

# Taunton Association for the Homeless



**REGISTERED No: 23680R**

**ANNUAL REPORT**

**31 MARCH 2020**

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# Taunton Association for the Homeless t/a Arc

**With over 40 years' experience, Arc has continued to grow in services and strives for all homeless people to have a safe and supportive environment, where people can be inspired and empowered by their own strengths**

## Our Purpose

Our mission is to offer supported accommodation where people can be inspired and empowered by their own strengths. Every year, as a result of our work, hundreds of homeless people are offered that safe space and second chance and succeed in their journey towards a fresh start and new independence.

## Our Clients

We support homeless individuals, which includes rough sleepers or those who find themselves without permanent accommodation. Our clients are aged between 18 and 65+, are men and women and come from varying different backgrounds. Each client is different which is why we take a personalised approach to support. Among our clients, there are those suffering with mental health problems, addictions, escaping domestic violence, ex-offenders, ex-forces, individuals leaving care, people with learning difficulties or those going through difficult relationship breakdowns.

## At Present

We have 15 residences and support around 200 vulnerable people on any one night either in our own accommodation or those rough sleeping. We employ just over 40 staff and have a growing team of volunteers.

Amongst our residences, we have a 56-bed direct access hostel providing 3 meals per day and 24-hour support. We also have specialist accommodation for veterans at our property 'Victory House'.

Alongside our core services, we provide opportunities for clients to boost confidence, mental health, employability, future housing options and independence. This includes a range of activities and courses offered through our in-house college. We also offer a Deposit Guarantee Scheme, helping clients into their own accommodation.

As employers, Arc are delighted to hold a Silver Award with Investors in People and successfully run 'Your Voice' – an avenue for all staff to have a voice in our charitable organisation.

## An Overview of the Year

### The Big Sleep Out 2019

The Big Sleep Out relocated! In its fifth year, we made the decision to hold our annual Big Sleep Out in our office car park at The Crescent, Taunton. It was great to host it at our very own 'venue' and we were delighted to be joined by 70 fantastic participants, each giving up their bed for the night to raise funds and awareness for the homeless.

Following a day (and previous weeks) of heavy rain, we thought we were in for a wet evening! But we were lucky enough to enjoy an evening of dry weather with live music from amazing local artists and delicious food donated by Loafers, Cook and Premier Chef.

Despite an enjoyable start to the evening, the night does show some harsh realities of rough sleeping; trying to get comfy on a concrete floor, constant noise from passing cars, birds above and late-night deliveries. Then, of course, the rain! By 4:00am the rain had set in and was here to stay. Despite our best efforts to stay dry, it is impossible with no roof above your head. Luckily, we were welcomed by a hot breakfast at 6am by the fantastic Rapid Relief Team.

As well as it being an eye-opening evening, our participants raised an incredible £9120! We'd like to say a huge thank you to everyone involved in 2019's Big Sleep Out, making it a great evening and another successful event!



### Arc's in-house GP Clinic

Our clients' health and wellbeing is our priority and we are very lucky to receive twice weekly visits at Lindley House from a local GP, helping our clients to stay on top of their health. Although we have a dedicated space for these clinics, the room is small and inadequate for what we need. As part of a project to refurbish Lindley House, we are creating a new larger GP Clinic with a treatment room, waiting area and private space for counselling sessions. We're thrilled to have been able to start this work and spend donated funds on medical equipment to enhance our in-house offerings for medical support.

### Victory House Lift



When our veteran's accommodation project 'Victory House' was launched in February 2018, we ensured that the ground floor rooms were accessible for wheelchair users and those with physical disabilities. The project has successfully helped many homeless veterans and the support network that has been created among clients has been invaluable. The clients began to use the upstairs 'training room' as a communal sociable space and we have since allowed them to make this space their own. However, it was only accessible by stairs. Now, thanks to the effort and generosity of supporters, we have been able to install a platform lift to enable all clients to access the communal area. The fundraising for this lift was helped along largely by supporters Mark and Alison Dewar, who did a sponsored skydive in July 2019, specifically to raise money for this cause. We'd also like to mention and remember Sam Smalldon, who sadly passed away at the end of November 2019. Sam played a big part in getting Victory House up and running and the funds raised at his funeral went towards the lift. We are pleased to say the lift is in regular use and the clients are now working on the refurbishment of

their new shared communal room!

### Room for more

At the beginning of this financial year, we were delighted to complete a conversion our maintenance team had been working on. This was to convert an unused garage at one of our properties into two additional bedrooms with WC facilities. This means we have created two more bed spaces to add to our current 174 spaces available. Arc's maintenance team did a fantastic job and completed the project to a high standard. Residents have since been moved into these rooms.



### Volunteer Coordinator

Arc's team of volunteers has been growing over the years, offering anything from food collections, kitchen assistance, IT lessons and most importantly, their time! We are so grateful for this and the additional services they're helping us to provide for our clients. We see just how valuable volunteers are and are excited at the thought of our team growing further but we also want to ensure that volunteers are getting a great experience too! That is why we are very pleased to have recruited a Volunteer Coordinator this year, here to help with our volunteer journey. We welcomed Emma in March 2020 and have a plan to recruit many more volunteers throughout this new year. A big thanks to all of our fantastic volunteers who go above and beyond to help our clients!

## Somerset Business Awards



Arc were shortlisted as Charity of the Year 2019 through the Somerset Business Awards, following an application and a visit from the judges. We were excited to attend the Awards Ceremony in October 2019 which was held at the Winter Gardens Pavilion in Weston-Super-Mare to mark the awards 15th year anniversary.



It was a privilege to be among lots of amazing local businesses to celebrate the success and work that goes on across our fantastic county. Arc were shortlisted with 2 other great charities - Weston Hospicecare and Somerset Community Foundation. Although Arc did not come away with the winning award, we felt very proud to have got so far and to be recognised as a 2019 Finalist for Charity of the Year.

## Female Only Project

Having received some funds specifically to spend on our female clients, we have enjoyed treating them this year to trips out such as an evening of bowling and a sunny afternoon at a café for cream tea. Our favourite was the ladies pamper afternoon, where we were joined with some fantastic people from local businesses, offering haircuts, manicures, massages and facials – all for free! They made our clients feel really special and it was a great afternoon of socialising too, bringing female clients from all of our properties together. Some had never met before and have since created great bonds and support networks.



## Deposit Guarantee Scheme Success

For many years, supported by funding from Sedgemoor and Somerset West and Taunton (formerly Taunton Deane Borough Council), Arc have been running a scheme to assist people to transition into private accommodation by providing a "Bond" - a type of guarantee, in place of a cash deposit. The scheme focused particularly on the "hidden homeless" - those who had found themselves sleeping on a friend's sofa, not actually registered as a homeless person. Often this client group would be working individuals and so accessing support from homeless charities and agencies would be difficult. But we found, as times change, that landlords were not accepting the bond, preferring actual cash, and so the scheme was becoming less popular and consequently less productive.

After closing Somerset West Lettings Agency in March 2019, which had previously administered the scheme, a review was taken as to how we might best be able to continue providing the support. With the consent and support of the local authorities, Arc began providing cash deposits and cash rent-in-advance to help those in need. Funding comes from the two local authorities and anyone receiving support is asked to repay Arc over a period that is affordable to them, thus recycling the funds to be able to support more and more individuals

As a result, the scheme is now more popular than ever with 53 individuals, both Arc clients and referrals from local authorities and support agencies in the area, having been assisted into private accommodation in the year. The scheme remains popular with excellent working relationships with housing officers from both councils and continues to strive to help those most in need.

### **Lindley House Refurbishment**

One of our big projects for the year and one we were pleased to be able to start towards the end of 2019 was the refurbishment of our hostel, Lindley House. Due to its nature, regular wear and tear is inevitable and it has not seen a refurbishment in many years. So far, all the worn carpets from communal areas have been replaced with Camaro wood effect plank, which is durable and easy to clean. An extension to the Lindley office has been built with a new recovery room attached, for vulnerable or unwell clients, making it easier for support staff to monitor them. As mentioned above, we have made a good start on our new GP clinic, with just plumbing and cosmetics left to complete it. We have begun a refurbishment on the individual rooms, and we plan to do this for all rooms within the hostel. This will include replacing the carpet, removing the existing sinks, changing light fittings to LED, adding built in wardrobes, and decorating throughout. We also have plans to create a new training kitchen, where clients can learn cooking skills. Finally, we will be replacing the old windows; a big and costly job due to the property being grade 2 listed. The updates so far are looking great and we are looking forward to continuing with this project throughout the year.

### **AC Mole and Sons**

We receive lots of support from different corporates throughout the year which we are very grateful for. One of these corporates this year was local accountancy firm, AC Mole and Sons, who chose Arc as their 'Charity of the Year'. From charity football matches, to quiz nights, challenge events and dress down days, the team at AC Mole and Sons put a huge amount of effort into raising funds for us continuously throughout the year. We'd like to say a big thanks to them!



## Christmas 2019



Christmas can be a difficult time for our clients and so it is our aim to make it as happy as we can. We are always overwhelmed with the kindness we and our clients are shown during this period and again, this year, we were blown away by the support received. It really helped to put a smile on our clients faces! Our shoe box appeal meant that every single one of our clients (including rough sleepers) received a box full of Christmas gifts, so thoughtfully put together. This year we also asked supporters to 'sponsor a hamper' so that our properties each had a box of luxury Christmas items so share. The response was incredible, and we received so many beautiful hampers packed with goodies that our clients

thoroughly enjoyed and appreciated. The delicious food kept coming, as we were welcomed by Ethic Street Pizza to provide free pizzas at Lindley House and beautiful local restaurant, 'Augustus' cooked a meal for residents. Not only this but we received many generous monetary donations which helped us to provide a traditional Christmas meal and a big Christmas buffet, along with board games and Christmas music to keep spirits high! Thank you everyone who contributed.

## Moonraker

Arc were thrilled to be chosen as a 'Charity of the Year' for Taunton Vale Rotary Club. This also meant that Arc would benefit from the club's annual fundraising event: the Moonraker Challenge. This is a night-time orienteering walk of 8 or 15 miles, solving clues along the way. Teams taking part get sponsored to complete the challenge. Of course, Arc entered their own team and took on the challenge in very wet and muddy conditions! Our team had a starting time of 5:55pm so we set off in the daylight but as it was October, it became very dark very quickly, making it even more difficult to find our way. We faced many tricky hurdles on the walk: knee deep mud, fields full of cows, electric fences, and torrential rain! However, with plenty of teamwork, 5 hours later we made it to the end ready for the hot drinks and pasties that were waiting for us! A great sense of achievement. Most importantly, the event raised an incredible amount for charity and Arc received an amazing £7000 donation! A big thank you to the amazing effort shown by Taunton Vale Rotary Club and for all those who took part in the Moonraker Challenge.



## Tesco Cookery School

Each week, fantastic volunteers pick up 'waste food donations' from Tesco superstore as part of their 'Fareshare' scheme; aimed at reducing food waste in the UK and relieving food poverty by donating it to charities. We never know what we're going to receive and sometimes there are some weird and wonderful ingredients! Our Kitchen Team have to adapt daily to make use of these donations. That is why we were so pleased to receive an invite to an amazing new initiative: Tesco Community Cookery School. This training programme invites members of the community groups receiving waste food donations to their cookery school to learn about using the surplus food items and turning great ingredients into great meals! Two members from our kitchen team attended and learnt new skills, helping them to be creative and imaginative when cooking. Thank you, Tesco!



## Mendip Activities

As well as supporting and housing our clients, we aim to inspire and empower them, providing them with a positive journey to the next stages in their lives. In some circumstances this is about learning and upskilling, but it is also about experiencing and trying new things and having fun too! That is why we were delighted to be spend donated funds on providing thrilling activities for our clients at the Mendip Activity Centre. Our clients experienced abseiling, dry slope skiing, bush craft, archery and more! As well as them having a great time, it helped our clients to meet new people, it inspired them to try new things and it gave them an opportunity which they may otherwise not have had.



## Friday Breakfast Club



Whilst clients reside with us, we feel it is important to teach them skills that will help them in independent living. We were therefore delighted when Laura O’Driscoll, Managing Director of local business OD Talent Solutions offered to spend her Friday mornings running a cooking club at Lindley House. Laura has been working with our clients to experiment with different breakfast recipes and also teaches them about food hygiene and budgeting. In order to purchase the wonderful ingredients used in these creative breakfasts, Laura has encouraged support from other local businesses who have been ‘sponsoring a breakfast’! It has been a great success and our clients have really enjoyed the cooking, socialising and learning! Thank you, Laura!

## Wille Edwards Charity Single



In November, we welcomed music artist Wille Edwards for a visit to our services. Wille wanted to raise money to help the homelessness situation and so he released a charity single. The profits from this single were donated to multiple homeless charities, including Arc! During his November tour, to raise further awareness, Wille decided to visit homeless charities on his travels to see where his fundraising would help. We were delighted to show Wille around and were even treated by a performance from him in Lindley House dining room, which the clients loved! Following single sales, Wille donated a fantastic £495!

## PAWS

Over the last 12 months, the PAWS project has remained live, looking after the dogs in Arc residences as well as dogs belonging to the rough sleeping community. During the summer months of 2019, other than our resident dogs, there was only a fairly small demand on our funding and our time. But as we drew into the autumn and winter word spread of our PAWs project and requests for help came in from new and unexpected quarters.

This year we have interacted with at least 15 dogs and 6 cats. The kind of work we have been doing ranges from health care and advice, providing nutrition and providing temporary kennel or foster placements for animals where their owners are not able to look after them, the reasons for which could be anything from ill health to circumstances beyond the owners control.

We have experienced sadness with the loss of a dog belonging to a rough sleeper but was able to support him during his difficult time. But we have also experienced happiness seeing one dog rehomed to a new and loving family where the owner was no longer able to keep him. We have also been able to support four individuals over the year who were made homeless through fleeing domestic violence and could only receive support from the specialist agencies if they did not have their animal with them. We're pleased to say that of the four, three have been reunited with their pets and the fourth is in regular contact with the foster carer.

Again, we have seen how important and valuable the relationships are between owner and pet when in challenging life situations and the PAWS project are thrilled to be able to support those relationships.



## CHAIR'S REPORT

Year ended 31 March 2020

This has been another amazing year for Taunton Association for the Homeless (trading as Arc).

Arc continues to provide high quality housing and support services for homeless people who may have recently found themselves on the streets, been rough-sleeping for an extended period or become homeless due to family break-up or change in circumstance.

The work at Lindley House, Arc's hostel and crash-pad site, is demanding and ever-changing to meet the needs of people with a range of acute and chronic conditions, such as poor mental health, deteriorating physical health and substance misuse.

In addition, 113 people are accommodated in satellite supported housing where they are encouraged and enabled to regain or find new lives and develop their potential. Many enter training, education or work and move on to independent living and build new relationships. This is work which continues away from the public eye but is constant and strong.

The current Covid-19 pandemic has challenged the world but Arc has not only risen to the task but moved above and beyond business continuity to ensure the safety and well-being of all staff and clients. The impact of Covid-19 and the adjustments Arc have taken are explained more in Note 19, Post Balance Sheet Events on page 27 of this annual report. Working with partner agencies to relocate 26 clients to additional accommodation has been exacting, and the move to electronic meetings and home working has pushed the boundaries of innovation and adaptability to reveal an even stronger and forward-thinking organisation

By executing a pragmatic approach, with sound financial management, Arc can face a positive and resilient future. This is due to the excellent leadership and dedicated staff and teams of volunteers who work within the newly affirmed organisational Mission, Vision and Values. My thanks go to all as they are recognised in the weekly clapping of key workers during the pandemic.

During the past year, I have been working to further develop and strengthen Arc's Board to ensure effective governance through accountability and support for the operational delivery. I am pleased to report that Arc's Board is in a strong position with new members bringing a wide range of skills to the organisation. I look forward to working with the Board and Arc senior managers as we enter the next phase of delivery.



Lynn Emslie

Chair

21<sup>st</sup> July 2020

## **CHIEF EXECUTIVE'S REPORT**

### **Year ended 31 March 2020**

Yet another outstanding year for Taunton Association for the Homeless (trading as Arc). We have continued to develop our culture and refine our business model to ensure core services are now financially sustainable.

We have supported over 350 homeless people in the last year, seeing many of them develop their lives in our main hostel and moving on from our satellite houses. Arc has had a significant impact on so many lives and I am regularly met with contented clients cooking for others, managing their finances and keeping themselves fit and healthy. The Arc Academy has paused to consider future pathways and opportunities for activities and learning into the future but so many clients are now engaging more than ever with some truly amazing results – securing jobs, housing and succeeding in sustaining their lives.

Last year I reported that we had decided to halt the expansion of our freehold property portfolio to allow our reserves to grow. Gearing and liquidity levels remain healthy and our headroom for further development is significant. We are now looking at the possibility of acquiring additional property.

Our relationship with LiveWest continues to thrive with a new three-year agreement in place from the year end and our relationships with Somerset County Council, Sedgemoor and Somerset West and Taunton Councils are stronger than ever.

During the year we have also strengthened our partnerships with the Police, National Probation Service and the National Health Service.

We remain a lead partner in the Somerset wide 'Positive Lives Partnership', working closely with other like-minded providers of services for vulnerable people making optimum benefit of the little funding available. The group thrives on co-production rather than competition for funding.

As an organisation that focuses on people we continue to develop our culture of looking at people's strengths rather than focusing on their problems which is demonstrating huge successes in both clients and staff alike.

Our Staff Council (now Your Voice) has grown in stature and is now fully representative of the staff and matters they raise, both positive and areas in which we need to grow. The Chair of Your Voice now joins the Senior Management Team at meetings and is also present at Board meetings. This demonstrates a culture of complete openness, trust and inclusion in decision making at all levels. The staff Wellbeing Committee has also been re-established and several staff health and wellbeing projects are running, growing on what was already established in the previous year. Both these forums have been especially strong during the Covid – 19 pandemic, and in a staff survey since the outbreak and since the year end staff reported they felt very well cared for and supported during a very difficult time. This has been a tough time, but we can report business has continued.

Our strategy for the coming year includes some alterations and renovations to our Hostel, and investment in some specialist staff to support dependencies, mental health and tenancy sustainment. Along-side this we have recruited a Volunteer Coordinator to help develop our work in this critical area. This is an exciting time for Arc with opportunities opening up steadily.

Our Veteran's project is now well established and has proved to be a huge success. Countless veterans have moved through the service successfully, and there is a waiting list for the service.

Our Health Link Worker (jointly funded by the NHS) has reported over 300 engagements with homeless people during the year, providing respite for Accident and Emergency units (often the only recourse to health care for rough sleepers) as well as improving the health of our clients. We are nearing completion of our new GP surgery within our hostel which will enhance this part of our work significantly.

We are developing the potential of setting up a cleaning company as a social enterprise that would employ former clients. Funding was achieved for initial research during the year and additional funding has been applied for. This is an exciting venture for Arc and I look forward to reporting developments during the year.

Fundraising remains very strong with growth in donors and levels of contributions, corporate support and gifts in kind. The team has developed its strengths and its contribution is significant.

In a time when despite our best efforts, homelessness is increasing, our clients' lives becoming ever more complex and with the added pressures of County Lines, I continue to be humbled by the dedication of the Arc team which feels united more than ever. Thank you.

Our Board has grown and developed in the year, but since the year end two members have left due to personal reasons. We have been busy recruiting and some amazing people are in the process of joining our Board. Thank you to our Chair for your support for me and the Board for all for your on-going support.

Thank you also to the Senior Management Team. Rarely can any organisation boast such trust, cohesion, pragmatism and resilience as this team generates.

The year ends with a significant surplus and my thanks goes to our Finance Director for steering Arc through another successful year.

A huge thank you to our volunteers who have worked thousands of hours to support us over the last year. Arc would not be the same without your passion and devotion.

I look forward to developing Arc further with all our people as a new year unfolds.



Justin Roxburgh

Chief Executive

21<sup>st</sup> July 2020

## STATEMENT OF THE BOARD OF MANAGEMENT RESPONSIBILITIES

The Board of Management is responsible for preparing the accounts in accordance with applicable law and regulations. We are required by law to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Association, and of the surplus or deficit of the Association for that period.

In preparing these accounts we are required to:

select suitable accounting policies and apply them consistently;

- make reasonable and prudent judgements and estimates;
- prepare the accounts on a going concern basis unless it is inappropriate to presume that Association will continue to operate.

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014.

We are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We have a reserves policy.

On behalf of the Board of Management



V Love

Chair of the Audit & Risk Committee

Date 21<sup>st</sup> July 2020

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

### **Opinion**

We have audited the financial statements of Taunton Association for the Homeless (the 'association') for the year ended 31 March 2020 which comprise the Income and Expenditure Account, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The Board of Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

the association has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or

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

#### **Responsibilities of the Board of Management**

As explained more fully in the Board of Management's responsibilities statement set out on page 14, the Board of Management is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Management is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Management either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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



Bishop Fleming LLP  
Chartered Accountants & Statutory Auditors  
16 Queen Square  
Bristol, BS1 4NT  
Date: 31 July 2020



**INCOME AND EXPENDITURE ACCOUNT (incorporating the Statement of Comprehensive Income)**  
**year ended 31 March 2020**

	Note	2020 £	2020 £	2019 £	2019 £
<b>Income</b>					
Rent Receivable	4	1,949,688		1,818,732	
Assessment Centre Rental Income		114,778		64,875	
Grants Receivable	5	131,038		262,405	
Donations		139,007		123,424	
Landlord Incentive Scheme		22,670		4,949	
PAWS Project		3,664		2,336	
Other Income		15,590		13,000	
Somerset West Lettings Agency	9	1,443		35,164	
			<u>2,377,878</u>	<u>3,324,805</u>	2,324,885
<b>Direct Expenditure</b>					
Property Costs	6	449,209		393,013	
Employee Costs	8	1,225,304		1,252,066	
Food		39,239		39,551	
Residents Activities/Involvement		2,888		7,566	
Donated Funds Expended		79,553		55,510	
Landlord Incentive Scheme		22,670		4,949	
PAWS Project		9,044		2,336	
Social Enterprise Costs		9,447		553	
Somerset West Lettings Agency	9	-		88,147	
			<u>1,837,354</u>	<u>2,414,729</u>	1,843,691
<b>Gross Operating Surplus</b>			540,524		481,194
Central Costs	7		(153,356)		(160,049)
Depreciation			(110,677)		(109,218)
<b>Operating Surplus/(Loss)</b>			276,491		211,927
Interest received			202		5
Interest Paid			(14,152)		(13,522)
Other Finance Costs	16		(13,000)		(11,000)
<b>Net Surplus/(Deficit) to Reserves</b>			249,541		187,410
<b>Other Comprehensive Income</b>					
Actuarial Gain/(Loss) on Defined Benefit Pension Scheme			220,000		(83,000)
Remeasurements on defined benefit pension deficit contributions			-		-
<b>Total Comprehensive Income for the Year</b>			<u>469,540</u>		<u>104,410</u>

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

**BALANCE SHEET**  
as at 31 March 2020

	Note	2020 £	2019 £
<b>Fixed Assets</b>			
Tangible Assets	10	2,403,814	2,467,194
<b>Current Assets</b>			
Stock		2,009	1,215
Debtors	11	210,447	189,672
Cash at Bank and in Hand		<u>420,466</u>	<u>193,650</u>
		632,922	384,537
<b>Creditors: amounts falling due within one year</b>	12	<u>(326,357)</u>	<u>(288,990)</u>
<b>Net Current Assets</b>		<u>306,565</u>	<u>95,547</u>
<b>Total Assets less Current Liabilities</b>		2,710,379	2,562,741
<b>Creditors: amounts falling due after one year</b>	13	<u>(281,275)</u>	<u>(354,176)</u>
<b>Net Assets excluding defined benefit deficit contributions liability</b>		<u>2,429,104</u>	<u>2,208,565</u>
Defined benefit liability	16	(167,000)	(416,000)
<b>Net Assets</b>		<u>2,262,104</u>	<u>1,792,565</u>
Called up Share Capital	17	29	31
General Reserve	17	<u>2,262,075</u>	<u>1,792,534</u>
<b>Association Funds</b>	17	<u>2,262,104</u>	<u>1,792,565</u>

The accounts were approved and authorised for issue by the Board of Management on 21<sup>st</sup> July 2020 and signed on its behalf by:-



.....  
L Emslie  
(Chair)



.....  
V Love  
(Chair of the Audit & Risk Committee)



.....  
S Davies  
(Secretary)

## NOTES TO THE ACCOUNTS

year ended 31 March 2020

### Principal Accounting Policies

#### (a) Basis of Accounting

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

The defined benefit deficit contributions liability has been accounted for in accordance with the Financial Reporting Standard FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

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

#### (b) Going Concern

The Board of Management continue to monitor the financial situation arising from the Covid-19 impact. There has been a modest reduction in Rental Income from April 2020 with some clients having to move to more appropriate accommodation to be able to self-isolate. The financial position of Arc and the ability to be flexible has allowed the Senior Management Team to carry on supporting the clients and adapt to the changes that have needed to be put in place. In June 2020 Arc were successful in a bid for relief monies to help with the impact of Covid-19. The Board of Management consider Arc to have sufficient resources to be able to continue its work and to meet its liabilities within the next 12 months from the date of approval of these financial statements.

#### (c) Rental Income

Rental income is accounted for on a receivable basis and provision has been made in these accounts for rents owing at 31 March 2020 where there is not a reasonable expectation of recovery.

For properties where the association acts as managing agents the rent collected by the association is included in rental income. The amount payable to the property owner is included in expenditure. This treatment fairly reflects the level of activity undertaken by the association and is consistent with other properties owned by the association.

#### (d) Other Income

All other income is recognised in the period in which it is receivable, provided conditions for recognition are met, unless the income relates to a specified future period in which case it is deferred.

Government grants on capital expenditure are credited to a deferral account and are released to revenue over the expected useful life of the relevant asset by equal annual instalments.

#### (e) Depreciation

Depreciation is provided on tangible fixed assets in equal instalments in order to write off the cost over their anticipated useful lives. The anticipated useful lives are as follows:

Freehold Property	– 40 years
Improvements to Freehold Property	– 10 years
Improvements to Leasehold Property	– Over the period of the lease, or 25 years where the lease is for an indefinite term
Fixtures and Fittings	– 3 years
Office Equipment	– 3 years
Motor Vehicles	– 5 years

Fixtures and Fittings comprise the initial cost of fitting out new premises only. Fixtures and Fittings within the Association's Hostels and Satellite Houses are subject to considerable wear and tear and are constantly being

**1. Principal Accounting Policies** (continued)

replaced and renewed. Expenditure on Fixtures and Fittings which is therefore of a replacement nature is written off to revenue in the year in which the cost is incurred.

**(f) Stock**

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

**(g) Operating Leases**

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

**(h) Pensions**

Defined contribution pension plan

The Association operates three Social Housing defined contribution pension schemes. The pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

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

Defined benefit pension plan

The Association also participates in the Social Housing defined benefit CARE pension scheme. Contributions are based on pension costs across the various participating Associations taken as a whole. The assets of the scheme are invested and managed independently of the finances of the Association. Pension costs are assessed in accordance with the advice of an independent qualified actuary. Costs include the regular cost of providing benefits which it is intended should remain at a substantially level percentage of current future earnings of the employees concerned.

**2. Net (Deficit)/Surplus**

	2020	2019
	£	£
The net surplus is stated after charging		
Depreciation owned assets	110,677	109,218
Audit remuneration – audit	7,080	6,900
Audit remuneration – non audit	378	780
Operating lease payments	45,743	55,201

**3. Taxation**

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

NOTES TO THE ACCOUNTS  
year ended 31 March 2020

<b>4 Rents Receivable</b>	<b>Bed Nights</b>	<b>2020</b>	<b>Bed Nights</b>	<b>2019</b>
		<b>£</b>		<b>£</b>
Maximum Occupancy	61,044	2,077,524	59,470	1,975,755
Less Unoccupied Rooms	(2,216)	(75,873)	(3,390)	(114,063)
		<hr/>		<hr/>
Actual Occupancy	58,828	2,001,651	56,080	1,861,692
Less Bad Debts written off		(12,244)		(14,763)
Plus Bad Debts written back (monies received)		1,327		8,032
Less Bad Debts provided for		(41,045)		(36,229)
Actual Rents Receivable		<hr/>		<hr/>
		1,949,688		1,818,732
<b>5 Grants Receivable</b>		<b>2020</b>		<b>2019</b>
		<b>£</b>		<b>£</b>
SCC Support Contracts		47,448		150,000
Complex Adults – Sedgemoor District Council		12,258		30,475
Somerset Partnership – Health Link Worker		21,560		21,032
Taunton Deane & Sedgemoor Council		40,325		60,345
Access Foundation Grant		9,447		553
		<hr/>		<hr/>
		131,038		262,405
<b>6 Property Costs</b>		<b>2020</b>		<b>2019</b>
		<b>£</b>		<b>£</b>
Motor and Travelling		2,703		4,826
Rent, Rates and Insurance		149,285		137,387
Heat and Light		81,896		66,061
Repairs and Renewals		112,192		92,433
Laundry and Cleaning		59,269		48,761
TV Licences		7,262		7,074
Telephones		22,067		17,155
Outreach Personalised Budget		-		4,058
Outreach on call Service SDC		4,381		-
Health Link Personalised Budget		620		431
Complex Adults Personalised Budget		455		1,481
Sundry Expenses including Grounds maintenance		9,079		13,346
		<hr/>		<hr/>
		449,209		393,013
<b>7 Central Costs</b>		<b>2020</b>		<b>2019</b>
		<b>£</b>		<b>£</b>
Office, Rent, Rates and Insurance		32,046		30,303
Stationery and Photocopying		9,731		11,455
Telephone and Postage		11,755		11,592
Promotional Expenses		4,390		8,727
Office, Heat and Light		5,374		5,865
Subscriptions		3,094		3,365
Meeting Expenses		2,310		2,498
Legal and Professional		48,437		43,556
Auditors Remuneration		7,860		7,350
Computer Costs		26,522		30,797
Fundraising Costs		1,427		3,899
Sundries		410		642
		<hr/>		<hr/>
		153,356		160,049

NOTES TO THE ACCOUNTS  
year ended 31 March 2020

<b>8 Employee Costs</b>	<b>2020</b>	<b>2019</b>
	<b>No</b>	<b>No</b>
The average number of full-time equivalent employees of the Association was:	35	38
Costs in respect of those employees were as follows:	<b>£</b>	<b>£</b>
Wages and Salaries, agency costs and other employee costs	1,087,107	1,099,758
Social Security Costs	91,413	94,684
Pension Costs	39,251	43,431
Redundancy	1,221	2,540
Governance	1,274	5,022
Volunteer Expenses	1,625	3,199
Night Security Costs	3,413	3,432
	<u>1,225,304</u>	<u>1,252,066</u>
<b>9 Somerset West Letting Agency (SWLA)</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Income		
EDF	-	15,000
Recovered arrears	1,443	-
Management Fees from Landlords	-	20,164
	<u>1,443</u>	<u>35,164</u>
Expenditure		
Salaries, Agency Costs, Staff Travel, Training and other staff costs	-	65,699
Redundancy Costs	-	3,463
Office, Rent and Rates, Heat and Light, Insurance and Rates	-	3,388
Stationery, Postage, Telephone and other office costs	-	2,202
Advertising and Promotional Expenses	-	9,929
Computer Costs	-	3,033
General Equipment and Maint, Health and Safety	-	163
	<u>-</u>	<u>88,147</u>
The average number of full-time equivalent employees of SWLA was:	-	3

NOTES TO THE ACCOUNTS  
year ended 31 March 2020

10 Tangible Assets

	Freehold Property and Impr- ovements £	Improve- ments to Leasehold Property £	Fixtures and Fittings £	Office Equipment £	Motor Vehicles £	Total £
<b>Cost</b>						
As at 1 April 2019	3,407,689	142,868	43,435	45,974	6,100	3,646,066
Additions	5,835	-	26,387	15,074	-	47,296
Disposals	-	-	-	-	-	-
As at 31 March 2020	<u>3,413,524</u>	<u>142,868</u>	<u>69,822</u>	<u>61,048</u>	<u>6,100</u>	<u>3,693,362</u>
<b>Depreciation</b>						
As at 1 April 2019	979,311	119,197	36,370	38,440	5,553	1,178,871
Charge in the year	92,582	1,376	8,584	7,588	547	110,677
Disposals	-	-	-	-	-	-
As at 31 March 2020	<u>1,071,893</u>	<u>120,573</u>	<u>44,954</u>	<u>46,028</u>	<u>6,100</u>	<u>1,289,548</u>
<b>Net Book Value</b>						
As at 31 March 2020	<u>2,341,631</u>	<u>22,295</u>	<u>24,868</u>	<u>15,020</u>	<u>-</u>	<u>2,403,814</u>
As at 31 March 2019	<u>2,428,378</u>	<u>23,671</u>	<u>7,065</u>	<u>7,534</u>	<u>547</u>	<u>2,467,194</u>

Somerset County Council (SCC) holds a charge over the freehold property at 44, William Street, Taunton. In the event that the Association ceases to use this property in accordance with its current objects before July 2026, it could be required to pay the sum of £190,000 to SCC. As this event is considered to be unlikely no provision has been made in the accounts.

11	<b>Debtors</b>	<b>2020</b>	<b>2019</b>
		£	£
	Rents Receivable	190,016	187,478
	Bad Debt Provision	(41,552)	(37,326)
	Income Tax Recoverable	9,344	7,585
	Other Debtors	17,198	13,137
	Prepayments	<u>35,441</u>	<u>18,798</u>
		<u>210,447</u>	<u>189,672</u>
12	<b>Creditors – amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
		£	£
	Trade Creditors	32,965	42,490
	Taxation and Social Security	22,334	21,065
	Other Creditors	8,159	21,961
	Accruals and Deferred income	239,510	160,417
	NatWest Bank Loan	<u>23,389</u>	<u>43,057</u>
		<u>326,357</u>	<u>288,990</u>

NOTES TO THE ACCOUNTS  
year ended 31 March 2020

<b>13</b>	<b>Creditors – amounts falling due after one year</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Rent Deposit Scheme	908	17,313
	NatWest Loan	<u>280,367</u>	<u>336,863</u>
		<u>281,275</u>	<u>354,176</u>

**14** **Contingent Liabilities**

As at 31 March 2020 a potential contingent liability exists arising from Bonds given out from the Rent Deposit Scheme which could be claimed on. The estimated liability at the year end is £908 (2019-£3,804) thought it is unlikely to crystallise

**15** **Obligations under Leasing Agreements**

The following payments are committed to be paid:

		<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	<b>Plant and Machinery</b>		
	Payable within one year	4,025	2,264
	Payable in 1 – 5 years	<u>13,677</u>	<u>4,910</u>
		<u>17,702</u>	<u>7,174</u>
	<b>Land and Buildings</b>		
	Payable within one year	32,500	42,641
	Payable in 1 – 5 years	130,000	130,000
	Payable in more than 5 years	<u>215,625</u>	<u>248,125</u>
		<u>378,125</u>	<u>420,766</u>

**16** **Pensions and other post-retirement benefits**

a) Defined contribution plans

The company operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £37,819 (2019-£37,843).

b) Defined benefit pension plans

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

The most recent comprehensive actuarial valuation of pension plan assets and the present value of the defined benefit obligation were carried out on 30<sup>th</sup> September 2018.



NOTES TO THE ACCOUNTS  
year ended 31 March 2020

**16 Pensions and other post-retirement benefits (continued)**

b) Defined benefit pension plans (continued)

The total cost recognised in the period was as follows:

	<b>2020</b>
	<b>£000</b>
Current service cost	0
Past service cost	0
Plan introductions, changes, curtailments and settlements	4
Net interest expense	9
Recognised in profit and loss	<u>220</u>
Recognised in other comprehensive income	<u>233</u>

Amounts recognised in the balance sheet were as follows:

	2020	2019
	£000	£000
Present value of funded obligations	(1,397)	(1,587)
Fair value of plan assets	<u>1,230</u>	<u>1,171</u>
	(167)	(416)

Amounts recognised in the balance sheet were as follows:

	2020
	£000
Opening defined benefit obligation	1,587
Current service cost	0
Past service cost	0
Interest expense	40
Actuarial losses	(186)
Contributions by scheme participants	0
Benefits paid	(44)
(Gains)/losses on curtailment	0
Liabilities extinguished on settlements	<u>0</u>
Closing defined benefit obligation	<u>1,397</u>

NOTES TO THE ACCOUNTS  
year ended 31 March 2020

**16 Pensions and other post-retirement benefits (continued)**

b) Defined benefit pension plans (continued)

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

	<b>2020</b>
	<b>£000</b>
Opening plan assets	1,171
Interest income	27
Actual return on plan assets (excluding interest income)	34
Assets distributed on settlements	0
Contributions by employer	42
Contributions by scheme participants	0
Benefits paid	<u>(44)</u>
Closing plan assets	<u>1,230</u>

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

	2020	2019
	£000	£000
Equity instruments	180	197
Debt instruments (bonds)	132	111
Property	48	43
Other assets	<u>870</u>	<u>820</u>

The return on plan assets was as follows:

2020	2019
£000	£000
<u>1,230</u>	<u>1,171</u>

	2020
	£000
Interest income	27
Actual return on plan assets (excluding interest income)	<u>34</u>
Total return on plan assets	<u>61</u>

The principal actuarial assumptions used were as follows:

	2020	2019
Discount rate	2.38%	2.31%
Expected rates of salary increases	2.62%	3.29%
Expected rate of inflation	2.62%	2.29%

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

Retiring at the balance sheet date		
• males	21.5	21.8
• females	23.3	23.5
Retiring in 20 years		
• males	22.9	23.2
• females	24.5	24.7

NOTES TO THE ACCOUNTS  
year ended 31 March 2020

**17 Reconciliation of Movements in the Association's Funds**

	Share Capital	General Reserve	Total
	£	£	£
<b>As at 1 April 2019 as previously stated</b>	31	1,792,534	1,792,565
Surplus/(Loss) in the year	0	249,541	249,541
Other recognises gains and losses	(5)	220,000	219,995
Issued £1 shares in the year	<u>3</u>	<u>0</u>	<u>3</u>
<b>As at 31 March 2020</b>	<u>29</u>	<u>2,262,075</u>	<u>2,262,104</u>

**18 Capital Commitments**

In February 2020 Arc signed a contract for the supply and installation of replacement windows at Lindley House. A 30% deposit was paid in February, the 70% balance of £67,494 to be paid on manufacture and installation is a capital commitment as at the 31<sup>st</sup> March 2020.

**19 Post Balance Sheet event**

The impact on Arc from the Covid - 19 pandemic has been varied. Initially, at meetings with Public Health England and our local authority, it was agreed that our main hostel did not offer appropriate facilities to encourage distancing and so numbers of clients were rehoused in temporary alternative accommodation. This resulted in the hostel running at around 50% capacity. With restrictions easing numbers are increasing steadily. Losses during this period of reduced occupancy have been partly met from Government Covid response funding, but there will remain a short-term deficit. Processes and procedures were quickly adapted to ensure the safety of everyone in the environment. We have plans to re-purpose the building to future proof it against any similar event. For Arc's other properties occupancy levels remained unchanged and Pathways staff have been providing support remotely and where absolutely necessary at the properties in a controlled and risk assessed manner. Administrative functions have moved exclusively to home working - Arc was well set up in terms of being able to facilitate this. Arc senior managers and Board members are now working on post Covid plans. Governance has remained robust throughout with Board and Committee meetings taking place remotely.

**20 General Information**

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

TAUNTON ASSOCIATION FOR THE HOMELESS LTD

## BOARD OF MANAGEMENT

LYNN EMSLIE (Chair)

DAVID COOKE

VIVIAN LOVE (Appointed 18<sup>th</sup> September 2019)

VICTORIA STOKER (Appointed 18<sup>th</sup> September 2019)

ANTHONY PORTER (Resigned 28<sup>th</sup> March 2020)

RON SMITH (Appointed 18<sup>th</sup> September 2019 and Resigned 2nd April 2020)

MICHAEL PEARSON (Resigned 22<sup>nd</sup> May 2019)