

# **Annual Report and Financial Statements 1 April 2018-31 March 2019**



**Thames  
Reach**

## Thames Reach Charity

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# Annual Report

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## REFERENCE AND ADMINISTRATIVE DETAILS

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### Introduction

Thames Reach Charity, operating as Thames Reach, is a charity registered in England and Wales number 1166311 and a company limited by guarantee number 10098652.

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 page 17.

The Senior Management Team (SMT) consists of:

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

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

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

### Bankers and Auditor

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

Barclays Bank plc  
PO Box 35721  
London E14 4WA

**Auditor:** BDO LLP  
55 Baker Street  
London  
W1U 7EU

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## OBJECTIVES AND ACTIVITIES

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### Objectives

The objects of the Charity 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 Vision

The vision of the organisation is to end street homelessness.

### Our Mission

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

### Statement of Purpose

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

### Public Benefit

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

### Prevention and Partnerships

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

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

### Ethos and Values

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

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### **1. Never giving up on people**

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

### **2. Highest aspirations, expectations and respect for service users**

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

### **3. Staff: compassion, integrity, professionalism and commitment**

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

### **4. Integrity of the whole**

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

### **5. Generous partnerships**

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

### **6. Open-mindedness**

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

### **7. We tell it as it is**

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

## **Thames Reach's service users**

Thames Reach works with three distinctive groups of people:

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

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



## **Staff**

Thames Reach has a highly committed and skilled work force and a clear progression route through the organisation for people who wish to pursue a career in an organisation working with homeless and excluded people. Many people join Thames Reach as volunteers, trainees and apprentices and move into more senior positions over time. Thames Reach's workforce is distinctive in that 20% of the workforce (62 individuals) are themselves former users of services and, as such, are powerful role models who can inspire others to make progress away from homelessness and social exclusion.

## **Services**

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

### **Rough sleepers' services**

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

### **Day services**

Thames Reach manages three distinctive day services:

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

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

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

We took over the Deptford Reach day centre in November 2018. The centre has been running for many years providing an excellent service to local residents and rough sleepers, and we were pleased to have been chosen to carry this legacy forward by the centre's independent board. Our initial focus has been on securing funding and ensuring the security of the project, and we hope to focus on developing the services there, with a particular focus on preventing homelessness.

### **Accommodation**

Thames Reach manages different kinds of accommodation on behalf of Registered Providers (RPs), including high-support frontline hostels, specialist supported housing for people with mental health and substance misuse issues and self-contained flats for people who have been homeless, or are at risk of becoming homeless. The total number of units of accommodation managed by the organisation in partnership with RSLs as at 31 March 2019 was 309. These were situated in six different boroughs.

In addition to these schemes, we manage 25 bed-spaces in seven properties leased to Thames Reach which form the Peer Landlord London scheme and have purchased fourteen self-contained flats as part of an initiative called Brokerage and Resettlement in Lambeth (BRiL) for people moving on from long-term institutional care. 20 flats in total will eventually be occupied under the BRiL initiative.

Thames Reach also provides flexible and responsive tenancy support, often referred to as floating support, to over 2,000 vulnerable people living in their own accommodation across a number of London boroughs. As well as helping prevent homelessness, by helping tenants to develop strong support networks, improve independent living skills, increase confidence and find work, these services also help people rebuild their lives after a period of street homelessness.

### **Employment and skills services**

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

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

In the course of the year, our partnership with the National Theatre as part of their Public Acts programme saw Thames Reach service users, volunteers, and staff participating in performances of a specially commissioned version of Pericles at the National Theatre.

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## Health services

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

A key development in the year has been the formal start in July of the Lambeth Living Well Alliance, which draws together the whole range of mental health services for working age adults in the borough. The Alliance involves the same partners who have collaborated to deliver the successful Integrated Personalised Support Alliance (IPSA) —Thames Reach with the Lambeth Clinical Commissioning Group, the South London and Maudsley NHS Mental Health Trust (SLaM), Certitude (a charity supporting people with learning disabilities and mental health needs) and social care within Lambeth Council -and uses the principles of alliancing to develop and improve services with the aim of promoting recovery and helping people stay well, to make their own choices, and to participate in daily life. Thames Reach staff support the Alliance by providing social support that helps people manage their mental health better, as well as help in finding and keeping accommodation that can help people move on with their lives after a period of illness

## Rents

In 2018-2019 the average rent in accommodation managed by Thames Reach was £104.57 (2017-2018: £103.09) per week, excluding personal and service charges.

## Business Plan

### Background to the Business Plan

2019 was the final year of the 2016-2019 Business Plan. This Business Plan was developed in consultation with staff at all levels in the organisation, service users and Board members and sets out the strategic direction of Thames Reach. It established the key objectives the organisation is seeking to achieve as it strives to fulfil its mission and vision. We produce an annual work programme to deliver the Business Plan objectives, agreed by the Board of Trustees and reviewed annually. Responsibility for ensuring that Business Plan objectives are achieved is devolved to the Senior Management Team (SMT) and each department, service and team work-plan contributes towards this goal.

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

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

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

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

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

## **Delivering the Business Plan objectives: Progress in Year 3**

### **1. Services for the multiply disadvantaged**

This Business Plan theme focuses on:

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

#### **Street outreach services**

Thames Reach has continued to develop its highly effective street outreach services. During 2018-19 our outreach teams helped 1,414 individuals to move off the streets after a period of rough sleeping. Our London Street Rescue services operates across 14 London boroughs and at Heathrow airport. During the year we were funded to provide enhanced outreach services in the boroughs of Haringey and Newham, and we expanded our outreach services to work on London's night public transport systems.

In addition we run two specialist services, both commissioned through the Greater London Authority (GLA):

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

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

In addition we run Outreach services commissioned by the London Borough of Croydon. During the year these have been expanded to include a 'Housing First' service which provides independent housing and support to people who have slept rough in the borough.

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## Hostels for homeless people with complex needs

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

The 50 bed replacement for our Graham House Hostel in Lambeth, Martha Jones House, was completed during the year. This project was built by developers for Places for People (who owned Graham House), as part of the large scale redevelopment of the Vauxhall Cross area which has seen the old hostel demolished. The new scheme provides improved facilities and a greater range of accommodation, which will give greater flexibility to house people with a range of needs

## Specialist accommodation

We continue to provide our Thames Reach Greenwich project. As well as a 12 bed assessment hub, the project manages a range of dispersed 'step down' accommodation, with a total of 29 beds across the borough. This enables residents to move on into appropriate accommodation or into suitable drug or alcohol treatment after an assessment period.

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

We were unsuccessful in our bid to retain supported housing services in Sutton (Thames Reach Sutton), and as a result these projects were handed over to St Mungo's at the end of March 2019. We are grateful for the commitment shown by staff at the project over the past few years.

We restructured our supported housing provision in the London Borough of Wandsworth to concentrate staffing resources in fewer schemes, allowing a higher level of support for residents in these schemes. In Westminster and Southwark we manage supported accommodation with teams on site for people with mental health issues. In Lambeth we have a small project for homeless women who have a history of unsettled accommodation and complex support needs.

This year has seen the development of new shelter accommodation based in Lambeth, which is aimed at people who do not have access to mainstream local provision, because they do not have a local connection, and in some cases, entitlement to benefits. This project provides basic shelter accommodation and food, and means that work to move residents permanently off the streets can take place more effectively.

## Tenancy support

Thames Reach continued to provide the GLA commissioned Tenancy Sustainment service which supports around 900 former rough sleepers in their own flats across South London. The service together with the accommodation, which is provided by a range of housing associations, provides a vital route away from the street and from hostels and temporary accommodation, and our staff provide support first to help people take up accommodation, then to sustain it and move on with their lives, establishing contact with relevant health and treatment services and undertaking training and employment, before helping tenants to move on to greater independence when they are ready.

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Our Brent Reach floating support service has continued to work with around 400 residents of that borough to intervene early to prevent homelessness, with the year seeing work around making the service easier to access, by providing entry point at a range of community hubs across the borough. We continue to deliver the service in partnership with EACH Counselling and Support. The year also saw the recommissioning of our floating support service in Brent

### Fulfilling Lives initiative

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

Together with the Thames Reach Sutton service mentioned above, our Sutton Reach floating support service was recommissioned in the course of the year, with the service consolidated into a number of local services. The contract was won by St Mungo's and staff TUPE'd over at the end of March 2019.



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## 2. Specialist health interventions

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

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

### Lambeth Living Well Hub

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

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

The focus in the year has been one of preparing for change, to support the broader reshaping of services led by the Living Well Alliance. This envisages a reshaping of community mental health service in Lambeth into three area-based Living Well Centres, and a 'single point of access' to services. All elements will include a voluntary sector element and the aim of this change is to make it easier to access the right services earlier with a reduction in service 'handoffs'.

### Integrated Personalised Support Alliance (IPSA)

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

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During 2018-19 the IPSA continued to identify alternatives to in-patient admission to hospital (including the provision of accommodation through the BRiL project – see above) and reduce admission rates to rehabilitation wards. As part of the development of the larger Living Well Alliance, we are participating in the extension of this approach - which focuses on identifying the specific needs of individuals, identifying more suitable alternative housing and treatment options, and regularly reviewing placements to ensure that they are still suitable - to the broader group of people living in specialist housing in Lambeth.

### **3. Community-based employment support**

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

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

#### **Employment Academy**

The Employment Academy is a flagship employment hub in the heart of South London which helps people who have experienced homelessness and social exclusion especially people living in Southwark and Lambeth, to find and sustain work. It is also a general community resource with space available for use by local groups and organisations and a vibrant cafe operates from the site, open to the wider community as well as users of the building.

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

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

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

These include:

- iReach, a programme funded by the Worshipful Company of Information Technologists, which offers people with little or no computer skills the opportunity to learn at their own pace. Each session involves tailored support and mentoring provided by Thames Reach staff and volunteers with the service delivered at the Employment Academy, Deptford Reach and different accommodation projects across Thames Reach.

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- Step Up, a programme funded by the Walcot Foundation and Trust for London, which aims to support low pay workers on the London Living Wage to increase their salaries and improve their working situation. Step Up can also notify people of job vacancies, training opportunities and networking events. More about Step Up can be found here: [www.stepup.london](http://www.stepup.london)
  - The Work Ready Programme, developed with McKinsey which aims to help service users increase their skills and employability through an intensive week of engagement during which service users experience a range of interventions and support to help them increase their confidence and skills. The week usually starts with the group going on a residential weekend at a centre outside London where they are involved in various team building and skills development exercises. This is followed by a week of workshops and events in which people undertake group-work and receive one-to-one support to improve their CV writing and approach to interviews. There are visits to different companies and organisations to get some experience of different work settings and the week culminates in a graduation ceremony.
  - Moving in Moving On (MIMO), Thames Reach's painting and decorating training course for long term unemployed, homeless, and vulnerable men and women which, during the year, ran a number of women only courses, and benefitted from generous funding from a number of sources including Heart of Experian and the Westminster Foundation.

#### **4. Preventative housing interventions**

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

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

#### **Vital Regeneration**

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

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

The success of the project has meant that it was taken on by the local borough at the end of April 2019, Vital Regeneration staff, bar one, TUPE'd into Westminster. The one remaining staff member was TUPE'd into Thames Reach. We took over the remaining assets and liabilities of Vital Regeneration. These resources have been designated for the purpose of continuing the good work of Vital Regeneration.

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## Hackney Greenhouse - Single Homeless Hub

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

## Brent Single Homeless Prevention Scheme (SHiPS)

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

The project works with the London Borough of Brent Housing Options service to identify people who are at imminent risk of homelessness and either prevent their homelessness, or relieve this by obtaining alternative accommodation.

## Peer Landlord London

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

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



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

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

### Financial resilience

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

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

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

### Supporting staff

Our committed and competent workforce deserve an environment in which people feel valued and supported and where those putting in the most and performing at the highest level are appropriately



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acknowledged and rewarded. We have developed new ways of communicating with staff including through a regular news bulletin and have a current focus on staff wellbeing.

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

Thames Reach provides tailored support for managers and 8 managers completed an Institute of Leadership and Management (ILM) award during the year, our third year of the programme which brings real value to developing competent and committed managers. Additionally one member of the leadership team is enrolled on the London Housing Foundation Leadership and Management Programme delivered by London South Bank University.

The expansion of some areas of our work, particularly outreach and other intervention services, has meant that there has been a need to significantly expand our workforce. In response, we have looked at, and continue to look at, our approach to recruiting and developing our staff.

## Governance

We have an engaged Board of Trustees. The Board is discussed in more detail below.

## Communicating our messages

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

Thames Reach engages with government, policy makers, other voluntary sector organisations, and the public through a range of groups, meetings and events, operating on a local, regional, nation and international level. We are represented on the national ministerial Rough Sleeping Advisory panel along with other homelessness charities, political leaders, and experts.

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

We have focused over the year on three core issues that particularly affect the people we work with:

The way that the benefits system (and particularly recent changes) destabilises vulnerable people putting them at risk of homelessness, and the way that the same system is not effective in supporting homeless people away from the streets.

The large numbers of EU rough sleepers on the streets of London and the fact that we have very limited options to help them away from homelessness.

Homelessness and poor health are closely linked, and these links endure after people move away from the streets. People that we work with often do not get the help that they need from the NHS, and are more likely to use crisis services such as A&E and In-patient psychiatric treatment

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## STRUCTURE, GOVERNANCE AND MANAGEMENT

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### Board Members 2018/2019

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

Stephen Howard — Chair

Vasim Ul Haq BA ACMA FCA — Vice Chair

Peter Davey

William Flenley QC

Crispin O'Brien (resigned as of August 2018)

Jeremy Swain\* (On secondment to the MHCLG from July 2018, resigned from Thames Reach as of 30 June 2019)

Tony McBrearty

Joanna Wade

Michael Scorer

Caroline Tulloch

David Ford

Elizabeth Clowes

Becca Taber

Bill Tidnam\* — Chief Executive and Company Secretary (appointed July 2018)

### \*Executive Salaries

Jeremy Swain, Chief Executive £95,113

Bill Tidnam, Chief Executive £91,291

Members of the Senior Management Team did not accept the cost of living increase awarded to staff in 2018/2019. The ratio between the Chief Executive salary and Thames Reach trainees and apprentices is 1:5.

### Board processes

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

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

The Board strives to ensure that its membership reflects wider society and is diverse in both profile and encapsulated in Thames Reach's Policy Statement on Equality and Diversity (see page 20).

### **Charity Governance Code**

At the Board Away Day in October 2017 the Board agreed to accept the principles of the Charitable Code of Governance.

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

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

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

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

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

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

### **The Work of the Board**

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

There were five Trustee Board meetings during the year and all meetings were quorate. Additionally, Board members and the Senior Management Team (SMT) spent a planning day together to better understand the environment in which we work, and the government's Rough Sleeping Strategy. The meeting also informed the development of the new (2019-22) Business Plan.

The Senior Management Team (SMT) changed during the year. It is a testament to the succession planning put in place as a mitigation to the risk of senior staff change that the work of Thames Reach

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has continued without interruption. Also, the strength in the succession plan was proven by the launching of a new business plan that builds on the good work that was done by the previous SMT. Bill Tidnam moved from Director of Operations to CEO when Jeremy Swain was seconded (and subsequently resigned) from Thames Reach to the MHCLG. Catherine Parsons, who was a Thames Reach Area Director, was appointed to the post Bill vacated through an external recruitment. Also during the year Director of Finance and Central Services, Christine Smith-Gillespie retired from her post and Paul Jackson was recruited from his Thames Reach post of Head of Finance through an external recruitment. The Board has been comforted by the success of the succession plan and the competence of the new Senior Management Team.

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

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

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

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

The committee met on three occasions during the year and was chaired by Caroline Tulloch. The other Board members on the committee were Vasim Ul Haq, Bill Tidnam and Stephen Howard.

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 an organisation.

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

### **Services Committee**

The committee met on four occasions during the year and was chaired by Michael Scorer. Other Board members on the committee were David Ford, Elizabeth Clowes and Bill Tidnam.

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

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

### **Governance Committee**

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

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

During the year the committee focused on:

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

### **Policy Statement on Equality and Diversity**

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

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



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We are required to report on our Gender Pay Gap. This year, our data shows that our mean gender pay gap was -1.89%. This means that, on average, women are paid slightly more than men across the organisation. However, we are happy that this pay gap is very minimal, and indicates that in general employees are paid equitably, regardless of gender.

### **Health and Safety and Wellbeing**

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

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

Encouragement to address health, wellbeing and work-life balance is embedded through team work-plans and from information sheets circulated to staff. All local health and safety representatives across the organisation are supported to acquire a Foundation Certificate in Health and Safety. Managers are required to attain a local authority approved Certificate in Supervising Health and Safety. Our new e-learning means all staff can access health and safety information on a more regular basis. Operationally, we have again responded positively to commissioners who have required detailed reporting of incidents. We also report serious incidents to the Charity Commission.



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## Further Information

More information about Thames Reach can be found on our website at [www.thamesreach.org.uk](http://www.thamesreach.org.uk)

Follow Thames Reach on Twitter @ThamesReach

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## FUTURE PLANS

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### Future plans – 2019 -22

A new business plan was agreed covering the period 2019-22. An annual work programme has been agreed to provide structure and achieve the delivery of Business Plan objectives.

The core business areas established in the Business Plan where we will seek to make progress during 2019-20 are:

The delivery of services to beneficiaries:

#### Prevention

- Floating support/tenancy sustainment
- Day services
- Employment and skills
- Access to accommodation
- Health

#### Intervention

- Rapid response
- Case work services
- Hostels and emergency accommodation
- Support to move-on

#### Recovery

- Access to secure accommodation
- Tenancy support for former rough sleepers
- Housing First
- Basic skills, training and employment
- Volunteering opportunities
- Support to develop social networks

Organisational enablers to support this work:

- Investment in new services through the new business development fund
- Ensuring that we are a competitive employer that can recruit, retain and develop the best staff
- Communicating clear messages about the work we do and the needs of the people we work with
- Fundraising to fill service gaps and to improve properties
- Grow our property portfolio and use it to support service delivery
- Ensure that we use the information we gather to improve services and where necessary build a case for new ones.

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## REVIEW OF THE FINANCIAL POSITION

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The Statement of Financial Activities shows total incoming resources of £19,688,740 (charity) / £19,891,879 (group) an increase on last year of 13%/10%. A large proportion of the increase relates to the Deptford Reach Assets which were acquired by Thames Reach in the period. The property related to this transaction was valued at £895,000 and this is reflected in the Restricted Funds. There was also a final tranche of funding as restricted income raised to fully refurbish Robertson Street, one of our hostels in Lambeth (£266,667). The Resources expended of £17,866,927 (charity) / £18,545,379 (group) were 15% more than last year. In keeping with previous years, 99% of the expenditure was incurred on direct charitable expenditure. Expenditure on fundraising and publicity represents 1% of total income.

During 2018/2019 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 received the ongoing services and net assets of Deptford Reach and this strengthened our Asset holding. We have continued to work with the Lambeth Health Alliance and the Lambeth Living Well Collaborative with assistance from Guy's and St Thomas' Charity. We have also continued to develop our programme for housing in Lambeth — Brokerage and Resettlement in Lambeth (BRIL).

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

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

### Reserves

The Board of Thames Reach recognises the need to maintain financial stability in order to achieve our strategic intent and carry out the charitable objects of the organisation. The Board therefore consider it prudent to maintain adequate reserves which, in conjunction with appropriate financial controls and risk management systems, will minimise any disruption to our services. The Board is in the process of reviewing this policy. Unrestricted funds are currently £8,183,994 (Group £8,375,728) of which £6,239,759 (Group £6,239,759) are designated.

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

Funds are designated by the Board for particular use out of General Funds. Currently there are 9 such designations:

**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. £1.5m is currently set aside for this purpose.

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**Office Leases** – This fund is to provide for office relocation and set up. We currently have office premises in Sutton, Westminster and Lambeth. The fund balance is £28k.

**Repairs and Maintenance** – This £1.8m fund enables the Association to meet repairing and maintaining obligations in relation to properties we manage on behalf of Registered Providers and in relation to leased and owned properties of Thames Reach.

**Sinking Fund** – This fund is for major repairs to the fabric of buildings we own: Thames Reach Employment Academy, Elmfield and Hudson House. It is currently £414k.

**Staff** – This £314k is set aside for non-budgeted costs required to meet contractual obligations such as maternity/parental leave and redundancy. It also contains a £93k refund from HMRC received in the previous financial year.

**IT and Infrastructure** – This fund allows us to meet the changing needs of the organisation. This year we upgraded our website and have started work on how to develop a new form of intranet. We have also started the work to upgrade the HR software which we hope to complete in 2020. The current level of the fund is £120k.

**Vital Regeneration** – Thames Reach has taken over the subsidiary and this £302k represents the reserves on transfer. These funds are designated to continue to work to design and deliver innovative, sustainable programmes that enable individuals and communities to fulfil their potential through learning, employment and enterprise.

**Deptford Reach Building fund** – this £18k was received as part of the acquisition of Deptford Reach. It is an amount from the COIF General Account (a charity high interest saving account) and has been designated as the building fund for the future maintenance of the property on Speedwell Street.



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**New Business Development** – This fund is intended to support the development of pilot projects that will enable us to test new approaches to service delivery, and/or work with new commissioning authorities. The fund currently stands at around £1.7 million, and our intention is to invest £510,000, being 10% of this figure each year for the duration of the current business plan (Thames Reach Business Plan 2019-22).

### **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.

Risks are evaluated on a matrix of impact and probability. On this basis the biggest risks to Thames Reach at the moment are:

- Contract Risk
- Capacity and use of resources
- Competition
- Public perception and adverse publicity
- Relationship with funders

On this basis the Trustees have been able to delegate responsibility to senior staff to ensure controls are in place to manage them.

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

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

### **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.

### **The Thames Reach Group**

The Thames Reach Group consists of Thames Reach Charity, Vital Regeneration, and Thames Reach Housing. Vital Regeneration was wound up in April 2019 and transferred all assets and liabilities to Thames Reach Charity. Thames Reach Housing is in the process of being registered as a Charity with a view to being a Registered Social Landlord. During the year Thames Reach Housing did not have any

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transactions. The Group figures in these financial accounts represent the combination of results from Thames Reach Charity and Vital Regeneration. The transfer from Vital Regeneration to Thames Reach Charity is reflected in the Charity accounts as an increase of £302k to designated funds and is shown as income. On consolidation this amount is removed as it is an intra-group transfer and the income is decreased by £302k. The donation in Vital Regeneration's separate accounts is the contra to that consolidating entry. This is why the income figure of the Group is less than that of the Charity.

### **Statement of the Board's Responsibilities**

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

In preparing those accounts, the Board is required to:

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

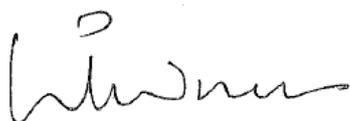
The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the organisation's transactions and which disclose with reasonable accuracy at any time the financial position of the organisation and to enable it to ensure that the accounts comply with the Section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

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

### **Auditor**

On 1 February 2019, Moore Stephens LLP merged its business with BDO LLP. As a result, Moore Stephens has resigned as auditor and the Trustees have appointed BDO LLP as auditor in their place. The Trustees will make a decision on the appointment of the auditor in accordance with section 485 of Companies Act 2006.

On behalf of the Board, 7th October 2019



Bill Tidnam

Board Member and Chief Executive

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

We have audited the financial statements of Thames Reach Charity (the 'charitable company') for the year ended 31 March 2019 which comprise the Consolidated Statement of financial activities, Balance sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

### **In our opinion the financial statements:**

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

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

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

### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the annual report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report.

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 26, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Poulter  
For and on behalf of  
BDO LLP, Statutory Auditor  
55 Baker Street  
London  
W1U 7EU

Date: 10th December 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Statement of Financial Activities

## Consolidated Statement of financial activities for the year ended 31 March 2019

	Notes	Unrestricted funds		Restricted funds		Total 2019		Total 2018	
		£		£		£		£	
		Charity	Group	Charity	Group	Charity	Group	Charity	Group
<b>Income</b>									
<b>Income from charitable activities</b>									
Accommodation services	3	8,107,755	8,107,755	-	-	8,107,755	8,107,755	8,396,779	8,396,779
Support activities	4	5,409,296	5,152,197	3,933,711	4,091,971	9,343,007	9,244,167	6,835,970	7,288,839
Pathways to occupation	5	1,194,229	1,194,229	-	-	1,194,229	1,194,229	2,135,508	2,135,507
Deptford Reach merger	17	18,343	18,343	1,017,954	1,017,954	1,036,297	1,036,297	-	-
<b>Investment income</b>		6,422	6,422	1,030	1,030	7,452	7,452	2,303	2,303
<b>Total income</b>		14,736,045	14,478,946	4,952,695	5,110,955	19,688,740	19,589,900	17,370,560	17,823,428
<b>Expenditure</b>									
<b>Cost of raising funds</b>		126,669	126,669	29,794	29,794	156,463	156,463	168,142	168,142
<b>Charitable activities</b>		13,823,938	13,984,508	3,886,526	4,102,429	17,710,464	18,086,937	15,322,309	15,649,959
<b>Total expenditure</b>	6	13,950,607	14,111,177	3,916,320	4,132,223	17,866,927	18,243,400	15,490,451	15,818,101
<b>Net incoming/(outgoing) resources before transfers</b>		785,438	367,768	1,036,375	978,732	1,821,813	1,346,500	1,880,108	2,005,327
Transfers between funds	15	-	-	-	-	-	-	-	-
<b>Net movement in funds</b>		785,438	367,768	1,036,375	978,732	1,821,813	1,346,500	1,880,108	2,005,327
Fund balances at 1 April 2018		7,398,556	8,007,960	5,499,037	5,608,883	12,897,593	13,616,843	11,017,485	11,611,515
<b>Fund balances at 31 March 2019</b>		8,183,994	8,375,728	6,535,412	6,587,615	14,719,406	14,963,343	12,897,593	13,616,842

The organisation acquired or discontinued the following:

Deptford Reach was acquired on the 1 November 2018 including all assets and liabilities giving rise to restricted and unrestricted funds.

During the year, Vital Regeneration has been transferred to Thames Reach Charity with all remaining funds of £301,979 at March 19 as a donation.

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

# Balance Sheet

## Balance sheet at 31 March 2019

	Notes	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
<b>Non-current Assets</b>					
Tangible assets	10, 10a	12,146,339	10,746,214	12,146,339	10,746,214
		<u>12,146,339</u>	<u>10,746,214</u>	<u>12,146,339</u>	<u>10,746,214</u>
<b>Current assets</b>					
Debtors	11	4,533,948	3,073,131	4,297,169	2,934,917
Cash at bank and in hand		3,886,102	3,927,712	3,868,263	3,074,274
		<u>8,420,049</u>	<u>7,000,843</u>	<u>8,165,432</u>	<u>6,009,191</u>
<b>Creditors: amounts falling due within one year</b>	12	(5,603,045)	(4,130,214)	(5,592,365)	(3,857,812)
		<u>2,817,004</u>	<u>2,870,629</u>	<u>2,573,067</u>	<u>2,151,379</u>
<b>Net current assets</b>					
		<u>14,963,343</u>	<u>13,616,843</u>	<u>14,719,406</u>	<u>12,897,593</u>
<b>Total assets less total liabilities, being net assets</b>	16				
		<u>14,963,343</u>	<u>13,616,843</u>	<u>14,719,406</u>	<u>12,897,593</u>
<b>Funds</b>					
Restricted funds	14	6,587,615	5,608,883	6,535,412	5,499,037
Unrestricted funds:					
Designated funds	15	6,239,759	6,202,396	6,239,759	6,202,396
General funds		2,135,969	1,805,564	1,944,235	1,196,160
		<u>8,375,728</u>	<u>8,007,960</u>	<u>8,183,994</u>	<u>7,398,556</u>
<b>Total Restricted and Unrestricted funds</b>		<u>14,963,343</u>	<u>13,616,843</u>	<u>14,719,406</u>	<u>12,897,593</u>

These financial statements were approved by the Board on 7 October 2019 and authorised for issue and were signed on its behalf by:



S. Howard  
Chair



C. Tulloch  
Treasurer

# Cash Flow Statement

## Cash flow statement for the year ended 31 March 2019

Notes	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
<b>Net cash inflow from operating activities</b>	622,527	1,774,894	1,458,127	1,515,279
<b>Capital expenditure and financial investments</b>				
Payments to acquire tangible fixed assets	(664,138)	(2,584,280)	(664,138)	(2,584,280)
Cash and cash equivalents from new subsidiary	-	-	-	-
Proceeds on disposal of Investment	-	35,100	-	-
<b>Cash outflow from financing activities</b>	-	-	-	-
<b>Increase/(Decrease) in cash</b>	(41,611)	(774,286)	793,989	(1,069,001)
<b>Reconciliation to changes in resources</b>				
Net income before transfers	1,346,500	2,005,327	1,821,813	1,880,108
Loss on assets written off	3,586	14,443	3,586	4,542
Depreciation of tangible fixed assets	296,724	296,554	296,724	295,557
Net Assets acquired from Deptford Reach	(1,036,297)	-	(1,036,297)	-
(Increase)/Decrease in debtors	(1,460,817)	(189,045)	(1,362,252)	(259,887)
Increase/(Decrease) in creditors	1,472,831	(352,385)	1,734,553	(405,041)
	622,527	1,774,894	1,458,127	1,515,279
<b>Net cash inflow from financing activities</b>				
Repayment long-term loans	-	-	-	-
	-	-	-	-
<b>Reconciliation of net cash flow</b>				
(Decrease)/Increase in cash	(41,611)	(774,286)	793,989	(1,069,001)
Balance at 1 April 2018	3,927,713	4,701,999	3,074,274	4,143,275
Balance at 31 March 2019	3,886,102	3,927,713	3,868,263	3,074,274

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# Notes to the Financial Statements

## Notes to the financial statements for the year ended 31 March 2019

### 1. General Information

Thames Reach Charity, operating as Thames Reach, is a charity registered in England and Wales number 1166311 and a company limited by guarantee number 10098652. The principal address and registered office is Employment Academy, 29 Peckham Road, London, SE5 8UA.

### 2. Accounting policies

#### a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

#### b) Basis of consolidation

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

#### c) Judgements in applying accounting policies and key sources of estimation uncertainty

When preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The depreciation of the components of Thames Reach's housing properties have been made using the matrix provided by the National Housing Federation and applied to properties purchased.

The initial key assumption on the transfer of Deptford Reach was a valuation of £1. There has now been a change in estimation of value having received a full valuation from surveyors. This has increased the carrying amounts of assets and corresponding reserve.

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## Notes to the financial statements for the year ended 31 March 2019

### 2. Accounting policies

#### d) **Income**

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

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

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

#### e) **Expenditure**

Expenditure is recognised on an accruals basis.

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

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

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

#### f)

#### **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:

Fixtures, fittings and equipment	4 years
Motor vehicles	5 years

Thames Reach separately identifies the major components of its housing properties and charges depreciation so as to write-down the cost of each component to its estimated residual value, on a straight line basis over the length of the lease or the following years.

Land	Nil
Main fabric	100 years
Roof structure and coverings	70 years
Windows and external doors	30 years
Boilers	15 years
Kitchen	20 years
Bathrooms	30 years
Mechanical systems (heating, plumbing)	30 years
Electrics	40 years
Lift	20 years

## Notes to the financial statements for the year ended 31 March 2019 (continued)

### 2. Accounting policies (continued)

#### g) Pensions

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

#### h) Accumulated Funds

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

### 3. Accommodation services

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
Support contracts	3,811,346	-	3,811,346	4,065,977
Rental income	3,943,393	-	3,943,393	3,094,156
Other income	353,016	-	353,016	1,236,646
	<u>8,107,755</u>	<u>-</u>	<u>8,107,755</u>	<u>8,396,779</u>

### 4. Support activities

London Councils	-	397,233	397,233	364,021
Support contracts	766,293	-	766,293	1,127,436
GLA	2,508,064	578,457	3,086,521	2,207,925
Health Commission	-	2,035,718	2,035,718	2,384,562
London Borough of Lambeth	2,230	388,692	390,922	162,593
London Borough of Hackney	151,938	-	151,938	100,000
London Borough of Croydon	63,027	-	63,027	68,000
London Borough of Haringey	31,376	-	31,376	40,551
London Borough of Brent	759,313	-	759,313	-
Transfer of Vital Regeneration	301,979	-	301,979	-
Trust Income	519,210	498,246	1,017,456	115,577
Other income	304,537	35,365	339,902	227,115
Donations	1,329	-	1,329	38,190
	<u>5,409,296</u>	<u>3,933,711</u>	<u>9,343,007</u>	<u>6,835,970</u>

By activity:

	Accommodation/ Community Support	Outreach	Tenancy sustain-	Total 2019	Total 2018
	£	£	£	£	£
London Councils	-	397,233	-	397,233	364,021
Support Contracts	507,009	259,284	-	766,293	1,127,436
GLA	-	2,011,914	1,074,607	3,086,521	2,207,925
Health Commission	2,035,718	-	-	2,035,718	2,384,562*
London Borough of Croydon	63,027	-	-	63,027	68,000
London Borough of Hackney	151,938	-	-	151,938	100,000
London Borough of Lambeth	390,922	-	-	390,922	162,593
London Borough of Haringey	-	31,376	-	31,376	40,551
London Borough of Brent	759,313	-	-	759,313	-
Transfer of Vital Regeneration	301,979	-	-	301,979	-
Trust Income	884,966	132,490	-	1,017,456	115,577
Other income	334,815	5,087	-	339,902	227,115
Donations	1,329	-	-	1,329	38,190
	<u>5,431,016</u>	<u>2,837,384</u>	<u>1,074,607</u>	<u>9,343,007</u>	<u>6,835,970</u>

\*The Health commission income was incorrectly included under Note 5 in the previous year. This has been corrected.

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**Notes to the financial statements for the year ended 31 March 2019 (continued)**

**5. Pathways to occupation**

	<b>General funds £</b>	<b>Restricted funds £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
London Borough of Lambeth	-	-	-	181,930
Trusts - Health Related	-	-	-	213,788
Trusts - Other	68,536	-	68,536	144,933
Donations	178,199	-	178,199	153,329
Other income	947,494	-	947,494	1,441,527
	<u>1,194,229</u>	<u>-</u>	<u>1,194,229</u>	<u>2,135,508</u>

**6. Total Expenditure**

	<b>Staff costs</b>	<b>Other costs</b>	<b>Total 2019</b>	<b>Total 2018</b>
Costs of raising funds	126,669	29,794	156,463	168,141
Charitable activities	10,640,399	7,070,065	17,710,464	15,322,310
	10,767,068	7,099,859	17,866,927	15,490,451
Total 2018	<u>8,769,446</u>	<u>6,721,005</u>	<u>15,490,451</u>	

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## Notes to the financial statements for the year ended 31 March 2019 (continued)

### 6. Total expenses (continued)

Analysis of Governance and support costs	2019	2018
	£	£
<b>Support costs</b>		
Staff training and recruitment	147,136	137,600
Rent and service charges	581,234	516,386
IT support and equipment	526,862	557,770
Travel costs	174,463	138,012
Partnership contracts	634,717	703,518
Property costs	1,860,348	1,872,926
Insurance	173,570	164,337
Telephone and communication costs	208,605	196,190
Printing, postage, stationery and publicity	48,526	66,689
Food	168,163	185,649
Legal and professional	305,265	441,745
Tenants and clients welfare	267,412	187,682
RSL management and maintenance	1,307,714	1,316,088
Other direct costs	678,541	215,513
	<u>7,082,556</u>	<u>6,700,105</u>
<b>Governance Costs</b>		
Audit fee	<u>17,303</u>	<u>20,900</u>
	<u>7,099,859</u>	<u>6,721,005</u>

Other direct costs include cost of furniture and depreciation.

### 7. Board

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

The key management personnel of the association comprises the senior management team who received remuneration of £277,647 (2018: £247,616).

### 8. Employees

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

	2019	2018
	Number	Number
Housing and project services	319	296
Fundraising and publicity	2	2
	<u>321</u>	<u>298</u>

## Notes to the financial statements for the year ended 31 March 2019 (continued)

### 8. Employees (continued)

Analysis of staff costs	2019	2018
	£	£
Wages and salaries	8,358,196	7,241,045
Social security costs	781,935	581,707
Other pension costs	521,745	406,203
Agency and volunteer costs	1,105,192	540,491
	<u>10,767,068</u>	<u>8,769,446</u>

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

	2018	2017
£100,001-110,000	-	-
£90,001-100,000	2	-
£80,001-90,000	-	1
£70,001-80,000	-	2
£60,001-70,000	3	-
	<u>5</u>	<u>3</u>

### 9. Taxation

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

### 10. Tangible fixed assets: Charity

	Freehold and Leasehold property	Furniture, fittings, equipment & motor vehicles	Total
	£	£	£
<b>Cost</b>			
At 1 April 2018	10,836,302	2,213,884	13,050,186
Additions	1,667,656	32,779	1,700,435
Disposal	-	(385,484)	(385,484)
At 31 March 2019	<u>12,503,958</u>	<u>1,861,179</u>	<u>14,365,137</u>
<b>Depreciation</b>			
At 1 April 2018	1,348,021	955,951	2,303,972
Charge for the year	222,029	74,695	296,724
Disposal	-	(381,898)	(381,898)
At 31 March 2019	<u>1,570,050</u>	<u>648,748</u>	<u>2,218,798</u>
<b>Net book value</b>			
At 31 March 2019	<u>10,933,908</u>	<u>1,212,431</u>	<u>12,146,339</u>
At 31 March 2018	<u>9,488,281</u>	<u>1,257,933</u>	<u>10,746,214</u>

## Notes to the financial statements for the year ended 31 March 2019 (continued)

### 10a. Tangible fixed assets: Group

	Freehold and Leasehold property	Furniture, fittings, equipment & motor vehicles	Total
	£	£	£
<b>Cost</b>			
At 1 April 2018	10,836,302	2,361,471	13,197,774
Additions	1,667,656	32,779	1,700,435
Disposals		(385,484)	(385,484)
At 31 March 2019	<b>12,503,958</b>	<b>2,008,766</b>	<b>14,512,725</b>
<b>Depreciation</b>			
At 1 April 2018	1,348,021	1,103,540	2,451,560
Charge for the year	222,029	74,695	296,724
Disposals		(381,898)	(381,898)
At 31 March 2019	<b>1,570,050</b>	<b>796,337</b>	<b>2,366,386</b>
<b>Net book value</b>			
At 31 March 2019	<b>10,933,908</b>	<b>1,212,429</b>	<b>12,146,339</b>
At 31 March 2018	9,488,281	1,257,931	10,746,212

**Notes to the financial statements for the year ended 31 March 2019 (continued)**

<b>11. Debtors</b>	<b>Group 2019</b>	<b>Group 2018</b>	<b>Charity 2019</b>	<b>Charity 2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Charges and grants receivable	3,620,314	1,819,476	3,443,237	1,855,471
Rent arrears	816,401	666,340	816,401	666,340
Inter-company receivables	-	-	-	203,422
Other debtors	97,233	587,316	37,531	209,684
	<u>4,533,948</u>	<u>3,073,132</u>	<u>4,297,169</u>	<u>2,934,917</u>

<b>12. Creditors: amounts falling due within one year</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	645,059	778,854	634,379	597,299
Rent in advance	660,056	561,907	660,056	561,907
Taxes and social security costs	213,058	275,863	213,058	185,017
Grants in advance	3,272,253	2,017,928	3,272,253	2,017,928
Other creditors	812,619	495,661	812,619	495,661
	<u>5,603,045</u>	<u>4,130,213</u>	<u>5,592,365</u>	<u>3,857,812</u>

**13. Pension costs**

Thames Reach contributes to a defined contribution scheme for employees. Contributions payable to the scheme for the year were £ 521,745 (2018: £ 406,203).

## Notes to the financial statements for the year ended 31 March 2019 (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 2018	Income 2019	Expenditure 2019	Transfers in funds 2019	Balance at 31 March 2019
	£	£	£	£	£
Capital Fund - Employment Academy	3,605,571	-	(84,203)	-	3,521,368
Capital Fund - Robertson Street Hostel	1,176,646	266,667	(41,139)	-	1,402,174
Hilary Stent Fund	9,528	1,774	(4,380)	-	6,922
London Councils funded outreach team	-	408,053	(386,589)	-	21,464
Restricted fund for BRiL	293,594	-	(4,764)	-	288,830
Trust funded Health projects	27,177	2,567,678	(2,594,855)	-	-
Safe Connections funding	215,406	551,862	(552,473)	-	214,794
Lambeth funding	87,028	108,365	(106,895)	-	88,498
Guinness for Hard to Reach fund	79,052	-	(79,052)	-	-
Deptford Reach property	-	895,000	(5,718)	-	889,282
Garfield Weston Fund (Deptford Reach)	-	100,000	-	-	100,000
Other Deptford Reach	-	22,954	(22,954)	-	-
Other Restricted funding	5,036	30,340	(33,296)	-	2,080
	5,499,038	4,952,693	(3,916,318)	-	6,535,412

Capital Fund – Employment Academy: This restricted income has been used for the purchase and refurbishment of Thames Reach Employment Academy and is being depreciated as per accounting policy 2f.

Capital Fund – Robertson Street: This restricted income has been used for the refurbishment of Robertson Street Hostel which is due to be transferred to a new Registered Provider Thames Reach Housing (TRH) when registration of TRH as an RSL is completed.

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

Capital Fund for Brill Flats: This fund was used to buy properties for the Resettlement and Brokerage project in Lambeth and is being depreciated as per accounting policy 2f.

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

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

Lambeth Funding: funding for our Lambeth Offender's Team

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

Deptford Reach property: This represents the value of the Speedwell Street property. It will provide support, advice, training and practical help for vulnerable adults who are experiencing homelessness, mental illness, drug and alcohol abuse, social exclusion and severe poverty.

Garfield Weston Fund (DeptfordReach): This was a restricted fund held by Deptford Reach. It was repaid to Garfield Weston in the 2020 financial year.

Other Deptford Reach funds represented amounts received from LB Lewisham, London Community Fund, Act Foundation, Postcode Lottery, and the Big Lottery Fund.

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

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## Notes to the financial statements for the year ended 31 March 2019 (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:

	<b>Balance at 1 April 2018 £</b>	<b>Income 2019 £</b>	<b>Expenditure 2019 £</b>	<b>Transfers in funds 2019 £</b>	<b>Balance at 31 March 2019 £</b>
Furniture and equipment	1,551,594	162,451	(194,660)	-	1,519,386
Office leases	28,261	-	-	-	28,261
Repairs and maintenance	1,973,931	-	(160,468)	-	1,813,463
Dilapidations	443,605	-	(29,202)	-	414,403
Staff	314,342	-	-	-	314,342
IT and infrastructure	181,288	-	(61,081)	-	120,207
Vital Regeneration	-	301,979	-	-	301,979
Deptford Reach building fund	-	18,343	-	-	18,343
New Business Development	1,709,375	-	-	-	1,709,375
	<u>6,202,396</u>	<u>482,773</u>	<u>(445,411)</u>	<u>-</u>	<u>6,239,759</u>

## Notes to the financial statements for the year ended 31 March 2019 (continued)

### 16. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2019 are represented by:			
Tangible fixed assets	6,044,685	6,101,654	12,146,339
Current assets	7,731,674	433,758	8,165,432
Creditors: amounts falling due within one year	(5,592,365)	-	(5,592,365)
	<u>8,183,994</u>	<u>6,535,412</u>	<u>14,719,406</u>
2018/19			
	<u>8,183,994</u>	<u>6,535,412</u>	<u>14,719,406</u>
2017/18			
	<u>7,398,556</u>	<u>5,499,037</u>	<u>12,897,593</u>

### 17. Acquisition of Deptford Reach

On 1 November 2018 Thames Reach acquired Deptford Reach's Assets and assumed its liabilities.

	£	
Land and Buildings	895,000	Revalued Amount
Debtor - Cash balance - Awaiting Bank transfer	149,426	
Debtors	22,259	
Creditors	30,388	
Net Assets	<u>1,036,297</u>	
Restricted Fund Deptford Reach property	895,000	
Designated for Deptford Reach	18,343	
Restricted Funds - Deptford Reach	22,954	
Restricted Fund - Garfield Weston Fund	100,000	
Total Restricted and Unrestricted Funds	<u>1,036,297</u>	

Deptford Reach was a day centre that provided support, advice, training and practical help for vulnerable adults experiencing homelessness, mental illness, drug and alcohol abuse, social exclusion and severe poverty. The day centre continues to operate but was transferred to the Thames Reach Charity in November 2018.

## 18. Contingencies and commitments

Commitments under operating leases

At 31 March 2019 the organisation had annual commitments under non-cancellable operating leases as follows:

	2019		2018	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Expiry date:				
Within one year	16,256	2,825	16,857	7,434
Between two and five years	4,500	-	38,250	709
In over five years	-	-	-	-
	<u>20,756</u>	<u>2,825</u>	<u>55,107</u>	<u>8,143</u>

## 19. Subsidiary

At 31 March 2019 the charity had two subsidiaries. Thames Reach Charity controlled one other small charitable company (limited by guarantee), Vital Regeneration. Thames Reach also controlled a company, Thames Reach Housing, that has not begun trading.

	15 Month period ended 31 March	
	2019	2018
	£	£
Total income	208,139	452,869
Total expenditure	(678,450)	(287,560)
Net income for the year	(470,311)	165,309
Net loss on investment	-	(45,001)
Funds brought forward	714,338	594,030
Funds carried forward	<u>244,027</u>	<u>714,338</u>
The aggregate of the assets, liabilities and funds was:		
Assets	254,707	1,254,841
Liabilities	(10,680)	(540,503)
Total funds	<u>244,027</u>	<u>714,338</u>

## 20. Related party transactions

During the year Thames Reach charged Vital Regeneration £nil (2018: £nil) to cover a range of corporate services provided under service level agreements. At 31 March 2019, the amount due to Vital Regeneration was £nil (31 March 2018: £239,417).

During the year Vital Regeneration donated £301,979 to Thames Reach Charity to continue the work of Vital Regeneration.





**Thames  
Reach**