At 31 March 2018	<u>9,488,282</u>	<u>1,257,932</u>	<u>10,746,214</u>
At 31 March 2017	<u>8,197,798</u>	<u>264,234</u>	<u>8,462,032</u>

Notes to the financial statements for the year ended 31 March 2018 (continued)

9a. Tangible fixed assets: Group

	Freehold and Leasehold property	Furniture, fittings, equipment & motor vehicles	Total
	£	£	£
Cost			
At 1 April 2017	9,364,775	1,400,961	10,765,736
Additions	1,471,527	1,112,753	2,584,280
Disposals		(152,243)	(152,243)
At 31 March 2017	10,836,302	2,361,471	13,197,774
Depreciation			
At 1 April 2017	1,166,977	1,135,730	2,302,707
Charge for the year	181,044	115,511	296,554
Disposals		(147,701)	(147,701)
At 31 March 2017	1,348,021	1,103,540	2,451,560
Net book value			
At 31 March 2018	9,488,282	1,257,932	10,746,213
At 31 March 2017	8,197,798	265,231	8,463,029

Notes to the financial statements for the year ended 31 March 2018 (continued)

9b. Investments: Group

	Programme related investment £
COST	
At 1 January 2017	45,001
Disposal	(45,001)
At 31 March 2018	0
At 31 December 2016	45,001

The charity is exempt from the requirement to prepare consolidated accounts as the charity and its subsidiary undertaking comprise a small group. Therefore, the accounts present the position and performance of the charity as an individual entity only.

Vital Regeneration owns the entire share capital of Vital Invest CIC being 100 ordinary 'A' shares of £0.01 each and 45,000 ordinary 'B' shares of £1 each. Vital Invest CIC, company registered number 09506658, is incorporated in England and Wales. The address of the registered office is 31 Plympton Street, London, NW8 8AB. The principal activity of Vital Invest CIC is the provision of financial assistance to enable people living in temporary accommodation to establish and grow their business as a means to financial independence.

Vital Invest CIC:	2018	2017	2016
		£	£
Aggregate capital and reserves	0	43,919	43,919
Profit and loss for the year	0	(1,082)	(1,082)

Vital Invest CIC has not generated any turnover during the year to 31 March 2018. It was struck off in the year and a final payment of £35,100 was received by Thames Reach.

Vital Regeneration is committed to supporting beneficiaries to increase their economic resilience and independence. Our HELP and Help Enterprise projects support people who have experienced homelessness to become self-employed, or establish a micro-business. In the instance of the latter, many of our beneficiaries have sound business ideas and are entrepreneurial but lack access to initial start-up capital.

Vital Regeneration's social investment policy is focused on providing access to affordable, patient, micro-finance capital for its beneficiaries to enable them to launch and sustain their start-up businesses as a route out of poverty. Vital Regeneration established a wholly owned subsidiary Vital Invest CIC in March 2015.

Vital Invest CIC is incorporated by share capital and Vital Regeneration is the sole shareholder of both A (£0.01 per share) and B (£1 per share) category shares. In 2015 Vital Regeneration purchased the entire share capital in Vital Invest CIC with the express purpose of that shareholding being utilised by Vital Invest CIC to make micro-investments into enterprises established by beneficiaries of the charity's HELP projects.

Vital Regeneration does not hold investments in any other entity and focuses its investment activity on developing the capacity of Vital Invest CIC to support micro-enterprises created by beneficiaries of the charity.

Notes to the financial statements for the year ended 31 March 2018 (continued)

10. Debtors	Group 2018	Group 2017	Charity 2018	Charity 2017
	£	£	£	£
Charges and grants receivable	1,819,476	1,836,810	2,058,893	1,863,810
Rent arrears	666,340	724,234	666,339.773	724,234
Other debtors	587,316	296,042	209,684	86,986
	3,073,131	2,884,086	2,934,917	2,675,030

11. Creditors: amounts falling due within one year	2018	2017	2018	2017
	£	£	£	£
Trade creditors	778,854	420,063	597,299	410,246
Rent in advance	561,907	506,266	561,907	506,266
Taxes and social security costs	275,863	208,418	185,017	170,581
Grants in advance	2,017,928	2,696,018	2,017,928	2,696,018
The Social Investment Bond (SEIF)		-	-	-
Big Issue Invest		-	-	-
Other creditors	495,661	651,834	495,661	479,742
	4,130,214	4,482,599	3,857,812	4,262,853

12. Pension costs

Thames Reach contributes to a defined contribution scheme for employees. Contributions payable to the scheme for the year were £ 406,203 (2017: £ 466,322).

13. Share capital

	Total 2018	Total 2017
	£	£
Shares of £1 each fully paid		
Balance at the beginning of the the year	-	26
Additional share issue	-	(26)
Balance at the end of the year	-	-

Notes to the financial statements for the year ended 31 March 2018 (continued)

14. Restricted funds

General funds and designated funds totalling £892,922 have been transferred to restricted funds as a contribution to supplement the shortfall on restricted activities incurred during the year.

The income funds of the organisation include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2017	Income 2018	Expenditure 2018	Transfers in funds 2018	Balance at 31 March 2018
	£	£	£	£	£
Capital Fund - Employment Academy	3,690,052	-	(84,481)	-	3,605,571
Capital Fund - Robertson Street Hostel	-	1,176,646	-	-	1,176,646
Hilary Stent Fund	5,710	6,633	(2,815)	-	9,528
London Councils funded outreach team	-	351,296	(359,349)	8,053	-
Restricted fund for BRiL	296,332	-	(3,607)	869	293,594
Health funding for BRiL properties	-	-	-	-	-
Trust funded Health projects	3,241	2,638,881	(2,614,946)	-	27,177
Safe Connections funding	-	347,426	(132,019)	-	215,406
Lambeth funding	-	162,593	(75,565)	-	87,028
Guinness for Hard to Reach fund	-	144,933	(65,881)	-	79,052
Other Restricted funding	-	72,726	(67,690)	-	5,036
	-	-	-	-	-
	3,995,335	4,901,133	(3,406,353)	8,922	5,499,037

Capital Fund – Employment Academy: This restricted income has been used for the purchase and refurbishment of Thames Reach Employment Academy and is being depreciated over 50 years.

Capital Fund – Robertson Street: This restricted income has been used for the refurbishment of Robertson Street Hostel which is due to be transferred to a new Registered Provider Thames Reach Housing in 2018.

Hilary Stent Fund: The fund represents donations received for the annual awards to clients of Thames Reach making a significant change in their lives. Fundraising is currently underway for the next set of awards in November 2018.

Capital Fund for BRiL Flats: This fund was used to buy properties for the Resettlement and Brokerage project in Lambeth and is being depreciated over 50 years.

Trust funded Health Projects: This fund shows the monies received for the Living Well Network and IPSA projects funded via Lambeth CCG, Lambeth Council and the Guys and St Thomas Charity.

Safe Connections Fund: The GLA have funded a project to provide Safe Connections for people who have slept on the streets. The money is paid on a quarterly basis but the expenditure does not follow a similar smooth line.

Lambeth Funding: funding for our Lambeth Offender's Team

Guinness Hard to Reach Fund: This is a donation to pay for assistance to individuals who are deemed hard to reach to enable them to improve the quality of their lives.

Other Restricted Funds: This is trust funding for posts at our hostels.

Notes to the financial statements for the year ended 31 March 2018 (continued)

15. Designated funds

The income funds of the organisation include the following designated funds which have been set aside out of unrestricted funds by the Board for specific purposes:

	Balance at 1 April 2017	Income 2018	Expenditure 2018	Transfers in, funds 2018	Balance at 31 March 2018
	£	£	£	£	£
Furniture and equipment	1,590,135	159,298	(197,839)	-	1,551,594
Office leases	28,261	-	-	-	28,261
Repairs and maintenance	2,155,048	-	(181,117)	-	1,973,931
Dilapidations	461,887	-	(18,282)	-	443,605
Staff	221,201	-	93,141	-	314,342
IT and infrastructure	306,196	-	(124,907)	(1)	181,288
New Business Development	1,483,820	266,667	(41,114)	2	1,709,375
	<u>6,246,548</u>	<u>425,965</u>	<u>-470,118</u>	<u>1</u>	<u>6,202,396</u>

Furniture and Equipment: This fund enables Thames Reach to operate a rolling five year programme of furniture and equipment replacement for our hostels and accommodation projects.

Office Leases: This fund is to provide for office relocation and set up. We currently have office premises in Croydon, Sutton, Camden, Hackney, Brent and Lambeth.

Repairs and Maintenance: This fund enables the Association to meet repairing and maintaining obligations in relation to properties we manage on behalf of Registered Providers and in relation to leased and owned properties of Thames Reach.

Sinking Fund: This fund is for major repairs to the fabric of buildings we own: Thames Reach Employment Academy, Elmfield and Hudson House.

Staff: This represents non-budgeted costs required to meet contractual obligations such as maternity/parental leave and redundancy. HMRC issued us a refund of £ 93k for PAYE in previous years.

IT and Infrastructure: This fund allows us to meet the changing needs of the organisation. This year we upgraded our website and have started work on how to develop a new form of intranet. We have also started the work to upgrade the HR software which we hope to complete in 2018.

New Business Development: We work in a rapidly changing funding environment and during the last year we used funds in order to appoint Lead-in managers for new projects, fund the gap between funding sources eg Westminster pathways. This year we will use this fund to enable us to have full teams in the areas where we have payment by results eg Tenancy Sustainment Teams, Rough Sleepers SIB and London Street Rescue. In addition we have used the fund to start new projects eg No Second Night Out and the Heathrow Outreach Team while the funding is being agreed.

Notes to the financial statements for the year ended 31 March 2018 (continued)

16. Analysis of net assets between funds

	Share Capital	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£	£
Fund balances at 31 March 2018 are represented by:					
Tangible fixed assets	-	1,257,932	4,412,471	5,075,810	10,746,214
Current assets	-	3,796,040	1,789,925	423,227	6,009,192
Creditors: amounts falling due within one year	-	(3,857,812)	-	-	(3,857,812)
	-	1,196,160	6,202,396	5,499,037	12,897,593

18 Contingencies and commitments

Commitments under operating leases

At 31 March 2018 the organisation had annual commitments under non-cancellable operating leases as follows:

	2018		2017	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Expiry date:				
Within one year	16,857	7,434	16,857	7,434
Between two and five years	38,250	709	38,250	709
In over five years	-	-	-	-
	55,107	8,143	55,107	8,143