



# **Shareholders' Annual Report And Financial Statements 1 April 2010 – 31 March 2011**

Thames Reach Housing Association Limited  
Registered Office: Gem House, 122-126 Backchurch Lane, London E1 1ND  
Registered No: 24377R

## Thames Reach Housing Association Limited

<b>Contents</b>	<b>Page</b>
Shareholders' annual report	2-21
Independent auditor's report	22-23
Statement of financial activities	24
Balance sheet	25
Cash flow statement	26
Notes to the financial statements	27-37

## REFERENCE AND ADMINISTRATIVE DETAILS

### Introduction

Thames Reach Housing Association Limited (Thames Reach/the organisation) is an Industrial and Provident Society registered under the Industrial and Provident Societies Act 1965, register no. 24377R, and is an exempt charity. Thames Reach is a member of the National Housing Federation, currently operating under the National Housing Federation Model Rules 1997 and in the process of adopting the 2011 rules.

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: Gem House, 122-126 Backchurch Lane, London E1 1ND.

Details of the members of the Board are given on pages 12-13.

The Senior Management Team (SMT) consists of:

Jeremy Swain, Chief Executive  
Christine Smith-Gillespie, Director of Finance and Central Services  
Audrey Mitchell, Director of Street and Hostel Services  
Bill Tidnam, Director of Housing and Community Support

### Bankers and Auditor

Bankers: National Westminster Bank plc  
Lambeth North Branch  
P O Box 7929  
London SE1 7ZB

Barclays Bank plc  
P O Box 35721  
London E14 4WA

Auditor: Chantrey Vellacott DFK LLP  
Russell Square House  
10-12 Russell Square  
London WC1B 5LF

## 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, specialist supported housing for people with substance misuse and mental health problems, tenancy support services and a range of employment, training, education and meaningful occupation schemes. Many of Thames Reach's service users have had involvement with the criminal justice system and spent periods in prison.

### 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.

### Prevention and Partnerships

Thames Reach's frontline services, such as street outreach, frontline 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 transitional support, geared around **prevention**: stopping people from drifting into a downward spiral of homelessness through destructive moves into poorer and less 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 other voluntary sector organisations, central and local government, the business sector, supportive individuals and local communities.

### Ethos and Values

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

#### 1. Homelessness

We believe that homelessness and its effects are a great injustice and that anyone can become homeless. From our experience we know that the route out of homelessness can be long and painful. We are committed to never giving up on people, no matter how complex, chaotic or challenging they may be.

#### 2. Service users

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

**3. Staff**

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 interests of service users, trusting in their ability to work autonomously and providing protection from undue risk.

**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 achieve this objective.

**5. Partnership**

We believe our aims can only be achieved by working in partnership with others: we know we do not have all the solutions. We will generously give time, resources and expertise to others if the ultimate outcome gets us closer to our goal of ending street homelessness.

**6. Free from dogma**

Thames Reach will be renowned for its open-mindedness, creativity, flexibility and refusal to allow a rigid approach to reduce its effectiveness or inhibit its actions.

**7. Our message**

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

**Accommodation and Services**

Thames Reach offers a range of accommodation and non accommodation-based services to homeless people, those at risk of homelessness and to other vulnerable people in need of support.

Thames Reach manages 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. The London Street Rescue team provides a service across most London boroughs. Some boroughs with a particularly large number of rough sleepers commission their own bespoke services and Thames Reach has borough-specific teams operating in Lambeth, Hammersmith and Fulham, Croydon and Tower Hamlets.

Thames Reach does not own housing stock. Instead it manages different kinds of accommodation on behalf of Registered Social Landlords (RSLs), 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 2011 was 666 (2010: 661). These were situated in ten (2010: eight) different boroughs.

Thames Reach also provides tenancy support, often referred to as floating support, to over 1,800 (figures as at July 2011) (2010: 2,500) vulnerable people living in housing association and council flats and bedsits across a number of London boroughs who would be unable to manage without the flexible and responsive support offered under this model.

Thames Reach's Employment and Resettlement Service is responsible for ensuring that all Thames Reach service delivery teams focus on enabling service users to progress towards both independent move-on and employment. This includes direct support to service users to build their skills and confidence, training for staff and service users, and partnerships with external bodies, including local authorities and RSLs, to maintain access to housing options and private and voluntary sector partners to secure training and work opportunities.

**Rents**

In 2010-2011 the average rent in accommodation managed by Thames Reach was £82.01 (2009/2010: £78.51) per week, excluding personal and service charges.

## Business Plan

The Business Plan was developed in consultation with service users, staff at all levels and Board members. It sets out the strategic direction of Thames Reach for the period 2009-2012 and establishes the key objectives that the organisation is seeking to achieve as it strives to fulfil its mission and vision.

The six key Business Plan work areas are:

1. Effective pathways out of homelessness
2. Skilled interventions to motivate and achieve change
3. Positive contributions to neighbourhoods, communities and society
4. User empowerment and involvement
5. Financial stability and robust governance
6. Communicating our experience and understanding the barriers leading to homelessness.

### 1. Effective pathways out of homelessness

This area of the Business Plan covers:

- Extending the range of our advice work aimed at breaking cycles of behaviour leading to homelessness
- Finding more ways of diverting people away from hostels who do not need a high level of support and into other forms of accommodation such as the private rented sector
- Extending our street work, particularly our reconnections work, so that we can help people return home
- Increasing the effectiveness of our hostels, especially through improving our approach to addressing health and well-being, achieving more move-on and helping people increase their employability skills
- Raising the physical standards of our hostels
- Extending the range of our tenancy support services and improving our approach by having clearer expectations around change and recovery, especially in the area of substance misuse
- Remodelling our second-stage accommodation to adapt to emerging need
- Developing our strategy for working with ex-offenders
- Strengthening our relationship with health professionals and commissioners so that our services become more effective at addressing the health issues of our service users
- Substantially increasing the number of our service users securing work and developing an Employment Academy in south London to contribute to this objective

### Progress in year two

Our specialist **advice work** has continued to progress well, for instance at the Greenhouse Walk-in and Hackney Reach shop front where homeless people in Hackney can obtain free health, housing and welfare advice.

Thames Reach has been a key partner in developing a new initiative with NHS Lambeth, the London Borough of Lambeth, the South London and Maudsley (SLAM) NHS Foundation Trust and other voluntary sector organisations called the Living Well Collaborative (LWC) which seeks to assist people suffering from enduring mental health problems to access local services easily and effectively. Within the LWC Thames Reach manages the Community Options Team which helps people to find solutions to their specific mental health needs so that they can avoid relapse and hospitalisation. Some good early progress has led to NHS Lambeth recently agreeing to fund two additional workers to work in the team. As part of the LWC we are also seeking to find more effective solutions for people who have mental health problems and offending histories, some of whom are consigned to secure units for years. Further work is required on defining our advice work and clarifying the scale and scope of what Thames Reach would like to deliver.

The **Lewisham Diversion Project** pilot, which seeks to find accommodation in the private rented sector for people who are homeless but do not have statutory rights to housing, has been operating effectively following an initial pilot. It has now been successfully mainstreamed within Lewisham after initial funding support was provided by the London Housing Foundation. The development of the

model in Lewisham had enabled Thames Reach to successfully apply for funding under a central government private rented sector initiative managed by homelessness charity, Crisis. This has led to two new private rented sector schemes being established in the London boroughs of Greenwich and Lewisham (see page 15).

Our **Reconnections Services** have continued to grow to meet the needs of the increasing numbers of Central and Eastern Europeans sleeping rough in London. The Reconnection Team offers advice and support to any rough sleeper from Europe whilst the West London Reconnection Team works with foreign national rough sleepers from any country in the world. Foreign national rough sleepers made up 45% of those met on the street and responding to this increase is a priority area for rough sleeping services in London. We are influentially involved with all the initiatives geared towards achieving an end to rough sleeping in London by 2012 and have actively sought to redefine the rough sleeping target to include length of time on the street, which has influenced the development of the current No Second Night Out initiative that seeks to make it unnecessary for any person arriving on the streets of the capital to spend more than a single night out.

Staff at all of Thames Reach's hostels are fully trained in person-centred planning (PCP), which offers a new focus to key-work and is more actively user-led than traditional key-working approaches. This approach has worked particularly well at one of our hostels for older men and women and has led to improvements in **health and well-being** as measured through the outcomes tool used by Thames Reach, the "outcomes star".

Work on the **upgrade of our largest hostel**, Graham House, funded by the Homes and Communities' Agency's (HCA's) Places of Change capital programme, is now complete with a vastly improved reception area and well-equipped new training kitchen. We are currently in the planning stages of a refurbishment of the communal areas of Stamford Street hostel, made possible through funding from the Department of Health, the aim being to create a therapeutic environment for people with significant health problems as the project seeks to support people with complex multiple needs. The work is due to be completed in early 2012.

Approximately **10% of our service users are in employment** and we are working hard to achieve the level of increase necessary to realise the ambitious target of 25% of service users in employment by 2012. The current stagnant job market makes this an especially challenging objective. The programme that seeks to achieve the 25% employment target is called the Breakthrough Project, funded by the Oak Foundation. One of its key aims has been to create a work-ready cohort of service users who receive targeted support to enable them to find work. The Breakthrough Project also seeks to improve our employer engagement work and is specifically targeting service users on Job Seekers' Allowance (JSA) who have already been assessed by Job Centre Plus as work-ready. We continue to work hard to improve our data collection to ensure that the employment-related information is comprehensive and robust and appropriate for tracking the progress of the programme.

In August 2010 we completed on the purchase of a building to create a flagship **Employment Academy** and since then have secured planning permission for this development. The Employment Academy, made possible through a £4 million capital contribution from the Places of Change programme, will bring together in an impressive listed building a range of employment and training services which, together, will create a pathway from long-term worklessness for those who are committed to improving their skills and seeking employment. More detail on the Employment Academy is provided on page 16.

The year was dominated by the steady and remorseless downward pressure on the hourly rate, the main cost indicator used by commissioners seeking to procure support services for homeless and vulnerable people. This has meant that Thames Reach, in keeping with other providers, has had to significantly reduce staffing costs and we have sought to do this by increasing the working hours of staff and restructuring the staffing complement of the organisation at every level. We were disappointed to lose our **floating support** contracts in the London Boroughs of Westminster and Southwark as a result of re-tendering processes but, on a positive note, we have successfully consolidated our floating support services in Sutton, Croydon, Lewisham and Hackney, and retained housing, hostel and outreach services in other London boroughs, including Lambeth, Brent, Hammersmith and Fulham, Tower Hamlets, Kensington and Chelsea and Camden. Increasingly local authorities are interested in commissioning services that can offer a personalised approach to the provision of support and an element of 'payment by results'. These are two areas where Thames Reach is eager to respond to the challenge and pilot new approaches to delivering services.

Thames Reach's **substance misuse strategy** has been successfully implemented and we will continue to monitor and evaluate progress in our work with people who misuse drink and drugs and actively seek to raise the profile of this work with commissioners. For example, in our work with **ex-offenders** we are developing a pricing model based on reductions in offences committed, increases in sustainable employment and positive changes in behaviour.

We have made good progress in developing niche services, such as our diabetes project. **Health issues** remain prominent in the latest organisation-wide service users' survey with 54% of respondents describing themselves as having a mental health issue and 70% citing this as the main barrier preventing them from returning to work. We are investigating what is behind this statement in order to better understand how we can help people overcome this obstacle and return to work. This ongoing piece of work links with the broader initiative to develop partnerships with primary healthcare providers and take advantage of changes in the health commissioning landscape.

## 2. Skilled interventions to motivate and achieve change

This area of the Business Plan covers:

- Improvement in casework management
- Greater flexibility in the use of offices
- Staff training, career pathways and succession planning
- Staff well-being
- Service users becoming part of the work-force

Progress in year two

Our organisation-wide initiative to strengthen our **casework management** approach so that all service users receive a consistently high level of support from staff, with clear needs assessments undertaken at an early stage, leading to plans shaped by the service user themselves, is complete. Casework management has become embedded in the teams' work, with regular casework meetings taking place, sometimes attended by representatives from local Community Mental Health Teams (CMHTs) and Primary Care Trusts (PCTs). The move to InForm, the new client recording system, has been more difficult and taken longer than expected but work is ongoing to address this.

Elmfield House was selected as the site for a pilot project to develop more effective use of our office space which was led on by a group of Price Waterhouse Coopers 'emerging leaders' as a pro bono contribution to Thames Reach. A report was produced on making **best use of the space available** which resulted in positive changes being made, such as the creation of one dedicated reception area with linked meeting rooms which generated more effective space for staff to meet clients; more break-out space for staff, and successful hot-desking. A measure of staff satisfaction was achieved which indicated that overall it was successful with some learning to take forward.

We continue to develop our **in-house training programme** with the introduction of, for example, a new system of e-learning in partnership with the Charity Learning Consortium, a leadership and change programme for managers, and the use of action learning sets. The Governance Committee has been discussing expectations in the area of improving career pathways for high-performing staff and the development of our approach to talent management and succession planning, and will monitor the extent to which these new learning initiatives are helping us develop staff and contribute towards effective succession planning.

Bringing service users into the workforce is a major focus for Thames Reach and we have sought to increase further the number of people working at Thames Reach who have previously used services for homeless people. We are proud that our most recent figures (July 2011) show that **73 staff members, or 22% of staff, are users or former users of homelessness services**. These colleagues bring important experiences to the organisation, adding something extra to what we can offer service users. They are important role models that can inspire people to make positive changes in their lives.

### 3. Positive contributions to neighbourhoods, communities and societies

This area of the Business Plan covers:

- Ensuring that Thames Reach services are viewed positively as a local asset.

Progress in year two

It is important that Thames Reach is seen as a **positive contributor to local communities**. Examples of where we have developed our approach in this area include the London Street Rescue Team, which has increased the number of referrals it takes from the public and makes contact with rough sleepers they are concerned for and who they would like us to meet with and help off the street. We have developed a system through which feedback and updates are provided for people who help us in this way.

Our hostels and supported housing projects run events and openings when members of the public can visit our projects and find out about what we do. We also attend local neighbourhood groups in order to contribute with others to improving the local area. A prime example of this is Graham House hostel in Vauxhall where senior staff regularly participate in safer neighbourhoods panel meetings, the local gay business forum, rough sleepers' pathways meetings and borough case review meetings. Managers there routinely liaise too with the Metropolitan police, British transport police, the local authority, Transport for London and local businesses to address antisocial behaviour issues.

The development of our flagship Employment Academy project in Camberwell is being done with the close involvement of the local community with regular open days and a dedicated Employment Academy website.

Analysis of the last round of internal audits that are used internally as a means of assessing and improving the quality of each Thames Reach service has shown joint working in the local area to be an area of good practice across most of the organisation, particularly with CMHTs and PCTs. This is an area of work that will continue to be given the highest priority.

### 4. User involvement

This area of the Business Plan covers:

- Developing a more person-centred approach to our work
- Helping service users to create mutual (peer) support mechanisms
- Strengthening our service users' social networks
- Extending user involvement within Thames Reach.

Progress in year two

We have targeted specific projects, such as our hostel for older homeless men and women, where some very positive results have been achieved over the year, in order to shape our approach more directly around the express needs and aspirations of service users using **person-centred planning (PCP)** techniques. This has meant raising the aspirations of service users and staff and encouraging service users to take more personal responsibility.

Linked to PCP and working closely with commissioners we have piloted new ways of working with service users as part of the national move towards the **personalisation** of services. This has involved experimenting with giving people choice and control over how they spend money available under support arrangements in the form of individual budgets, giving service users more choice over which staff members provide them with support, and extending choice in terms of the activities that service users can undertake. The successful pilot we undertook in one of our floating support services culminated in the development of a floating support personalisation service pathway and has resulted in an increased sense of empowerment for both service users and staff.

Funding from the Monument Trust has enabled Thames Reach to develop the PCP approach further with a particular emphasis on helping service users improve their literacy and numeracy skills in order to build confidence and increase opportunities.

The service user survey 2010 flagged up a need for improvement in the key area of assisting people to have the contact they want with their families. Groundswell, the self-help organisation working in the field of homelessness which develops former homeless people as expert advisors, researchers and advocates, conducted further research to identify more precisely what people want and how we should shape and plan services to achieve the goal of **strengthening our service users' social networks**.

#### 5. Financial stability and robust governance

This area of the Business Plan includes:

- Retaining contracts and developing new areas of business
- Reducing costs
- Property development
- Improving non-statutory fundraising
- Reviewing governance

#### Progress in year two

The past year has been a turbulent and challenging one for Thames Reach, operating in an increasingly competitive environment against a backdrop of substantial cuts to commissioners' budgets. A number of measures have been taken to enable us to bring down costs, price our work more competitively and create a more robust and flexible organisational structure. These measures include an increase in contractual hours, a major management restructure and a restructure of frontline teams posts and contraction of Central Services teams. As most of Thames Reach's expenditure is on salaries, making substantial changes at all staffing levels has been unavoidable.

Additionally, all teams across the organisation are required to demonstrate particular rigour in **reducing expenditure at a local level**, guided by an organisation-wide initiative called *cash, confidence and cost*. The expectations behind this initiative have been discussed at management meetings and other fora and successful implementation has led to a good level of savings being achieved. As part of this, re-negotiation of contracts with key suppliers has led to cost reductions, for instance the consolidation of our mobile phone contracts.

We continue to seek to reduce office costs by the more efficient use of our current offices, making use of the learning from the **review of the use of our offices** undertaken with the support of PwC, as noted above. Work has taken place to physically upgrade the Hudson House resource centre in Stockwell, which is owned by Thames Reach, to improve use of the space there, and part of the adjacent office at Elmfield House has been part-let to a team funded through health monies, which creates both an income stream and brings into the building a team undertaking work which complements the work of Thames Reach.

We have in place a fundraising strategy that focuses on securing income for our employment services. This new strategy enables us to consolidate our approach to **non-statutory fundraising**, prioritising our activities, and identifying and working to our strengths. Fundraising targets broken down by income source ensure we focus our attention on areas of highest return. A fundraising group, chaired by a Board member and reporting in to the Finance, Audit and Fundraising Committee, has been set up with the purpose of focussing on fundraising for capital and revenue costs associated with the Employment Academy.

During the year the Governance Committee reviewed the Board appraisal process and changes to it were agreed by the full Board in July 2011 so that it dealt explicitly with the issue of board renewal and the recruitment of new board members. Board appraisal will take place over autumn 2011.

## 6. Communicating our experience and understanding the barriers leading to homelessness

This area of the Business Plan covers:

- Giving more opportunity for service users to influence
- Strengthening the link between our messages and fund-raising initiatives
- Achieving greater impact at a local level
- Making better use of new media
- Being involved in research to reduce the barriers preventing people from escaping homelessness.

Progress in year two

We continue to actively seek to **link service users directly with the media** and with politicians and policy-makers, ensuring that appropriate support is in place for service users wishing to be involved. For example, a national newspaper and BBC radio programme featured one service user talking candidly about her former addiction to super-strength drinks and the resulting serious health problems.

We have campaigned relentlessly to raise awareness of the problems caused by super-strength lagers and ciders with the objective of increasing the price of these damaging drinks so that they become less available to vulnerable people with addictions. We strongly lobbied government to increase taxes on super-strength lager and were delighted when the Coalition government agreed to increase tax on super-strength lager in the autumn 2011 budget. We also collaborated with St Mungo's and Alcohol Concern on a piece of research that highlighted issues connected with tax loopholes being exploited by producers of low quality super-strength lagers.

We are working hard to create a more explicit link between our **campaigns and fundraising**, with an improvement in fundraising materials and more resources being directed towards raising money as the primary purpose of profile-raising initiatives. This still has to translate into an increase in non-statutory income.

We continue to develop our use of **new media including Facebook and Twitter** to raise the profile of Thames Reach and to engage in different ways with service users. There have been some notable improvements in media successes at a local level and this will be a strong focus in the new communications strategy and programme, with an explicit link to the development of business in the existing and new areas.

We have been active participants in **research** on multiple exclusion homelessness led by the University of York, research on the factors leading to success in resettling homeless people with the University of Sheffield (For Home) and action research on the factors that lead to people escaping homelessness with Groundswell (The Escape Plan). The learning from this research is being disseminated and used to inform and improve our service delivery.

Thames Reach's annual review has received recognition over the year, becoming a finalist in the 2010 Design Week Awards, going one better in 2011 when it was highly commended, and becoming runner-up in the prestigious Customer Communications category of Marketing Design Awards.

Highlights of our work throughout the year are detailed in the Achievements and Performance section of this report on pages 16-18.

## **Organisational Work Programme**

Every year an annual work programme is developed by the Senior Management Team (SMT), setting out the actions and initiatives required in order to achieve the Business Plan objectives, and this is considered, agreed and, later in the year, reviewed by the Board. Each element of the work programme has a lead SMT member who takes responsibility for delivery on the particular area of work.

The annual work programme is linked to departmental, service and team work plans, all of which connect with the Business Plan. The work programme is aligned with the organisation's outcome management systems, including assessment and support planning tools, the outcomes star and the Excellence Model action plan. The European Foundation for Quality Management (EFQM) Excellence Model is the quality assurance framework that has been selected by Thames Reach to enable us to deliver continuous improvement in all areas of our operation.

The SMT is responsible for ensuring that the work programme is achieved and the Board receives regular papers relating to different parts of the work programme and has the opportunity to review overall progress.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Board Members 2010/2011

All of the Board members listed below served throughout the year, except for Vera Morris who, after many committed years as a Board member, resigned at the AGM 2010. 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.

Ken Olisa OBE (Chair)	Chairman, Restoration Partners Director, Thomson Reuters Corporation Chairman, Independent Audit Chairman, Powerlist Foundation Vice President, BCS – The Chartered Institute for IT Trustee, Thomson Reuters Foundation Member Independent Parliamentary Standards Authority First elected AGM 1993
Vasim Ul Haq BA ACMA FCA (Vice Chair)	Thames Reach Chair of Property Committee Director, Audit, Tax and Advisory RSM Tenon First elected AGM 2001
Brigid Sutcliffe (Treasurer)	Chartered Accountant Associate Member of the Institute of Directors First elected January 2005
Peter Davey	Housing and Charity Consultant Affiliate Member, CIH Chair, 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 First elected AGM 2001
Paula Jones	Thames Reach Chair of Services Committee and Health & Safety Officer Trustee of the Peter Minet Trust Director and Company Secretary of Johnstone Court Management Ltd First elected AGM 2001
Tony McBrearty	Regeneration Consultant First elected AGM 1986
Vera Morris	Professor in Public Policy, London Metropolitan University Institute for Human Rights and Social Justice First elected AGM 1999 Resigned AGM 2010
Crispin O'Brien	Chartered Accountant Senior adviser to KPMG and NEF consulting First elected May 2007
Aideen O'Halloran	Thames Reach Human Resources Officer Human resources consultant First elected AGM 1997

Jeremy Swain *	Chief Executive and Company Secretary, Thames Reach Appointed 1 February 1999
Joanna Wade	Thames Reach Chair of Governance Committee and Senior Independent Director Solicitor Employment Judge First elected AGM 1996
Andrew Whyte	Director of Communications, Foreign and Commonwealth Office Member of the Chartered Institute of Public Relations First elected AGM 1998
Steve Wyler	Chief Executive, Locality Vice Chair, Social Enterprise Coalition Board member, Adventure Capital Fund, National Communities Resource Centre and ResPublica Trust Member of various Government advisory groups on social enterprise, community organisations, and the third sector (Cabinet Office, CLG, Ministry of Justice) First elected AGM 1996

**\* Executive Salaries**

Jeremy Swain, Chief Executive, £93,731

Due to the exceptional circumstances 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. This is not reflected in the contractual pay recorded in this report.

**Board Members' Skills, Experiences and Qualities**

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 can include advertising positions on the Board in appropriate publications. Board members are elected by the shareholders at the AGM, one third of them retiring and being re-elected by rotation each year. 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 every second year 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 is also externally appraised every three years in order to receive an external assessment of performance. 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 background. It endeavours to operate according to equal opportunities and diversity principles which are encapsulated in Thames Reach's Policy Statement on Equality and Diversity (see page 14).

**The Work of the Board**

Ken Olisa is the chair of the Board of Trustees and Vasim Ul Haq is 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 live fulfilling lives. During the year the Board spent a planning day together which began by restating the vision and mission of the organisation and reasserting the ethos and values.

They discussed key issues from the sub-committees and explored the context in which Thames Reach is operating.

The Board reviews major risks to the organisation via the reporting mechanisms established to link to the main Board with the four 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
- an effective system of internal audit of individual teams that has now entered its sixth year
- detailed health and safety reports which are submitted to the Services Committee on a quarterly basis, with a full report going to the full Board annually
- the business planning processes, as well as the detailed work programmes, containing information on comprehensive risk analysis to ensure quality of delivery for all operational aspects of the organisation
- an annual, comprehensive risk analysis covering the full range of risks that the organisation must consider and find ways of mitigating

It is recognised that comprehensive systems and reporting can provide considerable, but not absolute, assurance that all risks have been effectively managed.

### **The Work of the Committees**

All four 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.

#### ***Finance, Audit and Fundraising Committee***

Brigid Sutcliffe, our Treasurer, chaired the committee. The other non-executive Board members on the committee were Vasim Ul Haq and Crispin O'Brien.

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, approved the final accounts and shareholders' report as well as the annual budget, discussed the investment strategy and analysed the organisational financial risk assessments, in particular with respect to the Employment Academy (see page 15).

#### ***Services Committee***

This committee was chaired by Paula Jones. The other non-executive Board members were Peter Davey and Andrew Whyte.

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 discussed the impact of the organisational restructure and the external funding environment on the quality of services; the four boroughs framework agreement; service user involvement; the service user survey; and the impact of the change of client recording systems to InForm. There were presentations on substance misuse and hostels as places of change and pathways into supported housing.

Services committee meetings are attended by two service users who act as paid specialist advisers to its members and make a valued contribution by offering a service user's perspective.

### **Governance Committee**

This committee was chaired by Joanna Wade and the other non-executive Board members were Aideen O'Halloran and Tony McBrearty.

The committee's primary responsibilities include overseeing the renewal of the Thames Reach Board including the recruitment of new Board members, making arrangements for the appraisal of the Chief Executive and overseeing the annual appraisal of Board performance. The committee is also responsible for reviewing the remuneration of the Chief Executive and other senior staff at Director-level or above. During the year the committee considered the organisational re-structure; the annual Human Resources (HR) report, addressing in particular the levels of sickness absence; the process for Board appraisal; succession planning; the change from the Model Rules 1997 to the 2011 version; and future HR development.

### **Property Development Committee**

This committee was chaired by Vasim Ul Haq and the other non-executive Board members were William Flenley and Steve Wyler.

The committee's purpose is to oversee Thames Reach's work in the area of property purchase and development. During the year it continued to focus attention on the development of the Employment Academy; the Places of Change hostel refurbishments; lease- and ownership-related issues; improved use of offices and office space; the option of becoming an RSL; a reactive maintenance pilot and the relocation of head office.

### **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 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**

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 quarterly reports to the Services Committee.

As a member of the British Safety Council, Thames Reach is kept up-to-date with changes in legislation or good practice. Thames Reach has developed a new health and safety strategy for 2009-2012 which aims to achieve further reductions in workplace accidents and ill health and also seeks to increase service user involvement, promote well-being and commits the organisation to reviewing all its existing policies and procedures associated with health and safety. During the past year we have reviewed more health and safety policies, had service users participate in our Central Health and Safety Committee, and have made efforts to ensure well-being is considered alongside health and safety issues. We are pleased to report a fall in the number of accidents/injuries at work in the past year.

## ACHIEVEMENTS AND PERFORMANCE

### New Services and Development

#### *Merger with Groundswell*

At the end of 2010 Thames Reach's Board agreed to proceed with the due diligence process in respect of a full formal partnership with Groundswell, the self-help organisation working in the field of homelessness that develops expert peer advisors, researchers and advocates. Groundswell is considered a good match for Thames Reach because of the overlap in terms of service users and ethos and values. Neadon Consulting produced a positive report, exploring the option of a partnership, and further research was carried out by senior management and Board members. The due diligence process is now complete and the organisations are now consolidating the partnership which is based on a parent:subsidiary legal structure.

#### *The Employment Academy*

In August 2010 a listed building at 29 Peckham Road, London SE5 was purchased as the site for the Employment Academy. This is an impressive municipal building with a rich history and ideally situated to meet the needs of local people seeking to find and sustain employment. The purchase of the building was acknowledged through a "handing over of the key" ceremony in October 2010, attended by key stakeholders including representatives from the London Boroughs of Southwark and Lambeth and the Homes and Community Agency. Work has been progressing well since then and the detailed design work is now complete. The selected contractor for the main building work, Lakehouse, started on site at the end of May 2011. Lakehouse are providing at least ten training places for local unemployed people to work on this project, some of whom will be Thames Reach service users. The building work is due to be completed by end of May 2012 and the target opening date for the Academy is July 2012.

#### *Peer Landlord London*

Thames Reach has recently signed an agreement with Commonweal Housing to develop an exciting new shared housing option called Peer Landlord London. These properties will provide settled accommodation for 18 months or longer for service users with low support needs who are actively working towards returning to employment or already in work. A unique aspect of the project is that one of the tenants will act as a "peer landlord" who will offer support and guidance on managing accommodation and being a good employee to the other tenants. The Peer Landlord Project will provide them with accommodation at an affordable rent and an opportunity to accumulate money to help access a future housing option.

#### *New housing schemes in Greenwich and Lewisham*

In March 2011 Thames Reach was successful in securing funding via the DCLG-funded Crisis Private Rented Sector (PRS) Access Development Programme to develop PRS initiatives in the London Boroughs of Greenwich and Lewisham. The schemes are intended to help people move on with their lives by finding them accommodation in the PRS and supporting them in their new homes. This builds on Thames Reach's highly regarded Hostel Diversion Project in Lewisham which helps people move on from hostels or supported accommodation into more suitable housing.

#### *Community Options Team: part of the Lambeth Living Well Collaborative*

In January 2011 Thames Reach was successful in our bid to manage the Community Options Team, part of the Living Well Collaborative (LWC) which is covered in more detail on page 5. This initiative is part of a productive partnership which has been developed with NHS Lambeth, the London Borough of Lambeth, primary care providers including GPs, the South London and Maudsley NHS Foundation Trust and a range of voluntary sector partners committed to improving services for people with enduring mental health problems. The project has recently been expanded through additional funding which has allowed the recruitment of two additional workers employed by Thames Reach. Associated with this, we are working with primary care providers to explore the possibility of forming a consortium in response to the remodelling of mental health services in Lambeth.

#### *East London Housing Partnership*

In June 2011 Thames Reach was accepted onto the provider list which offers spot purchasing opportunities linked to payment by results.

#### *Resolve programme*

Thames Reach has been working in partnership with the London Borough of Hammersmith and Fulham on a very successful pilot called the Resolve programme which aims to reduce reoffending among young people by supporting them to improve their housing situation, skills and employment prospects and develop independent living skills and future aspirations. Clients on the programme receive the support of a Hammersmith and Fulham Reach floating support worker and the programme has achieved impressive outcomes.

### **Awards, Events and Visits**

#### *Bank of America 'Local Hero' award*

In November 2010 Dennis Rogers, Thames Reach volunteer and chair of the Saturday Club, a self-help/mutual support group of former homeless people, won a Bank of America Merrill Lynch Local Hero award for his work in helping other homeless people shift their lives back on track. The award gives recognition for a "local hero who has made a special and significant impact on individuals, families and communities".

#### *Thames Reach Board member, Steve Wyler, OBE*

Thames Reach Board member, Steve Wyler, was awarded an OBE in the New Year 2011 Honours List for his contribution to the voluntary and community sector over many years.

#### *London Excellence Award*

In July 2011 Thames Reach was shortlisted for a London Excellence Award in the "making partnerships work" category.

#### *Visits to Washington, Toronto and Ireland*

In March 2011 Chief Executive, Jeremy Swain, attended a homelessness conference for academics and leading practitioners in Washington, followed by a visit to Toronto, where he visited a number of extremely effective homelessness organisations, one of whom in particular Thames Reach plans to work in partnership with, exchanging best practice ideas and potentially undertaking joint research. The trip was funded by Restoration Partners, Thames Reach Chair, Ken Olisa's company. In his role as Board member of the London Housing Foundation, Jeremy Swain also visited some impressive homelessness projects in Belfast and Dublin which gave the opportunity to reflect on different ways of delivering services to homeless and vulnerable people.

#### *Third Sector Excellence Awards*

Thames Reach has been shortlisted for the Third Sector Excellence Awards in two categories: the Communications Campaign category for the super-strength drinks campaign, and the Big Impact category for our Reconnection work with Central and Eastern European rough sleepers. The awards ceremony at which the winners will be announced takes place in September 2011.

#### *Visit from Tim Richter of the Calgary Homeless Foundation*

In May 2010 Tim Richter from the Calgary Homeless Foundation visited several Thames Reach projects and met key people from the homelessness sector and government. The Foundation is the umbrella organisation for homelessness charities in Calgary and is leading the drive to end rough sleeping there.

#### *Fundraising events*

Giulia Farolfi, an enthusiastic runner from our corporate partner, Prime Development, ran the London Parks Half Marathon to raise money for Thames Reach, whilst Gareth Nicholls from Imagination, the top ranking design agency, rose to the challenge of the London Marathon on our behalf.

## **Research and Campaigning**

### *Text a homeless person off the street campaign*

In May 2011 Thames Reach launched a two-week digital interactive advertising campaign to encourage the public to help homeless people by texting a donation. Clear Channel, one of the UK's leading outdoor advertisers, showed the ads free of charge on digital roadside billboards across London and these were supported by a website, Facebook page and Twitter account so donors could follow the progress of the homeless people featured. The campaign was successful in raising awareness of the issues of homelessness as evidenced by the level of activity on Twitter and by it being voted Digital Campaign of the Week by Third Sector magazine, the UK's leading publication for the voluntary and not-for-profit sector.

### *Super-strength campaign*

Thames Reach has campaigned relentlessly since 2005 to raise awareness of the serious health problems, anti-social behaviour and violence fuelled by super-strength drinks which are responsible for more deaths among homeless people than heroin or crack cocaine. We therefore welcomed the government's decision to increase the rate of tax on super-strength beer in the Budget 2011 and will continue to put pressure on the government to increase the duty on super-strength cider.

### *No Second Night Out*

Thames Reach was instrumental in developing, together with organisations on the Mayor of London's London Delivery Board, a new initiative called No Second Night Out which takes a new approach to rough sleeping. This exciting scheme went live in April 2011 and involves a round-the-clock assessment hub where people can stay, be rapidly assessed within a short time-frame and assisted to return home where they are linked with local support services. The scheme requires greater collaboration between the street teams working in different boroughs and a strengthening of the approach to national reconnection. The No Second Night Out approach has now been rolled out as a national programme as we seek to end rough sleeping in England.

## **Further Information**

More information about Thames Reach can be found in the Annual Review which is available to download on our website at [www.thamesreach.org.uk](http://www.thamesreach.org.uk).

## **FUTURE PLANS**

Thames Reach has completed the second year of the 2009-2012 Business Plan. Progress against the objectives set out in the Business Plan is described in pages 5-10.

The main areas of work linked to the third year of the Business Plan are described in the 2009-12 work programme which has been agreed by the Board. The main objectives for the year are to:

1. Develop the Employment Academy to help long-term unemployed and homeless people living in Southwark and Lambeth to find sustainable employment
2. Develop programmes in collaboration with colleges, training organisations and employers and secure employment opportunities for service users so that Thames Reach can achieve its target of 25% of service users being in work
3. Work with partners in central, regional and local government, the voluntary sector and in local communities to end rough sleeping in London by 2012
4. Develop a programme to achieve greater investment by Thames Reach in the communities in which it operates
5. In collaboration with colleagues in the NHS, local authorities and voluntary sector, find innovative and cost-effective ways of meeting the needs of people with enduring mental health problems
6. Give service users greater choice and control in shaping and receiving support by developing new ways of providing services through personalisation
7. Find new ways of delivering services through new flexible approaches to employing staff, complementing the work of salaried staff teams through effective use of volunteers, student placements and interns, all underpinned by a comprehensive training programme

## REVIEW OF THE FINANCIAL POSITION

The statement of financial activities shows total incoming resources of £25,623,960 which includes nearly £4 million capital grant for the Employment Academy. Resources expended have increased by just over three percent to £21,667,706. In keeping with previous years, 99% of the expenditure was incurred on direct charitable expenditure. Expenditure on fundraising and publicity represents less than one percent of total income but has increased as it is harder to raise funds in the current difficult climate.

We have continued with our measures to reduce costs during the last year and there has been special emphasis on staffing costs. We undertook a very significant restructure of all management posts and are continuing with all other posts in the organisation. This has helped us renegotiate our contracts with funders to ensure the long-term viability of the organisation. Pricing has been a key element of the work of the department during the last year and there have been quite extreme fluctuations on contract prices, often at very short notice. Due to the work on cost reductions and the restructuring work we have been able to meet these changes. During 2011/2012 the key work is in sustaining our organisation as we follow through on the changes caused by staff restructuring and also we continue to review other changes we can make to increase opportunities for the services we provide.

Thames Reach does not own the hostels and flats that it manages and therefore has relatively small levels of fixed assets. We operate a five-year rolling programme of renewal in relation to furniture and equipment. We own one floor of a building in Vauxhall and in April 2009 purchased our first major fixed asset in the form of offices and a service user centre in Stockwell. During 2010/11 we took ownership of substantial premises in Southwark where we are developing our Employment Academy with capital grants from the Homes and Community Agency. This is due for completion in July 2012. We are working on raising capital funds to complete the work on the refurbishment of this exciting project.

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 and Treasurer 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the organisation and to enable them to ensure that the accounts comply with the Industrial and Provident Societies Act 1965 and the Friendly and Industrial and Provident Societies Act 1968. 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 Chantrey Vellacott DFK LLP be reappointed as auditor of the organisation will be put to the Annual General Meeting.

On behalf of the Board



**Jeremy Swain**  
**Board Member and Chief Executive**

5 September 2011

## **Independent Auditor's Report to the Shareholders of Thames Reach Housing Association Limited**

We have audited the financial statements of Thames Reach Housing Association Limited for the year ended 31 March 2011 which comprise the statement of financial activities, balance sheet, cashflow statement and the related notes. This report is made solely to the organisation's shareholders, as a body, in accordance with the provisions of the Industrial and Provident Societies Act 1965. Our audit work has been undertaken so that we might state to the organisation's shareholders 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 organisation and the organisation's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Board and auditor**

As explained more fully in the statement of the Board's responsibilities, the Board members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the organisation's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Shareholders' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the organisation's affairs as at 31 March 2011 and its surplus 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 Industrial and Provident Societies Act 1965

### **Opinion on other matters prescribed by the Industrial and Provident Societies Act**

In our opinion the information given in the Shareholders' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent Auditor's Report to the Shareholders of Thames Reach Housing Association Limited (continued)**

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

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Act 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
- a satisfactory system of internal control has not been established and maintained; or
- certain disclosures of officers' remuneration or transactions with the organisation specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**CHANTREY VELLACOTT DFK LLP**  
Chartered Accountant and Statutory Auditor  
London

**Date: 5 September 2011**

# THAMES REACH HOUSING ASSOCIATION LIMITED

## Statement of financial activities for the year ended 31 March 2011

	Notes	General funds £	Designated funds £	Restricted funds £	Total 2011 £	Total 2010 £
<b>Incoming resources</b>						
<b>Incoming resources from charitable activities</b>						
Accommodation services	2	5,126,248	8,446,965	13,534	13,586,747	13,048,573
Support activities	3	372,577	5,950,442	1,669,596	7,992,615	7,012,270
Pathways to occupation	4	-	70,687	3,955,626	4,026,313	968,383
<b>Incoming resources from generated funds</b>						
Bank interest		18,285	-	-	18,285	10,178
<b>Total incoming resources</b>		<u>5,517,110</u>	<u>14,468,094</u>	<u>5,638,756</u>	<u>25,623,960</u>	<u>21,039,404</u>
<b>Resources expended</b>						
<b>Cost of generated funds</b>		50,256	128,453	26,481	205,190	203,340
<b>Charitable activities</b>		5,280,155	13,265,353	2,897,132	21,442,640	20,766,294
<b>Governance costs</b>		4,868	12,443	2,565	19,876	19,696
<b>Total resources expended</b>	5	<u>5,335,279</u>	<u>13,406,249</u>	<u>2,926,178</u>	<u>21,667,706</u>	<u>20,989,330</u>
<b>Net incoming/(outgoing) resources before transfers</b>		181,831	1,061,845	2,712,578	3,956,254	50,074
Transfers between funds	14	<u>(37,886)</u>	<u>(613,659)</u>	<u>651,545</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		143,945	448,186	3,364,123	3,956,254	50,074
Fund balances at 1 April 2010		471,887	4,582,973	488,167	5,543,052	5,492,978
<b>Fund balances at 31 March 2011</b>		<u>615,832</u>	<u>5,031,159</u>	<u>3,852,290</u>	<u>9,499,306</u>	<u>5,543,052</u>

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.

The notes on pages 27 to 37 form part of these financial statements.

# THAMES REACH HOUSING ASSOCIATION LIMITED

## Balance sheet at 31 March 2011

	Notes	2011 £	2010 £
<b>Fixed assets</b>			
Tangible assets	9	3,805,413	1,812,903
		<u>3,805,413</u>	<u>1,812,903</u>
<b>Current assets</b>			
Debtors	10	3,039,530	2,123,772
Cash at bank and in hand		<u>6,527,848</u>	<u>4,885,540</u>
		9,567,378	7,009,312
<b>Creditors:</b> amounts falling due within one year	11	(3,873,485)	(3,279,163)
<b>Net current assets</b>		<u>5,693,893</u>	<u>3,730,149</u>
<b>Total assets less current liabilities, being net assets</b>	16	<u>9,499,306</u>	<u>5,543,052</u>
<b>Income funds</b>			
Share capital	13	25	25
Restricted funds	14	3,852,290	488,167
Unrestricted funds:			
Designated funds	15	5,031,159	4,582,973
General funds		615,832	471,887
		<u>9,499,306</u>	<u>5,543,052</u>

These financial statements were approved by the Board on 5 September 2011 and authorised for issue and were signed on its behalf by:



Ken Olisa  
Chair



B. Sutcliffe  
Treasurer

The notes on pages 27 to 37 form part of these financial statements.

# THAMES REACH HOUSING ASSOCIATION LIMITED

## Cash flow statement for year ended 31 March 2011

	Notes	2011 £	2010 £
<b>Net cash inflow from operating activities</b>	17	4,003,265	206,497
<b>Capital expenditure and financial investments</b>			
Payments to acquire tangible fixed assets		(2,360,957)	(1,407,111)
Proceeds from disposal of assets		-	10,000
<b>Increase/(Decrease) in cash</b>	18	<u>1,642,308</u>	<u>(1,190,614)</u>

The notes on pages 27 to 37 form part of these financial statements.

# THAMES REACH HOUSING ASSOCIATION LIMITED

## Notes to the financial statements for the year ended 31 March 2011

### 1. Accounting policies

#### a) Basis of preparation

These financial statements are prepared under the historical cost convention and in accordance with relevant accounting standards.

The accounts have been prepared in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005.

#### b) Incoming resources

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 "incoming resources 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.

#### c) Resources expended

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 generating charitable income" 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.

#### d) 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 building	over twenty years on cost
Fixtures, fittings and equipment	over four years on cost
Motor vehicles	over five years on cost

#### e) 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.

# THAMES REACH HOUSING ASSOCIATION LIMITED

## Notes to the financial statements for the year ended 31 March 2011 (continued)

### 1. Accounting policies (continued)

#### f) Investments

Fixed asset investments in unlisted companies are stated at cost.

#### g) Pensions

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

#### h) 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

	General funds £	Designated funds £	Restricted funds £	Total 2011 £	Total 2010 £
Supporting people	-	7,317,321	-	7,317,321	6,984,647
Rental income	5,126,248	1,091,325	-	6,217,573	6,059,583
Sundry income	-	38,318	13,534	51,852	4,343
	<u>5,126,248</u>	<u>8,446,965</u>	<u>13,534</u>	<u>13,586,747</u>	<u>13,048,573</u>

### 3. Support activities

London Councils	-	307,626	-	307,626	307,626
Supporting People Department for Communities and Local Government	-	5,067,155	-	5,067,155	4,329,267
Health Commission	-	-	1,588,616	1,588,616	1,762,556
London Borough of Hackney	-	26,605	-	26,605	26,605
London Borough of Barking & Dagenham	-	121,160	-	121,160	126,553
London Borough of Croydon	22,500	-	-	22,500	22,500
London Borough of Hackney	-	-	-	-	16,000
London Borough of Redbridge	33,281	-	-	33,281	2,327
London Borough of Tower Hamlets	22,500	-	-	22,500	22,500
London Borough of Lewisham	-	221,104	-	221,104	233,000
London Borough of Wandsworth	23,460	-	-	23,460	23,460
London Probation Services	-	40,000	-	40,000	-
West London Reconnections	-	23,000	-	23,000	26,532
Sundry income	107,261	-	-	107,261	69,172
Donations	163,575	143,792	-	307,367	32,488
	-	-	80,980	80,980	11,684
	<u>372,577</u>	<u>5,950,442</u>	<u>1,669,596</u>	<u>7,992,615</u>	<u>7,012,270</u>

# THAMES REACH HOUSING ASSOCIATION LIMITED

## Notes to the financial statements for the year ended 31 March 2011 (continued)

### 3. Support activities (continued)

By activity:	Accommodation	Outreach	Tenancy sustainment	Total 2011	Total 2010
	£	£	£	£	£
London Councils	45,982	261,644	-	307,626	307,626
Supporting People	-	1,467,035	3,600,120	5,067,155	4,329,267
Department for Communities and Local Government	-	593,057	995,559	1,588,616	1,762,556
Health Commission	-	26,605	-	26,605	26,605
London Borough of Hackney	-	121,160	-	121,160	126,553
London Borough of Barking & Dagenham	-	22,500	-	22,500	22,500
London Borough of Croydon	-	-	-	-	16,000
London Borough of Hackney	33,281	-	-	33,281	2,327
London Borough of Redbridge	-	22,500	-	22,500	22,500
London Borough of Tower Hamlets	-	221,104	-	221,104	233,000
London Borough of Lewisham	-	-	23,460	23,460	23,460
London Borough of Wandsworth	-	-	40,000	40,000	-
London Probation Services	-	23,000	-	23,000	26,532
West London Reconnections	-	107,261	-	107,261	69,172
Sundry income	180,692	75,381	51,294	307,367	32,488
Donations	80,980	-	-	80,980	11,684
	<u>340,935</u>	<u>2,941,247</u>	<u>4,710,433</u>	<u>7,992,615</u>	<u>7,012,270</u>

Section 44 funding from London Councils was £ 100,000 (2010: £ 100,000).

Section 47 funding from London Councils amounted to £ 207,626 (2010: £ 213,142)

Total funding from London Councils of £ 307,626 (2010: £ 313,142) was fully utilised against designated running costs as follows:

	Section 44	Section 47	2011 £	2010 £
Staff costs	79,501	180,075	259,576	254,958
Property costs	15,408	2,122	17,530	22,233
Clients' welfare	2,113	8,630	10,743	8,205
Central management costs	7,809	12,096	19,905	22,852
Other running costs	665	27,808	28,473	40,970
Additional staff and volunteer costs	-	-	-	9,623

# THAMES REACH HOUSING ASSOCIATION LIMITED

## Notes to the financial statements for the year ended 31 March 2011 (continued)

4. Pathways to occupation	General funds £	Designated funds £	Restricted funds £	Total 2011 £	Total 2010 £
Department for Communities and Local Government	-	-	464,706	464,706	573,063
Department for Communities and Local Government – Employment Academy	-	-	3,424,632	3,424,632	-
London Borough of Tower Hamlets	-	11,873	-	11,873	-
Trusts	-	-	66,133	66,133	97,675
Donations	-	-	155	155	100,290
Oak Foundation	-	185	-	185	-
Sundry income	-	58,629	-	58,629	176,475
Exhibition income	-	-	-	-	130
Shift income	-	-	-	-	20,750
	<u>-</u>	<u>70,687</u>	<u>3,955,626</u>	<u>4,026,313</u>	<u>968,383</u>
5. Total resources expended		Staff costs	Other costs	Total 2011	Total 2010
Costs of generating voluntary income		142,858	62,332	205,190	203,342
Charitable activities		15,253,238	6,189,402	21,442,640	20,766,293
Governance costs		13,838	6,038	19,876	19,695
		<u>15,409,934</u>	<u>6,257,772</u>	<u>21,667,706</u>	<u>20,989,330</u>
Total 2010		<u>14,869,866</u>	<u>6,119,464</u>	<u>20,989,330</u>	

# THAMES REACH HOUSING ASSOCIATION LIMITED

## Notes to the financial statements for the year ended 31 March 2011 (continued)

### 5. Total resources expended (continued)

Analysis of other costs	2011 £	2010 £
Staff training and recruitment	186,532	211,288
Rent and service charges	592,500	522,568
Partnership contracts	173,289	169,700
Property costs	1,421,987	1,122,119
Insurance	183,211	164,908
Telephone and communication costs	200,845	220,050
Printing, postage, stationery and publicity	102,596	114,332
Food	171,367	166,293
Legal and professional	214,878	198,225
Audit fee	17,735	16,330
Tenants and clients welfare	246,159	207,209
RSL management and maintenance	2,148,169	1,984,066
Other direct costs	598,504	1,022,376
	<u>6,257,772</u>	<u>6,119,464</u>

Other direct costs include cost of furniture and computers.

Governance costs include payments to auditor of £17,735 (2010: £16,330) for audit fees.

### 6. Board

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

### 7. Employees

#### Average monthly number of employees during the year

	2011 Number	2010 Number
Housing and project services	423	416
Fundraising and publicity	2	2
	<u>425</u>	<u>418</u>

# THAMES REACH HOUSING ASSOCIATION LIMITED

## Notes to the financial statements for the year ended 31 March 2011 (continued)

### 7. Employees (continued)

Analysis of staff costs	2011 £	2010 £
Wages and salaries	12,643,284	12,249,796
Social security costs	1,271,763	1,234,886
Other pension costs	798,230	778,046
Agency, relief and volunteer costs	696,657	607,138
	<u>15,409,934</u>	<u>14,869,866</u>

The number of employees whose annual emoluments were over £60,000 or more were:

	2011	2010
£90,001-100,000	1	1
£80,001-90,000	-	-
£70,001-80,000	3	3
£60,001-70,000	-	-
	<u>4</u>	<u>4</u>

### 8. Taxation

As the organisation is registered under the Industrial and Provident Societies Act 1985 and the Friendly and Industrial Provident Societies Act 1968 it is an exempt charity and is not subject to corporation tax.

### 9. Tangible fixed assets

	Assets under construction £	Freehold property £	Furniture, fittings, equipment & motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2010	315,164	894,414	3,205,404	4,414,982
Additions	2,214,706	4,594	141,657	2,360,957
At 31 March 2011	<u>2,529,870</u>	<u>899,008</u>	<u>3,347,061</u>	<u>6,775,939</u>
<b>Depreciation</b>				
At 1 April 2010	-	90,097	2,511,982	2,602,079
Charge for the year	-	45,070	323,377	368,447
At 31 March 2011	<u>-</u>	<u>135,167</u>	<u>2,835,359</u>	<u>2,970,526</u>
<b>Net book value</b>				
At 31 March 2011	<u>2,529,870</u>	<u>763,841</u>	<u>511,702</u>	<u>3,805,413</u>
At 31 March 2010	<u>315,164</u>	<u>804,317</u>	<u>693,422</u>	<u>1,812,903</u>

# THAMES REACH HOUSING ASSOCIATION LIMITED

## Notes to the financial statements for the year ended 31 March 2011 (continued)

10. Debtors	2011 £	2010 £
Charges and grants receivable	2,408,426	1,584,738
Rent arrears	372,591	320,564
Other debtors	258,513	218,470
	<u>3,039,530</u>	<u>2,123,772</u>

11. Creditors: amounts falling due within one year	2011 £	2010 £
Trade creditors	1,339,788	1,286,057
Rent in advance	694,091	630,179
Taxes and social security costs	17,000	15,489
Grants in advance	1,114,441	727,131
Other creditors	708,165	620,307
	<u>3,873,485</u>	<u>3,279,163</u>

## 12. Pension costs

Thames Reach is a member of a group pension scheme, which is part of a multi-employer scheme, the assets of which are held in independently administered funds. The scheme is a defined benefit scheme and Thames Reach's share of the underlying assets and liabilities cannot be separately identified on a reasonable basis, hence contributions to the scheme are accounted for as if it were a defined contribution scheme. Contributions payable to the scheme for the year were £ 798,230 (2010: £ 778,046).

13. Share capital	Total 2011 £	Total 2010 £
Shares of £1 each fully paid	<u>25</u>	<u>25</u>

## THAMES REACH HOUSING ASSOCIATION LIMITED

### Notes to the financial statements for the year ended 31 March 2011 (continued)

#### 14. Restricted funds

General funds and designated funds totalling £651,545 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:

	<b>Balance at 1 April 2010</b>	<b>Net movement in funds</b>	<b>Balance at 31 March 2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Department for Communities and Local Government capital grant	112,169	(82,103)	30,066
Homelessness Directorate grant	9,111	-	9,111
Capital Fund	334,982	3,438,837	3,773,819
Street Rescue	35,620	-	35,620
Hilary Stent Fund	(3,715)	7,389	3,674
	<u>488,167</u>	<u>3,364,123</u>	<u>3,852,290</u>

DCLG capital grant: This is restricted income to cover specific capital costs in Greenhouse, MIMO, Street Rescue and Tenancy Sustainment.

Homelessness Directorate Grant: This is restricted income to cover the cost of Thames Reach's Street Rescue taxi.

Capital Fund: This restricted income has been and will be used for the purchase and refurbishment of Thames Reach Employment Academy

Street Rescue: This was income set aside for the development of Street Rescue.

Hilary Stent Fund: The fund represents donations received for the annual award to a resettled client made in memory of our colleague, Hilary Stent.

## THAMES REACH HOUSING ASSOCIATION LIMITED

### Notes to the financial statements for the year ended 31 March 2011 (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 31 March 2010 £	Net movement in funds £	Balance at 31 March 2011 £
Furniture and equipment	1,429,035	191,691	1,620,726
Designated for bad debts	74,838	-	74,838
Office leases	41,531	-	41,531
Repairs and maintenance	1,595,498	230,621	1,826,119
Dilapidations	239,403	2,137	241,540
Staff	128,431	-	128,431
Replacement vehicle	35,666	-	35,666
IT and infrastructure	292,595	-	292,595
New business development	745,976	23,737	769,713
	<u>4,582,973</u>	<u>448,186</u>	<u>5,031,159</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.

Designated for bad debts: This fund is set aside to offset bad debts due to difficulties in housing benefit administration for our client group.

Office leases: This fund is intended to cover costs of office relocation and forms part of the organisation's disaster recovery procedure.

Repairs and maintenance: This fund enables the organisation to meet longer term repairing and maintaining obligations in relation to properties we manage on behalf of Registered Social Landlords and in relation to leased office premises

Dilapidations: This fund covers the cost of maintaining and restoring properties to a high standard when these costs are not funded by capital or revenue programmes.

Staff: This represents non-budgeted costs required to meet contractual obligations such as maternity/parental leave and redundancy.

Replacement vehicle: This fund is set aside to offset the costs of replacement for vehicles owned and operated by Thames Reach.

IT and infrastructure: This fund enables the IT and infrastructure to meet the growing needs of the organisation.

New business development: this fund provides lead-in funds to enable development of new projects, expansion of projects and programmes of work.

# THAMES REACH HOUSING ASSOCIATION LIMITED

## Notes to the financial statements for the year ended 31 March 2011 (continued)

### 16. Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2011 are represented by:				
Tangible fixed assets	1,275,543	-	2,529,870	3,805,413
Current assets	3,213,799	5,031,159	1,322,420	9,567,378
Creditors: amounts falling due within one year	(3,873,485)	-	-	(3,873,485)
	<u>615,857</u>	<u>5,031,159</u>	<u>3,852,290</u>	<u>9,499,306</u>

### 17. Net cash inflow from operating activities

	2011 £	2010 £
<b>Reconciliation to changes in resources</b>		
Net incoming/(outgoing) resources before transfers	3,956,254	50,074
Investment written off	-	510
Loss on disposal of assets	-	4,062
Depreciation of tangible fixed assets	368,447	406,079
(Increase) in debtors	(915,758)	(653,596)
Increase in creditors	594,322	399,368
	<u>4,003,265</u>	<u>206,497</u>

### 18. Reconciliation of net cash flow

	2011 £	2010 £
Increase/(Decrease) in cash	1,642,308	(1,190,615)
Balance at 1 April 2010	4,885,540	6,076,155
Balance at 31 March 2011	<u>6,527,848</u>	<u>4,885,540</u>

## THAMES REACH HOUSING ASSOCIATION LIMITED

### Notes to the financial statements for the year ended 31 March 2011 (continued)

#### 19. Contingencies and commitments

##### A. Commitments under operating leases

At 31 March 2011 the organisation had annual commitments under non-cancellable operating leases as follows:

	<b>2011</b>		<b>2010</b>	
	<b>Land and</b>		<b>Land and</b>	
	<b>buildings</b>	<b>Other</b>	<b>buildings</b>	<b>Other</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Expiry date:				
Within one year	152,104	41,424	9,414	11,608
Between two and five years	176,678	71,705	351,498	89,307
In over five years	-	7,845	-	30,598
	<u>328,782</u>	<u>120,974</u>	<u>360,912</u>	<u>131,513</u>

#### 20. Contingencies and commitments (continued)

##### B. Capital commitments

The organisation has the following capital commitments:

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Contracted	3,723,052	1,800,000

The capital commitments as at 31 March 2011 comprise the development of a Peckham Road property which will be the Thames Reach Employment Academy. The total development is anticipated to total £6,500,000.