



# TURNING TIDES

## TRUSTEES' REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Charitable Housing Trust

A Company Limited by Guarantee

Registered as Turning Tides Homelessness

Charity Number: 1027832

Company Limited by Guarantee: 2708334

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## Reference and administrative details of the Charity, its Trustees and Advisors

Trustees	Ian Mintram (Chair) Richenda Kullar (Company Secretary) Duncan Anderson Timothy Cooper Maira James Bill Jones Jane Lodge Alwen Lyons Martin Quinn David Standing
Company Registered number	2708334
Charity Registered number	1027832
Registered office	Worthing Town Hall Chapel Road Worthing West Sussex BN11 1HA
Company Secretary	Richenda Kullar
Chief Executive	John Holmström
Independent Auditors	Sheen Stickland Chartered Accountants 7 East Pallant Chichester West Sussex PO19 1TR
Bankers	HSBC Goring Road Worthing West Sussex BN12 4AW

## Chair's Statement

The latest Government statistics in the annual autumn snapshot count reveal rough sleeper numbers increased nationally over the last year by 26%. This is reflected locally. For example, in Worthing there are over 200 single people in Council temporary accommodation – a threefold increase from prior to the pandemic and rough sleeping at levels not seen for 5 years.

Turning Tides recently featured as an example of 'best practice' in ground-breaking research by the Universities of Kent and Southampton. The research looks specifically at the issues around homelessness in rural areas, in particular how homelessness in rural settings is undercounted, underreported and underfunded. This is certainly true in West Sussex; homelessness is often hidden, out of sight and mind.

This year we helped a record number of people to step out of the margins of society and begin to find a pathway out of homelessness – in total 938. We have seen people from all walks of life, many of them newly homeless due to the cost of living crisis and struggling to process what has happened. Nevertheless, alongside the trauma and hardships we are also humbled and privileged to see the transformations people make when they are given the right support, in the right way, at the right time. This profoundly individual, sensitive, and holistic approach underpins all our work.

Despite the huge challenges we face, triumphs can be found in this report. For example, we are so grateful to all those involved in the complex and rapid refurbishment of our newest and largest project to date - Roffey Place. Unique in Sussex, Roffey Place is nestled in the Horsham countryside and offers 24-hour wrap-around support to 50 people with complex needs. We also launched our innovative double-decker bus, a Mobile Community Hub, which delivers support to people in remote locations.

However, these are just two examples. The reality is all our dedicated staff and volunteers have rallied to give everything they are able to the increasing numbers of people who need support. This is a huge achievement while also managing a deficit budget and a constricting financial landscape.

You will see in this report the financial challenges are indeed pressing. Even more so as they sit alongside a rising need for our services in the communities we serve and uncertainty over future funding.

If you have supported Turning Tides during the last year – in any way – we are extremely grateful to you. If you are thinking about supporting Turning Tides, you have our word we will put your generosity to work helping people to find lasting pathways out of the desperation of homelessness. Your support has never been more appreciated, or more vital.



**Ian Mintram**

Chair of Trustees

June 2023

The Trustees present their annual report together with the audited financial statements for the year 1 April 2022 to 31 March 2023. The Trustees confirm the Annual Report and financial statements of the Charity comply with current statutory requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to all charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102, effective 1 January 2019). The Charity is considered to be a Charitable Housing Trust as defined by the Housing Association Act 1985.

Since the Charity does not qualify for the small companies' regime, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 is included.

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## **About Turning Tides**

Turning Tides, previously Worthing Churches Homeless Projects (WCHP), was established by a group of local Christians in 1992, providing practical help and support to the local people sleeping rough in Worthing. The Charity rebranded in 2018 to Turning Tides, reflecting the development and delivery of services countywide.

Now, Turning Tides provides a wide range of homeless support services across West Sussex, all striving to achieve complete pathways out of homelessness. The Charity looks to enhance and develop a broad range of services in order to meet the diverse needs of those who have nowhere to call home.

## **Approach of Turning Tides**

Fundamental to the Charity's approach is understanding every client has their own unique set of circumstances which led to them becoming homeless. Consequently, we offer a varied and holistic model spanning low, medium and high support services. Empowering each client to achieve independent living is a unique personal journey, requiring services to be responsive and tailored, innovative and diverse.

Turning Tides is firmly committed to being psychologically and trauma informed (a PIE approach: Psychologically Informed Environment). This means we work carefully to understand the typically traumatic events leading to a person becoming homeless and the emotional impact of their experiences. We seek to create a safe and positive relationship and environment so clients can begin to rebuild their lives and thrive. Our services are continually developed and delivered responsively to client need.

Taking a strengths-based and systems approach, Turning Tides also seeks to coordinate resources across the sectors and within the community. Ending local homelessness cannot be achieved by the Charity alone. Time and time again the challenges and barriers clients face are systemic. The Charity listens to their experience and works with colleagues in other related systems such as housing, health, social care, substance misuse and criminal justice to create a "coalition of the willing" to end local homelessness.

## **Charitable Objects**

Turning Tides is a charitable housing trust whose objects, as set out in its Memorandum of Association, are to relieve poverty through the provision of emergency and other accommodation, advice and assistance for persons who are deemed homeless and / or in need of such accommodation, advice or assistance.

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## Our Vision, Mission and Ambitions

### Our Vision

Ending local homelessness in the areas in which Turning Tides operate.

### Our Mission

We are a community-led Charity which puts clients and local people at the heart of our mission to end homelessness. To do this we will be:

- Ambitious - homelessness is not an inevitability
- A voice for homeless men and women
- A place of safety, respect and trust
- Kind, generous and warm hearted
- Engaging, motivating and inspiring
- Inclusive and welcoming
- Valuing faith, spirituality and our Christian roots
- Led by our clients' and communities' expertise and experience.

### Our Ambitions

- To reduce rough sleeper numbers and develop pathways out of homelessness
- To be led by our clients' and communities' expertise and experience
- To be innovative and deliver good value in order to win new resources
- To grow a thriving charity where people enjoy working and feel empowered to create a bright future for themselves and others

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## Services of Turning Tides

The Charity provides a diverse range of services to meet the varied and complex needs of those who are homeless or at risk of becoming homeless. We operate across West Sussex covering Adur and Worthing, Littlehampton, Horsham District, Mid Sussex and Crawley.

938 individual clients accessed the Charity's services in 2022 /2023, 372 of which were new clients.

As at the end of March 2023 the Charity has 164 paid staff and 398 volunteers who currently deliver:

- **Hubs and Outreach** - Multi-agency centres where anyone who is homeless or insecurely housed can receive practical help such as food, showers and clothing. Specialist staff supporting clients into appropriate accommodation and helping with health needs. Groups and community inclusion activities are held, reducing social isolation. Outreach Teams also work in Horsham and Mid Sussex, including a Rough Sleeper Coordinator.

- **High Support Residential with 24/7 cover- 4 projects with 110 beds:**
    - Byron Road, Worthing – 15 bed complex-needs project,
    - Recovery Project, Worthing – 28 bed Care Quality Commission ('CQC') registered drug rehabilitation,
    - Manor Road, Worthing – 17 bed complex-needs project,
    - Roffey Place, Horsham – 50 bed complex-needs project
  
  - **Medium and Low Support Move on Housing - 20 properties with 114 beds:**
    - Worthing ----- 12 houses (62 beds)
    - Littlehampton ----- 3 houses (16 beds)
    - Storrington ----- 1 house (5 beds)
    - Horsham----- 2 houses (8 beds)
    - Mid Sussex ----- 2 houses (23 beds)
  
  - **Multi-Disciplinary Team – specialist staff who provide additional support to clients across services:**
    - Social Workers
    - Mental Health Workers
    - Counselling Coordinator
    - Complex Needs Specialists
    - Substance/ Alcohol Misuse Workers
    - Lived Experience and Trauma Informed Navigators
    - Housing First Workers
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## Strategic Review

The Board of Trustees sets an annual budget accompanied by a 5-year financial Business Plan every March. This is accompanied by a detailed Organisational Plan which sets out how the Business Plan will be delivered.

In 2019 the following four ambitions were set:

- To reduce rough sleeper numbers and develop pathways out of homelessness
- To be innovative and deliver good value in order to win new resources
- To grow a thriving charity where people enjoy working and feel empowered to create a bright future for themselves and others
- To be led by our clients' and communities' expertise and experience.

The Organisational Plan has 6 overarching objectives to deliver these ambitions. Progress against the Plan is reviewed quarterly by the Management Team and Board of Trustees using a Red Amber Green (RAG) system. In addition, Key Performance Indicators (KPIs) are monitored across all the Charity's services and functions. These are also reviewed quarterly by the Management Team and Board of Trustees.

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## Achievements, Challenges and Performance

The period of this report includes some significant challenges in the homeless sector, and a wider landscape that has brought deep uncertainty. The year opened with the war in Ukraine which,

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understandably, refocused a lot of community support. We are also still dealing with the aftermath of Covid-19, national workforce shortages and an escalating cost of living crisis; a crisis that is rendering more people homeless at the very point public finances and community have less money to give to charity. We see, and feel, the pressure of this dilemma keenly. Our dedicated staff and volunteers strive harder than ever to ensure no one faces the trauma of homelessness alone and during the period of this report they supported a record number of 938 people.

### **Our Services**

Not surprisingly our drop-in Community Hubs and Outreach Teams have seen a particular increase in need, helping 663 people over this period. They also report evermore diversity in the people they see; many having what seemed to be a 'normal' life, with a job and home, only a few months prior to presenting for help. Moreover, some people are homeless and still in employment, using our facilities to maintain some normality and dignity as they try and hold onto work and routine. The cost-of-living crisis is extracting a heavy price from many in our society who have little savings or support on which to lean.

Alongside these new presentations of people, who are often bewildered and unprepared for the experience of being homeless, our staff and volunteers also report an increase in the complexity of people who have lived with long-term disadvantages. A traumatic personal history finds many triggers in the current environment, so we are consistently striving to work in a trauma-informed way, fostering the safety and trust needed for healing and transformation.

We opened an innovative new residential project – our largest yet – in advance of the harsh winter months. Roffey Place welcomed first residents in December 2022 and is a collaborative response between Turning Tides and Horsham District Council. The building has been completely refurbished to a high standard with the support of volunteers and the local community, and consists of 42 rooms in the main building, some of which are self-contained flats, and 8 rooms in a gatehouse adjoining the main building.

Unique in Sussex, Roffey Place now offers 50 bed spaces with a range of holistic support services on site, all in a beautiful rural setting with open space and further opportunities for development. This is one of our high support projects and is intensively staffed and managed to support individuals with particularly complex needs. The project is also able to accommodate residents with dogs and other pets.

This valuable new asset provides support to residents for between 6 to 9 months, enabling people to aspire to their full potential and move towards independent living.

Other areas of work have also developed to meet the growing need in our local community. During the Summer we launched our Mobile Community Hub, a refurbished double-decker bus complete with kitchen, shower, toilet and digital suite. This important new initiative is now accessible in rural areas where people sleeping rough are often hidden away. Our Housing First projects have also gone from strength to strength, helping people with complex needs to work towards and sustain independent living.

This year has seen important steps forward to generate a more co-produced and trauma-informed Organisational ethos. This has been supported by Sussex wide 'Changing Futures' programme. This is a system change programme for people experiencing multiple disadvantage, funded by the Department for Levelling Up, Housing and Communities (DLUHC) until March 2024. This provides 2 staff who use their lived experience to build deep connection with our most vulnerable clients and guide staff and Managers in the co-design and delivery of our services. It also provides us with a role to develop our trauma informed practice throughout the Organisation.

The areas of work detailed above provide a snapshot of some newer services and are by no means comprehensive. Our staff and volunteers across the Charity are now delivering vital support in over 30 diverse projects. They have all worked tirelessly throughout this period to support hundreds of people across West Sussex.

### **Challenges**

The general context for homelessness has become more challenging. For example, in Worthing the number of single people placed in Council temporary accommodation has increased from around 75 before the pandemic to over 200, with three quarters placed out of area. This creates stress for the individuals disconnected from local services and their family and friends. It also creates stress on outreach staff to travel long distances to support clients.

In this context it was very disappointing we were unable to find replacement provision (despite best efforts) to our Lyndhurst Road high support project which closed in September 2022. This 34 bed high support scheme was instrumental to reduce rough sleeping in the area when it opened 5 years ago. We knew always it was going to be a short term (approximately 5 years). We are very grateful to Roffey Homes for the free use of the building during this time.

Not surprisingly we have seen an increase in rough sleeping levels to previous high levels. We have recently also seen an increase in drug related violence due to developments in County Lines activity. The need for robust, effective, services and more local housing is greater than ever.

We are doing our best to respond. We are particularly proud how the Lyndhurst Team managed the closure with no evictions to the street followed up by quickly mobilising Manor Road from a medium support service to high 24/7 support service. Our long-term plan to replace Lyndhurst Road is looking good with the Skywaves project, a 21 studio flat/hub high support service due for completion end of 2025.

### **Our Team**

We are incredibly grateful to our staff for their huge commitment and dedication throughout the continued challenges faced by the Charity. Operational staff are, understandably, feeling the stretch as they manage an increase in need alongside an increase in complexity and their work is a constant source of pride for the Trustees.

### **Investing in Our Teams**

Our Teams continue to be committed to the mission and vision of Turning Tides and are key to the success of the Charity. They are integral to making Turning Tides a great place to work and through co-production, staff are involved in various initiatives to ensure we continue to improve how we go about our day to day work. We value staff input and feedback into everything we carry out, and everyone has the opportunity to have their say through 'Your Voice', our internal staff feedback forum.

We attach great importance to training our people and our focus this year has been on compliance and mandatory training. We also offer a wide range of supplementary training to all our Teams alongside an extensive library of online courses and learning to support the continual development of skills.

In February we held our annual Staff Conference; the focus of this was connecting our Teams again after Covid-19 and integration of trauma informed practices.

### **Diversity, Equality, and Inclusion**

Diversity, Equity, and Inclusion have also been a significant area of focus. We launched Diversity Group to ensure we consider these factors in all our work. The group includes people from across the Charity with a shared goal to bring challenge where needed and ensure we are truly inclusive. Annual monitoring will commence in 2023 to support us measure our success in this area.

### **Health and Wellbeing**

The challenges we all face in our wider lives can have an impact, sometimes affecting our mental health and/or our financial situation. As a person-centred Charity, the health and wellbeing of all our stakeholders including clients, volunteers and staff, is an ongoing priority.

We are pleased to offer Medicash to staff. It offers a wide range of training, meditations, 24-hour GP service, digital physiotherapy along with the cash plan element with option of adding family members. We also continue to offer the 24/7 Employee Assistance Programme which offers 1:1 counselling for employees and assistance with any work, personal or family issues.

In addition, Reflective Practice and our internal Counselling Team continue to be key in offering support to our frontline Teams who are often dealing with trauma, and we are looking to develop this offering further in 2023/24.

### **Volunteers**

Volunteers are crucial to the delivery of our services and their support can be transformational for clients. This year 398 volunteers supported our work across the Charity, providing a generous and hugely valuable 13,562 hours of support, an increase of 37% compared to last year. This increase in volunteer support within Turning Tides is largely due to Roffey Place opening; we have been amazed by the support of the local community who have been integral in both mobilising the service rapidly and providing ongoing support to our residents.

We also held 31 corporate volunteer sessions at Roffey Place, with teams from many businesses and organisations coming together to clear the site, clean, decorate, put together furniture and tend the extensive gardens within the 6 acres of land at the service. This collaboration helped us achieve opening the service before Christmas to prevent rough sleeping during the coldest months.

We are incredibly grateful for all the wonderful volunteers who give their time so freely to support the people we serve. Without them we could not achieve these amazing outcomes.

### **Community Support**

Turning Tides relies on the support and generosity of its local community and the period of this report has given us much about which to be grateful. Not surprisingly, increased economic hardship has decreased the level of grass-roots community giving, which makes us doubly thankful for those who felt able to make a donation. The Fundraising and Communications Team worked hard to raise £582.5k throughout this year. Crucially this income provides completely unrestricted funds which enable the Charity to be agile and responsive, and also protect its independence.

The fundraising included three specific campaigns, the first to urgently request support for our frontline services which face a significant funding deficit, the second to support refurbishment of Roffey Place, and finally our Christmas Appeal asked for support over the cold winter months.

Alongside these campaigns we ran a series of events and other initiatives, and the whole Team engaged in many speaking engagements as we sought to raise awareness across West Sussex. Support came from all sectors of society: schools, churches, corporates, social groups, sports clubs and many more. Individuals expressed their generosity through one off as well as regular giving and people undertook all sorts of fundraising challenges to support us, including Hercule Van Wolfwinkle whose fundraising and awareness raising is invaluable.

Also, throughout this year, the Business Development Team secured £1.7m through grants and trusts. These applications were doubly challenging, not only due to the cost of living crisis but also because the Charity has expanded to meet the increased need in our community. As our growth and turnover increased above £5m, this can limit the scope of grants and trusts open to our application.

Income from the Business Development Team not only ensured our existing services continued to support as many clients as possible, but also led to the development of new services, including Roffey Place, and the Lived Experience and Trauma Informed Navigators previously mentioned.

Overall, and encouragingly, the number of supporters has increased even though the level of financial giving has decreased. Generating solidarity and goodwill is a crucial part of our work. Indeed, while the need to raise funds is urgent, our community-based activities and campaigns are also directly linked to the mission of the Charity - to challenge the stigma and systems which feed into homelessness and instead foster positive change within our communities to reduce homelessness.

On this note, the year also saw some impactful work to raise awareness of homelessness in a number of forums. Our Communications Team successfully engaged regional and national media to tell a range of stories, including: our 30<sup>th</sup> Anniversary and the need to protect our frontline services; outreach work and our double-decker Mobile Community Hub; Roffey Place and its unique role in Sussex; and some broader awareness raising around the specific challenges of homelessness in rural areas. The work of Turning Tides featured as 'best practice' examples in ground-breaking research published this year by the Universities of Kent and Southampton. The research explored underfunded and underreported nature of rural homelessness alongside other key challenges in rural settings. Turning Tides subsequently secured coverage in widespread national publicity to support this story and we are now part of a Rural Homelessness Counts Coalition working to create a change in policy and approach to this little-known issue.

**KPIs**

	2020-2021	2021-2022	2022-2023	% Increase or Decrease (21/22 – 22/23)
<b><i>Pathways out of homelessness:</i></b>				
Total clients supported	841	883	938	+6%
Total new clients supported	459	351	372	+6%
Average length of rough sleeping of new clients (in weeks)	5.8	6.6	4.5	-32%
Number of people rough sleeping at end of Q4 (restated)	16	28	34	+21%
Number of new clients taking up high support residencies with Turning Tides	118	125	177	+42%
Average length of stay in high support projects (in weeks)	29.3	25.5	25.6	0%
Total high support move-ons	107	133	147	+11%
% planned high support departures	66%	62%	62%	0%
Safeguarding alerts	22	20	7	-65%
<b><i>Accommodation:</i></b>				
Total high support units of accommodation (restated)	91	92	100	+9%
Total medium and low support units of accommodation (restated)	110	115	114	-1%
% Occupancy high support accommodation (restated)	94.8%	94.4%	89.9%	-5%
% Occupancy medium and low support accommodation (restated)	89.4%	82.5%	86.9%	+5%
<b><i>HR:</i></b>				
Voluntary staff turnover (restated)	14.9%	29.8%	15.2%	-49%
Staff sickness total average % working days lost	3.2%	6.4%	3.8%	-41%
<b><i>Health and Safety &amp; Maintenance</i></b>				
Health and Safety compliance	97%	99%	97%	-2%

% Targeted response time achieved of emergency maintenance tasks (days) – target of 1 day	Data not available	100%	100%	0%
% Targeted response time achieved of urgent maintenance tasks (days) – target of 7 days	Data not available	88%	89%	+1%
% Targeted response time achieved of routine maintenance tasks (days) – target of 28 days	Data not available	65%	84%	+29%

### Commentary on KPI's

There has been positive progress on pathways out of homelessness with a reduction by 32% to 4.5 weeks for the average length of stay on the streets. There was an increase ease of 42% of placements into our high support residential projects. However, overall numbers rough sleeping have increased by 21% over the previous 12 months. This reflects wider increases in homelessness levels in the system and means scale of task facing the Charity has also increased.

We have not made progress to improve planned departures from high support and remains at 66%. We have a strict definition of planned departures and most unplanned departure clients are supported into other accommodation. Only 5% of the departures led to a return to rough sleeping. The lack of progress is against a backdrop of high levels of staff turnover, closure of Lyndhurst Road mid-year and disruption to training through Covid period. These are now stabilised and with ongoing efforts to become more trauma informed we are working hard to improve this rate.

The main reason for reduction in Safeguarding alerts is we have more rigorous approach through our Social Worker to refer cases where an alert is properly justified. Key to our safeguarding approach is to follow through any referral and be clear the difference we are seeking to achieve with an alert. We monitor incidents and have seen a reduction from 525 to 381 over the year.

There is a very pleasing 51% reduction in staff turnover to 15.2% and so met target of 15% we set ourselves. We were affected as wider labour market by post Covid staff churn; so this is a good result and brings us within sector averages. We had target to reduce staff sickness from 5.1% to 3.5%. We made good progress against this at 3.5%

Health and Safety performance remains very high. The Quality Reviews introduced will help strengthen our Health and Safety practice and test accuracy of our compliance reporting. We are at 100% for gas safety checks.

Our maintenance response times are strong at 100% for emergency tasks and 89% for urgent. Routine tasks have improved from 65% to 84%. We have a stable and well led Maintenance Team who have capability to continue this improvement.

### Future Plans

Our core strategy remains to follow the four ambitions set in 2019 (please refer to page 6). The financial health and security of the Charity is a priority. With current levels of funding, it is a major challenge to make ends meet each year. This challenge increases with funding uncertainty and the increasing need for our services as more people fall into homelessness. Short term funding (and lack of Housing Related Support commissioned income, in particular) is an issue for us and also the wider homelessness sector.

A Board/Management Strategy Day was held in June 2023. This provided a detailed review of risks and how we can ensure a robust Business Plan which maintains reasonable reserve levels and manages fluctuating income and retention/development of missional services.

We will continue with our plans to register as a Housing Association. This will allow access to capital funding for new, better buildings and renew our older housing stock to meet longer term sustainability targets (such as net zero by 2050). Longer term this will place us in a stronger position to apply for revenue funding for new supported housing schemes. In recent years the Government has shown preference to invest rough support capital/revenue in registered providers.

Pending our Housing Association application, we are very grateful to Worthing Homes to develop two supported housing schemes on our behalf. Skywaves is a 21 studio-flat high-support scheme and hub, due to open end of 2025 and Clifton Road is a 13 studio-flat low-to-medium move-on supported housing scheme, which will open end of 2024. We are exploring other property opportunities.

Our Business Development Strategy will also seek to ensure services are sustainable and key risks identified at the earliest opportunity and mitigated against.

We have worked hard to bring our existing housing stock up to a good standard and meet Decent Homes Standards. We will have the results of an independent 30-year stock condition survey by Autumn 2023 to inform our asset management plans, and in particular how we will meet the sustainability standards.

Supporting and investing in our dedicated teams will also be paramount. In 2023/24 we will commence an employee engagement survey.

Plans are also underway for a full roll out of a Quality Framework and Quality Review across all Operational Teams, with an emphasis on safety, compliance and best practice.

## **Principal Risks and Uncertainties**

Turning Tides has a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks we may face, prioritising them in terms of potential impact and likelihood of occurrence, and identifying the means of mitigating each potential risk. This analysis forms the Risk Map. The Risk Map is reviewed on a regular basis by relevant members of the Management Team and the Board of Trustees. The Board of Trustees have responsibility for ensuring risks are identified and appropriate mitigations are in place, as required by the Risk Action Plans.

Turning Tides recognise the role of robust KPIs and Organisational Plan together with the Risk Map in mitigating risk. The Terms of Reference of the Finance Committee (a subcommittee of the Board of Trustees) were broadened to a Finance and Audit Committee, to include the detailed review of the KPIs, Organisational Plan and Risk Map on a quarterly basis.

The Charity actively reviews its key risks and how these can be mitigated. Significant risks are shown in the table below:

Risk	Risk Action Plan	Net Risk
Failure to maintain consistent staffing levels of good quality due to inability to attract and retain high quality staffing.	The HR strategy has included new recruitment initiatives, learning and development programmes, salary reviews and well-being activities. These measures have led to lower staff turnover and vacancy rates.	
Reduction in service capacity/organizational wellbeing due to ineffectual financial performance.	A Financial Improvement Plan was actioned and has led to break even future budgets based on current levels of funding.	
Loss of financial donations/grants cost of living crisis/austerity	Detailed business development plan created to closely match short term funded roles with when income required. Good successes on applications. Good media coverage for fundraising leading to healthy donations levels.	
Organisational instability due to lack of succession planning of key positions.	Succession planning is being built into workforce planning reviews.	

## Financial Review

During 2022/23 Financial Year Turning Tides made a small management accounting deficit of £47k which is £234k better than budgeted deficit of £281k. Overall, operational activities broadly broke even which was in line with budget. In a year of significant change, there was careful management of activity and expenditure with an effective Financial Improvement Plan to reduce overhead costs and targeted prioritisation which included moving resources between planned maintenance and the significant building work required to open the new project at Roffey Place.

Roffey represents the vast bulk of the £430k of fixed asset additions during the year and the associated reduction in cash levels.

The following table shows the reconciliation between statutory accounts and management accounting financial performance.

Reconciliation	2022	2023
	£k	£k
Management accounts surplus/(deficit):	77	(47)
West Hill, Ravenscourt Trust and other smaller fund movements	(115)	(67)
Net statutory (deficit) before transfers	(38)	(114)

The Charity strives to make efficient use of its resources and has achieved an average occupancy level (including maintenance voids) of 88.3% (2022 = 87.1%). Bad debts were 1.6% (2022 = 1.6%) of rent due against a target of 2.5%.

### **Reserves Policy and Going Concern**

The Charity aims to match income and expenditure year to year while maintaining a suitable level of cash reserves. Having a Reserves Policy helps inform the way in which a charity manages its cash, liquid assets and debt. Free Reserves are defined to be cash held in current, deposit or fixed term investments that are not already specifically committed or designated to a particular purpose or expense.

Reserves should be consistent with ongoing activities and financial commitments such that reductions in and/or loss of income streams do not have an immediate adverse impact on clients or staff. This is particularly crucial for Turning Tides as much of our funding from commissioners and trusts is short term. This can sometimes produce an environment where we are empowered to support people for all too brief a period, and then have to close a project. Consequently, we strive for reserves which enable us to commit to services longer term and bring lasting change to the lives of clients.

Cash reserves also provide vital funding which allows us to 1) respond in an agile manner to increased need and 2) trial and deliver interventions wider systems have failed to put in place.

The Reserves Policy contributes significantly to the Board's ability to balance the needs of current and future clients, to provide supporters and stakeholders with assurances the Charity is well managed and it has, where appropriate, a strategy for building up reserves. The Reserves Policy also assists when planning and explaining our mission to supporters and stakeholders, and in particular how it is vital for us to retain resources, focus and energy. This is because our mission is not simply to maintain the delivery of our current support services – we also need to innovate, grow and develop services, systems and partnerships that can actually contribute towards the ending of local homelessness.

In setting the appropriate level of Reserves the Trustees have considered the following:

- Forecast cashflow (taking into account the reliability of each source of income and the commitments associated with each source of expenditure)
- Risk and likely changes in the main sources of income / expenditure
- Existing restricted and designated reserves along with expenditure plans / timescales
- Future income streams with an assessment of their reliability
- Committed expenditure and how far this is controllable
- The assessment of how to cope with changes in the main sources of income
- Likely effects on the beneficiaries resulting from significant changes to income/cost
- New opportunities not in Business Plan
- The level of fixed assets, borrowing and loan repayment risk.

Using the policy described above Trustees, in collaboration with the Chief Executive and Head of Finance, have agreed the following thresholds:

	£
<b>Minimum reserves level</b>	
Sudden loss of funding for one project	£200k
General loss of funding in one year	£300k
New opportunities not in Business Plan	£250k
<b>Total</b>	<b>£750k</b>
<b>Maximum reserves level</b>	
Double the minimum reserves level (being approximately 3 months operating costs)	<b>£1,500k</b>

If reserves fall, or are forecast to fall, below the minimum level agreed, the Trustees will work with the Chief Executive and Senior Management Team to agree plans and drive actions which will replenish reserves to above that minimum.

Conversely, if reserves rise above the maximum level agreed the Trustees will work with the Chief Executive and Senior Management Team to ensure excess is explicitly considered and included within future plans to further the Charity's aims such that, over a defined period, reserves are brought back within the agreed range.

At the year end, total funds were £6,725k (2022: £6,839k). Free reserves (cash less restricted and designated reserves which are unrelated to Fixed Assets) amounted to £1,041k (2022 £1,552k) which falls comfortably within the agreed range.

Ravenscourt restricted funds are being utilised to fund a specific revenue expense over the following 10-15 years. Restricted funds received from Adur Furniture Network will be utilised if/when an appropriate opportunity with long term, sustainable benefit is identified.

Our accounts also show a designated fund associated with our property in East Grinstead (West Hill) which has been used to help improve the building and support services offered to clients in the local area. The remaining funds are likely to be utilised fully during 2023-24 to refurbish the property fully.

## **Structure, Governance and Management**

Turning Tides is a registered Charity. Turning Tides is registered as a company limited by guarantee. Trustee members are also Directors of the Company.

The governing documents of the Charity are its Memorandum and Articles of Association. The latter was updated in line with good practice in 2020.

There are currently 10 Trustees out of a maximum possible 15. With regard to recruitment of Trustees, when a vacancy occurs the Board will take the opportunity to review the skills matrix of Trustees in order to identify skill sets that would strengthen the Board's overall effectiveness. In addition, consideration is given as to whether there is a need for any specific community or stakeholder group that needs to be represented by a new Trustee.

The Board and its Sub-Committees will also conduct regular performance reviews and skills audit of trustees/members. In October 2022 it conducted a Board Effectiveness Review. This found the Board was broadly working well but would benefit from more lived experience and diverse membership.

Positions are advertised widely, and Trustee recruitment will encourage a diversity in applications and that lived experience is valued. Applicants undergo a structured interview process. There is also client involvement in the interview process. The Board operates an equal opportunities recruitment policy.

Induction information covering the role and responsibilities of Trustees are provided to the Trustees and governance updates are provided as and when appropriate.

Trustees are all volunteers and receive no remuneration.

Trustees are required to disclose all relevant interests and register them with the Chief Executive and withdraw from any decision-making process where there is a conflict of interest.

The Board of Trustees is the governing body of Turning Tides and is responsible for all its activities and affairs. The operational running of the Charity is delegated to the Chief Executive and the Senior Management Team.

The Board meets as a full Board at least 4 times a year. The Charity benefits from 2 sub committees which have been established to overview key areas of activity. Each sub-committee has clear terms of reference.

- The Finance and Audit Committee meets monthly
- The Remuneration Committee meets 2-3 times a year.

These sub committees report to the main Board at each main Board meeting. The Remuneration Committee is tasked with reviewing the salaries of the Chief Executive and the Senior Management Team. The Committee reviews the relative size of the roles and receives information on market comparisons through two comprehensive surveys of local charity sector pay.

## **Public Benefit Statement**

Turning Tide's charitable objects are the relief of poverty through the provision of accommodation and advice to those who find themselves homeless or at risk of homelessness. The services are provided across West Sussex.

As a Charity with a Christian background and ethos Turning Tides provide services to any adult member of the general public regardless of whether they have a personal faith in any religion or denomination, or have none.

Turning Tides asks for no membership fees from individuals in order to benefit from assistance.

## Trustees' Responsibilities Statement

The Trustees (who are also the Directors of Turning Tides Homelessness for the purposes of Company Law) are responsible for preparing the Trustees' Report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of Information to auditors

Each individual Trustee, at the time when this Trustees' Report is approved, has confirmed:

- so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustee has taken all the steps that ought to have been taken as a Trustee to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Approved by order of the members of the Board of Trustees on 14<sup>th</sup> July 2023  
and signed on their behalf by:



Ian Mintram  
Chair



Timothy Cooper  
Chair of Finance & Audit Committee

### **Opinion**

We have audited the financial statements of Turning Tides Homelessness (the 'charitable company') for the year ended 31st March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (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 31st March 2023 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 Auditors' 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 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 trustees' 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 charitable company'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 trustees with respect to going concern are described in the relevant sections of this report.

### **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 Report of the Independent Auditors 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 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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 Report of the Trustees.

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.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims;
- enquiry of entity's staff to identify any instances of non-compliance with laws and regulations;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- auditing the risk of management override of controls including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

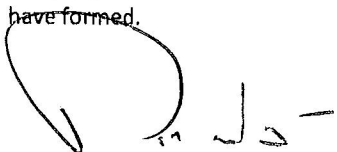
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Members of  
Turning Tides Homelessness**

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**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 auditors' 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.



Paul Wright FCA DChA (Senior Statutory Auditor)  
for and on behalf of Sheen Stickland  
Chartered Accountants  
Statutory Auditors  
7 East Pallant  
Chichester  
West Sussex  
PO19 1TR

Date: 14<sup>th</sup> July 2023

## Turning Tides Homelessness

### Statement of Financial Activities for the Year Ended 31st March 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	555,511	-	555,511	702,323
<b>Charitable activities</b>					
Byron, Manor, Lyndhurst and Roffey	5	1,344,864	50,000	1,394,864	1,496,778
Recovery Services		915,481	-	915,481	728,916
Move on Housing		1,447,245	-	1,447,245	1,286,537
Homelessness Services		1,354,146	167,708	1,521,854	1,276,008
Central		6,723	-	6,723	9,686
Fundraising events		122,512	-	122,512	131,040
Investment income	4	3,495	-	3,495	1,565
<b>Total</b>		<u>5,750,831</u>	<u>217,708</u>	<u>5,968,539</u>	<u>5,632,854</u>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Byron, Manor, Lyndhurst and Roffey	6	1,413,684	50,000	1,463,684	1,210,170
Recovery Services		716,107	28,838	744,945	644,021
Move on Housing		1,036,464	-	1,036,464	1,293,863
Homelessness Services		1,182,397	167,708	1,350,105	1,242,694
Central		1,036,243	-	1,036,243	776,276
Fundraising		262,369	-	262,369	250,954
Donated Goods & Volunteering		189,096	-	189,096	252,869
<b>Total</b>		<u>5,836,360</u>	<u>246,546</u>	<u>6,082,906</u>	<u>5,670,847</u>
<b>NET (EXPENDITURE)</b>		(85,529)	(28,838)	(114,367)	(37,993)
Transfers between funds	18	900	(900)	-	-
<b>Net movement in funds</b>		(84,629)	(29,738)	(114,367)	(37,993)
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		5,426,770	1,412,519	6,839,289	6,877,282
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>5,342,141</u>	<u>1,382,781</u>	<u>6,724,922</u>	<u>6,839,289</u>

The notes form part of these financial statements

Turning Tides Homelessness

Balance Sheet  
31st March 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	11	4,286,520	1,155,000	5,441,520	5,178,510
<b>CURRENT ASSETS</b>					
Debtors	12	596,890	-	596,890	426,358
Investments	13	128	-	128	128
Cash at bank and in hand		<u>1,069,766</u>	<u>227,781</u>	<u>1,297,547</u>	<u>1,875,181</u>
		1,666,784	227,781	1,894,565	2,301,667
<b>CREDITORS</b>					
Amounts falling due within one year	14	(469,555)	-	(469,555)	(570,235)
<b>NET CURRENT ASSETS</b>					
		<u>1,197,229</u>	<u>227,781</u>	<u>1,425,010</u>	<u>1,731,432</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		5,483,749	1,382,781	6,866,530	6,909,942
<b>CREDITORS</b>					
Amounts falling due after more than one year	15	(141,608)	-	(141,608)	(70,653)
<b>NET ASSETS</b>					
		<u>5,342,141</u>	<u>1,382,781</u>	<u>6,724,922</u>	<u>6,839,289</u>
<b>FUNDS</b>					
Unrestricted funds	18			5,342,141	5,426,770
Restricted funds				<u>1,382,781</u>	<u>1,412,519</u>
<b>TOTAL FUNDS</b>					
				<u>6,724,922</u>	<u>6,839,289</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 14<sup>th</sup> July 2023 and were signed on its behalf by:



.....  
Ian Mintram - Trustee



.....  
Timothy Cooper - Trustee

The notes form part of these financial statements

**Turning Tides Homelessness****Cash Flow Statement  
for the Year Ended 31st March 2023**

	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(128,338)	176,344
Interest paid		-	(135)
Net cash (used in)/provided by operating activities		<u>(128,338)</u>	<u>176,209</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(430,246)	-
Sale of tangible fixed assets		-	210,000
Interest received		<u>3,495</u>	<u>1,565</u>
Net cash (used in)/provided by investing activities		<u>(426,751)</u>	<u>211,565</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		<u>(22,545)</u>	<u>(23,113)</u>
Net cash used in financing activities		<u>(22,545)</u>	<u>(23,113)</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
Cash and cash equivalents at the beginning of the reporting period		<u>1,875,181</u>	<u>1,510,520</u>
Cash and cash equivalents at the end of the reporting period		<u>1,297,547</u>	<u>1,875,181</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement  
for the Year Ended 31st March 2023

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES	2023	2022	
	£	£	
<b>Net expenditure for the reporting period (as per the Statement of Financial Activities)</b>	(114,367)	(37,993)	
<b>Adjustments for:</b>			
Depreciation charges	167,236	124,107	
Interest received	(3,495)	(1,565)	
Interest paid	-	135	
(Increase) in debtors	(170,532)	(224,963)	
(Decrease)/increase in creditors	<u>(7,180)</u>	<u>316,623</u>	
<b>Net cash (used in)/provided by operations</b>	<u>(128,338)</u>	<u>176,344</u>	
2. ANALYSIS OF CHANGES IN NET FUNDS			
	At 1.4.22	Cash flow	At 31.3.23
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<u>1,875,181</u>	<u>(577,634)</u>	<u>1,297,547</u>
	<u>1,875,181</u>	<u>(577,634)</u>	<u>1,297,547</u>
<b>Liquid resources</b>			
Deposits included in cash	-	-	-
Current asset investments	<u>128</u>	<u>-</u>	<u>128</u>
	<u>128</u>	<u>-</u>	<u>128</u>
<b>Debt</b>			
Debts falling due within 1 year	(23,113)	(800)	(23,913)
Debts falling due after 1 year	<u>(70,653)</u>	<u>23,345</u>	<u>(47,308)</u>
	<u>(93,766)</u>	<u>22,545</u>	<u>(71,221)</u>
<b>Total</b>	<u>1,781,543</u>	<u>(555,089)</u>	<u>1,226,454</u>

The notes form part of these financial statements

**1. GENERAL INFORMATION**

The company is a private company, limited by guarantee, incorporated in England and Wales within the United Kingdom. In the event of the company being wound up, the liability in respect of guarantee is limited to £10 per member of the company.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Critical accounting judgements and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

Depreciation and useful economic life of properties - this requires an estimation of the useful economic lives of properties (which are based on surveyors' reports when available) and an estimate of land apportionment at each site.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the charity, can be reliably measured.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gifts in kind are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

**2. ACCOUNTING POLICIES - continued**

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of direct staff cost at each project.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs. All expenditure is inclusive of irrecoverable VAT.

**Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**Tangible fixed assets**

The charity only capitalises major capital expenditure relating to the construction or extensive refurbishment of property and the purchase of vehicles.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Freehold land	- not depreciated
Option to Buy	- 2.5% straight line
Motor vehicles	- 25% straight line
Building improvements to leasehold properties	- the shorter of the duration of the lease or 33.3% straight line

2. ACCOUNTING POLICIES - continued

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Investments**

Asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

**Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Cash bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risk specific to the liability. The unwinding discount is recognised in the Statement of Financial Activities as a finance cost.

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Notes to the Financial Statements - continued  
for the Year Ended 31st March 2023

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	421,838	613,619
Legacies	126,253	63,736
Grants	<u>7,420</u>	<u>24,968</u>
	<u>555,511</u>	<u>702,323</u>

Grants received, included in the above, are as follows:

	2023	2022
	£	£
Government grants	<u>7,420</u>	<u>24,968</u>

4. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	<u>3,495</u>	<u>1,565</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Byron, Manor, Lyndhurst and Roffey £	Recovery Services £	Move on Housing £	Homelessness Services £
Housing Benefit	996,720	518,663	1,279,649	-
Housing Support Services	223,632	350,998	-	7,300
Service Charge	48,138	44,170	99,199	-
Grants	123,388	1,000	64,597	1,404,639
Fundraising Events	-	-	-	-
Charitable Trusts	<u>2,986</u>	<u>650</u>	<u>3,800</u>	<u>109,915</u>
	<u>1,394,864</u>	<u>915,481</u>	<u>1,447,245</u>	<u>1,521,854</u>

	Central £	Fundraising £	2023 Total activities £	2022 Total activities £
Housing Benefit	-	-	2,795,032	2,625,529
Housing Support Services	-	-	581,930	495,692
Service Charge	-	-	191,507	196,243
Grants	6,723	-	1,600,347	1,360,958
Fundraising Events	-	122,512	122,512	131,040
Charitable Trusts	<u>-</u>	<u>-</u>	<u>117,351</u>	<u>119,504</u>
	<u>6,723</u>	<u>122,512</u>	<u>5,408,679</u>	<u>4,928,966</u>

Notes to the Financial Statements - continued  
for the Year Ended 31st March 2023

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 7) £	2023 Totals £	2022 Totals £
Byron, Manor and Lyndhurst and Roffey	1,401,507	62,177	1,463,684	1,210,170
Recovery Services	718,517	26,428	744,945	644,021
Move on Housing	1,000,039	36,425	1,036,464	1,293,863
Homelessness Services	1,290,245	59,860	1,350,105	1,242,694
Central	1,029,170	7,073	1,036,243	776,276
Donations, Legacies and Fundraising Events	248,082	14,287	262,369	250,954
Donated Goods & Volunteering	<u>181,991</u>	<u>7,105</u>	<u>189,096</u>	<u>252,869</u>
	<u>5,869,551</u>	<u>213,355</u>	<u>6,082,906</u>	<u>5,670,847</u>

7. SUPPORT COSTS

	Management £	Governance costs £	2023 costs £	2022 Totals £
Byron, Manor, Lyndhurst and Roffey	40,324	21,853	62,177	76,097
Recovery Services	20,131	6,297	26,428	44,007
Move on Housing	21,706	14,719	36,425	46,964
Homelessness Services	48,427	11,433	59,860	90,334
Central	7,073	-	7,073	23,807
Donations, Legacies and Fundraising Events	8,964	5,323	14,287	26,006
Donated Goods & Volunteering	<u>5,839</u>	<u>1,266</u>	<u>7,105</u>	<u>10,976</u>
	<u>152,464</u>	<u>60,891</u>	<u>213,355</u>	<u>318,191</u>

Included in governance costs is auditor's remuneration of £12,000 (2022: £10,800).

Notes to the Financial Statements - continued  
for the Year Ended 31st March 2023

**8. NET (EXPENDITURE)**

Net (expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation - owned assets	<u>167,236</u>	<u>124,107</u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st March 2023 nor for the year ended 31st March 2022.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31st March 2023 nor for the year ended 31st March 2022.

**10. STAFF COSTS**

	2023	2022
	£	£
Wages and salaries	3,630,327	3,279,117
Social security costs	331,277	279,301
Other pension costs	<u>81,439</u>	<u>73,258</u>
	<u>4,043,043</u>	<u>3,631,676</u>

The average monthly number of employees during the year was as follows:

	2023	2022
Total	<u>157</u>	<u>155</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
£60,001 - £70,000	<u>1</u>	<u>1</u>

Remuneration and benefits received by key management personnel amounted to £127,567 (2022: £119,606).

Notes to the Financial Statements - continued  
for the Year Ended 31st March 2023**11. TANGIBLE FIXED ASSETS**

	Freehold property £	Land £	Improvements to property £	Motor vehicles £	Totals £
<b>COST</b>					
At 1st April 2022	5,318,347	977,124	256,703	98,413	6,650,587
Additions	-	-	381,308	48,938	430,246
Disposals	-	-	(256,703)	-	(256,703)
At 31st March 2023	<u>5,318,347</u>	<u>977,124</u>	<u>381,308</u>	<u>147,351</u>	<u>6,824,130</u>
<b>DEPRECIATION</b>					
At 1st April 2022	1,165,671	-	256,703	49,703	1,472,077
Charge for year	104,173	-	34,500	28,563	167,236
Eliminated on disposal	-	-	(256,703)	-	(256,703)
At 31st March 2023	<u>1,269,844</u>	<u>-</u>	<u>34,500</u>	<u>78,266</u>	<u>1,382,610</u>
<b>NET BOOK VALUE</b>					
At 31st March 2023	<u>4,048,503</u>	<u>977,124</u>	<u>346,808</u>	<u>69,085</u>	<u>5,441,520</u>
At 31st March 2022	<u>4,152,676</u>	<u>977,124</u>	<u>-</u>	<u>48,710</u>	<u>5,178,510</u>

Included in cost or valuation of land and buildings is freehold land of £977,124 (2022 - £977,124) which is not depreciated.

The properties at West Hill Grinstead, being numbers 20, 22 and 24 are held at valuation at the date that the properties were transferred to the charity.

**12. DEBTORS**

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	279,426	150,635
Other debtors	13,702	7,750
Prepayments and accrued income	<u>109,512</u>	<u>68,473</u>
	<u>402,640</u>	<u>226,858</u>
Amounts falling due after more than one year:		
Other debtors	<u>194,250</u>	<u>199,500</u>
Aggregate amounts	<u>596,890</u>	<u>426,358</u>

The lease premium held on Burgess Hill was surrendered and replaced with a management agreement giving the charity the right to manage the property for a period of up to 40 years for a maximum of £210,000. This will be amortised within the statement of financial activities across the 40 year period.

Notes to the Financial Statements - continued  
for the Year Ended 31st March 2023

13. CURRENT ASSET INVESTMENTS

	2023	2022
	£	£
Listed investments	<u>128</u>	<u>128</u>

The market value of listed investments at 31 March 2023 was £128 (2022: £128).

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 16)	23,913	23,113
Trade creditors	73,221	101,644
Social security and other taxes	-	70,315
Other creditors	21,129	14,550
Accruals and deferred income	<u>351,292</u>	<u>360,613</u>
	<u>469,555</u>	<u>570,235</u>

Deferred income arises from grants received in the financial year that also relate to subsequent financial years. At 31 March 2023 total deferred income was £274,209 (2022: £251,517).

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Bank loans (see note 16)	47,308	70,653
Accruals and deferred income	<u>94,300</u>	<u>-</u>
	<u>141,608</u>	<u>70,653</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>23,913</u>	<u>23,113</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>47,308</u>	<u>70,653</u>

The bank loan is a commercial mortgage. The commercial mortgage is secured by way of a fixed legal charge dated 22 September 2006 over the freehold property known as 14-16 Selden Road, Worthing, West Sussex, BN11 2LL. The bank loan is repayable over a 20 year term at an interest rate of 1.25% above base rate.

Notes to the Financial Statements - continued  
for the Year Ended 31st March 2023

## 17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2022
	£	£
Within one year	127,458	106,998
Between one and five years	<u>183,943</u>	<u>63,917</u>
	<u>311,401</u>	<u>170,915</u>

## 18. MOVEMENT IN FUNDS

	At 1.4.22	Net movement in funds	Transfers between funds	At 31.3.23
	£	£	£	£
<b>Unrestricted funds</b>				
General fund	5,363,184	(50,913)	900	5,313,171
Designated fund - West Hill, East Grinstead	56,140	(34,616)	-	21,524
Designated fund - PRS and Personalisation Budget	<u>7,446</u>	-	-	<u>7,446</u>
	5,426,770	(85,529)	900	5,342,141
<b>Restricted funds</b>				
WSSC PHE Capital Funding Scheme	1,155,000	-	-	1,155,000
Adur Furniture Network	154,387	-	-	154,387
Dr Chesters Charity	900	-	(900)	-
Ravenscourt	<u>102,232</u>	<u>(28,838)</u>	-	<u>73,394</u>
	<u>1,412,519</u>	<u>(28,838)</u>	<u>(900)</u>	<u>1,382,781</u>
<b>TOTAL FUNDS</b>	<u>6,839,289</u>	<u>(114,367)</u>	<u>-</u>	<u>6,724,922</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
<b>Unrestricted funds</b>			
General fund	5,750,831	(5,801,744)	(50,913)
Designated fund - West Hill, East Grinstead	-	(34,616)	(34,616)
	5,750,831	(5,836,360)	(85,529)
<b>Restricted funds</b>			
The Big Lottery funding	167,708	(167,708)	-
Ravenscourt	-	(28,838)	(28,838)
Nationwide Community Grants	<u>50,000</u>	<u>(50,000)</u>	-
	<u>217,708</u>	<u>(246,546)</u>	<u>(28,838)</u>
<b>TOTAL FUNDS</b>	<u>5,968,539</u>	<u>(6,082,906)</u>	<u>(114,367)</u>

Notes to the Financial Statements - continued  
for the Year Ended 31st March 2023

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
<b>Unrestricted funds</b>				
General fund	4,924,880	83,504	354,800	5,363,184
Designated fund - West Hill, East Grinstead	147,873	(91,733)	-	56,140
Designated fund - PRS and Personalisation Budget	10,687	(3,241)	-	7,446
Other general funds	186,000	-	(186,000)	-
	<u>5,269,440</u>	<u>(11,470)</u>	<u>168,800</u>	<u>5,426,770</u>
<b>Restricted funds</b>				
WSSC PHE Capital Funding Scheme	1,155,000	-	-	1,155,000
YMCA	120,000	-	(120,000)	-
Albert Hunt Trust	5,000	(5,000)	-	-
Worthing Borough Council	48,000	-	(48,000)	-
Adur Furniture Network	154,387	-	-	154,387
Dr Chesters Charity	800	900	(800)	900
Ravenscourt	124,655	(22,423)	-	102,232
	<u>1,607,842</u>	<u>(26,523)</u>	<u>(168,800)</u>	<u>1,412,519</u>
<b>TOTAL FUNDS</b>	<u>6,877,282</u>	<u>(37,993)</u>	<u>-</u>	<u>6,839,289</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	5,424,620	(5,341,116)	83,504
Designated fund - West Hill, East Grinstead	-	(91,733)	(91,733)
Designated fund - PRS and Personalisation Budget	-	(3,241)	(3,241)
	<u>5,424,620</u>	<u>(5,436,090)</u>	<u>(11,470)</u>
<b>Restricted funds</b>			
Albert Hunt Trust	-	(5,000)	(5,000)
The Big Lottery funding	205,334	(205,334)	-
Dr Chesters Charity	900	-	900
Ravenscourt	-	(22,423)	(22,423)
Bus Fund	2,000	(2,000)	-
	<u>208,234</u>	<u>(234,757)</u>	<u>(26,523)</u>
<b>TOTAL FUNDS</b>	<u>5,632,854</u>	<u>(5,670,847)</u>	<u>(37,993)</u>

Notes to the Financial Statements - continued  
for the Year Ended 31st March 2023

## 18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
<b>Unrestricted funds</b>				
General fund	4,924,880	32,591	355,700	5,313,171
Designated fund - West Hill, East Grinstead	147,873	(126,349)	-	21,524
Designated fund - PRS and Personalisation Budget	10,687	(3,241)	-	7,446
Other general funds	<u>186,000</u>	<u>-</u>	<u>(186,000)</u>	<u>-</u>
	5,269,440	(96,999)	169,700	5,342,141
<b>Restricted funds</b>				
WSCC PHE Capital Funding Scheme	1,155,000	-	-	1,155,000
YMCA	120,000	-	(120,000)	-
Albert Hunt Trust	5,000	(5,000)	-	-
Worthing Borough Council	48,000	-	(48,000)	-
Adur Furniture Network	154,387	-	-	154,387
Dr Chesters Charity	800	900	(1,700)	-
Ravenscourt	<u>124,655</u>	<u>(51,261)</u>	<u>-</u>	<u>73,394</u>
	<u>1,607,842</u>	<u>(55,361)</u>	<u>(169,700)</u>	<u>1,382,781</u>
<b>TOTAL FUNDS</b>	<u>6,877,282</u>	<u>(152,360)</u>	<u>-</u>	<u>6,724,922</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	11,175,451	(11,142,860)	32,591
Designated fund - West Hill, East Grinstead	-	(126,349)	(126,349)
Designated fund - PRS and Personalisation Budget	<u>-</u>	<u>(3,241)</u>	<u>(3,241)</u>
	11,175,451	(11,272,450)	(96,999)
<b>Restricted funds</b>			
Albert Hunt Trust	-	(5,000)	(5,000)
The Big Lottery funding	373,042	(373,042)	-
Dr Chesters Charity	900	-	900
Ravenscourt	-	(51,261)	(51,261)
Bus Fund	2,000	(2,000)	-
Nationwide Community Grants	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>
	<u>425,942</u>	<u>(481,303)</u>	<u>(55,361)</u>
<b>TOTAL FUNDS</b>	<u>11,601,393</u>	<u>(11,753,753)</u>	<u>(152,360)</u>

**18. MOVEMENT IN FUNDS - continued**

**Designated Funds**

**West Hill**

Following the acquisition of the Richard Housing Association the charity has decided to designate the value of cash held and the investments at the date of transfer, together with an amount equal to the Social Housing Grant, for the use in relation to West Hill, East Grinstead.

**PRS and Personalisation Budget**

Funding relating to Private Rented Sector and Personalisation retained for the continuation of our work in these areas.

**Restricted funds**

**WSCC PHE Capital Funding Scheme**

West Sussex County Council Public Health England Capital Funding - To assist in the purchase of properties in Littlehampton and Horsham for clients to live in a shared abstinence based environment.

**YMCA Downslink Group**

Provision of capital funding for the conversion of a property to shared accommodation.

**Albert Hunt Trust**

To provide funding for a Substance Misuse Social Work Co-ordinator at the Recovery project.

**The Big Lottery fund**

Funding has been received for the Reaching Communities programme at St Clare's Community Hub and for the Littlehampton Community Hub.

**Worthing Borough Council**

Empty Homes Grant Funding - to assist with the refurbishment of a property in Worthing for clients to live in shared accommodation.

**Adur Furniture Network**

The Adur Furniture Network Fund shall be used by the charity to support low income Adur residents to sustain their independence and ensure suitable housing.

**Dr Chester's Charity**

The Trustees shall apply the income of the charity in relieving either generally or individually persons resident in Borough of Worthing who are in conditions of need, hardship or distress by making grants of money or providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons.

**Ravenscourt**

To enable group working within the Worthing Recovery Project through the refurbishment of a group working space and the employment of a dedicated Group Worker.

**Nationwide Community grants**

A grant received to fund the development of a trauma informed accommodation service at Roffey Place.

**19. CONTINGENT LIABILITIES**

In the event of the disposal of the property at West Hill, East Grinstead, there may be a requirement to repay the value of the Social Housing Grant, being £186,000, which was awarded to the charity on purchase of the property.

**20. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31st March 2023.