

Taunton Association for the Homeless



REGISTERED No: 23680R

**ANNUAL REPORT
31 MARCH 2022**

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Taunton Association for the Homeless t/a Arc

With nearly 50 years' experience, Arc has continued to grow in services and strives for all homeless people to have a safe and supportive environment, where people can be inspired and empowered by their own strengths

Our Purpose

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

Our Clients

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

At Present

We currently have 16 residences and support around 168 vulnerable people on any one night either in our own accommodation or those rough sleeping. We employ just over 45 staff and have a growing team of volunteers.

Amongst our residences, we have a 40-bed building providing 3 meals per day and 24-hour support. We also have specialist accommodation for veterans at our property 'Victory House'.

Alongside our core services, we provide opportunities for clients to boost confidence, mental health, employability, future housing options and independence. This includes a range of activities and courses offered through our in-house college.

As employers, Arc are delighted to be awarded a Gold Award with Investors in People in June 2021 and successfully run 'Your Voice' – an avenue for all staff to have a voice in our charitable organisation.

An Overview of the Year

Farewell Justin

The later part of this financial year saw a big change for Arc, as Chief Executive Officer, Justin Roxburgh, made the decision to leave after a dedicated 8 and a half years.



"Ever mindful of reaching a certain age and considering the contributions I have made to help and support vulnerable people in our community I made the decision to retire. I am not moving to another job (nothing would compare!). In fact, I believe it is always good to leave on a 'high' and with Arc having been awarded Somerset Charity of the Year, and achieving a GOLD standard by Investors in People, it seemed a good time to hand over the reins to someone new to take Arc to even greater heights." - Justin

We'd like to thank Justin for the huge achievements and inspirational leadership he brought to Arc.

The Board are currently actively engaged in recruiting an Interim CEO who will cover the responsibilities until a substantive CEO can be appointed.

Outreach in Sedgemoor Success

Our Outreach Team has continued to work closely with Sedgemoor District Council to improve services for those sleeping rough in this area. The council say they have seen a significant decline of rough sleeping in recent years as a result of the additional resources available. Arc's Outreach Team have also been key to improving health care for these vulnerable members of our community, enabling access to the Covid vaccination, flu vaccination, dentistry care and sexual health clinics to name a few.

Sedgemoor District Council also praised the two new properties Arc took on in Bridgwater in March 2021, which they say have proved to be invaluable in supporting vulnerable members of the community into housing projects whilst helping to keep rough sleeping in Sedgemoor at an all-time low. Well done to our fantastic team!

Board Members Update

There have been changes in Arc's Board as we said goodbye to two of our members, David Cooke and Richard Hussey.

David Cooke stepped down after an incredible 9 years of tenure and will be remaining as a shareholder. We wish to thank David for all his support, time and contribution over these years. He has been a valued member of the board.

Richard Hussey joined Arc's Board in 2020 and brought his expertise in copywrite and marketing. Richard leaves Arc following a move to Cornwall. We'd like to thank Richard for his time on the board and wish him every success with his move.

The growth of Crescent Cleaning Services



This year saw lots of progress for 'Crescent Cleaning Services' (CCS) and in October 2021 it officially became operational. The aim of CCS is to eliminate the barriers to employment that many of our clients and other marginalised groups face, such as long-term unemployment, lack of training/skills or anxiety about returning to work. Through our enterprise, we employ clients who have recently moved on from Arc's services and provide a staged and supportive process to ensure a positive route back into employment. Aside from our social aims, we also strive to be a successful, friendly and professional cleaning service.

be clean • be green • be crescent

Lots of hard work took place to see it reach this position and we're excited to work on it further as it grows.

Part of this work was the branding of our new enterprise, and we were thrilled to work alongside local college 'Richard Huish'. Graphic Design students took on the task of creating a brand identity for Crescent Cleaning Services and did an incredible job of designing our logomark, slogan, values and mission statement. It was a pleasure to work alongside such talented students and a fantastic college. Thank you!

Having completed a lot of background work, CCS was in the position to officially start trading on 1st October 2021. We have the benefit of Arc becoming the first customer of CCS, with 16 properties to clean! Even after the first day of cleaning Arc's satellite properties, the team received lots of compliments on their work.

Crescent Cleaning Services has now employed 4 former clients of Arc's and has recruited a Cleaning Supervisor. The team is growing, and they now clean all 16 of Arc's properties including our 40 bed hostel, Lindley House! We're looking forward to another successful year ahead and hope to employ many more clients who are struggling to find suitable employment.



2021's Big Sleep Out

On Friday 11th June 2021, we held our seventh Big Sleep Out, and the second one we'd held virtually due to the pandemic and the importance of keeping everyone safe. Rather than getting together in our car park, we encouraged participants to sleep out in their own gardens to raise awareness and funds for those experiencing homelessness. We were pleased to still provide an enjoyable evening of entertainment for our participants on Zoom, from fantastic local talent performing music, leading Qi Gong and Yoga sessions, finishing with a relaxing bedtime story as our sleepers settled down under the stars.

It wouldn't be a Big Sleep Out without rain (so it seems), and despite the sunshine on the lead up to our event, the drizzle joined us and opened everyone's eyes to the reality of rough sleeping. The morning after, we caught up with participants on Zoom to reflect on our night outside. From lack of sleep, to feeling anxious and being surprised about how cold it was even in June, we were all reminded of how lucky we are and how important it is for Arc to provide the services we do.

A big thank you to the wonderful people who gave up their beds for the night and raised a fantastic £7,991 for Arc. This included an amazing £1,090 raised by 'sleepers' Lucy and Charlie (pictured right), which was then generously match funded by Claims Consortium Group. Well done Lucy and Charlie and thank you Claims Consortium!



Our brilliant buddies



After pausing the start of our volunteer buddies project due to COVID, we were delighted this year to finally match buddies up with clients. Our buddies are there to assist clients who are struggling with their confidence and are facing barriers to taking that next step (whatever that may be). Some clients may just want someone to talk to and get a different perspective, whereas some may be looking to learn a new skill with someone by their side. Some buddies may help with seeking employment, through job hunting, CV writing, and job interview techniques. Whatever it is, having someone to meet up with, chat to, and just generally have a bit of fun with can make so much difference to someone's outlook on life

So far, we have recruited 10 volunteer buddies and there have been 11 clients supported by this project. One of our great matches has been Paul and Jo, pictured left. Arc client, Paul, said "I enjoy having Jo as my buddy because Jo helps me to be me and feel at ease."

We're delighted that Paul has now been able to move on from Arc's services and is living independently.

Fantastic Volunteers

Our Volunteer Coordinator has been working hard to expand our fantastic team of volunteers this year and we've been delighted to welcome many more, helping us to deliver our services and reach our aims. As well as the team of 10 buddies, we've recruited more volunteers to assist with food collections, have managed to now take on volunteers to help in our kitchen at Lindley House, are beginning to organise activities hosted by fantastic volunteers, plus we have new wonderful volunteers to continue our free counselling service. We're incredibly grateful for the time our volunteers donate to Arc and want to say thank you for the difference they make to our clients lives.

We were pleased to say thank you in person at a volunteer picnic in sunny June, during 'Volunteers Week'. We had a great time celebrating them and all they do for Arc!

Launching our new wellbeing hub

On Friday 4th March, we were delighted to officially launch our new wellbeing hub, 'The Reach Centre'. This followed the success of our in-house GP Surgery which we launched in October 2020. The GP Surgery has enabled us to provide vital health care to the homeless community and among other important work, it was used as a base to administer covid vaccinations for our hostel clients and staff. Seeing the difference we were able to make with this service encouraged us to extend our offerings and so our Property Services Team worked hard to transform more rooms into safe, professional and clinical spaces.

The Reach Centre is now host to a variety of health and wellbeing services, enabling the homeless community to easily access support. This is anything from free counselling sessions to sexual health care, to financial advice, and plenty more. To offer this service, Arc relies on a multi-agency approach and we're pleased to be in partnership with other local organisations who are offering their support to our clients from the base of our wellbeing hub. We're already witnessing a great impact on our clients and are looking forward to this service growing even further!



(Pictured above: One of the Reach Centre Rooms and Arc Staff at The Reach Centre Launch)

PAWs Project signs up with StreetVet

At Arc, we believe that pet ownership should never prevent someone from accessing the help and support they need. That is why we have always welcomed pet owners in a housing crisis through our PAWS Project, to ensure that the precious bond is not broken by homelessness. We are delighted to announce that we are now working alongside StreetVet to offer a higher level of care and support to our clients.

Since March 2022, two Arc properties, Lindley House and Norie House, have become part of the StreetVet

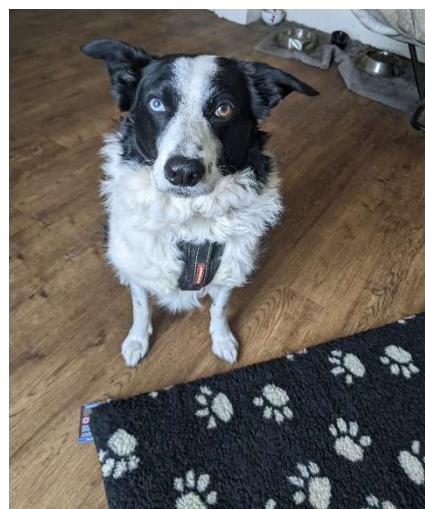


Accredited Hostel Scheme. StreetVet are a wonderful organisation that also understands the importance of pet ownership, specifically within the homeless

community. StreetVet provides direct support with pet care for rough sleepers through volunteer veterinary professionals but realised that part of the issue was that individuals experiencing homelessness with their pets had very few options for moving forward due to limited pet-friendly accommodation.

Thanks to the scheme, our clients can access free veterinary care and advice throughout their Arc journey, as well as continued support once they have moved on into independent accommodation. They can also request items they may need, such as food, treats, leads and harnesses, or specialised equipment, and they can access emergency boarding should they need to go to hospital for example.

StreetVet provide staff training, assist with policies and procedures regarding pets, and produce posters and signage to help educate and inform clients about the pets they are sharing their accommodation with. This has enabled our PAWS Project to grow and flourish, improving the lives of our clients with their pets.



Pictured above: One of our furry residents 'Spike' with his new bed

Our Gold Accreditation

During 2021, we were thrilled to be awarded with an Investors in People (IIP) gold accreditation. This is a highly sought-after status and means that Arc is not just about the work, but about the people. Our staff took part in an anonymous survey from IIP which included feelings about the work, availability of development opportunities, and overall job satisfaction. 94% of our staff agreed that we create a great place to work. As a small, local charity, Arc is now the same level as several large organisations, such as Sainsbury's, the Woodland Trust, Age UK, East Devon District Council, and Iceland. By looking after staff, we ensure that our clients are well looked after too, which of course is why we are here in the first place!

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Officially accredited by Investors in People.
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Christmas at Arc

Christmas can be a difficult time for our clients, and the new COVID variant threw an additional spanner in the works, but thanks to our incredible supporters, we were able to ensure that each client experienced some festive cheer. We were excited to offer a Christmas dinner to each client, with some properties having a 'meals on wheels' service, and others opting to have the ingredients so they could cook the meal together. We were also incredibly happy to be able to return to our usual Christmas Dinner at Lindley House for the 40 clients there.

Our annual Homeless Shoebox and Hamper Appeal was a tremendous success as always, allowing each client to receive not one, but TWO Christmas shoeboxes full of treats and toiletries. In addition, each property enjoyed a completely packed Christmas hamper containing festive goodies. All these items were very kindly donated by members of the public as well as corporate supporters, and we are so thankful!



Learning and Development back in business



In March, we welcomed Mary to Arc, our new Learning and Development Officer. Mary's role is to assist our clients to reach their full potential, whether that's supporting them to gain new skills or qualifications or helping them to take up new or existing hobbies to support their wellbeing. During the past 2 years, it has been difficult to offer much in this area due to the pandemic and the clients have welcomed these new opportunities with open arms! Clients have been enjoying sessions in art, drumming (see photo on left), gardening and have gained certificates in food hygiene, music production and more! There are lots of plans for the upcoming year for additional activities and trips out and from what we've already seen, we know this will have a great impact on our clients.

A refresh for our catering service

The kitchen at Lindley House provides 3 meals a day, every day, to the 40 clients who reside there. After repairs took place on the floorboards in the kitchen, we decided to replace the older and less efficient appliances to help improve the service for our clients and make working here easier for staff and volunteers.

We were delighted to welcome our new Kitchen Manager, Lisa (seen in photo on right), who has worked incredibly hard to transform the meal plans and diets of our clients. She has been offering a wonderful menu, ensuring that every client has access to healthy and hearty meals as well as the occasional treat! Lisa also works alongside our lovely volunteers who assist her in her role, ensuring that clients have what they need for each mealtime. The feedback from our clients has confirmed that the food is amazing, with variety and nutrition second to none!



Not only is it important what our clients eat, but also where they eat. Our dining room was looking worn, but with redecorating and the purchase of new tables, chairs, tablecloths, and blinds thanks to donations, we are now able to offer a fresh, welcoming space for our clients communal dining room.

Support through gifts in kind

We are always very thankful for donations of items from members of the public, as well as other organisations and local businesses. We are incredibly lucky to have this kind of support and are proud to be able to protect our environment by reusing second hand items. A notable example came from Hinkley Point C, who donated an amazing 200 pillows from their staff accommodation, meaning that these were saved from landfill, and we are unlikely to have to purchase pillows for a very long time!

We were also pleased to be able to host two 'clothes giveaways' for our clients – one for those at Lindley House and another for the clients in our satellite properties. The clients had a great time, chatting away whilst sorting through the boxes. Each client that attended was either able to find the clothing they needed, or if we didn't have the item required, we were able to get a list together and purchase the missing items. This has allowed clients to become more aware of the support available to them, meaning that they do not have to put up with worn clothes because they cannot afford new ones. Due to the success, we are hoping to host two giveaways a year, one for summer clothing and one for winter essentials.

We are also working on a better system for the distribution of donated items. For example, we now have a number for clients to message or call should they require any toiletries, including sanitary items, shower gel, and toothpaste. This means that we can get these items to the client as soon as possible, making sure they have everything they need to keep happy and healthy.

Community Spirit

Every year we are touched by the support we receive from our community and the kindness shown towards our clients. There's just too much to mention here but some highlights of community spirit from the past year have been:

A local mobile pizza company 'Ethic Street Pizza' visited Lindley House on a hot summers day to provide free pizzas to all of our clients. This is the third time they've visited us, and the pizzas were thoroughly enjoyed! (see photo below on left)



We received some amazing donations following Harvest Festival this year, with very generous collections given from Queens College (see photo above on right) and Taunton School, among others. As well as this food contributing towards the kitchen service at Lindley House, it also enables us to stock up our cupboards and provide food parcels for any client struggling to afford food.

Christmas can be a difficult time for our clients but Hinkley Point C were keen to ensure the local homeless community didn't miss out on the festivities, so invited our clients to their work Christmas Lunch. A group from Arc joined them for a delicious roast dinner and great company!

The National Citizen Service is a programme for 15-17 years and alongside other activities, will support students to have a social impact by supporting community and charitable groups. We had 2 fantastic teams of students supporting us this year with innovative and inspirational fundraising activities, raising almost £2000 for Arc between them! (Pictured right)



The Why:

Often our work can feel challenging. We're witnessing sad circumstances and working with people who have faced really tough times. What really does boost our spirits is seeing our clients do so well, despite hardship they've lived through. Even better is hearing how Arc has helped to improve and inspire their lives. We're always grateful when our clients get in touch and tell us, such as the comments below, all received this past year:

"I would like to thank you for everything you have done for me. You have all helped me in many ways, for this, I am eternally grateful. You have given me a fresh start and a new beginning. Words cannot describe how thankful I am." - Anonymous

"Thank you for everything you have done. When we felt we had nowhere else to go, you stepped up and did everything and much more. You went above and beyond, and we really can't thank you enough." - Hayley (Referring to our Outreach Team)

"Thank you for all your support throughout my time here. I am a much better person now and have a great new life ahead of me. Arc has been amazing to me and helped me through a lot of difficult times. I know I will be ok now, thanks to all of you." - Nigel

"I can't stress enough how much it's changed my life. I honestly don't think I'd be here if it wasn't for Arc's services." - Tanya

"I'm actually enjoying life again and not always being sick, but I can't take all the limelight as if Arc never bothered to find me when I was living in the tent, I seriously don't think I would be here today, keep up the great work you're doing." - Anonymous

CHAIR'S REPORT

Year ended 31 March 2022

Although a year of change and uncertainty, it has been another successful year for Taunton Association for the Homeless (trading as Arc). As the world emerges from the pandemic, we all face economic difficulties and the horror of war in Europe, which is leading to additional stress for homeless people and greater pressure on organisations such as Arc. However, Arc continues to thrive.

The impact of Covid-19 remains with us all and Arc has adapted accordingly. Hybrid working (virtual and in-person) has been established and other efficiencies have been made. One such modification is the reduction of clients in Lindley House due to Government guidance on communal living. This has meant a substantial reduction in income for Arc and alternative measures are being sought, including the purchase of new properties and proposals for new ways of managing larger residential requirements. These options are still in development and Arc is working closely with the current Sedgemoor and Somerset West and Taunton authorities and will continue to work positively with the newly forming One Somerset.

Justin Roxburgh, who led Arc as Chief Executive Officer (CEO) for eight years has now retired and we wish him well in his new adventures. I thank Sarah Davies, who held the position of interim CEO following Justin's departure. Following a robust recruitment process, we recruited a new CEO in Raj Singh, but unfortunately, he left the organisation after three months. This is very disappointing as he brought many skills to the role. We also wish him well.

As I write this report, Arc Board of Trustees are actively engaged in recruiting an Interim CEO who will cover the responsibilities until a substantive CEO can be appointed. It is hoped that the Interim CEO will commence work within a very short time frame.

Despite these difficulties, Arc's financial position remains robust and work continues to develop even better client-focused services. Arc Board remains strong and we are actively recruiting new members following the departure of David Cooke, who loyally served the full term of nine years, and Richard Hussey, who moved out of area. I thank them both for their time and support. Each Board member brings particular skills and expertise which has enabled more effective governance, challenge and support. I really appreciate the time and effort, especially during the CEO recruitment period, that everyone has contributed. Thank you.

Volunteers play a huge role in supporting Arc's clients and bring added value to the services provided. We have recruited new volunteers now that in-person work has returned, and this has brought new skills and opportunities for clients. Donors and supporters also provide much needed resources to Arc, including food collections and links with local providers, so thank you to all involved.

Current times are challenging and uncertain but this also provides opportunities so I look forward to working, through renewed engagement with all stakeholders, to further develop the offer Arc can make which best serves client need and improves outcomes.

Thank you,



Lynn Emslie
Chair
19th July 2022

STATEMENT OF THE BOARD OF MANAGEMENT RESPONSIBILITIES

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

In preparing these accounts we are required to:

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

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

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

We have a reserves policy.

On behalf of the Board of Management



V Love

Chair of the Audit & Risk Committee

19th July 2022

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

Opinion

We have audited the financial statements of Taunton Association for the Homeless (the 'association') for the year ended 31 March 2022 which comprise the Income and Expenditure Account, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board of Management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board of Management with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the association has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the association's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Board of Management

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with the Board of Management in relation to their own identification and assessment of the risk of irregularities within the entity; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained understanding of the legal and regulatory frameworks that the association operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Co-operative and Community Benefit Societies Act 2014 and FRS 102. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the association's ability to operate or avoid a material penalty.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of revenue with a particular focus around year-end cut off; and

TAUNTON ASSOCIATION FOR THE HOMELESS LTD

- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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



Bishop Fleming LLP
Chartered Accountants & Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 22 July 2022

INCOME AND EXPENDITURE ACCOUNT (incorporating the Statement of Comprehensive Income)
year ended 31 March 2022

	Note	2022	2022	2021	2021
		£	£	£	£
Income					
Rent Receivable	4	1,999,964		1,708,827	
Assessment Centre Rental Income		-		46,782	
Grants Receivable	5	155,522		316,792	
Donations		110,937		187,472	
Landlord Incentive Scheme		6,197		18,685	
Other Income		-		5,160	
Crescent Cleaning Services	9	34,572		13,270	
			2,307,192		2,296,988
Direct Expenditure					
Property Costs	6	460,677		479,792	
Employee Costs	8	1,282,042		1,261,884	
Food		24,820		20,655	
Residents Activities/Involvement		-		890	
Donated Funds Expended		86,888		130,259	
Landlord Incentive Scheme		6,197		18,685	
PAWS Project		2,195		3,427	
Crescent Cleaning Services	9	54,423		13,498	
			1,917,242		1,929,090
Gross Operating Surplus			389,950		367,898
Central Costs	7		(178,771)		(160,848)
Depreciation			(133,712)		(120,852)
Operating Surplus			77,467		86,198
Interest received			23		101
Interest Paid			(20,967)		(14,124)
Other Finance Costs	16		(12,000)		(8,000)
Net Surplus to Reserves			44,523		64,175
Other Comprehensive Income					
Actuarial Gain/(Loss) on Defined Benefit Pension Scheme			78,000		(206,000)
Total Comprehensive Income for the Year			122,523		(141,825)

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

REGISTERED No: 23680R**BALANCE SHEET
as at 31 March 2022**

	Note	2022 £	2021 £
Fixed Assets			
Tangible Assets	10	3,235,001	2,850,159
Current Assets			
Stock		1,107	1,477
Debtors	11	108,051	98,240
Cash at Bank and in Hand		<u>426,737</u>	<u>512,814</u>
		535,895	612,531
Creditors: amounts falling due within one year	12	<u>(331,772)</u>	<u>(351,707)</u>
Net Current Assets		<u>204,123</u>	<u>260,824</u>
Total Assets less Current Liabilities		3,439,124	3,110,983
Creditors: amounts falling due after one year	13	<u>(967,324)</u>	<u>(648,702)</u>
Net Assets excluding defined benefit deficit contributions liability		<u>2,471,800</u>	<u>2,462,281</u>
Defined benefit liability	16	(229,000)	(342,000)
Net Assets		<u>2,242,800</u>	<u>2,120,281</u>
Called up Share Capital	17	27	31
General Reserve	17	<u>2,242,773</u>	<u>2,120,250</u>
Association Funds	17	<u>2,242,800</u>	<u>2,120,281</u>

The notes on pages 20 to 29 form part of these financial statements.

The accounts were approved and authorised for issue by the Board of Management on 19th July 2022 and signed on its behalf by:-



.....
L Emslie
(Chair)



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



.....
S Davies
(Secretary)

NOTES TO THE ACCOUNTS

year ended 31 March 2022

Principal Accounting Policies

(a) Basis of Accounting

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

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

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

(b) Going Concern

Management has determined that there is no material uncertainty that casts doubt on Arc's ability to continue as a going concern. Covid-19 has had a limited impact but Arc has adapted where required to ensure clients are supported and services continue. Arc is not immune to external factors such as property market fluctuations, inflation increases etc but by reviewing and monitoring the matters listed below are able to quickly identify issues and look to mitigate them.

In making this statement we, the Board have considered the following matters:

- the use of facilities made available by government to Arc
- the organisation's Risk Register
- the organisation's Strategic Plan
- our ability to continue to deliver government funded services
- revenue streams and budgeting
- bad debt provision
- gearing target and performance
- liquidity target and performance
- pension deficit
- plans to raise capital
- negotiations with our lender NatWest to confirm the continuing availability of existing undrawn facilities or to sourcing of new capital facilities
- any waivers of post year end covenant breaches and forecast breaches of which there are none
- seeking payment holidays on borrowings which are not required
- seeking rent relief from landlords which has not been necessary and
- actions taken to manage cash flow (for example, ceasing certain services and making redundancies).

Based on the circumstances described above, the financial statements are prepared on the assumption that the entity is a going concern.

(c) Rental Income

Rental income is accounted for on a receivable basis and provision has been made in these accounts for rents owing at 31 March 2022 where there is not a reasonable expectation of recovery.

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

1. Principal Accounting Policies (continued)

(d) Other Income

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

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

(e) Depreciation

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

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

Fixtures and Fittings comprise the initial cost of fitting out new premises only. Fixtures and Fittings within the Association's Hostels and Satellite Houses are subject to considerable wear and tear and are constantly being replaced and renewed. Expenditure on Fixtures and Fittings which is therefore of a replacement nature is written off to revenue in the year in which the cost is incurred.

(f) Stock

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

(g) Operating Leases

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

1. Principal Accounting Policies (continued)

(h) Pensions

Defined contribution pension plan

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

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

Defined benefit pension plan

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

2. Net (Deficit)/Surplus

	2022	2021
	£	£
The net surplus is stated after charging		
Depreciation owned assets	133,712	120,852
Audit remuneration – audit	8,760	7,752
Audit remuneration – non audit	-	-
Operating lease payments	36,948	36,786

3. Taxation

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

NOTES TO THE ACCOUNTS
year ended 31 March 2022

4 Rents Receivable	Bed Nights	2022 £	Bed Nights	2021 £
Maximum Occupancy	61,276	2,170,252	60,172	2,087,744
Less Unoccupied Rooms	(3,564)	(133,404)	(8,606)	(328,576)
Actual Occupancy	57,712	<u>2,036,848</u>	51,566	<u>1,759,168</u>
Less Bad Debts written off		(8,104)		(22,249)
Plus Bad Debts written back (monies received)		2,065		4,815
Less Bad Debts provided for		(30,845)		(32,907)
Actual Rents Receivable		<u>1,999,964</u>		<u>1,708,827</u>

5 Grants Receivable	2022 £	2021 £
Positive Lives Grant - SCC	42,260	24,444
Somerset Partnership – Health Link Worker	20,847	20,983
Outreach - Somerset West and Taunton	-	15,621
Outreach and Drug Navigator – SDC	68,371	46,208
Covid Relief Grant – Homeless Link	-	100,000
Covid Relief Money – Somerset West and Taunton	-	71,960
Tenancy Sustainment – Somerset West and Taunton	20,714	-
Furlough Income (CJRS Grant)	3,330	37,576
	<u>155,522</u>	<u>316,792</u>

6 Property Costs	2022 £	2021 £
Motor and Travelling	7,057	1,950
Rent, Rates and Insurance	135,493	135,393
Heat and Light	86,086	87,865
Repairs and Renewals	111,658	114,927
Laundry and Cleaning	82,849	86,241
TV Licences	2,619	5,198
Telephones	18,811	24,047
Outreach Somerset West & Taunton expenses	-	460
Outreach and Drug Navigator SDC expenses	5,829	7,285
Health Link expenses	2,211	1,914
Sundry Expenses including Grounds maintenance	8,064	14,512
	<u>460,677</u>	<u>479,792</u>

NOTES TO THE ACCOUNTS
year ended 31 March 2022

7 Central Costs	2022	2021
	£	£
Office, Rent, Rates and Insurance	32,612	32,528
Stationery and Photocopying	6,830	7,941
Telephone and Postage	8,698	10,761
Promotional Expenses	3,569	4,640
Office, Heat and Light	4,817	3,647
Subscriptions	2,513	3,505
Meeting Expenses	1,779	450
Legal and Professional	75,525	63,124
Auditors Remuneration	9,432	7,080
Computer Costs	31,051	25,829
Fundraising Costs	2,137	1,094
Loss/(Profit) on sale of fixed assets	(618)	(200)
Sundries	426	449
	<u>178,771</u>	<u>160,848</u>

8 Employee Costs	2022	2021
	No	No
The average number of full-time equivalent employees of the Organisation was:	37	36
Costs in respect of those employees were as follows:	£	£
Wages and Salaries, agency costs and other employee costs	1,099,997	1,118,223
Social Security Costs	100,250	97,020
Pension Costs	48,209	42,824
Redundancy	22,411	-
Governance	1,275	-
Volunteer Expenses	5,616	1,273
Night Security Costs	4,284	2,544
	<u>1,282,042</u>	<u>1,261,884</u>

NOTES TO THE ACCOUNTS
year ended 31 March 2022

9 Crescent Cleaning Services (CCS)	2022	2021
	No	No
The average number of full-time equivalent employees was:	1.2	0.3
	£	£
Cleaning Income	12,312	-
Access The Foundation for Social Investment Grant	22,260	13,270
	<u>34,572</u>	<u>13,270</u>
Expenditure		
Salaries, Recruitment, Training and other staff costs	40,991	12,905
Cleaning Materials and equipment	5,140	-
Vehicle and Travel Costs	5,497	-
Computer and telephone costs	1,176	593
Health & Safety costs	1,233	-
Promotion and Advertising costs	355	-
Sundry costs	31	-
	<u>54,423</u>	<u>13,498</u>

During the year 2021/22 £14,473 (20/21- £527) from the Positive Lives Grant was put towards the set-up costs of the social enterprise, Crescent Cleaning Services. £5,907 of the costs to be claimed through a Community Reach Foundation grant with Somerset County Council.

10 Tangible Assets

	Freehold Property and Impr- ovements £	Improve- ments to Leasehold Property £	Fixtures and Fittings £	Office Equipment £	Motor Vehicles £	Total £
Cost						
As at 1 April 2021	3,967,259	142,868	76,776	61,756	9,100	4,257,759
Additions	455,926	35,589	18,087	4,651	4,300	518,553
Disposals	-	-	(11,470)	(35,162)	(3,300)	(49,932)
As at 31 March 2022	<u>4,423,185</u>	<u>178,457</u>	<u>83,393</u>	<u>31,245</u>	<u>10,100</u>	<u>4,726,380</u>
Depreciation						
As at 1 April 2021	1,170,386	121,947	57,610	53,487	4,170	1,407,600
Charge in the year	106,960	2,510	15,230	7,278	1,733	133,712
Disposals	-	-	(11,470)	(35,162)	(3,300)	(49,932)
As at 31 March 2022	<u>1,277,346</u>	<u>124,457</u>	<u>61,370</u>	<u>25,603</u>	<u>2,603</u>	<u>1,491,379</u>
Net Book Value						
As at 31 March 2022	<u>3,145,839</u>	<u>54,000</u>	<u>22,023</u>	<u>5,642</u>	<u>7,497</u>	<u>3,235,001</u>
As at 31 March 2021	<u>2,796,873</u>	<u>20,921</u>	<u>19,166</u>	<u>8,269</u>	<u>4,930</u>	<u>2,850,159</u>

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

NOTES TO THE ACCOUNTS
year ended 31 March 2022

11 Debtors	2022	2021
	£	£
Rents Receivable	91,558	73,124
Bad Debt Provision	(34,650)	(34,789)
Income Tax Recoverable	9,480	10,824
Other Debtors	6,250	17,610
Prepayments	<u>35,413</u>	<u>31,471</u>
	<u>108,051</u>	<u>98,240</u>
12 Creditors – amounts falling due within one year	2022	2021
	£	£
Trade Creditors	48,237	32,880
Taxation and Social Security	27,590	28,434
Other Creditors	6,253	4,737
Accruals and Deferred income	179,347	239,000
NatWest Bank Loan	<u>70,345</u>	<u>46,656</u>
	<u>331,772</u>	<u>351,707</u>
13 Creditors – amounts falling due after one year	2022	2021
	£	£
NatWest Loans	<u>967,324</u>	<u>648,702</u>
	<u>967,324</u>	<u>648,702</u>
14 Contingent Liabilities		
There were none at the year end or at the prior year end.		
15 Obligations under Leasing Agreements		
The following payments are committed to be paid:		
	2022	2021
	£	£
Plant and Machinery		
Payable within one year	4,448	4,448
Payable in 1 – 5 years	<u>6,204</u>	<u>10,581</u>
	<u>10,652</u>	<u>15,029</u>
Land and Buildings		
Payable within one year	32,500	32,500
Payable in 1 – 5 years	130,000	130,000
Payable in more than 5 years	<u>138,958</u>	<u>183,125</u>
	<u>301,458</u>	<u>345,625</u>

NOTES TO THE ACCOUNTS
year ended 31 March 2022

16 Pensions and other post-retirement benefits

a) Defined contribution plans

The company operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £41,649 (2021-£37,174).

b) Defined benefit pension plans

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

The most recent comprehensive actuarial valuation of pension plan assets and the present value of the defined benefit obligation were carried out on 30th September 2020.

The total cost recognised in the period was as follows:

	2022
	£000
Current service cost	0
Past service cost	0
Plan introductions, changes, curtailments and settlements	5
Net interest expense	7
Recognised in profit and loss	<u>12</u>
Recognised in other comprehensive income	<u>78</u>

Amounts recognised in the balance sheet were as follows:

	2022	2021
	£000	£000
Present value of funded obligations	(1,674)	(1,706)
Fair value of plan assets	<u>1,445</u>	<u>1,364</u>
	(229)	(342)

Amounts recognised in the balance sheet were as follows:

	2022
	£000
Opening defined benefit obligation	
Current service cost	1,706
Past service cost	0
Interest expense	42
Actuarial gain	(52)
Contributions by scheme participants	0
Benefits paid	(22)
(Gains)/losses on curtailment	0
Liabilities extinguished on settlements	<u>0</u>
Closing defined benefit obligation	<u>1,674</u>

NOTES TO THE ACCOUNTS
year ended 31 March 2022

16 Pensions and other post-retirement benefits (continued)

b) Defined benefit pension plans (continued)

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

	2022
	£000
Opening plan assets	1,364
Interest income	30
Actual return on plan assets (excluding interest income)	26
Assets distributed on settlements	0
Contributions by employer	47
Contributions by scheme participants	0
Benefits paid	<u>(22)</u>
Closing plan assets	<u>1,445</u>

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

	2022	2021
	£000	£000
Equity instruments	277	217
Debt instruments (bonds)	175	169
Property	76	55
Other assets	<u>917</u>	<u>923</u>

The return on plan assets was as follows: 2022 1,445 2021 1,364

	2022
	£000
Interest income	30
Actual return on plan assets (excluding interest income)	<u>26</u>
Total return on plan assets	<u>56</u>

The principal actuarial assumptions used were as follows:

	2022	2021
Discount rate	2.79%	2.17%
Inflation (RPI)	3.59%	3.28%
Inflation (CPI)	3.20%	2.86%
Salary Growth	4.20%	3.86%

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

Retiring at the balance sheet date	
• males	21.1
• females	23.7
Retiring in 20 years	
• males	22.4
• females	25.2

NOTES TO THE ACCOUNTS
year ended 31 March 2022

17 Reconciliation of Movements in the Association's Funds

	Share Capital	General Reserve	Total
	£	£	£
As at 1 April 2021 as previously stated	31	2,120,250	2,120,281
Surplus/(Loss) in the year	0	44,523	44,523
Other recognises gains and losses	(5)	78,000	77,995
Issued £1 shares in the year	<u>1</u>	<u>0</u>	<u>1</u>
As at 31 March 2022	<u>27</u>	<u>2,242,773</u>	<u>2,242,800</u>

18 Capital Commitments

None as at 31 March 2022

19 Post Balance Sheet Events

Since the year end the newly appointed CEO resigned, the board are actively engaged in recruiting an Interim CEO who will cover the responsibilities until a substantive CEO can be appointed.

20 General Information

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

BOARD OF MANAGEMENT

LYNN EMSLIE (Chair)

KAREN AYLING (Vice Chair)

VIVIAN LOVE

VICTORIA STOKER

RICHARD FOLEY

GILLIAN GIRLING

RICHARD HUSSEY (Resigned 29th March 2022)

DAVID COOKE (Resigned 20th July 2021)