

Shareholders' Annual Report And Financial Statements 1 April 2011 – 31 March 2012

Employment Academy, 29 Peckham Road, London, SE5 8UA

Registered No: 24377R

Thames Reach Housing Association Limited

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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, registration 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.

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

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

Details of the members of the Board are given on pages 20-21.

The Senior Management Team (SMT) consists of:

Jeremy Swain, Chief Executive Christine Smith-Gillespie, Director of Finance and Central Services Audrey Mitchell, Director of Outreach and Services North Bill Tidnam, Director of Services South

Bankers and Auditor

Bankers: National Westminster Bank plc

Lambeth North Branch

P O Box 7929

91 Westminster Bridge Road 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, day services, 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 and programmes.

Public Benefit

We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

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 tenancy support, geared around **prevention:** that is, helping people to sustain accommodation and develop new skills so they can avoid drifting into a downward spiral of homelessness characterised by destructive moves into poorer and less stable accommodation.

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

Ethos and Values

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

1. 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 interest 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.

We manage a number of services for rough sleepers and those involved in a street lifestyle, working directly with rough sleepers every night of the year on the streets of the capital. The London Street Rescue team provides a service across 19 London boroughs and at Heathrow Airport. Some boroughs with a particularly large number of rough sleepers commission their own bespoke services and Thames Reach has borough-specific teams operating in four boroughs.

Thames Reach manages three distinctive day services. In Stockwell, Lambeth owns and manages Hudson House, a learning and employment hub which offers a range of services and programmes geared primarily to helping people find paid or voluntary work. In Hackney it manages the Greenhouse in collaboration with NHS North East London and the City, a walk-in service that addresses the housing, employment and health-related needs of socially excluded people in the borough. In Camden, Thames Reach manages the Spectrum Centre for socially excluded people from the borough, notably those with substance misuse issues who have experienced periods of rough sleeping.

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 2012 was 543. These were situated in nine different boroughs.

Thames Reach also provides tenancy support, often referred to as floating support, to over 1,500 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 settled housing and increased employability. The work includes direct support to service users to build their skills and confidence, training for staff and service users and the forming of partnerships with external bodies including local authorities and RSLs to maintain access to housing options. The service also works closely with private, public and voluntary sector partners to secure training and work opportunities.

Rents

In 2011-2012 the average rent in accommodation managed by Thames Reach was £86.67 (2010-2011: £82.01) per week, excluding personal and service charges.

Business Plan

The Business Plan was developed in consultation with service users, staff at all levels in the organisation 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
- 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 three

Street work

Thames Reach has been central in the development of new approaches to working with London's rough sleepers and notably integral to the shaping of the No Second Night Out (NSNO) initiative which has focused on rapid assistance for people experiencing sleeping rough in London for the first time.

NSNO emerged from the work of the Mayor's London Delivery Board which includes Thames Reach's CEO Jeremy Swain who has been actively involved in developing responses and initiatives to rough sleeping. Increasing concern at the number of new arrivals turning up on the street, some of whom quickly became entrenched in a street lifestyle, led to a programme of action to reach these new arrivals within hours and for a centre, the hub, to be established to which the new arrivals could be referred and from there helped to return home with appropriate support put in place.

Thames Reach is responsible for managing the 24-hour reporting line which is part of the NSNO service during the daytime and our London Street Rescue service which was recommissioned during the year to cover 19 London boroughs and, additionally, Heathrow airport is a key component of the rapid response approach to new arrivals. London Street Rescue is assisted by a wonderful cohort of committed volunteers from all walks of life who give up their time to support the team in their night-time street work. During the year we received an **Andy Ludlow homelessness award** in recognition of the essential role of volunteers in the work of the London Street Rescue service.

NSNO has been extremely successful with 70% of new arrivals to London's streets spending only a single night on the street and only a small percentage continuing to live on the streets for longer than three weeks.

Although there has been an overall increase in the numbers of rough sleepers in London during the year, it is a mixed picture across the capital with some of the growth in numbers of people met being the result of improved ways of rapidly contacting new arrivals who might otherwise not have come into contact with the street teams. In some boroughs where Thames Reach operates the numbers of people sleeping rough – and particularly those who have been on the streets for weeks, months or years – are very small. In the London Borough of Lambeth the number of rough sleepers on any one night has been below 25 for many months and, working closely with local authority colleagues, Thames Reach successfully sought additional resources to launch a time-limited initiative to end rough sleeping by the autumn of 2012. The 'ending rough sleeping in Lambeth' initiative has attracted encouraging support from the local community and led to a programme of action involving our own Street Outreach Responses Team (SORT), the police, the community safety and housing parts of the local authority and local businesses.

Reconnections services

Our reconnections teams offer advice, support and practical assistance to rough sleepers from European Union countries and elsewhere in the world. Non-UK nationals now make up 53% of the rough sleeping population in London. The success of the teams and the importance of their work was recognised through the re-commissioning of the service and, additionally, in securing of a **Third Sector Big Impact Award**, one of the voluntary and community sector's most prestigious prizes.

During the year we organised a conference in collaboration with colleagues from **Crime Reduction Initiatives** (CRI) which undertake similar work to raise the profile of the plight of central and eastern European rough sleepers. The high-profile conference was very well attended, especially by local authority representatives and included excellent multi-agency presentations involving the fire brigade and the police. In the autumn of 2012 we will be holding an event in partnership with the Polish Embassy to raise awareness of the problems facing destitute Poles in London who have frequently arrived in the country hopelessly illequipped to find work and thrive and instead have quickly experienced destitution on the streets. Our reconnections services have now assisted over 1,700 individuals to return home and rebuild contact with family, friends and services in their own countries.

Housing First

As part of the range of approaches to working with rough sleepers who have very different experiences and levels of need, a **Housing First initiative** was established. Housing First seeks to help the most entrenched rough sleepers to move off the streets by providing them with self-contained accommodation and then linking the person to a range of appropriate support interventions provided through, for example, specialist mental health professionals and by substance misuse services. This 'straight to a flat' approach recognises that for some people, the traditional pathway via hostel has not, for various reasons been successful. Thames Reach was one of three agencies selected to undertake this initiative as a pilot working with 14 individuals and in its early stages has already successfully assisted four people to come inside with a further five due to move off the streets at the end of September. The combination of successful interventions has included peer support, provided by a person who has previously been homeless and individual budgets that can be spent by the rough sleepers themselves.

Hostels

Thames Reach's Graham House hostel was impressively upgraded with funds secured through the Homes and Communities' Agency's (HCA's) Places of Change capital programme. It now has a vastly improved reception area and well equipped training kitchen. The upgraded hostel was celebrated through an event involving residents of the hostel past and present, local authority partners, neighbours and colleagues from other voluntary sector agencies.

Our Stamford Street hostel in Waterloo, south London is currently being refurbished with funding from the Department of Health, to create an environment which gives greater opportunity for residents to undertake activities and address health issues. Whilst the refurbishment work is being completed, the residents have been moved to a temporary hostel in Kennington owned by the West London Mission who have been very supportive of Thames Reach's work.

The physical alterations in the hostels are part of a fundamental change in the approach to working with vulnerable and chaotic residents with a therapeutic environment being created to help people on the journey to recovery. The Psychologically Informed Environments (PIEs) being created will enable residents to make significant changes in their lives with a focus on change and transformation rather than on simply maintaining people away from the street. To assist this process, two psychologists have been appointed to support the work of the Stamford Street hostel team who are employed by the South London and Maudsley NHS Foundation Trust (SLAM).

Living Well Collaborative

Thames Reach has continued to play a lead role in progressing the Living Well Collaborative (LWC), an initiative undertaken with NHS Lambeth, the London Borough of Lambeth, SLAM, GPs and other voluntary sector organisations. The LWC assists 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, taking referrals from community mental health teams and GPs. The LWC is also focusing on seeking better solutions for people who have mental health problems and offending histories, some of whom are currently consigned to secure units for years.

Private rented sector (PRS)

Thames Reach has continued to develop a range of projects to help people access the PRS which has become an increasingly common form of housing for service users. Around one-third of people moving on from Thames Reach's hostels were resettled into the PRS over the year. The Lewisham Diversion Project is aimed at residents of the London Borough of Lewisham who are homeless but do not have statutory rights to housing and has been operating effectively for a number of years and become a best practice model replicated in other parts of London. It operates in collaborative with the Lewisham Single Homeless Prevention Team and typically houses 50 people a year with a tenancy breakdown rate of just 2%.

Building on this reputation, Thames Reach has developed two new PRS programmes, one in Greenwich, south London and the other in the north London borough of Brent in collaboration with Lift, a user-led organisation that focuses on empowering service users. The Greenwich service involves a Thames Reach staff member working within a local authority team to find shared accommodation for people who have housing needs. The focus is particularly on those individuals below the age of 35 who have been affected by changes in welfare entitlement that mean they are no longer entitled to claim benefits for a self-contained flat but instead are restricted to claiming the lower shared room rate (SRR) of benefit available to people living in a room in a shared house.

Day services

Spectrum Centre

During the year, Thames Reach was successful in a bid to manage the Spectrum Centre in Camden, a day service focusing on meeting the needs of vulnerable Camden residents currently or formerly dependent on alcohol and drugs. Many of those using the service are either on the street or living in local hostels and the service offers a combination of basic assistance – showers, food and a laundry – and services that encourage people to make the changes necessary to recover from a life of addiction. There are strong partnership links with health professionals and the local street outreach service and we plan to improve the physical quality of the service and place a greater focus on community integration and focused change.

Hudson House

In Stockwell, Lambeth, our Hudson House resource centre has extended the range of services it offers service users in the area of employment. The computer suite is frequently busy with service users seeking employment opportunities and honing their IT skills. Regular group work takes place, some of it centred round Thames Reach's TRaVEL programme, a formal training programme that prepares people for employment and guarantees a volunteer work placement either within Thames Reach or elsewhere for those who complete the course. For service users who are close to being able to return to work a shorter, tailored course called Volunteering into Employment has been developed in the last year with a sixmonth volunteering placement available to participants.

The resource centre is also visited by other organisations working with Thames Reach and in the last year we have engaged with new partners such as Clean Slate which specialises in developing strong relationships with employers and supporting people to take up and sustain employment. Literacy support is available to service users from qualified specialist Thames Reach volunteers.

Tower workshops

Tower workshops in north Southwark is the base for the Moving In Moving On (MIMO) painting and decorating programme. MIMO offers a 12-week course to develop participants' skills in the area of painting and decorating. It is one of the most popular courses at Thames Reach and is open to service users from other organisations too. As part of the course, participants work on a real job away from Tower Workshops, upgrading flats, offices and workshop spaces. Many participants continue with further training having completed the MIMO course, some in the area of painting, decorating and wider construction and others in completely different areas having had their confidence increased through completing the course. In the last year the MIMO programme has developed a strong relationship with the London Borough of Southwark and has upgraded a number of community spaces including the Rye Hill Tenants' and Residents' Association community hall in Peckham.

Greenhouse

The Greenhouse offers help and advice to vulnerable and socially excluded people in the centre of Hackney and is managed jointly by Thames Reach and the NHS North London and the City. People visiting the Greenhouse receive housing, benefit and employment support from Thames Reach including help with accessing the PRS and health advice and intervention from NHS North London and the City staff. The service brings together housing related and health services in a way that is often spoken about as being desirable but is rarely achieved. In the past year the service has doubled the number of clients seen weekly and focused even more on homeless people who do not have a statutory right to housing. Not surprisingly, the Greenhouse has been shortlisted for the final in the Andy Ludlow Awards in 2012 which recognises innovative homelessness services. The winner will be announced on Thursday 18th October, at an awards ceremony at Speakers House in Westminster.

Managing new accommodation and adapting existing provision

Despite the challenges of the commissioning environment recorded elsewhere in the shareholders' report, Thames Reach has been successful in taking into management new projects and remodelling its supported accommodation to meet new needs.

Substance misuse projects

We were asked by the London Borough of Greenwich to develop a range of supported projects across five locations for people with substance misuse problems as part of an accommodation pathway linked to substance misuse assessment and treatment. Following our success through the commissioning process, we now have a three-year contract to manage and develop this service.

In Lewisham we have re-provisioned two houses that were no longer suitable to create an innovative 10-bed accommodation project linked to a treatment programme for people with drug problems.

Other supported housing

In the London Borough of Sutton we have taken into management a project to support 46 people at risk of homelessness across a number of properties with resettlement support provided as part of the support package.

Learning and employment

Only slightly over 10% of Thames Reach's service users are in employment whilst around 70% want to work, with the majority citing health related obstacles as the main barriers to finding and sustaining a job. Our ambitious target of helping 25% of service users into employment by the end of 2012 will not be realised and has undoubtedly been affected by the recession, however helping people find work has been a major focus of Thames Reach's work during the last few years and will remain so over the coming period.

Thames Reach has a special organisation-wide employment initiative in place called the Breakthrough Project and one of its key aims has been to create a work-ready pool of service users who receive targeted support to enable them to find work. The Breakthrough Project has sought to improve employer engagement and has specifically targeted service users on Job Seekers' Allowance (JSA) who have already been assessed by Job Centre Plus as 'work-ready'. Thames Reach recently entered a partnership with employment specialists Prospectus to broker more relationships with key employers on behalf of our service users.

Thames Reach has had a long and productive partnership with Business Action on Homelessness (BAOH), part of Business in the Community (BITC). During the year we partnered with BAOH to deliver a new service, Get Ready, aimed at those people most distant from the labour market. The programme offers a mix of workshops, visits and short training sessions with a variety of London's biggest employers including Barclays, Marks and Spencer and Lakehouse Construction. Participants are helped to increase their confidence and skills-set and many of those who successfully complete the Get Ready programme progress onto the BAOH Ready for Work course which offers a work placements at reputable companies.

Peer Landlord London

In partnership with Commonweal Housing, Thames Reach has developed an exciting new shared housing model called Peer Landlord London. The Peer Landlord London houses are unique in that they provide a shared housing environment for people in work or close to entering employment with informal support provided by one of the tenants, the peer landlord, who has special responsibility for managing the house and giving advice and guidance to the other tenants. In return, the peer landlord has first choice of the rooms in the property, a slightly reduced rent and receives a financial incentive which is released to them at the point when they are ready to move on from the house. Typically the houses are purchased by Commonweal and let on a ten-year lease to Thames Reach and there are three houses in occupation with a further four due to be bought over the next year. The rent is subsidised by Commonweal so that it is a below-market rent (£75-£90), ideal for people entering low-paid work after a period of unemployment.

The interest in the Peer Landlord London model has also led to Thames Reach entering a partnership with Croydon council to upgrade and bring back into use substandard properties using money provided through the Empty Homes Grants Programme, funding made available through the Department for Communities and Local Government (CLG). Up to ten houses will be leased to Thames Reach by the owners who will receive rent in return as well as the security of knowing that the house is well-managed, using a version of the Peer Landlord model and has been improved physically through the Empty Homes Programme grant.

Employment Academy

Following the purchase in August 2010 of a building to create a flagship Employment Academy, Thames Reach has overseen the development of the site at 29 Peckham Road, Camberwell, south London with funds secured through the Places of Change programme, now administered by the Homes and Communities Agency (HCA). Thames Reach is also contributing towards the development with money from its reserves.

The Employment Academy is due for completion in the autumn of 2012 and will bring together within an impressive municipal building built in 1904 a range of complementary learning and employment services and programmes designed to help the long-term workless of Southwark and Lambeth to find and retain work. Within the building there will be a café which will be open to those using the academy and to the general public.

The contractor, Lakehouse, has employed within their workforce 11 former homeless people as trainees who, as part of the apprenticeship, undertake training one day a week at Hackney colleague to secure a National Vocational Qualification (NVQ). The Employment Academy will be both the means through which local people can find work and a fantastic local resource with space that can be used by local community groups and corporate supporters for meetings and events. The focus will be on helping people find employment in the fields of construction, social care, security work, catering and retail. Thames Reach will own the building and base some of its central staff within it.

Improving health

Apart from the encouraging progress with the development of the Living Well Collaborative noted above, Thames Reach has also continued to focus on addressing the often stark health problems of our service users. A recent survey of the health needs of Thames Reach service users residing in our Lambeth hostels found that 9% suffered from diabetes. Fortunately the award-winning **Three Dimensions for Diabetes (3DfD)** project which has been piloted in Southwark by Thames Reach in partnership with Kings College Hospital will shortly be extended into Lambeth. The project assists people struggling with Type 2 diabetes to manage their condition successfully and improve their health. It helps the individual to tackle their diabetes within a community setting, making links with GP practices, hospitals and wider community networks. Support from Thames Reach staff in managing housing and financial issues as a component of this programme can reduce the stress which often causes people to give a low priority to addressing their diabetes. This holistic approach has achieved impressive outcomes.

Thames Reach has also been involved in a health pilot in Lewisham focusing on people who make excessive and ineffectual use of A&E departments with the objectives of helping them find settled accommodation, to receive ongoing tenancy support and to address their health needs more productively. This pilot has since been extended into a longer term initiative working with three GP practices in the borough and is based on a payment by results (PBR) funding model.

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 three

Restructuring

The year has been a difficult and stressful one as the organisation has undertaken a very significant restructuring exercise, starting at the senior management team and working through all levels of the organisation. It has been an unsettling time for staff who over the restructuring period did not feel secure in their jobs, but continued to perform at a high level. The restructuring was essential to reduce costs so that the organisation could remain competitive and also necessary to establish new expectations for staff at all levels with respect to the increased flexibility required and autonomy provided when undertaking their work. New expectations were set out in job roles and the associated competencies used in recruitment to posts and job review and appraisal. As a result of the restructuring Thames Reach is able to compete successfully for new business and to retain existing services based on a lower contract price than we were formerly able to offer. Our ongoing commitment to offering a high level of staff support and an enhanced training programme reinforces our confidence in staff providing an excellent service to all Thames Reach service users.

Casework management

The strengthening of our casework management approach, to ensure 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 continues to be given a very high priority and is monitored closely both via line management overview and the internal audit processes which have focused on this area for particular scrutiny. The development of the InForm client recording system has continued as we seek simple and effective ways of monitoring our work and measuring the progress of individual service users and extrapolate wider trends.

Offices

As part of our commitment to reducing costs across the organisation so that we can remain competitive and cost efficient, we have reduced the number of Thames Reach office bases over the year, moving staff from offices in Lewisham and Southwark to new sites and making full use of the Elmfield and Hudson House offices in Stockwell, which are owned by Thames Reach. Another service, managed by a partner organisation, also operates from these offices. This is a beneficial arrangement in terms of efficiencies and sharing that arises when teams with similar objectives work in close proximity and because it provides a rental income stream for Thames Reach. When the Employment Academy opens in the autumn of 2012, some of Thames Reach's central teams as well as some employment related services will move to this building which is also owned by Thames Reach.

Training

Despite the need to make substantial savings in the face of recession, Thames Reach chose not to compromise on its training programmes for staff as this was thought to be a false economy. We have instead continued to provide a core, mandatory in-house training programme for all new staff and a range of key courses for front-line staff working with complex and challenging individuals.

We have also continued to develop our management training programme and have introduced a leadership and change training programme delivered by two of Thames Reach's senior team. Additionally we have focused on e-learning in partnership with the Charity Learning Consortium and the use of popular action learning sets.

In 2011-12 the Thames Reach Learning and Development team organised 79 events covering 43 different courses catering for 747 attendees in total and achieved a 93% positive feedback score.

Staff well-being

Staff well-being has remained a strong priority in this year of organisational restructuring. During the restructuring exercise considerable attention was given to helping staff cope with the changes and additional support was built in, including the opportunity of career support from a specialist vocational coach. Encouragement was given to use the Thames Reach external counselling service and a range of help sheets were made available.

Staff were encouraged to focus on their wellbeing in order to achieve a good work-life balance and to develop the resilience needed in a hectic working environment where many staff have to deal on a day-to-day basis with emotionally stressful issues presented by vulnerable and complex service users. Thames Reach has a separate section on wellbeing for staff on the internal intranet (Pulse). Massage is made available at many sites which is inexpensive and paid for by individuals, offering the opportunity of relaxation time away from the desk.

Thames Reach continues to provide flexibility around working arrangements and as part of our programme of increased staff engagement following the organisational restructuring we are exploring new ways of making Thames Reach a workplace where people feel valued and supported.

We are particularly focusing on different ways of offering appropriate reward and recognition to staff that have made a special contribution to Thames Reach to reflect the high value we place on the commitment, imagination and skills which people within the workforce frequently exhibit on a day-to-day basis.

Service users into the workforce

Developing the skills set of service users so that they can successfully compete for jobs in the social care sector has continued to be a major focus for Thames Reach and we have successfully maintained the number of former service users who are part of our work-force despite recession and restructuring with 22% of the staff complement being former service users. These colleagues bring important experiences to the organisation. They are inspiring role models who can help people to make positive changes in their lives. Our leadership in this area has led to similar programmes being adopted across the country.

A new pilot apprenticeship programme was introduced during the year, run jointly with City Lit. Eleven apprentices were employed as a part of the pilot and they will finish their placement in 2013. Of these, seven have a history of homelessness. Those who complete the programme receive a recognised qualification at the end of the period.

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 three

Thames Reach services play an important role in neighbourhoods across London and it is essential that the organisation contributes positively to local communities. The number of

referrals from the public received by our London Street Rescue Service who manage the reporting line during the day as part of the NSNO initiative has continued to grow during the year. Calls are responded to speedily and when requested we report back to the person who has made the call, giving an update on progress made in helping the person they are concerned about to come off the street.

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. In Vauxhall, south London senior staff from our hostel regularly participate in safer neighbourhoods panel meetings and other community meetings. Managers routinely liaise too with the Metropolitan Police, British Transport Police, the local authority, Transport for London and local businesses to address antisocial behaviour issues in the area.

The development of our flagship Employment Academy project in Camberwell is taking place with the close involvement of the local community with open days and contact via Twitter and the website www.employmentacademy.org.uk

In the London Borough of Croydon the Thames Reach team has regular contact with faith groups working in the borough, responding to requests from congregations to assist rough sleepers who they are aware of and, in return, receiving greatly appreciated donations to support the work with rough sleepers. Teams regularly meet with churches and community groups to talk about homelessness and the work of the organisation. In the London Borough of Hackney we have had especially welcome engagement with the local Turkish community facilitated by a Turkish staff member and this has led to an increased awareness of the service and how it can respond to the specific needs of the Turkish community in the borough.

Again in Croydon, Thames Reach staff have worked closely with the Brit school which has undertaken drama workshops with service users and, in return, Thames Reach and service users engaged with the Brit school have helped to students to understand homelessness and gain insight into how it can occur.

4. <u>User involvement</u>

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 three

Partnership with Groundswell

During the year we were delighted to cement our partnership with Groundswell, a charity which specialises in developing former homeless people to become advocates for users of services (peer advocates), expert advisors and specialist system navigators to enable people who frequently feel powerless and disadvantaged to be heard and able to effectively access services. The legal structure underpinning the partnership is based on a parent: subsidiary model with two representatives (a Thames Reach board member and a senior staff member) nominated by Thames Reach sitting on the Groundswell board and Groundswell retaining its independence, autonomy and brand but benefiting from the support provided through being in an organisation with a robust infrastructure.

The partnership reflects the shared commitment to service user engagement and empowerment and was a natural step. Increasingly the same service users were seen to be actively involved in both organisations and Groundswell was undertaking important service user consultation work on behalf of Thames Reach. Additionally the two organisations were successful in a joint bid to deliver a peer advocacy service in the London Borough of Camden, aimed at helping users of primary and secondary health services to access effective treatment and to improve their health. We expect the partnership with Groundswell to strengthen further the Thames Reach approach to maximising service user involvement within Thames Reach and the broader progress we hope to make towards giving service users increased choice and control.

Personalisation and person centred planning (PCP)

Thames Reach has developed a framework of engagement based on an approach that seeks to help service users express their needs and aspirations called person centred planning (PCP). The approach requires a strong focus on placing service users at the centre, raising the aspirations of service users and the staff working with them and encouraging service users to take more personal responsibility and control.

Welcome 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. This programme is currently being rolled out across the organisation.

The most recent service user survey flagged up a need for improvement in the key area of assisting people to have the contact they want with their families. Our partners, Groundswell 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 three

Financial pressures

The last year has been a particularly difficult one for voluntary sector organisations, as the recession has led to very significant reductions in the availability of both statutory and non-statutory income. Across Thames Reach teams have continued to work hard to make savings wherever feasible but in order to make the substantial savings required to remain competitive Thames Reach has had to undergo a comprehensive restructuring affecting all levels in the organisation which led to some redundancies and a reduction in salaries. Most of the restructuring was completed by the end of the calendar year 2011 and, whilst some local restructuring may be required in the future, we do not anticipate having to undertake a further restructuring of this magnitude unless a new international financial crisis leads to further swingeing cuts to local authority budgets. Elsewhere in the shareholders' report reference is made to other cost-saving approaches that have been adopted by the organisation, including a consolidation of the organisation's offices.

Retaining contracts and developing new areas of business

Inevitably during this year Thames Reach has seen its income decrease as contracts have been re-negotiated at a lower price and some contracts have not been retained, notably where the hourly rate offered by Thames Reach (pre-restructuring) was regarded as too high.

After the year end, Thames Reach has been successful in retaining existing contracts and winning new business as our contract price has reduced and we have been able to re-focus following restructuring. A number of these new services are described in earlier sections of the shareholders' report.

There has been a recent trend in commissioners seeking to award contracts based on a payment by results approach which Thames Reach has been eager to explore and adopt. In the London Borough of Lewisham we engaged in a pilot payment by results (PBR) initiative focusing on people who were frequent users of accident and emergency departments and, more recently, have been awarded a contract to work with people with substance misuse problems who are currently failing to engage with treatment programmes. This is an approach to service delivery that we will continue to invest time in engaging with and hope that alongside this outcome focused approach there will be a commensurate adjustment to the detailed level of monitoring required by commissioners.

Non-statutory fund-raising

We have formulated a new fund-raising strategy during the year which focuses on raising funds for some of Thames Reach's volunteering and employment programmes and services which, despite being a vital part of the pathway to employment are historically some of the most difficult areas of service delivery to fund.

We have been very successful in developing strong and productive corporate relationships with different companies including Mayer Brown, Prime Development, DC Advisory Partners, KPMG, Media Edge CIA and Keningtons and these relationships have been crucial as a means of ensuring the continuation of our volunteering and training programmes. We have been less successful in building up strong and enduring relationships with supportive individuals and in attracting more funding via legacies and this will be addressed over the coming year.

Governance

Thames Reach's strong reputation for effective governance was recognised by New Philanthropy Capital, the think-tank and consultancy organisation supporting charities and funders, when in 2007 they selected Thames Reach as one of a handful of homelessness charities to support, noting strong governance to be one of our main characteristics.

To avoid resting on our laurels this year we undertook a full Board appraisal with the intention of putting Board performance under the microscope and addressing in particular the issue of board renewal and how successfully the role of the committees link with the work of the main Board.

The Board appraisal report was received by the board early in 2012 and later in 2012 the Board will be spending a day visiting Thames Reach services and then meeting to discuss a series of key governance questions which will lead to an action plan to ensure that governance continues to reach the highest standards at Thames Reach over the coming years.

6. <u>Communicating our experience and understanding the barriers leading to homelessness</u>

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 three

Service user influence

Service users remain at the centre of our approach to influencing policy makers, the media and the public because they more than anyone can express with clarity and intensity the issues facing homeless and vulnerable people and we actively seek to support them to do so. During the year a number of service users gave their story both through television, radio, written and social media. For example, we managed to give prominence to the issue of men from central and eastern Europe being trafficked by unscrupulous 'bosses' into forced labour situations where they were kept imprisoned for many hours and only released to undertake harsh manual work for which they receive little or no pay.

The Housing Minister, Grant Shapps MP, visited our Graham House hostel to engage in conversation with service users and hear directly from them about the vicissitudes of rough sleeping. He was especially keen to engage with former homeless men and women who had previously been in the armed services and this was a great example of our service users being able to directly influence a government Minister.

Local impact

We have focused on explaining homelessness and the impact of our services at a local level, frequently running stories in collaboration with local authorities and supportive agencies. For example, we were able to expose the miserable circumstances facing a group of destitute men, originally from the Punjab, who were sleeping rough under a bridge in west London. We have also used social media outlets such as Twitter to attract support and interest. For example, as part of our campaign to end rough sleeping in Lambeth we created a separate Twitter account for the initiative and attracted an influential group of supporters to it. During the coming year we will be piloting more digital inclusion initiatives in collaboration with partners Lemos & Crane to engage service users directly, both to enable them to influence policy-makers and to develop new ways in which they can get involved with Thames Reach and shape our services.

Campaigns

Thames Reach's by now familiar 'Killing with Kindness' anti-begging poster which portrays an inert body made up of coins continues to be adopted across the country, most recently being used in Liverpool and the London Boroughs of Lambeth and Croydon.

We have campaigned relentlessly to raise awareness of the problems caused by superstrength 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 the Coalition government responded by raising the tax on super-strength lagers in October 2011. Shortly after this we were delighted to win the **Campaign of the Year award** at the Third Sector awards for our super strength alcohol campaign. We still witness immense damage being caused by these drinks and are currently undertaking a piece of action research to provide further evidence and ammunition to reduce the availability of super strength ciders and lagers.

Research

Thames Reach has continued to contribute fully to some of the most important and informative research focusing on issues associated with homelessness and social exclusion and seeks to use the learning from this research to improve practice and shape government policy for the benefit of our service users. In particular we were delighted to be key partners in research into the causes of multiple exclusion homelessness undertaken by Professor Suzanne Fitzpatrick and colleagues from Heriot Watt University. The research was especially revealing in conclusively demonstrating the range of problems faced by multiply excluded homeless people, develop at an early age, frequently in the late teens and early twenties and precede rather than follow rough sleeping. The importance of early intervention programmes to prevent homelessness and social exclusion is therefore vindicated by this research.

Thames Reach undertook its own investigation into literacy levels amongst homeless and socially excluded people. The resulting report, 'Turning the Key', written by literacy specialist and Thames Reach volunteer Julia Olisa brilliantly illuminated the extent of the problem and a survey of 101 Thames Reach service users confirmed that poor literacy is having a debilitating impact on the lives of many people with 55% of people saying that they had difficulty filling in simple forms and around half having problems with writing. This report has created momentum to ensure that basis skills support is offered to all Thames Reach service users who require it from an early stage in their contact with the organisation.

Delivering on organisational objectives: the Business Plan, annual Work Programme and quality assurance framework

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 2011/2012

All of the Board members listed below served throughout the year, except Michael Scorer who was elected at the AGM 2011. 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

Chairman, Thebes Group

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 UI 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 Chartered Accountant

Associate Member of the Institute of Directors

First elected January 2005

Peter Davey Housing and Charity Consultant

CIH Member

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

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 Former trustee of Crisis Employment Judge First elected AGM 1996

Andrew Whyte Director Kingsnorth Communications

Former Director, New Ways of Working, DEFRA

Former Director of Communications, Foreign and

Commonwealth Office

Member of the Chartered Institute of Public Relations

First elected AGM 1998

Steve Wyler Chief Executive, Locality

ResPublica Trust (Trustee)

Voluntary and Community Sector Partnership Board

(Co-Chair with David Prout, DCLG)

RR3 (formerly Reducing Re-offending Third Sector

Advisory Group)

Social Enterprise UK (Board, Vice-Chair)

Third Sector Research Centre (Advisory Board)

First elected AGM 1996

Michael Scorer Independent Management Consultant

Former Assistant Chief Executive, Camden Council Former Deputy Chair of the Mayor of London ending

rough sleeping London Delivery Board

Former Deputy Director of Housing (homelessness) at the Department for Communities and Local

Government.

Director of Housing and Adult Social Care in Camden.

First elected AGM 2011

* Executive Salaries

Jeremy Swain, Chief Executive, £93,731

Due to the recessionary pressures facing Thames Reach and the need to achieve savings which have affected salary levels across the organisation, all the Senior Management Team at Thames Reach have taken a voluntary salary sacrifice which pertained throughout 2011-12 and remains in place. This is not reflected in the contractual pay recorded in this report.

Board processes

Thames Reach's process for selecting new Board members is detailed in its Board Renewal Strategy. Thames Reach chooses to use open and transparent recruitment practices for new Board members, which 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 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 24).

The Work of the Board

Ken Olisa OBE is the chair of the Board of Trustees and Vasim UI 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 to discuss navigating the organisation through the recessionary period and establishing priorities for the coming 18 months. Board members also attend presentations from teams on specific areas of work in order to remain abreast of changes within services and up-to-date on new projects and initiatives managed by Thames Reach. These presentations are kept separate from the formal business of board meetings as they provide operational information rather than require board decision.

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 seventh 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.
- An organisational risk assessment covering all aspects of operations and delivery from which key areas of risk are selected, analysed and focused on by the committees over the year with a view to mitigating risk.
- 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

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 and each committee chair provides a summary report at a board meeting during the year.

Finance, Audit and Fundraising Committee

Brigid Sutcliffe, Treasurer, chaired the committee during 2011 until her retirement from the role. The other non-executive Board members on the committee were Vasim UI 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. Particular attention was given to enhancing the medium-term financial risk model. It was agreed that non-statutory fund-raising would be given a higher profile by the committee over the next period.

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. It also scrutinised progress in the development of the Inform Client Recording System and linked performance indicators and received quarterly and an annual health and safety report, making recommendations arising from debate on it to the full board.

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 users' perspective.

Governance Committee

This committee was chaired by Joanna Wade and the other non-executive Board members were Brigid Sutcliffe and Tony McBrearty.

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

During the year the committee considered the impact of the organisational re-structure, received the annual Human Resources (HR) report and made recommendations to the board on issues arising from it, received the board appraisal report and made recommendations on ways in which the findings from the report could be given fuller consideration and explored

the option of Thames Reach becoming registered with the Charity Commission, recommending to the Board that this objective should be pursued.

Property Development Committee

This committee was chaired by Vasim UI 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 and Well-being

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 and good practice. Thames Reach has implemented its 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.

Encouragement to address health, well-being and work-life balance is embedded through team workplans, and from Information sheets circulated to staff and is specifically provided through the Thames Reach cycle scheme and childcare voucher scheme. All local health and safety representatives across the organisation are supported to acquire a Foundation Certificate in Health and Safety and they attend briefings held during the year. Managers are required to attain a local authority approved Certificate in Supervising Health and Safety. Our new e-learning means all staff can access health and safety information on a more regular basis.

During the year special attention was focused on comprehensively checking gas safety inspections and reviewing a number of policies such as the accidents and incidents policy and Safeguarding Adults at Risk.

Further Information

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

Follow Thames Reach on www.twitter.com/thamesreach

FUTURE PLANS

During 2012-13 the following areas of work will be given priority:

- 1. Development of the Employment Academy to help long-term workless and formerly homeless people living in Southwark and Lambeth to find sustainable employment. It is anticipated that the Employment Academy will be operational in the autumn of 2012.
- 2. Development of programmes and creation of opportunities in collaboration with colleges, training organisations and employers to secure employment opportunities for service users.
- 3. Working with partners in central, regional and local government, the voluntary sector and in local communities to reduce rough sleeping, investing in and supporting the No Second Night Out and No Living on the Streets initiatives.
- 4. 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
- 5. Delivery of more initiatives and services to help people with substance misuse problems to achieve reduced dependence and ultimately abstinence, working with colleagues in health and the voluntary sector.
- 6. Give service users greater choice and control in shaping and receiving support by developing new ways of providing services through personalisation and person centred planning techniques.
- 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.
- 8. The investigation of unmet needs amongst vulnerable and socially excluded groups and the development of new solutions to meet their needs through, for example, social investment support.
- 9. New ways of supporting local communities to tackle issues of homelessness, social exclusion and poverty and to address linked problems such as crime, anti-social behaviour and lack of community cohesion.
- 10. Exploring and establishing new ways of rewarding and recognising staff who demonstrate special commitment and skill in their work.

REVIEW OF THE FINANCIAL POSITION

The Statement of Financial Activities shows total incoming resources of £18,779,239 which is a 13% reduction after discounting the £4 million capital sum included in the income last year. The income figure of over £18million also includes over half a million of funds for the refurbishment of the new Employment Academy. Resources expended have decreased by over 16% to £17,993,514. 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.

We have continued with our measures to reduce costs during the last year and there has been special emphasis on staffing costs. We completed the restructuring of our management posts and during the last year all other staffing levels within Thames Reach were restructured. 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 significant reductions on contract prices, often requested and responded to at very short notice. Due to the work on cost reductions and the restructuring work we have been able to meet these changes and have been in a stronger position to engage with new types of funding such as payment by results and social investment. During 2012/2013 the key work is in sustaining our organisation and continuing to review costs and processes whilst balancing the changing needs of commissioners and maintaining the quality of our current services and responding to new opportunities.

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 September 2012. We continue to seek 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. During the last year the designated reserves enabled us to make the necessary changes to our service delivery model, even where we could later meet the costs through additional savings during the year.

Risk Factors

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

Analysis of Assets

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

Statement of the Board's Responsibilities

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

In preparing those accounts, the Board is required to:

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

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the organisation's transactions and which disclose with reasonable accuracy at any time the financial position of the organisation and to enable it to ensure that the accounts comply with the 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

10th September 2012

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 2012 which comprise the statement of financial activities, balance sheet, cashflow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the organisation's members, as a body, in accordance with the provisions of the Industrial and Provident Societies Acts, 1965 to 2002. Our audit work has been undertaken so that we might state to the organisation'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 organisation and the organisation's members 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 is responsible for the preparation of the financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statement

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 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 2012 and 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 properly prepared in accordance with Industrial and Provident Societies Acts, 1965 to 2002.

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 Acts, 1965 to 2002 require us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the organisation has not kept proper accounting records; or

rantrey Vellawith DEK LLP

- the financial statements are not in agreement with the books of account; or
- certain disclosures of officers' remuneration s or transactions with the organisation specified by law are not made; or
- we have not received all the information and explanations we need for our audit.

CHANTREY VELLACOTT DFK LLP

Chartered Accountants and Statutory Auditor

London

Date: 10 \9 \12

Statement of financial activities for the year ended 31 March 2012 (Incorporating the Income and Expenditure Account)

	Notes	General funds £	Designated funds	Restricted funds	Total 2012 £	Total 2011 £
Incoming resources						
Incoming resources from charitable activities						
Accommodation services Support activities Pathways to occupation	2 3 4	4,690,351 139,700 69,479	7,500,609 3,046,343 723,481	6,683 2,124,096 453,415	12,197,643 5,310,139 1,246,375	13,586,747 7,992,615 4,026,313
Incoming resources from generate	d funds					
Bank interest		24,479	-	-	24,479	18,285
Total incoming resources		4,924,009	11,270,433	2,584,194	18,778,636	25,623,960
Resources expanded						
Cost of generated funds		53,280	96,414	24,901	174,595	205,190
Charitable activities		5,436,270	9,822,484	2,543,253	17,802,007	21,442,640
Governance costs		5,161	9,339	2,412	16,912	19,876
Total resources expended	5	5,494,711	9,928,237	2,570,566	17,993,514	21,667,706
Net incoming/(outgoing) resources before transfers		(570,702)	1,342,196	13,628	785,122	3,956,254
Transfers between funds	14	500,881	(1,008,695)	507,814		
Net movement in funds		(69,821)	333,501	521,442	785,122	3,956,254
Fund balances at 1 April 2011		615,832	5,031,159	3,852,290	9,499,281	5,543,027
Fund balances at 31 March 2012		546,011	5,364,660	4,373,732	10,284,403	9,499,281

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 34 to 44 form part of these financial statements.

Balance sheet at 31 March 2012

Fixed assets 9 5,427,197 3,805,413 Current assets 3,805,413 Debtors 10 3,183,656 3,039,530 Cash at bank and in hand 4,809,493 6,527,848 Creditors: amounts falling due within one year 11 (3,135,917) (3,873,485) Net current assets 4,857,232 5,693,893 Total assets less current liabilities, being net assets 16 10,284,429 9,499,306 Funds 13 26 25 Restricted funds 14 4,373,732 3,852,290 Unrestricted funds: 25 5,364,660 5,031,159 General funds 546,011 615,832 Total Restricted and Unrestricted funds 10,284,429 9,499,281		Notes	2012 £	2011 £
Current assets 9 5,427,197 3,805,413 Current assets 3,805,413 3,805,413 Debtors 10 3,183,656 3,039,530 Cash at bank and in hand 4,809,493 6,527,848 7,993,149 9,567,378 Creditors: amounts falling due within one year 11 (3,135,917) (3,873,485) Net current assets 4,857,232 5,693,893 Total assets less current liabilities, being net assets 16 10,284,429 9,499,306 Funds 13 26 25 Restricted funds 14 4,373,732 3,852,290 Unrestricted funds: 25 5,364,660 5,031,159 General funds 15 5,364,660 5,031,159 General funds 546,011 615,832 Total Restricted and Unrestricted funds 10,284,403 9,499,281	Fixed assets			
Current assets Debtors 10 3,183,656 3,039,530 Cash at bank and in hand 4,809,493 6,527,848 7,993,149 9,567,378 Creditors: amounts falling due within one year 11 (3,135,917) (3,873,485) Net current assets 4,857,232 5,693,893 Total assets less current liabilities, being net assets 16 10,284,429 9,499,306 Funds Share capital 13 26 25 Restricted funds 14 4,373,732 3,852,290 Unrestricted funds: Designated funds 15 5,364,660 5,031,159 General funds 546,011 615,832 Total Restricted and Unrestricted funds 10,284,403 9,499,281		9	5,427,197	3,805,413
Debtors 10 3,183,656 3,039,530 Cash at bank and in hand 4,809,493 6,527,848 7,993,149 9,567,378 Creditors: amounts falling due within one year 11 (3,135,917) (3,873,485) Net current assets 4,857,232 5,693,893 Total assets less current liabilities, being net assets 16 10,284,429 9,499,306 Funds 13 26 25 Restricted funds 14 4,373,732 3,852,290 Unrestricted funds: Designated funds 15 5,364,660 5,031,159 General funds 15 5,364,660 5,031,159 Total Restricted and Unrestricted funds 10,284,403 9,499,281			5,427,197	3,805,413
Debtors 10 3,183,656 3,039,530 Cash at bank and in hand 4,809,493 6,527,848 7,993,149 9,567,378 Creditors: amounts falling due within one year 11 (3,135,917) (3,873,485) Net current assets 4,857,232 5,693,893 Total assets less current liabilities, being net assets 16 10,284,429 9,499,306 Funds 13 26 25 Restricted funds 14 4,373,732 3,852,290 Unrestricted funds: Designated funds 15 5,364,660 5,031,159 General funds 15 5,364,660 5,031,159 Total Restricted and Unrestricted funds 10,284,403 9,499,281	Current assets			
Cash at bank and in hand 4,809,493 6,527,848 7,993,149 9,567,378 Creditors: amounts falling due within one year 11 (3,135,917) (3,873,485) Net current assets 4,857,232 5,693,893 Total assets less current liabilities, being net assets 16 10,284,429 9,499,306 Funds 13 26 25 Restricted funds 14 4,373,732 3,852,290 Unrestricted funds: 15 5,364,660 5,031,159 General funds 546,011 615,832 Total Restricted and Unrestricted funds 10,284,403 9,499,281		10	3,183,656	3,039,530
Creditors: amounts falling due within one year 11 (3,135,917) (3,873,485) Net current assets 4,857,232 5,693,893 Total assets less current liabilities, being net assets 16 10,284,429 9,499,306 Funds Share capital 13 26 25 Restricted funds 14 4,373,732 3,852,290 Unrestricted funds: Designated funds 5,364,660 5,031,159 General funds 546,011 615,832 Total Restricted and Unrestricted funds 10,284,403 9,499,281	Cash at bank and in hand			
Net current assets 4,857,232 5,693,893 Total assets less current liabilities, being net assets 16 10,284,429 9,499,306 Funds 25 25 Share capital 13 26 25 Restricted funds 14 4,373,732 3,852,290 Unrestricted funds: 5,364,660 5,031,159 General funds 15 5,364,660 5,031,159 General funds 546,011 615,832 Total Restricted and Unrestricted funds 10,284,403 9,499,281			7,993,149	9,567,378
Funds 13 26 25 Restricted funds 14 4,373,732 3,852,290 Unrestricted funds: 15 5,364,660 5,031,159 General funds 10,284,403 9,499,281	Creditors: amounts falling due within one year	11	(3,135,917)	(3,873,485)
Funds Share capital 13 26 25 Restricted funds 14 4,373,732 3,852,290 Unrestricted funds: 5,364,660 5,031,159 Designated funds 15 5,364,660 5,031,159 General funds 546,011 615,832 Total Restricted and Unrestricted funds 10,284,403 9,499,281	Net current assets		4,857,232	5,693,893
Share capital 13 26 25 Restricted funds 14 4,373,732 3,852,290 Unrestricted funds: Designated funds 15 5,364,660 5,031,159 General funds 15 546,011 615,832 Total Restricted and Unrestricted funds 10,284,403 9,499,281	Total assets less current liabilities, being net assets	16	10,284,429	9,499,306
Share capital 13 26 25 Restricted funds 14 4,373,732 3,852,290 Unrestricted funds: Designated funds 15 5,364,660 5,031,159 General funds 15 546,011 615,832 Total Restricted and Unrestricted funds 10,284,403 9,499,281				
Restricted funds 14 4,373,732 3,852,290 Unrestricted funds: Designated funds 15 5,364,660 5,031,159 General funds Total Restricted and Unrestricted funds 10,284,403 9,499,281				
Unrestricted funds: 15 5,364,660 5,031,159 Designated funds 546,011 615,832 Total Restricted and Unrestricted funds 10,284,403 9,499,281	Share capital	13	26	25
Designated funds 15 5,364,660 5,031,159 General funds 546,011 615,832 Total Restricted and Unrestricted funds 10,284,403 9,499,281	Restricted funds	14	4,373,732	3,852,290
General funds 546,011 615,832 Total Restricted and Unrestricted funds 10,284,403 9,499,281	Unrestricted funds:			
Total Restricted and Unrestricted funds 10,284,403 9,499,281		15		
	General funds		546,011	615,832
10,284,429 9,499,306	Total Restricted and Unrestricted funds		10,284,403	9,499,281
			10,284,429	9,499,306

These financial statements were approved by the Board on 10th September 2012 and authorised for issue and were signed on its behalf by:

K. Olisa Chair V. UI Haq Vice Chair

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The notes on pages 34 to 44 form part of these financial statements.

Cash flow statement for the year ended 31 March 2012

	Notes	2012 £	2011 £
Net cash inflow from operating activities	17	243,941	4,003,265
Capital expenditure and financial investments Payments to acquire tangible fixed assets Proceeds from disposal of assets		(1,962,297)	(2,360,957)
Cash inflow from financing activities		1	-
(Decrease)/Increase in cash	18	(1,718,355)	1,642,308

The notes on pages 34 to 44 form part of these financial statements.

Notes to the financial statements for the year ended 31 March 2012

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.

Notes to the financial statements for the year ended 31 March 2012 (continued)

1. Accounting policies (continued)

f) Pensions

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

g) Accumulated Funds

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

2.	Accommodation services	General funds £	Des	ignated funds £	Restricted funds	Total 2012 £	Total 2011 £
	Supporting people	-	6,	999,039	-	6,999,039	7,317,321
	Rental income	4,690,351		462,430	-	5,152,781	6,217,573
	Sundry income	-		39,140	6,683	45,823	51,852
		4,690,351	7,	500,609	6,683	12,197,643	13,586,746
3.	Support activities						
	London Councils		_	245,12	6 -	245,126	307,626
	City of London	27	,500	,		27,500	, -
	Supporting People		-	2,360,98	1	2,360,981	5,067,155
	Department for Communities and						
	Local Government		-		- 1,882,739	1,882,739	1,588,616
	Health Commission		-	80,39	7 -	80,397	26,605
	London Borough of Hackney		-	116,74	0 -	116,740	121,160
	London Borough of Barking & Dagenha	am 1,	680			1,680	22,500
	London Borough of Lambeth			25,60	0 -	25,600	-
	London Borough of Hackney		-			-	33,281
	London Borough of Redbridge		-			-	22,500
	London Borough of Tower Hamlets		-	204,99	9 -	204,999	221,104
	London Borough of Lewisham	11	,264		-	11,264	23,460
	London Borough of Wandsworth		-			-	40,000
	London Probation Services		-			-	23,000
	West London Reconnections	99	,256			99,256	107,261
	Sundry income		-	12,50	0 26,554	39,054	307,367
	Donations		-		- 214,803	214,803	80,980
		139	9,700	3,046,34	3 2,124,096	5,310,139	7,992,615

Notes to the financial statements for the year ended 31 March 2012 (continued)

By activity:			Tenancy	Total	Total
	Accommodation	Outreach	sustainment	2012	2011
	£	£	£	£	£
London Councils	-	245,126	-	245,126	307,626
City of London	-	27,500	-	27,500	-
Supporting People	-	1,345,636	1,015,345	2,360,981	5,067,155
Department for Communities and				-	-
Local Government	-	981,673	901,066	1,882,739	1,588,616
Health Commission	80,397	-	-	80,397	26,605
London Borough of Hackney	-	116,740	-	116,740	121,160
London Borough of Barking &					
Dagenham	-	1,680	-	1,680	22,500
London Borough of Lambeth		25,600	-	25,600	-
London Borough of Hackney	-	-	-	-	33,281
London Borough of Redbridge	-	-	-	-	22,500
London Borough of Tower Hamlets	-	204,999	-	204,999	221,104
London Borough of Lewisham	-	-	11,264	11,264	23,460
London Borough of Wandsworth	-	-	-	-	40,000
London Probation Services	-	-	-	-	23,000
West London Reconnections	-	99,255	-	99,255	107,261
Sundry income	5,058	20,249	1,248	26,555	307,367
Donations		227,118	185	227,303	80,980
	85,455	3,295,576	1,929,108	5,310,139	7,992,615

Notes to the financial statements for the year ended 31 March 2012 (continued)

3. Support activities (continued)

Section 44 funding from London Councils was £ 37,500 (2011: £ 100,000). Section 47 funding from London Councils amounted to £ 207,626 (2011: £ 207,626) Total funding from London Councils of £ 245,126 (2011: £ 307,626) was fully utilised against designated running costs as follows:

			Section 44	Section 47	2012 £	2011 £
	Staff costs Property costs Clients' welfare		29,537 3,522 369	131,568 16,856 7,779	161,105 20,378 8,148	259,577 17,530 10,743
	Central management costs Other running costs		4,096 673	20,506 55,534	24,602 56,207	19,905 28,473
4.	Pathways to occupation	General funds	Designated funds	Restricted funds	Total 2012	Total 2011
		£	3	3	£	£
	Department for Communities and Local Government Department for Communities and Local	-	-	63,746	63,746	464,706
	Government - Employment Academy	-	-	110,739	110,739	3,424,632
	London Borough of Tower Hamlets	-	12,189	-	12,189	11,873
	Trusts Donations	-	-	11,250 11,237	11,250 11,237	66,133 155
	Oak Foundation	_	-		-	185
	Sundry income	-	711,292	256,443	967,735	58,629
	Shift income	69,479	-	-	69,479	-
		69,479	723,481	453,415	1,246,375	4,026,313
5.	Total resources expanded		Staff costs £	Other costs	Total 2012 £	Total 2011 £
	Costs of generating voluntary income		117,383	57,213	174,596	205,190
	Charitable activities		11,976,621	5,825,384	17,802,005	21,442,640
	Governance costs		11,370	5,543	16,913	19,876
			12,105,374	5,888,140	17,993,514	21,667,706
	Total 2011		15,409,934	6,257,772	21,667,706	

Notes to the financial statements for the year ended 31 March 2012 (continued)

5. Total resources expanded (continued)

Analysis of other costs	2012	2011
	£	£
Staff training and recruitment	143,239	186,532
Rent and service charges	505,629	592,500
Partnership contracts	93,396	173,289
Property costs	1,104,576	1,421,987
Insurance	170,973	183,211
Telephone and communication costs	163,847	200,845
Printing, postage, stationary and publicity	85,827	102,596
Food	177,384	171,367
Legal and professional	66,957	214,878
Audit fee	18,480	17,735
Tenants and clients welfare	201,959	246,159
RSL management and maintenance	1,974,019	2,148,169
Other direct costs	1,181,854	598,504
	5,888,140	6,257,772

Other direct costs include cost of furniture and computers.

Other costs includes payments to auditor of £18,480 (2011: £17,735) for audit fees.

6. Board

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

7. Employees

Average monthly number of employees during the year

	2012 Number	2011 Number
Housing and project services Fundraising and publicity	396 2	423 2
	398	425

Notes to the financial statements for the year ended 31 March 2012 (continued)

7. Employees (continued)

Analysis of staff costs	2012 £	2011 £
Wages and salaries Social security costs Other pension costs Agency, relief and volunteer costs	9,791,168 977,941 592,541 743,724	12,643,284 1,271,763 798,230 696,657
	12,105,374	15,409,934

The number of employees whose annual emoluments were over $\pounds60,000$ or more were:

	2012	2011
£90,001-100,000	1	1
£80,001-90,000	-	-
£70,001-80,000	3	3
	4	4

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8. Taxation

9

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			Furniture, fittings,		
		Assets		equipment		
		under	Freehold	& motor		
		construction	property	vehicles	Total	
		£	£	£	£	
	Cost					
	At 1 April 2011	2,529,870	899,008	3,347,061	6,775,939	
	Additions	1,689,562	-	272,735	1,962,297	
	At 31 March 2012	4,219,432	899,008	3,619,796	8,738,236	
	Depreciation					
	At 1 April 2011	-	135,167	2,835,359	2,970,526	
	Charge for the year	-	45,038	295,475	340,513	
	At 31 March 2012		180,205	3,130,834	3,311,039	
	Net book value					
	At 31 March 2012	4,219,432	718,803	488,962	5,427,197	
	At 31 March 2011	2,529,870	763,841	511,702	3,805,413	
		=,0=0,070		<u> </u>	3,000,0	

Notes to the financial statements for the year ended 31 March 2012 (continued)

10.	Debtors	2012 £	2011 £
	Charges and grants receivable Rent arrears	2,670,813 421,115	2,408,426 372,591
	Other debtors	91,728	258,513
		3,183,656	3,039,530
11.	Creditors: amounts falling due within one year	2012	2011
		£	£
	Trade creditors	1,181,230	996,111
	Rent in advance	730,512	694,091
	Taxes and social security costs	262,356	360,677
	Grants in advance	542,147	1,114,441
	Other creditors and accruals	419,672	708,165
		3,135,917	3,873,485

12. Pension costs

Thames Reach contributes to a defined contribution scheme for employees. Contributions payable to the scheme for the year were \pounds 592,541 (2011: \pounds 798,230).

13.	Share capital	Total 2012 £	Total 2011 £
	Shares of £1 each fully paid	0.5	٥٢
	Balance at the beginning of the year Additional share issue	25 1	25 -
	Balance at the end of the year	26	25

Notes to the financial statements for the year ended 31 March 2012 (continued)

14. Restricted funds

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

	Balance at 1 April 2011	Net Movement in funds	Balance at 31 March 2012
	£	£	£
Department for Communities and			
Local Government capital grant	30,066	(30,066)	-
Homelessness Directorate grant	9,111	-	9,111
Capital Fund	3,773,819	556,423	4,330,242
Street Rescue	35,620	-	35,620
Hilary Stent Fund	3,674	(4,915)	(1,241)
	3,852,290	521,442	4,373,732

General funds and designated funds totalling £507,814 have been transferred to restricted funds as a contribution to supplement the shortfall on restricted activities incurred during the year.

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. The new vehicles have been leased and this restricted fund will be used to offset final payments under the lease.

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

Street Rescue: This fund is restricted to street rescue and constitutes working capital in the development of these services.

Hilary Stent Fund: The fund represents donations received for the annual award to a resettled client made in memory of our colleague Hilary Stent. The annual event takes place later in the year when donations will be made to cover this balance.

Notes to the financial statements for the year ended 31 March 2012 (continued)

Designated funds

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

	Balance at 1 April 2011 £	Net Movement in funds £	Balance at 31 March 2012 £
Furniture and equipment	1,620,726	129,261	1,749,987
Designated for Bad debts	74,838	-	74,838
Office leases	41,531	-	41,531
Repairs and maintenance	1,826,119	-	1,826,119
Dilapidations	241,540	232,114	473,654
Staff	128,431	-	128,431
Replacement vehicle	35,666	-	35,666
IT and infrastructure	292,595	-	292,595
New Business Development	769,713	(27,874)	741,839
	5,031,159	333,501	5,364,660

General funds and designated funds totalling £507,814 have been transferred to restricted funds as a contribution to supplement the shortfall on restricted activities incurred during the year.

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. The bad debts were not in excess of budget and therefore we did not need to use this designated fund.

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 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. Restructuring costs during 2011/12 of over £240,000 were met through budgeted revenue. Further changes to teams are envisaged during 2012/13 as we continue to meet revised contract prices.

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 changing 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. This fund allows us to bid for contracts based on payment by results.

Notes to the financial statements for the year ended 31 March 2012 (continued)

16.	Analysis of net assets between fund	•				
		Share Capital	Unrestricted funds	Designated funds	Restricted funds	Total
		£	£	3	3	£
	Fund balances at 31 March 2012 are represented by:					
	Tangible fixed assets	-	1,207,765	-	4,219,432	5,427,197
	Current assets	26	2,474,163	5,364,660	154,300	7,993,149
	Creditors: amounts falling due					
	within one year	-	(3,135,917)	-	-	(3,135,917)
		26	546,011	5,364,660	4,373,732	10,284,429
17.	Net cash inflow from operating activi	ities			2012 £	2011 £
	Reconciliation to changes in resources					
	Net incoming resources before transfer	5			785,122	3,956,254
	Depreciation of tangible fixed assets	-			340,513	368,447
	Decrease/(Increase) in debtors				(144,126)	(915,758)
	(Decrease)/Increase in creditors				(737,568)	594,322
					243,941	4,003,265
18.	Reconciliation of net cash flow				2012	2011
					£	£
	(Decrease)/Increase in cash				(1,718,355)	1,642,308
	Balance at 1 April 2011				6,527,848	4,885,540
	Balance at 31 March 2012				4,809,493	6,527,848

19. Contingencies and commitments

A. Commitments under operating leases

At 31 March 2012 the organisation had annual commitments under non-cancellable operating leases as follows:

	2012 Land and buildings £	Other £	2011 Land and buildings £	Other £
Expiry date: Within one year Between two and five years In over five years	66,745 35,333 -	36,860 49,615 1,059	152,104 176,678 -	41,424 71,705 7,845
	102,078	87,534	328,782	120,974

Notes to the financial statements for the year ended 31 March 2012 (continued)

19. Contingencies and commitments (continued)

B. Capital commitments

The organisation has the following capital commitments:

2012 2011 £

Contracted 2,280,568 3,723,052

The capital commitments as at 31 March 2012 comprise the development of a Peckham Road property which will be the Thames Reach Employment Academy. The total development is anticipated to cost \pounds 6,500,000.