



Shareholders' Annual Report And Financial Statements 1 April 2013 – 31 March 2014

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 16-17.

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 (Resigned 25/04/2014)
Bill Tidnam, Director of Services

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

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

Ethos and Values

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

1. Never giving up on people

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

2. Highest aspirations, expectations and respect for service users

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

3. Staff: compassion, integrity, professionalism and commitment

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

4. Integrity of the whole

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

5. Generous partnerships

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

6. Open-mindedness

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

7. We tell it as it is

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

Thames Reach's service users

Thames Reach works with three distinctive groups of people:

1. Those who have a long-term relationship with the organisation that involves a needs assessment and a support plan.
2. Those who seek advice and support around specific issues which usually requires a brief intervention but not long-term involvement from Thames Reach.
3. Those who make use of Thames Reach's services as members of the public seeking assistance and often receive a service as part of a broader engagement with organisations operating from buildings managed by Thames Reach.

Thames Reach will work with a full-range of need but in terms of our own organisational focus we are committed to supporting men and women with complex and multiple needs. Where a long-term relationship is appropriate, our approach focuses on providing a personalised service to each individual with a support plan and an emphasis on recovery and change, using techniques such as Cognitive Behaviour Therapy (CBT) and the development of psychologically informed environments (PIEs).

Staff

Thames Reach has a highly committed and skilled work force and a clear progression route through the organisation for people who wish to pursue a career in an organisation working with homeless and excluded people. Many people join Thames Reach as volunteers, trainees and apprentices and move into more senior positions over time. Thames Reach's work-force is distinctive in that 22% of the workforce (68 individuals) are themselves former users of services and, as such, are powerful role models who can inspire others to make progress away from homelessness and social exclusion.

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 18 London boroughs and also 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 two boroughs (Tower Hamlets and Brent).

Thames Reach manages four distinctive day services. It manages the Employment Academy; in Peckham offering a range of complementary learning and employment services and programmes primarily designed to help the long-term workless of Southwark and Lambeth to find paid or voluntary work, and retain work. In Stockwell, Lambeth; it owns and manages Hudson House, which has a literacy programme, the Lambeth peer monitoring service and the Saturday Club. 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 2014 was 433. These were situated in nine different boroughs. In addition we manage 7 properties leased to Thames Reach which form the Peer Landlord London scheme (see page 10, below).

Thames Reach also provides tenancy support, often referred to as floating support, to over 764 vulnerable people living in housing associations, 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 services are 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 private landlords, 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 2013-2014 the average rent in accommodation managed by Thames Reach was £95.15 (2012-2013: £96.86) per week, excluding personal and service charges.

2013-16 Business Plan:

Breaking down barriers: equipping people to find their own solutions to overcome homelessness and social exclusion

Background to the Business Plan

The Business Plan was developed in consultation with service users, staff at all levels in the organisation and board members and sets out the strategic direction of Thames Reach. It establishes the key objectives that the organisation is seeking to achieve as it strives to fulfill its mission and vision. An annual work programme is constructed in order to deliver Business Plan objectives which is agreed by the board of trustees and reviewed annually. Responsibility for ensuring that Business Plan objectives are achieved is delegated to the Senior Management Team and each department, service and team work plan contributions towards this goal.

The 2013-16 Business Plan concentrates particularly on developing services and delivering interventions that empower users of Thames Reach's services, develop resilience and encourage the establishment of natural support networks based around families and friends. The focus is on self-sufficiency, increased choice and control and services that challenge stigma and avoid institutionalisation.

The Business Plan can be found at: <http://www.thamesreach.org.uk/publications/thames-reach-business-plan>

Further details regarding Thames Reach's ambitions over the Business Plan period can be found in the publication 'Breaking Down Barriers'. This report also provides information on Thames Reach's services, staff, trustee board and the different ways to help and support the work of the organisation: <http://www.thamesreach.org.uk/publications/breaking-down-barriers/>

The four strategic themes of the 2013-16 Business Plan work are:

1. A personal approach: choice, control and influence
2. Contributing to communities
3. Responsiveness and innovation
4. Dynamic and effective partnerships

Delivering the Business Plan objectives: Progress in Year 1

1. A personal approach: choice, control and influence

This Business Plan theme focuses on:

- Developing Thames Reach's approach to personalisation
- Raising literacy and numeracy skills amongst service users
- Giving greater influence to service users in the shaping and delivery of services
- Increasing the availability of peer support
- Creating opportunities through which service users can directly influence policy-makers and opinion-formers

Personalisation

Service deliver teams have been given training and support to ensure that support planning is based on a person centred approach with the service user shaping their own support plans and being given more control and influence over the type of support they receive. As part of a partnership in East London with eight London boroughs, the East London Housing Partnership (ELHP), Thames Reach has provided tailored support to around 100 tenants who have been assisted to access the private rented sector. Much of the support has been training and employment related, focusing on helping people raise their skills levels and making use of individual budgets through which service users working with their support worker can spend money on, for example, vocational courses, work-related clothing and literacy aids to improve employability. The ELHP won the Andy Ludlow award in 2013 which recognizes innovative work to tackle homelessness.

Thames Reach has also contributed to the development of a digital platform called E-Choice Channel through which eventually it is expected that people seeking services can select different forms of help and support on-line and also comment on the nature and quality of the service they have received. This is an initiative led by partners Resolving Chaos. Service users, including some from Thames Reach, have been crucial contributors to the development of E-Choice Channel and the initiative will become operational as a pilot in the coming year.

Numeracy and literacy

Further work has been done to improve the literacy skills of Thames Reach's service users with much of the impetus coming from a group of skilled and experienced volunteers who have invested time and energy in Thames Reach over a number of years. Whilst these basic skills areas are being given a higher priority in casework and prioritised at the Employment Academy (see page 9 below) to help people maximise their employability, greater momentum is still required. To facilitate this, Thames Reach will be employing in the autumn of 2014 a Skills Programme Developer to achieve a wider culture change across Thames Reach and ensure that numeracy and literacy levels increase in every area of service delivery.

Peer support

Peer support has for some time been an important element of the overall support offer that we are able to make to service users. During the year we have successfully developed two peer support programmes, both operating out of the Thames Reach Employment Academy. The Employment Academy Southwark Engagement (EASE) service gives Southwark residents who have experienced mental health problems the chance to benefit from peer support and link in with the services on offer at the Employment Academy. Trained, volunteer peer mentors offer one-to-one support, advice and guidance to help people find and maintain volunteering opportunities, training and work. Additionally the Thames Reach's Financial Support Service offers specialist, one-to-one financial advice and guidance for Southwark residents. Peer advisors who have personal experience of money management issues offer support to financially vulnerable men and women to avoid and manage serious debt and tackle personal financial issues. This includes providing advice on changes to benefits and support with budgeting, managing debt, accessing and use of personal budgets, financial preparation for moving into work and IT skills development to assist with financial support.

Digital inclusion

Working with long-standing partners Lemos & Crane, Thames Reach has embarked on a piece of action research which seeks to improve the way in which service users can make use of social media to gain greater access to information, develop shared interest groups and influence bodies and organizations including Thames Reach. As part of the development of best practice and to share learning, Thames Reach and Lemos & Crane combined with a

supportive funder, Lankelly Chase, to acknowledge and reward the very best projects providing voice and power for homeless and vulnerable people through new and emerging digital technologies. Awards were presented at a well attended event that showcased some excellent practice. Thames Reach has established a group of staff and service users internally to ensure that momentum in extending this form of practical empowerment is maintained.

2. Contributing to communities

This business plan theme focuses on:

- Ensuring that Thames Reach is a valued asset and partner in all the communities in which it operates
- Helping our service users engage with neighbourhoods and communities and to access services as equal citizens

Employment Academy

The Employment academy is a flagship employment hub in the heart of south London which helps the long-term unemployed of Southwark and Lambeth find and sustain work. It is also a community resource on a wider scale with space available for use by local groups and organisations.

During the year the number of organisations leasing space at the Employment Academy grew substantially so that there are now, apart from Thames Reach, eight different employment related services operating from the building providing a comprehensive range of education, training and employment services to local people. Additionally a range of Thames Reach employment and resettlement services operate from the Employment Academy and it is also the location for the organisation's central and management functions. In total 20 different services operate from the building and over 900 people have been supported towards employment.

During the year a café facility was introduced to the Employment Academy which is open to the public and has enhanced the reputation of the building as a community asset.

More about the Employment Academy can be found at: www.employmentacademy.org.uk

Digi-buddies

The Digi-buddies initiative, a partnership with the London Borough of Lambeth is a community programme designed to assist people living in the borough to gain confidence and increase competence in using the internet and online tools. Volunteers with strong IT skills are recruited by Thames Reach to support Lambeth residents with online activities. This includes setting up an e-mail account, applying for benefits or a job or buying goods and services. Digi-buddies volunteers operate across a range of different community venues in the borough and it has proved to be an effective and popular way of empowering people to get the most from modern forms of communication.

3. Responsiveness and innovation

This Business Plan theme focuses on:

- Developing innovative projects that are a response to unmet and enduring needs
- Ensuring that every part of the organisation can respond quickly and effectively to changing demands and new opportunities

Peer Landlord London

The Peer Landlord London model of shared housing for people in work or close to employment has continued to be a popular form of accommodation for people and the number of houses making up the initiative increased to 7 over the last year. The element of 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 makes this form of housing especially distinctive and has contributed to its success.

The effectiveness of the Peer Landlord London model was given recognition when it won an Andy Ludlow award in 2014 for innovation the provision of homelessness services.

Social Impact Bond (SIB) for entrenched rough sleepers

Our Ace team, funded through a package of social investment to help off the street and into settled accommodation 415 of the most entrenched rough sleepers in London has made very significant progress and 97 people are now in settled accommodation, more than was anticipated at this stage of the contract. Of the 415 people who were on the street at the start of the contract, fewer than 70 are still sleeping rough.

The project has required staff to demonstrate imagination and responsiveness to enable entrenched rough sleepers to come off of the street and to sustain themselves in accommodation. Our approach has included flexible use of funds to help people achieve their ambitions with money being spent on swimming lessons and football coaching classes as personalised responses to the needs of service users of the type described above under the section on personalisation.

The Payment by Results (PbRs) outcomes framework has created new working practices and a new personal navigator role has been key to achieving the strong results with a focus on advocacy and the brokering of services on behalf of service users.

The employment and volunteering outcomes which are also demanded have also been impressive and this part of the work has been assisted considerably by the support provided by corporate partners McKinsey whose staff were prepared to mentor and coach some of the group of rough sleepers with a view to increasing their skills and employability levels.

Housing First

Thames Reach's Housing First team, funded by the Greater London Authority (GLA) works with a group of rough sleepers who have remained on the streets despite years of effort by different services to help them escape rough sleeping. The Housing First model actively seeks to avoid the orthodox routes off the street which often involve a first step to a hostel followed by a progression to other forms of supported accommodation because this approach has been unsuccessful with respect to this particularly entrenched group. Housing First instead seeks to assist the person into settled accommodation directly from the street and for a comprehensive package of support to be put in place to ensure that the person does not return to the street.

Our Housing First initiative has been immensely successful. The original targeted group of 14 people were assisted into settled accommodation and a further seven rough sleepers are now being engaged with. There is strong evidence that, for this specific group of high need individuals, the Housing First approach is the most effective and the cost benefits of assisting this group who are then far less likely to, for example, routinely use A&E departments, are well documented. Unfortunately this is a pilot initiative and further funding will be required if it is to continue beyond 2014.

TRIO

Thames Reach's Targeted Rapid Intervention Outreach (TRIO) team helps rough sleepers, the hidden homeless and vulnerable women, offering rapid, skilled interventions in every London borough. The team is funded by London Councils and helps people access accommodation, counselling, literacy workshops, financial support, training and employment opportunities.

Thames Reach is the lead agency working with partners Eaves, who specialise in working with women and specialist substance misuse organisation, Addaction. The TRIO partnership also has a preventative element in that it can also assist vulnerable women at risk to get appropriate help before they resort to rough sleeping.

Now in its second year, TRIO has delivered some impressive outcomes including:

- Working with 2,000 individuals across all 33 London boroughs.
- Helped 173 people into accommodation away from the street.
- Supported the closure of 264 rough sleeping sites across London, ensuring that appropriate support is on hand so that people can escape rough sleeping.
- Reducing the risk of homelessness for 480 women who have taken up offers of support including counselling.
- Seen a measurable improvement in the physical and mental health of 353 different individuals who have been helped by the TRIO partnership.

4. Dynamic and effective partnerships

This Business Plan theme focuses on:

- a. Developing effective and enduring partnerships where the shared contribution of each partner enables transformational changes to be achieved that would be unlikely without a complementary partnership.
- b. The service user is central to shaping the way in which services are delivered.

Three Dimensions of Care for Diabetes (3DFD)

3DFD illustrates the importance Thames Reach attaches to improving the health of its service users and the organisation's ability and commitment to working with specialist health partners.

The scheme was established to assist people to gain better control of their diabetes, an illness which is especially prevalent amongst people who have experienced homelessness. It is a partnership with Kings College Hospital with health specialists providing the medical and psychological support and Thames Reach contributing community based interventions to help people address issues such as domestic violence, homelessness, poor literacy and debt issues, all of which can seriously impact on a person's ability to manage their diabetes.

Over 300 residents of Lambeth and Southwark have been assisted and there has been a significant reduction in unplanned hospital admissions due to the success of the partnership. The impact of 3DFD was recognised when, in 2014, it won a prestigious British Medical Journal (BMJ) award for its innovative work.

Hospital discharge initiatives

Additionally, Thames Reach has developed health-related partnerships in the London Boroughs of Croydon and Greenwich in response to the appalling frequency of homeless and socially excluded men and women being discharged from hospital without adequate support being put in place to prevent them becoming homeless.

The pilot projects have been funded by the Department of Health and involve Thames Reach staff working closely with local hospitals and with local authority housing option teams with the responsibility of preventing homelessness and to end the destructive flow of people onto the street, who have chronic health issues exacerbated by poor housing and weak or non-existent support networks.

Developing Psychologically Informed Environments (PIE)

In 2013, Thames Reach embarked on a challenging reshaping of the model through which residents of our Waterloo Projects hostel in the London Borough of Lambeth received support. The PIE initiative involved a very different approach to working with the resident group, many of whom have been rough sleeping for years and have suffered from an early age acute deprivation and significant trauma.

The partnership with Lambeth and the South London and Maudsley NHS Foundation Trust (SLaM) involved two psychologists working full time within the hostel alongside hostel support workers, helping residents to explore the experiences that contributed to their homelessness and to break the cycles of negative behaviour that entrenched them in rough sleeping.

The PIE pilot included an evaluation element to test whether this new approach could be evidenced and valued. The data that emerged from the first phase indicated there was significant improvement in physical and mental health of residents and significant reductions in ineffectual use of A&E.

The findings were strong enough for the partnership to seek funding to develop the PIE model in other Thames Reach projects. A successful application was made to the Guys and St Thomas' Charity and the PIE approach will now be extended to two additional Thames Reach hostels and continue at the Waterloo Project.

Living Well Collaborative

Thames Reach has been part of a wide-ranging partnership in the borough of Lambeth, the Living Well Collaborative (LWC), which aims to improve the way in which people in the borough receive mental health services, with a focus on helping people to recover and stay well, have greater choice and control over the services they receive and to empower people to be able to lead their life on an equal footing with others. Working with a key group of LWC partners including the Lambeth Clinical Commissioning Group (CCG), the London Borough of Lambeth, SLaM, mental health and learning disabilities specialists Certitude and GPs, a new first point of contact or 'front door' was developed for people in the borough with mental health issues at Thames Reach's resource centre in Stockwell.

The hub service brings together clinical specialists, a team working closely with GPs and the Community Options Team, managed by Thames Reach which provides the assistance and support around social and practical issues such as housing, benefits, social support and employment. Peer support, offered by individuals who themselves have experienced using services for people with mental health issues, is an essential part of the service model.

Based on encouraging early outcomes indicating that mental health issues are being addressed at an earlier point and with the emphasis on community and primary care support, the partnership that has developed the hub is seeking further funding and is responding to the opportunity of delivering further mental health services as an alliance within the borough with a continued focus on community-based solutions, person-centred solutions.

Thames Reach's contribution towards the alliance will include the development of a new programme called BRiL (Brokerage and Resettlement in Lambeth). Under this initiative Thames Reach will purchase ten self-contained flats in the borough which will be made available to

people who are ready to move out of registered care accommodation into housing which offers more independence and is less institutional. A contribution of £520k of grant funding has been successfully secured towards the purchase of the flats.

Fulfilling Lives initiative

Thames Reach is a core member of a partnership covering the boroughs of Lambeth, Southwark and Lewisham developed to find new solutions for people described as having multiple needs. Typically these will be people who have suffered homelessness and are struggling to address deep-seated problems linked to substance misuse and poor mental health.

The partnership, led by Resolving Chaos is determined to achieve more effective outcomes for this group and, in the process, to permanently change the way in which people with multiple needs receive services. The Fulfilling Lives programme is funded by the Big Lottery Fund and it is anticipated that it will address the needs of a cohort of around 270 people. In line with other initiatives described in other parts of this report, the central focus of the work will be in offering personalized solutions to people through which they can select and determine the type of assistance the need to move forward with their lives.

The initiative has successfully progressed from the development phase and is now entering the first period of implementation.

Equipping the organisation to deliver the 2013-16 Business Plan

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

Financial resilience

We have continued to develop new income streams. Our positive experience of delivering the contract for entrenched rough sleepers which required a substantial investment from social investors and is predicated on achieving specific long-term outcomes to secure income on a Payment by Results (PbR) basis has encouraged us to focus on other similar initiatives.

Our strong track record on delivering on health-related programmes has enabled us attract small amounts of health funding and we are prioritising this area of development in the coming year, notably as part of an alliance of organisations in south London seeking to deliver improved services to people with mental health issues.

We continue to give a high priority to working with rough sleepers and have been successful in securing income to deliver on targeted local initiatives.

During the year we developed a new non-statutory fund-raising strategy with a focus on bringing in income from trusts and the public to support our employment and training projects which are so vital as part of the service users' pathway back to work and self-sufficiency.

The fund-raising highlight of the year was a high profile event 'A Night with Joanna Lumley' at which the actress and campaigner, a long-time supporter of the organisation, generously gave her time in order to help Thames Reach build up a stronger supporter base. The event secured for us many new friends and raised over £75k.

We have also been successful in increasing the amount of trust funding contributing to Thames Reach's services. For example, Comic Relief has made a welcome contribution towards our work with people who have alcohol and drugs problems and need help in addressing these issues as part of a package of support designed to assist them return to their family and community away from London. The Maria Marina Foundation is supporting our painting and decorating programme, Moving in, Moving on through a grant of £50k per annum for three years. Additionally, as noted previously, we were successful in attracting £520k of grant investment to our BRiL programme which will enable us to purchase flats for people moving out of registered care homes.

We have continued to develop our bases at the Employment Academy in Camberwell and, to a lesser degree, Emfield House in Stockwell so that, in time, they can be a source of income for the organisation through the leasing out of space to partner organisations and, in the case of the Employment Academy, by the hiring out of rooms and events space.

Supporting staff

Our work-force is enormously committed and competent and over the year we have sought to create an environment in which people feel valued and supported and where those putting in the most and performing at the highest level are appropriately acknowledged and rewarded.

We held a 'Working Together for Thames Reach' conference at the Oval cricket ground that brought together staff, volunteers, board members and the organisation's friends and key stakeholders. The day provided the opportunity for teams to find out more about each other, the show-casing of best practice and the development of profiling of new areas of research and development. The culmination of the day was an award ceremony to celebrate the achievements of staff members and volunteers who had made a special contribution to the work of Thames Reach.

We have continued to give a high priority to staff well-being with a specific programme in place to increase well-being and develop resilience. The organisation's training programme, has increased its range, particularly in terms of an improved take up of e-learning opportunities. In 2013-14 there were 50 in-house training courses covering 21 different subject areas involving in total 674 participants.

The trainee and apprenticeship programme, run in partnership with City Lit, which is the entry point for many people seeking employment at Thames Reach remains extremely popular and considerably over-subscribed. The progress made by individuals, often handicapped by having received a limited education as children, can be phenomenal and this is illustrated by the richly deserved success of Thames Reach Lewisham support worker Terry Easter who won a 2014 Learning Life Skills Apprentice Regional Award at the Adult Learners Awards

Thames Reach entered for the Sunday Times Best Companies award in 2014, something we do ever second year. We were extremely pleased to be placed 94th in the Best Companies national list of best non-for-profit organisations to work for. The information provided through the Best Companies feedback will enable us to focus on areas where staff believe the organisation can do even better.

Governance

The board completed its review of the work of the committees, culminating in a paper written by board member Peter Davey in consultation with the Governance Committee entitled 'A Blueprint for Working Together' which made recommendations to clarify the role of the committees, improve the reporting mechanisms from committees to the full board and make board meetings more effective. The report and recommendations were wholeheartedly received and agreed by the board.

During the year the process of recruiting a new board member to chair the Finance, Audit and Fund-raising committee was agreed and an excellent candidate has recently been selected to join the board and take on this chairing responsibility.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Board Members 2013/2014

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

Ken Olisa OBE (Chair)	Chairman, Restoration Partners Chairman, Thebes Group Director and Audit Committee, Thomson Reuters Corporation Chairman, Independent Audit Chairman, Outsourcery plc Chairman, Powerlist Foundation Thomson Reuters Foundation Board Member, Non-Executive Director, Institute of Directors Past Master - Worshipful Company of Information Technologists Lord Mayors Appeal, Board Member First elected AGM 1993
Vasim UI Haq BA ACMA FCA (Vice Chair)	Advisory Partner, Wilkins Kennedy LLP First elected AGM 2001
Brigid Sutcliffe	Chartered Accountant First elected January 2005
Peter Davey	Housing and Charity Consultant CIH Member Board Member, Stonewall Housing Association Trustee, Edward Carpenter Community Trust First elected AGM 1988
William Flenley QC	Barrister and writer specialising in professional negligence, insurance, contract and property law 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 Former KPMG partner Senior adviser to 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	Freelance Charity and Social Enterprise Consultant Former CEO of Locality Co-founder and Former Vice Chair of Social Enterprise UK Board Member of Local Means First elected AGM 1996
Michael Scorer	Independent Management Consultant, working mainly in health and local government. Has previously worked at director level in housing and social care, for local authorities including Camden and Luton and as Deputy Director of Housing (homelessness) at the Department for Communities and Local Government. Was also Deputy Chair of the Mayor of London's Delivery Board (for ending rough sleeping) First elected AGM 2011

*** Executive Salaries**

Jeremy Swain, Chief Executive £87,386.

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

Board processes

Thames Reach's process for selecting new Board members is detailed in its Board Renewal Strategy. Thames Reach chooses to use open and transparent recruitment practices for new Board members, which includes advertising positions on the Board. 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 20).

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 a Blueprint for Working Together Better and Board members also attended 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 decisions.

The Board reviews major risks to the organisation via the reporting mechanisms established to link to the main Board with the three standing committees. It also receives direct reports from the Chief Executive which are provided at every Board meeting. Detailed systems and procedures have been established to manage and mitigate the risks faced by Thames Reach. These include:

- Financial risk assessments covering risk to funding and issues of compliance which are reported to the Finance, Audit and Fundraising Committee and the Board.
- An effective system of internal audit of individual teams that has now entered its eighth 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 three committees of the Board, as detailed below, met regularly throughout the year. All meetings were quorate.

The committee chairs referred up to the full Board all issues and matters requiring the attention of the full Board and each committee chair provides a summary report at a board meeting during the year.

Finance, Audit and Fundraising Committee

Vasim Ul Haq (Vice Chair) chaired the committee during the year. Other Board members on the committee were Crispin O'Brien and Jeremy Swain.

The principal duty of the committee is to provide a strategic overview of the financial position of the organisation by examining budgets and making recommendations, approving the end-of-year accounts and considering the financial risk factors and insurance requirements for the organisation. During the year the committee scrutinised the quarterly accounts, quarterly fundraising reports, approved the final accounts and shareholders' report as well as the annual budget. The financial risk analysis is scrutinised and reviewed to reflect changes. The social investment model for the BRIL (Brokerage and Resettlement in Lambeth) was also discussed in detail.

Services Committee

This committee was chaired by Paula Jones until April 2014, when she stepped down and Michael Scorer took over. Other non-executive Board members were Peter Davey (who stepped down in the course of the year), and Andrew Whyte. Brigid Sutcliffe and Steve Wyler joined the committee at the end period. Services committee meetings are attended by a former service user (John Thompson) who acts as paid specialist adviser to its members and makes a valued contribution by offering a service users' perspective.

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 its role in supporting these areas of work, identifying four key areas of focus:

- Business plan development
- Market assessment
- Service user engagement
- Performance of services

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 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 received the annual Human Resources (HR) report and made recommendations to the Board on issues arising from it, reviewed the composition of the

Board and made recommendations regarding recruitment of members as well as developing the 'Blueprint for working together' document which was discussed at the Board Away Day. The Committee reviews risks especially in relation to Employment at each meeting.

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

As a member of the British Safety Council, Thames Reach is kept up-to-date with changes in legislation and good practice. Thames Reach has implemented its health and safety strategy which aims to achieve further reductions in workplace accidents and ill health and also seeks to increase service user involvement, promote 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.

Operationally we have again responded positively to commissioners who have required more detailed reporting of incidents.

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

Future plans – 2014-15

During the second year of the Business Plan period, Thames Reach will focus on the following priorities as contained within the organisation-wide Work Programme, which is agreed and reviewed on an annual basis by the board.

Strategic area 1 - A personal approach: choice, control and influence

Develop and deliver a skills programme to improve the numeracy and literacy of Thames Reach services users to increase their employability and well-being.

Undertake, collate and disseminate an organisation-wide service user survey which will inform the future development of Thames Reach's services.

Review Thames Reach's delivery of personalised services to further enhance our approach to providing services that maximise the choice and control of service users.

Develop the Thames Reach model of peer support so that it is more effective and distinctive.

Strategic area 2 – Contributing to communities

Audit the contribution to local communities and neighbourhoods made by all service delivery teams across Thames Reach in order to measure the positive benefits derived by Thames Reach and highlight best practice.

Strategic area 3 – responsiveness and innovation

Establish a system for identifying and responding to unmet need.

Report on the effectiveness of the Peer Landlord London programme.

Review the extent to which the Breakthrough Programme has enabled service users to find and sustain employment.

Review the progress of the entrenched rough sleepers Social Impact Bond (SIB) initiative.

Purchase properties as part of the Brokerage and Resettlement in Lambeth (BRiL) programme to enable people requiring more independence to move out of registered care accommodation.

Strategic area 4 – Dynamic and effective partnerships

Develop the partnership arising from the development of the Lambeth Provider Alliance Group so that Thames Reach, in collaboration with key partners, is able to deliver mental health rehabilitation services on an alliance contract basis.

Review the organisation's key partnerships and produce a position statement on Thames Reach's commitment to forming effective partnerships.

Continue to develop the Employment Academy to become an outstanding and financially viable community resource.

Equipping the organisation to deliver the Business Plan

- Review the financial impact of Thames Reach's engagement in Payment by Results (PbR) initiatives
- Take a decision on whether to seek ISO accreditation to enhance the approach to quality assurance
- Continue to prioritise the reduction of staff sickness levels
- Audit the use of volunteers across Thames Reach and increase the effective contribution of volunteers in all parts of the organisation
- Become a charity registered with the Charity Commission
- Review the trainee and apprenticeship programme
- Recruit two new board members, one with an experience of using services
- Establish a plan for extending the geographical range of the organisation.

REVIEW OF THE FINANCIAL POSITION

The Statement of Financial Activities shows total incoming resources of £16,364,643 a small increase on last year of 4%. The Resources expended also increased by 5% to £16,266,431. In keeping with previous years, 99% of the expenditure was incurred on direct charitable expenditure. Expenditure on fundraising and publicity represents 1% of total income.

During 2013/2014 the key work was sustaining the organisation and continuing to review costs and processes whilst balancing the changing needs of commissioners and maintaining the quality of our current services and responding to new opportunities. We have increased the use of volunteers and continue our work with paid Grow trainees, individuals who have experienced homelessness, as well as expanding the programme for university interns with Aston University. We are pleased to have continued the success of our first social investment model for the three year payment by outcomes contract for rough sleepers. We are continuing our work with this model of investment with a new programme for housing in Lambeth – Brokerage and Resettlement in Lambeth (BRIL) and are looking at further opportunities as they arise where it fits with our existing and developing service models.

Thames Reach does not own the hostels and flats that it manages but does own the Employment Academy and the Hudson and Elmfield site as well as one floor of an office building in Vauxhall. We operate a five-year rolling programme of renewal in relation to furniture and equipment.

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

Reserves

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

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

Risk Factors

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

Analysis of Assets

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

Statement of the Board's Responsibilities

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

In preparing those accounts, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- 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

18th September 2014

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 2014 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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
- the financial statements are not in agreement with the books of account; or
- certain disclosures of officers' remunerations 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, UK

Date: 24 September 2014

THAMES REACH HOUSING ASSOCIATION LIMITED
Statement of financial activities for the year ended 31 March 2014

	Notes	General funds £	Designated funds £	Restricted funds £	Total 2014 £	Total 2013 £
Incoming resources						
Incoming resources from charitable activities						
Accommodation services	2	4,406,392	5,055,550	159,153	9,621,095	9,940,130
Support activities	3	66,712	3,548,431	2,358,287	5,973,430	5,458,487
Pathways to occupation	4	176,655	420,801	156,075	753,531	373,785
Incoming resources from generated funds						
Bank interest		16,587	-	-	16,587	17,340
Total incoming resources		<u>4,666,346</u>	<u>9,024,782</u>	<u>2,673,515</u>	<u>16,364,643</u>	<u>15,789,742</u>
Resources expended						
Cost of generated funds		51,268	101,378	34,731	187,377	174,026
Charitable activities		4,388,512	8,323,287	3,349,105	16,060,904	15,364,173
Governance costs		4,966	9,820	3,364	18,150	16,857
Total resources expended	5	<u>4,444,746</u>	<u>8,434,485</u>	<u>3,387,200</u>	<u>16,266,431</u>	<u>15,555,056</u>
Net incoming/(outgoing) resources before transfers		221,600	590,297	(713,685)	98,212	234,686
Transfers between funds	14	<u>(181,564)</u>	<u>(256,539)</u>	<u>438,103</u>	<u>-</u>	<u>-</u>
Net movement in funds		40,036	333,758	(275,582)	98,212	234,686
Fund balances at 1 April 2013		594,441	5,479,180	4,445,468	10,519,089	10,284,403
Fund balances at 31 March 2014		<u>634,477</u>	<u>5,812,938</u>	<u>4,169,886</u>	<u>10,617,301</u>	<u>10,519,089</u>

None of the activities of the organisation were acquired or discontinued during the above year. The organisation has no recognised gains or losses other than dealt with above.

The notes on pages 30 to 40 form part of these financial statements.

THAMES REACH HOUSING ASSOCIATION LIMITED

Balance sheet at 31 March 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	9	6,572,601	6,873,389
		<u>6,572,601</u>	<u>6,873,389</u>
Current assets			
Debtors	10	1,167,243	1,308,895
Cash at bank and in hand		<u>5,915,073</u>	<u>5,856,251</u>
		7,082,316	7,165,146
Creditors: amounts falling due within one year	11	(2,637,590)	(3,019,420)
Net current assets		<u>4,444,726</u>	<u>4,145,726</u>
Creditors: amounts falling due after more than one year		(400,000)	(500,000)
Total assets less total liabilities, being net assets	16	<u>10,617,327</u>	<u>10,519,115</u>
Funds			
Share capital	13	<u>26</u>	<u>26</u>
Restricted funds	14	4,169,886	4,445,468
Unrestricted funds:			
Designated funds	15	5,812,938	5,479,180
General funds		<u>634,477</u>	<u>594,441</u>
Total Restricted and Unrestricted funds		10,617,301	10,519,089
		<u>10,617,327</u>	<u>10,519,115</u>

These financial statements were approved by the Board on 15th September 2014 and authorised for issue and were signed on its behalf by:



K. Olisa
Chair



V. Haq
Treasurer

The notes on pages 30 to 40 form part of these financial statements.

THAMES REACH HOUSING ASSOCIATION LIMITED

Cash flow statement for the year ended 31 March 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	17	276,829	2,221,980
Cash outflow from investing activities			
Payments to acquire tangible fixed assets		(234,594)	(1,692,562)
Proceeds from disposal of assets		-	-
Interest income received		16,587	17,340
Cash inflow from financing activities	18	-	500,000
Increase/(Decrease) in cash	19	58,822	1,046,758

The notes on pages 30 to 40 form part of these financial statements.

THAMES REACH HOUSING ASSOCIATION LIMITED

Notes to the financial statements for the year ended 31 March 2014

1. Accounting policies

a) Basis of preparation

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

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

b) Incoming resources

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

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

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

c) Resources expended

Expenditure is recognised on an accruals basis.

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

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

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

d) Tangible fixed assets and depreciation

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

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

e) Leasing and hire purchase commitments

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

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

THAMES REACH HOUSING ASSOCIATION LIMITED

Notes to the financial statements for the year ended 31 March 2014 (continued)

1. Accounting policies (continued)

f) Pensions

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

g) Accumulated Funds

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

2. Accommodation services	General funds £	Designated funds £	Restricted funds £	Total 2014 £	Total 2013 £
Supporting people	-	4,905,494	-	4,905,494	5,506,326
Rental income	4,406,392	-	-	4,406,392	4,172,317
Other income	-	150,056	159,153	309,209	261,487
	<u>4,406,392</u>	<u>5,055,550</u>	<u>159,153</u>	<u>9,621,095</u>	<u>9,940,130</u>

3. Support activities

London Councils	-	-	385,527	385,527	207,624
Supporting People	-	2,701,045	-	2,701,045	2,992,096
Department for Communities and Local Government	-	-	1,369,458	1,369,458	924,651
Health Commission	-	-	86,270	86,270	83,603
London Borough of Hackney	-	-	-	-	-
London Brent	-	10,718	-	10,718	-
London Borough of Lambeth	-	-	-	-	9,500
London Borough of Hackney	-	100,000	-	100,000	108,800
London Borough of Southwark	-	-	-	-	545
London Borough of Tower Hamlets	-	354,555	-	354,555	432,375
London Borough of Lewisham	-	23,460	-	23,460	23,460
London Borough of Hammersmith and Fulham	-	(1,209)	-	(1,209)	39,709
Trust Income	-	-	516,158	516,158	192,000
Other income	66,712	187,902	-	254,615	284,269
Donations	-	171,959	874	172,833	159,855
	<u>66,712</u>	<u>3,548,431</u>	<u>2,358,287</u>	<u>5,973,430</u>	<u>5,458,487</u>

THAMES REACH HOUSING ASSOCIATION LIMITED

Notes to the financial statements for the year ended 31 March 2014 (continued)

By activity:	Accommodation/ Community Support	Outreach	Tenancy sustainment	Total 2014	Total 2013
	£	£	£	£	£
London Councils	-	385,527	-	385,527	207,624
Supporting People	426,327	731,667	1,543,051	2,701,045	2,992,096
Department for Communities and Local Government	1,884	1,367,574	-	1,369,458	924,651
Health Commission	86,270	-	-	86,270	83,603
London Borough of Hackney	-	-	-	-	-
London Borough of Brent	-	-	-	-	9,500
London Borough of Lambeth	-	-	10,718	10,718	-
London Borough of Hackney	-	100,000	-	100,000	108,800
London Borough of Southwark	-	-	-	-	545
London Borough of Tower Hamlets	-	354,555	-	354,555	432,375
London Borough of Lewisham	-	-	23,460	23,460	23,460
London Borough of Hammersmith and Fulham	-	(1,209)	-	(1,209)	39,709
Trust Income	14,000	502,158	-	516,158	192,000
Other income	104,874	104,612	44,879	254,365	284,269
Donations	172,373	450	260	173,083	159,855
	<u>805,729</u>	<u>3,545,334</u>	<u>1,622,367</u>	<u>5,973,430</u>	<u>5,458,487</u>

THAMES REACH HOUSING ASSOCIATION LIMITED
Notes to the financial statements for the year ended 31 March 2014 (continued)
3. Support activities (continued)

Section 37 funding from London Councils amounted to £ 376,709 (2013: £ 207,624)

designated running costs as follows:

	2014	2013
	£	£
Staff costs	186,022	173,531
EAVES costs	71,757	-
Property costs	22,347	13,492
Beneficiary Costs (2013: Clients' welfare)	61,240	8,815
Central management costs	30,385	20,107
Other running costs	<u>32,278</u>	<u>38,799</u>

4. Pathways to occupation	General funds	Designated funds	Restricted funds	Total 2014	Total 2013
	£	£	£	£	£
Supporting People	-	-	-	-	66,799
Health Commission	-	-	42,796	42,796	39,239
London Borough of Hammersmith and Fulham	-	6,311	-	6,311	-
London Borough of Lewisham	-	45,339	-	45,339	-
London Borough of Southwark	-	48,800	-	48,800	4,700
Trusts	-	-	113,278	113,278	65,420
Donations	-	-	-	-	32,457
Oak Foundation	-	-	-	-	13,875
Other income	176,655	320,352	-	497,007	151,295
	<u>176,655</u>	<u>420,801</u>	<u>156,075</u>	<u>753,531</u>	<u>373,785</u>

5. Total resources expended	Staff costs	Other costs	Total 2014	Total 2013
Costs of generating voluntary income	124,511	62,866	187,377	174,026
Charitable activities	10,692,778	5,368,126	16,060,904	15,364,173
Governance costs	12,061	6,090	18,150	16,857
	<u>10,829,350</u>	<u>5,437,081</u>	<u>16,266,431</u>	<u>15,555,056</u>
Total 2013	<u>10,586,826</u>	<u>4,968,230</u>	<u>15,555,056</u>	

THAMES REACH HOUSING ASSOCIATION LIMITED

Notes to the financial statements for the year ended 31 March 2014 (continued)

5. Total resources expanded (continued)

Analysis of other costs	2014	2013
	£	£
Staff training and recruitment	139,131	117,515
Rent and service charges	365,511	366,234
IT support and equipment	348,823	446,806
Travel costs	323,100	338,353
Partnership contracts	61,605	102,415
Property costs	1,116,160	1,163,454
Insurance	187,327	150,419
Telephone and communication costs	181,234	163,081
Printing, postage, stationery and publicity	86,133	85,331
Food	192,715	187,170
Legal and professional	91,829	165,786
Audit fee	13,560	13,200
Tenants and clients welfare	296,431	261,491
RSL management and maintenance	1,496,125	958,932
Other direct costs	537,398	448,043
	<u>5,437,081</u>	<u>4,968,230</u>

Other direct costs include cost of furniture and depreciation.

Governance costs includes payments to auditor of £ 13,560 (2013: £13,200) 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 (Full time equivalents) during the year

	2014	2013
	Number	Number
Housing and project services	339	345
Fundraising and publicity	2	2
	<u>341</u>	<u>347</u>

THAMES REACH HOUSING ASSOCIATION LIMITED

Notes to the financial statements for the year ended 31 March 2014 (continued)

7. Employees (continued)

Analysis of staff costs	2014 £	2013 £
Wages and salaries	8,840,185	8,857,898
Social security costs	825,780	856,473
Other pension costs	519,665	520,038
Agency, relief and volunteer costs	643,721	352,417
	<u>10,829,350</u>	<u>10,586,826</u>

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

	2014	2013
£90,001-100,000	1	1
£70,001-80,000	3	3
	<u>4</u>	<u>4</u>

8. Taxation

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

9. Tangible fixed assets

	Freehold and Leasehold property £	Furniture, fittings, equipment & motor vehicles £	Total £
Cost			
At 1 April 2013	6,738,918	3,691,880	10,430,798
Additions	163,476	71,118	234,594
Disposals	-	(27,768)	(27,768)
Written off	-	(1,036,463)	(1,036,463)
At 31 March 2014	<u>6,902,394</u>	<u>2,698,767</u>	<u>9,601,161</u>
Depreciation			
At 1 April 2013	225,186	3,332,223	3,557,409
Charge for the year	346,586	165,891	512,477
Disposals	-	(10,579)	(10,579)
Written off	-	(1,030,747)	(1,030,747)
At 31 March 2014	<u>571,772</u>	<u>2,456,788</u>	<u>3,028,560</u>
Net book value			
At 31 March 2014	<u>6,330,622</u>	<u>241,979</u>	<u>6,572,601</u>
At 31 March 2013	<u>6,513,732</u>	<u>359,657</u>	<u>6,873,389</u>

The "written off" items consist of mainly fully depreciated furniture and fittings from projects which are no longer managed by Thames Reach. During the year the Fixed Asset Register was moved to a new system and these items identified for write off.

THAMES REACH HOUSING ASSOCIATION LIMITED

Notes to the financial statements for the year ended 31 March 2014 (continued)

10. Debtors	2014 £	2013 £
Charges and grants receivable	526,956	826,018
Rent arrears	503,936	331,734
Other debtors	136,351	151,143
	<u>1,167,243</u>	<u>1,308,895</u>

11. Creditors: amounts falling due within one year	2014 £	2013 £
Trade creditors	420,901	381,652
Rent in advance	402,583	741,839
Taxes and social security costs	213,221	257,655
Grants in advance	753,099	1,090,265
The Social Investment Bond (SEIF)	100,000	-
Other creditors	747,786	548,009
	<u>2,637,590</u>	<u>3,019,420</u>

Creditors: amounts falling due after more than one year

The Social Investment Bond (SEIF)	150,000	250,000
Big Issue Invest	250,000	250,000
	<u>400,000</u>	<u>500,000</u>

We received loans as social investment for the Rough Sleeper's Social Investment Bond Programme. This represents working capital for this payment by results contract.

12. Pension costs

Thames Reach contributes to a defined contribution scheme for employees. Contributions payable to the scheme for the year were £402,560 (2013: £449,084).

Thames Reach also contributes to a defined benefit scheme in the London Borough of Brent. This is not considered material to the accounts and is not reflected in the statement of financial activities or balance sheet. The actuarial valuation currently shows a Net Asset attributable to Thames Reach of £6,000 (2013: £4,000). This is the net of the fair value of Employer Assets of £29,000 (2013: £18,000) and the present value of Funded Liabilities £23,000 (2013: £14,000). Employer contributions paid into the scheme during the year were £6,868 (2013: £0) (these contribution expenses are reflected in the statement of financial activities).

13. Share capital	Total 2014 £	Total 2013 £
Shares of £1 each fully paid		
Balance at the beginning of the the year	26	26
Additional share issue	-	-
Balance at the end of the year	<u>26</u>	<u>26</u>

THAMES REACH HOUSING ASSOCIATION LIMITED

Notes to the financial statements for the year ended 31 March 2014 (continued)

14. Restricted funds

General funds and designated funds totalling £438,103 have been transferred to restricted funds as a contribution to supplement the shortfall on restricted activities incurred during the year.

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

	Balance at 1 April 2013	Net Movement in funds	Balance at 31 March 2014
	£	£	£
Capital Fund	4,413,170	(274,220)	4,138,950
Street Rescue	35,620	-	35,620
Hilary Stent Fund	(3,322)	(1,362)	(4,684)
	<u>4,445,468</u>	<u>(275,582)</u>	<u>4,169,886</u>

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

Street Rescue: This income is set aside for the development of street rescue

Hilary Stent Fund: The fund represents donations received for the annual award to a resettled client made in memory of our colleague Hilary Stent. Fundraising is currently taking place before the award in November.

THAMES REACH HOUSING ASSOCIATION LIMITED

Notes to the financial statements for the year ended 31 March 2014 (continued)

15. Designated funds

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

	Balance at 1 April 2013 £	Net Movement in funds £	Balance at 31 March 2014 £
Furniture and equipment	1,099,250	158,729	1,257,979
Designated for Bad debts	29,399	-	29,399
Office leases	28,261	-	28,261
Repairs and maintenance	1,891,750	143,003	2,034,753
Dilapidations	513,242	(7,524)	505,718
Staff	221,201	-	221,201
Replacement vehicle	25,000	-	25,000
IT and infrastructure	315,795	-	315,795
New Business Development	1,355,282	39,550	1,394,832
	<u>5,479,180</u>	<u>333,758</u>	<u>5,812,938</u>

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

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

Office leases: This fund is intended to cover costs of office relocation and forms part of the organisation's disaster recovery procedure. The number of leases has decreased with our move to the Employment Academy.

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

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

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

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

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

New Business Development: This fund provides lead-in funds to enable development of new projects, expansion of projects and programmes of work as well as working capital for payment by results contracts. The increase in fund reflects the changing funding environment with an expected increase in pbs contracts.

THAMES REACH HOUSING ASSOCIATION LIMITED

Notes to the financial statements for the year ended 31 March 2014 (continued)

16. Analysis of net assets
between funds

	Share Capital £	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2014 are represented by:					
Tangible fixed assets	-	241,979	2,541,144	3,789,478	6,572,601
Current assets	26	1,546,967	4,723,962	811,361	7,082,316
Creditors: amounts falling due within one year	-	(754,470)	(1,452,168)	(430,953)	(2,637,590)
Creditors: amounts falling after more than one year	-	(400,000)	-	-	(400,000)
	<u>26</u>	<u>634,477</u>	<u>5,812,938</u>	<u>4,169,886</u>	<u>10,617,327</u>

17. Net cash inflow from operating activities

2014	2013
£	£

Reconciliation to changes in resources

Net incoming resources before transfers	98,212	234,686
Interest income received	(16,587)	(17,340)
Loss on disposal/transfer of assets	22,905	-
Depreciation of tangible fixed assets	512,477	246,370
Decrease in debtors	141,652	1,874,761
Decrease in creditors	(481,830)	(116,497)
	<u>276,829</u>	<u>2,221,980</u>

18. Net cash inflow from financing activities

Proceeds from share issued	-	-
Proceeds from long-term loans	-	500,000
	<u>-</u>	<u>500,000</u>

19. Reconciliation of net cash flow

	2014 £	2013 £
Increase in cash	58,822	1,046,758
Balance at 1 April 2013	5,856,251	4,809,493
Balance at 31 March 2014	<u>5,915,073</u>	<u>5,856,251</u>

THAMES REACH HOUSING ASSOCIATION LIMITED

Notes to the financial statements for the year ended 31 March 2014 (continued)

20. **Contingencies and commitments**

Commitments under operating leases

At 31 March 2014 the organisation had annual commitments under non-cancellable operating leases as follows:

	2014		2013	
	Land and		Land and	
	buildings	Other	buildings	Other
	£	£	£	£
Expiry date:				
Within one year	40,833	22,722	38,192	19,721
Between two and five years	805	24,556	23,333	33,498
In over five years	-	-	-	464
	<u>41,638</u>	<u>47,278</u>	<u>61,525</u>	<u>53,683</u>

Thames Reach Housing Association Limited
Registered Office: Employment Academy, 29 Peckham Road, London SE5 8UA
Registered No: 24377R