TRUSTEES' REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 DECEMBER 2016

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CONTENTS

	PAGE
CHARITY & COMPANY INFORMATION	2
TRUSTEES' REPORT	3
INDEPENDENT AUDITORS' REPORT	11
STATEMENT OF FINANCIAL ACTIVITIES	13
BALANCE SHEET	14
STATEMENT OF CASH FLOWS	15
NOTES TO THE FINANCIAL STATEMENTS	16

CHARITY AND COMPANY INFORMATION

Trustees/Directors	Roydon Loveley (Chair)	Paul Johnson
	Mark Adams	Mathew Neville (resigned 22nd Feb 2017)
	Kirstie Cook	Simon Holley
	Stephen Wilson	
Company Secretary	David Holt	
Chief Executive	Simon Dwight	
Charity number	1139956	
Company number	07433621	
Registered office	King's House 245 Ampthill Road Bedford MK42 9AZ	
Statutory Auditors	Mazars LLP The Pinnacle, 160, Midsummer Boulevard, Milton Keynes, MK9 1FF	
Business address	King's House 254 Ampthill Road Bedford, MK42 9AZ	
Solicitors	**HCB** Park Woodfine LLP 1 Lurke Street Bedford, MK40 3TN	
Bankers	Unity Trust Bank Plc Nine Brindleyplace Birmingham B1 2HB	

TRUSTEES' REPORT

INTRODUCTION

The Trustees of the King's Arms Project (Bedford) present herewith their annual report, together with the financial statements of the charitable company for the year 1st January 2016 to 31st December 2016.

King's Arms Project (Bedford) is a social action project working with the homeless and rootless in Bedfordshire. The Project operates two residential houses: a Nightshelter and the Barton House hostel and various other services as described later in the report.

Formerly part of the King's Arms Trust (Bedford) the Project was established as a new charitable company in 2011. A majority of the Trustees/Directors of the King's Arms Project (Bedford) are common to the King's Arms Trust (Bedford).

The King's Arms Project (Bedford) is an independent third party. In the opinion of the Trustees, the Project has a separate and independent Board of Trustees, independent executive management, is responsible for its own strategy and direction, and prepares its own budgets and finances. Board and Management meetings are held separately and minutes are recorded independently. All transactions between the two parties are at arm's length.

PRINCIPAL OBJECTIVES

The Charity's objects ("Objects") for the public benefit are:

a) to relieve financial hardship particularly but not exclusively among the homeless or those at risk of homelessness and to promote and preserve good health by the provision of funds, goods or services of any kind including through the provision of accommodation and support to achieve and maintain independent living meaningful occupation economic independence and to become contributing members of the community in Bedford and in such other parts of the United Kingdom or the world as the Trustees from time to time may think fit and to fulfil such other purposes which are exclusively charitable according to the law of England and Wales and are connected with the charitable work of the Charity.

b) to advance the Christian faith in accordance with the Evangelical Alliance Statement of Beliefs in Bedford and in such other parts of the United Kingdom or the world as the Trustees may from time to time think fit.

LEGAL AND ADMINISTRATIVE INFORMATION

The King's Arms Project (Bedford) is a charitable company limited by guarantee (Company No. 7433621), incorporated on 9th November 2010 and registered as a charity on 20th January 2011 (Charity No. 1139956).

The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association. It commenced operating on the 1st March 2011.

Established in 1989, the Project operated as part of the King's Arms Trust (Bedford), from 1st January 2007 to 28th February 2011. The Trust is also a charitable company limited by guarantee (Company No.5899019 and Charity No. 1116359) and was originally established as 'The King's Arms Trust', an unincorporated charity no. 1044098 from 1st January 1995 to 31st December 2006.

TRUSTEES AND LEADERSHIP

The Trustees/Directors of the King's Arms Project (Bedford) comprise four Elders of the King's Arms Church as well as four others with expertise in the fields of business, education and social welfare. Trustees are appointed by the Elders, with the approval of the other Trustees. The Trustees met three times during 2016 and were regularly consulted and informed on matters of importance. The Trustees of the Project are as follows:

Roydon Loveley (Chair)	Mark Adams	Kirstie Cook
Paul Johnson	Simon Holley	Mathew Neville (resigned 22 Feb 2017)
Stephen Wilson		

In the year ended 31st December 2016 the Trustees had insurance cover up to the sum of £1 million. The cost of the insurance was £456 paid by the charitable company.

The day-to-day running of the Project is delegated by the Trustees to a Project Leadership Team comprising the Chief Executive Officer and three senior managers.

The report provides details of the activities of the Project and clearly demonstrates the public benefit provided in compliance with the Charities Act 2006, which came into force in early 2008.

FINANCIAL OVERVIEW

These accounts are prepared for 12 months of operations.

A summary of the income, expenditure and assets (£K) for 2015 and 2016 is shown below:

	2015	2016
Income	845.5	1084.6
Expenditure	838.6	1048.7
Balance	6.9	35.9
Assets	234.8	270.7

Income totalled £1084.6K in 2016, an increase of 28.3% compared with 2015. During 2016 there was a surplus of £35.9K (3.3%) compared with an £6.9K (0.8%) surplus in 2015. The assets are the equivalent of around 3 months of expenditure and a proportion are being retained for to help fund future growth as part of the development programme.

The Barton House hostel received additional support from central funds of £49.0K for the purposes of covering a shortfall in income due to lower than expected occupancy. This transfer of funds (see Note 5 P18) was approved by the Trustees and is in line with the objects and articles/purposes of the charity.

ACTIVITIES

Bedford has one of the highest incidences of rough sleeping in the UK outside of London and in an attempt to address this issue the King's Arms Project commenced work among the town's street-homeless in 1989 when a Residential House located in Clarendon Street, Bedford was established. The aim of each area of the Projects work is to enable the homeless to move towards sustainable independent living as contributing members of their local community. The support available aids people to a point of stability, leaving behind chaotic lifestyles and life controlling issues such as substance misuse and mental health problems, while helping them acquire essential life skills and achieve personal goals. Over the life of the Project the scope of the work undertaken has increased and the following services are now provided:

- **Friday Night Meeting** – a weekly community outreach for rough sleepers and those in need, providing signposting to other support services, alongside hot meals and friendship. Between 35 - 65 people regularly attend each session.

- **Nightshelter** – 18-bed direct-access overnight accommodation to which individual rough sleepers can self-refer. Approx. 6,500 bed spaces are offered per annum together with visiting support from outside agencies, a weekly free 'surgery' provided by a local GP and regular dentist visits.

- **Barton House** – a 14-bed hostel providing supported accommodation for between 30 – 40 residents per year (most of whom stay between 6 and 12 months). During their stay residents also have keyworker support and learn basic life skills together with domestic disciplines essential for a successful progression to independent living.

- **Hub & Spoke Service**: The service provides support in the following areas: Sustaining independent accommodation; Maximising and maintaining income; Accessing specialist support and mainstream services; Accessing meaningful daytime activities; Personal safety and security.
  The Hub (opened in July 2016) provides short-term accommodation for up to 4 months. Personalised support is provided and can continue for up to 4 months after moving into independent accommodation. The Hub received 26 referrals in 2016 and has an 80% positive move on rate.
  The Spoke - (Floating Support Service) is available to those who are able to, or already, live in independent accommodation within the community.

- **Rough Sleepers Outreach Service** – involving a dedicated support worker (with a caseload of 12 - 15) engaging with a wide range of street homeless clients and helping them to access services, support and accommodation.

- **Pathways to Employment** - (formerly Meaningful Activities Programme). 2016 saw the programme go from strength to strength, preparing clients for work and obtaining work placements and training opportunities – this has proved extremely successful with over 11 clients on voluntary work placements and a further 11 in paid employment. In total over 700 places were provided on training programmes during the year.

- **Move-On Housing** – is designed for individuals who are actively seeking paid employment and independent accommodation. The model has proved to be very popular - we received 43 referrals last year for the 6 available spaces, which makes expanding the model to meet the need a necessity. Our outcomes have also been excellent as 70% of our clients gained meaningful employment and sustained their new jobs due to the low rental charge. Two properties are currently operational and a third 3-bedroom property opened in Spring 2017.

- **Refugee Support** – 2016 saw the growth of our Refugee Support work through an agreement with Central Bedfordshire Council to provide support for Syrian Refugees arriving in their jurisdiction under the Home Office Resettlement Scheme. In 2016 we worked with 3 Syrian families and expect a further 6 families to arrive in 2017.

The excellent work undertaken by the Project has been recognised both within Bedford and the UK with different awards and accolades being gained in recent years. In 2016 the King's Arms Project won Premier Radio's Love Britain + Ireland Award. We regularly have the privilege of hosting visitors from this country and abroad and enjoy the support of interns from the UK and overseas. This has resulted in other similar projects being established in the UK and overseas.

HIGHLIGHTS 2016

Key achievements in 2016 have been as follows:

- Starting work with Syrian Refugee Families – with 3 families arriving in 2016 and 6 further families expected in 2017.
- Winning Premier Radio's Love Britain + Ireland Award. With over 600 entries the King's Arms Project was selected as the Overall Winner.
- Opening of the Hub and Spoke service which offers short term accommodation to vulnerable people who find themselves homeless for the first time. This is a pilot programme being supported by Bedford Borough Council.
- Successfully obtaining funding to begin working with rough sleepers who have no recourse to public funds.
- Continued success of Move-On Housing

FUTURE PLANS

In light of the stability and success of our core services, together with that of our lower-support Move-On Housing and Pathways to Employment Programmes, combined with the rising demand for our services, the Trustees agree the following:

- To continue with our development of low support accommodation, providing homeless people with a stepping stone to successfully obtaining and maintaining their own independent tenancy. Research has shown the viability of this model and in 2017 we will continue to acquire suitable three/four bed properties on a rental basis as we develop this initiative. Further accommodation providing specialised support may be introduced in the future.
- Due to the termination of the contract for our Barton House hostel in October 2017, we plan to transition Barton House into a lower support Move-On House. Although Move-On Housing is in high demand, this building is slightly larger than our other Move-On Houses so thus we will closely monitor its success and provide slightly more support to the clients to ensure it creates a safe and positive atmosphere.
- To continue building relationships with local businesses willing to offer work experience placements to homeless clients. The Pathways to Employment continues to prove successful, employment being an excellent route out of poverty for those able to engage.

- To continue to develop effective courses and mentoring which enables clients to be 'work ready'.
- To expand our Rough Sleeper Outreach Work particularly to those who do not speak English.
- To expand Pathways to Employment to include a client mentoring service specifically targeting Prison Leavers.
- To research and develop additional support services working in partnership with the local council and other service providers to further tackle the rise of rough sleeping.
- To continue to explore opportunities to provide support for the resettlement of Syrian refugees under both the Home Office Vulnerable Persons Resettlement Programme and Community Sponsorship.

PUBLIC BENEFIT

All of the activities of the Project as described in this report are available to, and for the benefit of, the public in both the local and wider community in Bedford and beyond. The Trustees are aware of the Charity Commission's guidance on public benefit and believe that the Project fully complies with these requirements.

TRUSTEE INDUCTION AND TRAINING

The Trustees are also directors of the company. As mentioned earlier, Trustees are appointed with the approval of the other Trustees in accordance with the Memorandum and Articles of Association. Without exception, new Trustees are already familiar with the work of the Project as they are committed members of the King's Arms Church.

Prior to their appointment new Trustees will meet with the Chair of the Trustees to review:

- The roles and responsibilities of a Trustee.
- The main documents which set out the operational framework for the charity including the Memorandum and Articles of Association.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.
- The Trustee Induction Procedure and Trustee Job Description.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Kings Arms Project for the purposes of company law) are responsible for preparing the Trustees' Annual 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards 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 charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

GOVERNANCE

In addition to the oversight provided by the Trustees, principally via their meetings generally held three times a year, the management and oversight of all governance issues of the Project is provided by a Finance Team which usually meets monthly. A Governance Advisory Team consisting of experts in specific fields, meets as and when necessary to discuss and advise the trustees on issues relating to the Governance of the Project. The Finance Team consists of the Chair of Trustees, the Chief Executive, and Finance Officer of the Project and others from the King's Arms Project (Bedford).

Monthly management accounts for the Project are generated by the Finance Officer, showing actual income and expenditure against the agreed budget in number of categories. These are reviewed at the Finance Team meetings.

REMUNERATION POLICY

The pay policy for all staff is reviewed annually and new posts are benchmarked against pay levels in equivalent posts in other organisations.

RESERVES

The policy on reserves, agreed by the Directors/Trustees, is that the Project seeks to maintain reserves of three months' expenditure. Reserves are at this level at the year end.

INVESTMENT POLICY

Reserve funds are placed in higher interest accounts with Virgin Money, the Charities Aid Foundation and a number of other UK banks. The interest rates on offer by UK banks and building societies are reviewed on a regular basis and monies moved to gain the best rates. We also seek to ensure that no more than £85K is held in any one bank in order that funds are protected under the Financial Services Compensation Scheme.

RISK MANAGEMENT

The major financial risks, as recognised by the Directors/Trustees, are as follows:

The Nightshelter, Barton House hostel and Rough Sleepers Outreach work are funded by the government's Supporting People programme. The main risk is a major change to the rules and/or levels of government funding by Housing Benefit and Supporting People. In order to mitigate this risk other models of working are being pursued. (See Future Plans – P6).

The Project has an established regular donor base of 37 (2015:34) individuals who provide approximately £27.4K (2015: £28.3K) per annum mostly through regular standing orders. During 2016 the level of income from sources other than Housing Benefit and Supporting People was approximately 33% (up from 26% in 2015) and it is planned to increase this percentage over 2017 and in subsequent years.

The Supporting People contracts for Barton House and Rough Sleepers Outreach Service are due to end in October 2017. However, we have been informed by Bedford Borough Council that the Rough Sleepers Outreach Service contract is likely to be extended further and linked to the Nightshelter contract which is due to expire in 2019 (with an option to extend until 2021).

The ending of the contracts for Barton House will result in a decrease of income into central office. However, Barton House has required significant investment from unrestricted funds over recent years. With this burden relieved and the planned expansion of other King's Arms Project services, the losses will be minimised.

Our Pathways to Employment Programme remains largely grant funded with a significant grant ending in October 2017. However, we have successfully applied to a number of grant makers to fill some of this gap and with the excellent results produced by the programme it continues to be an attractive area to funders.

We continue to explore diversifying funding sources, seeking to maintain an increased emphasis on non-statutory funding streams.

In 2016 around £300K of income was received in grants and donations. This was a significant increase compared to the £190K received in 2015. However, in 2017 we are seeking £374K, of which £130K has already been received at the start of 2017. Generating this level of income is a major challenge but we have identified a significant number of funding opportunities and are confident that the funding targets will be achieved.

POLICIES AND PROCEDURES

Because of the nature of its work with vulnerable adults the Project has established a wide range of policies and procedures, which are reviewed on a regular basis. The key policies are as follows:

SOVA Policy & Procedure	DBS Policy and Procedure	Health & Safety Policy
Data Protection Policy	Equal Opportunities Policy	Finance Policy
Environmental Policy		

AUDITORS

The auditors, Mazars LLP who have signified their willingness to act on the Project's behalf, were appointed to the Project for a further year at a meeting of the Trustees on February 22nd 2017.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

We, the directors of the company who held office at the date of approval of these Financial Statements, as set out above, each confirm so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Trustees have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Trustees on

9 June 2017

and signed on their behalf:

Roydon Loveley, Chair of Trustees

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KINGS ARMS PROJECT (BEDFORD) 2016

We have audited the financial statements of the King's Arms Project (Bedford) for the year ended 31 December 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102, "The Financial Reporting Standard in the UK and Republic of Ireland".

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2016 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 Companies Act 2006.

OPINION ON OTHER MATTER 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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

Stephen Brown (Senior Statutory Auditor)

For and on behalf of Mazars LLP

The Pinnacle,

160, Midsummer Boulevard,

Milton Keynes, MK9 1FF

Date 12 June 2017

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2016

INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

	Notes	Unrestricted funds year ended 31/12/16	Restricted funds year ended 31/12/16	Total funds year ended 31/12/2016	Total funds year ended 31/12/2015
Incoming Resources		**£**	**£**	**£**	**£**
Incoming resources from generated funds					
Voluntary income					
Donations		74,211	56,135	130,346	50,473
Other income/fundraising		8,249	-	8,249	19,127
Investment income		1,159	-	1,159	1,422
Incoming resources from charitable activities					
Rent & Housing Benefit received		-	306,685	306,685	290,761
Supporting People		-	419,330	419,330	364,632
Refugee work – Central Beds		-	43,318	43,318	-
Grants received		51,853	123,678	175,531	119,073
Total incoming resources	2	**135,472**	**949,146**	**1,084,618**	**845,488**
Resources expended					
Cost of raising funds		58,730	-	58,730	35,353
Charitable activities					
Nightshelter		-	371,227	371,227	377,518
Barton House		-	296,860	296,860	308,160
Rough Sleepers		-	34,491	34,491	29,493
Pathways-to-Employment (Meaningful Activities)		-	90,382	90,382	48,469
Friday Night Meeting		-	10,929	10,929	9,390
Move On Housing		-	40,345	40,345	28,769
Refugee Fund		-	6,213	6,213	1,433
Refugee Work - Central Beds		-	49,142	49,142	-
HUB		-	90,214	90,214	-
No Recourse Worker		-	144	144	-
Total resources expended	3	**58,730**	**989,947**	**1,048,677**	**838,585**
Net movement in funds	6	76,742	(40,801)	35,941	6,903
Balance brought forward		169,957	64,814	234,771	227,868
Transfers between funds		(89,628)	89,628	-	-
Balances carried forward		**157,071**	**113,641**	**270,712**	**234,771**

The charity's incoming resources and resources expended all relate to continuing operations. The charity has no recognised gains or losses other than those included above. The notes on pages 16 to 24 form part of these accounts.

BALANCE SHEET AS AT 31 DECEMBER 2016

	Notes		2016 £		2015 £
Fixed assets					
Tangible assets	6		45,329		29,122
Current assets					
Debtors	7	44,270		27,752	
Cash and cash equivalents	8	263,102		253,032	
Total current assets			307,372		280,784
Creditors falling due within one year	9		(81,989)		(75,135)
Net current assets			225,383		**205,649**
Net assets			**270,712**		**234,771**
Funds	10				
Unrestricted funds			157,071		169,957
Restricted funds			113,641		64,814
Total funds			**270,712**		**234,771**

The notes on pages 16 to 24 form part of these accounts.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved and authorised for issue by the Trustees on and signed on their behalf.

R. Loveley
Trustee

S. Wilson
Trustee

STATEMENT OF CASH FLOWS AT 31 DECEMBER 2016

	2016 £	2015 £
Cash flows from operating activities:		
Net incoming resources	35,941	6,903
Depreciation	13,887	10,177
Loss/(Surplus) on sale of fixed assets	1,747	661
Interest received	(1,159)	(1,422)
Trade and other receivables	(16,518)	(9,516)
Short term investments	18,928	(1,369)
Trade and other payables	6,854	(15,936)
Net cash inflow/(outflow) from operating activities	59,680	(10,502)
Cash flows from investing activities		
Purchase of fixed assets	(31,841)	(26,173)
Interest received	1,159	1,422
Net increase in cash & cash equivalents	28,998	(35,253)
Opening cash and cash equivalents	90,177	125,430
Net increase in cash and cash equivalents	28,998	(35,253)
Net increase in cash & cash equivalents	119,175	90,177

The notes on pages 16 to 24 form part of these accounts.

ACCOUNTING POLICIES

LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee registered in England and Wales and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantees is limited to £10 per company member of the charity.
The financial statements are presented in sterling, which is also the functional currency of the charity.

1.1 Accounting convention and basis of preparation

The financial statements have been prepared under the historical cost convention on a going concern basis, and in accordance with applicable accounting standards.

In preparing the financial statements the charity follows best practice as set out in the Statement of Recommended Practice: 'Accounting and Reporting by Charities' (SORP), the Financial Reporting Standard applicable in the United Kingdom and Ireland (FRS102) and the Charities and Companies Acts.

The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability the company to continue as a going concern.

1.2 Transition to FRS102

The transition date to FRS102 was 1 January 2014. No restatement of items has been required in making the transition to FRS 102.

1.3 Incoming resources

Income arising from the occupancy of the Nightshelter, Barton House, Moving-on Housing and HUB is credited to the relevant restricted fund.

Tax credits (gift-aid) are included in the financial statements on an accruals basis as recommended by the Statement of Recommended Practice. This means that tax credits are taken into account in the period in which the originating donation was made.

Income from grants is recognised in the year that it is received unless the donor specifies otherwise or the grant is given to cover service provision in more than one financial year. In such cases the income is deferred.

Rents receivable are credited to the relevant restricted fund based on the total due for the current year.

Legacies are recognised when receipt is probable and the amount can be reliably measured.

1.4 Intangible income and voluntary assistance

Voluntary assistance to the charitable company was provided by over 160 (2015: 100) volunteers giving approx. 7,300 hours of service in 2016 (2015: 8,900) - the reduction in hours is accounted for by fewer interns deployed across the Project in 2016. Volunteers and interns provided assistance to the King's Arms Project including shifts at the Nightshelter and Barton House, purchasing and preparing food for the Friday Night Meeting as well as mentoring for staff and clients.

Intangible income is provided by donors of food and clothing for the homeless which is not evaluated in the financial statements. Stocks of consumables have also not been evaluated.

1.5 Allocation of costs

Costs are allocated directly to funds whenever applicable. Indirect costs are allocated from Project administration to the restricted funds based on staff hours worked in each Project area.

Staff costs represent direct charges as well as any Project administration salaries and are allocated on the same basis.

ACCOUNTING POLICIES (CONTINUED)

1.6 Pension costs

The pension costs charged in the financial statements represent the contributions payable by the charitable company during the year.

1.7 Operating leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

1.8 Tangible fixed assets and depreciation

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

Fixtures and fittings	20% straight line
Motor vehicles	20% straight line

1.9 Cash and Cash equivalents

Cash and cash equivalents are 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.

1.10 Financial Instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction values and subsequently measured at their settlement value.

Debtors:

Debtors are recognised on the accruals basis at the settlement amount due. Prepayments are valued at the amount prepaid and accrued income is valued at the best estimate of expected receipts.

Cash and cash equivalents:

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

Creditors:

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount.

1.11 Restricted and unrestricted funds

Unrestricted funds are funds given for the general purposes of the charitable company and these funds may be expended on the objects of the charitable company at the discretion of the Trustees.

Restricted funds are those funds that have been given for a specific purpose and they must only be expended on that purpose.

Unrestricted reserves include a legacy of £56,000 which was received in 2009. Whilst this is included in unrestricted reserves, the trustees are planning to use this legacy for a significant future development project.

There is an over-arching fund for King's Arms Project administration. This fund receives donations for general expenditure on any aspect of the work of the Charity. Within these criteria, the Trustees have discretion as to which restricted fund the funds will be applied to.

ACCOUNTING POLICIES (CONTINUED)

1.10 Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The key estimates and assumptions made in these accounts are the allocation of central support costs which are allocated on a basis using an estimated time and effort percentage.

2 Total incoming resources

Restricted income	Donations & Legacies	Rent & Housing Benefit	Supporting People	Refugee services income	Grants	Other Income & fundraising	Investment income	Year ending 31.12.16 Total	Year ending 31.12.15 Total
	£	£	£		£	£	£	£	£
Nightshelter	1,038	153,829	199,233	-	17,161	-	-	371,261	368,273
Barton House	-	105,801	135,634	-	6,450	-	-	247,885	243,450
Rough Sleepers	-	-	30,764	-	4,503	-	-	35,267	31,980
Pathways to Employment (Meaningful Activities)	15,130	-	-	-	58,477	-	-	73,607	39,300
Friday Night Meeting	10	-	-	-	11,516	-	-	11,526	5,698
Move On Housing	5,722	28,950	-	-	19,571	-	-	54,243	31,234
Refugee Fund	33,735	-	-	-	-	-	-	33,735	333
Refugee Work – Central Beds	-	-	-	43,318	6,000		-	49,318	-
HUB	500	18,105	53,699		-	-	-	72,304	-
No Recourse Worker	-	-	-		-	-	-	-	-
Total Restricted income	**56,135**	**306,685**	**419,330**	**43,318**	**123,678**	**-**	**-**	**949,146**	**720,268**
Unrestricted income									
King's Arms Project	74,211	-	-	-	51,853	8,249	1,159	135,472	125,220
Total	**130,346**	**306,685**	**419,330**	**43,318**	**175,531**	**8,249**	**1,159**	**1,084,618**	**845,488**

3 Direct charitable expenditure

	Staff Costs £	Direct Costs £	Indirect Costs £	Depreciation £	Year ending 31.12.16 Total £	Year ending 31.12.15 Total £
Nightshelter	253,994	112,033	375	4,825	371,227	377,518
Barton House	211,249	78,476	1372	5,763	296,860	308,160
Rough Sleepers	28,371	6,120	-	-	34,491	29,493
Pathways to Employment (Meaningful Activities)	67,440	22,814	-	128	90,382	48,469
Friday Night Meeting	4,359	6,570	-	-	10,929	9,390
Move on Housing	15,317	23,673	-	1,355	40,345	28,769
Refugee	-	6,213	-	-	6,213	1,433
Refugee Work – Central Beds	24,855	22,587	-	1,700	49,142	-
HUB	41,163	48,995	-	56	90,214	-
No Recourse Worker	-	84	-	60	144	-
Sub-total	**646,748**	**327,565**	**1,747**	**13,887**	**989,947**	**803,232**
Fundraising & Publicity	52,706	6,024	-	-	58,730	35,353
Total	**699,454**	**333,589**	**1,747**	**13,887**	**1,048,677**	**838,585**

Included in direct costs is auditors' remuneration of £3,500 (2015: £3,500) plus VAT.

Fundraising and publicity costs relate mainly to staff working to secure grants and funding from a variety of organisations and grant-making trusts as well as organising fundraising events during the year.

4 Employee information

	2016 £	2015 £
Salaries	609,635	522,190
Social security costs	45,559	36,849
Pension	44,260	34,889
Total	**699,454**	**593,928**

The average number of persons employed during the year was 37. This includes part-time and temporary staff.

	2016	2015
Management & administration	8	5
Nightshelter	12	16
Barton House	7	11
Rough Sleeper	1	1
Pathways to Employment (Meaningful Activities)	4	2
Refugee worker	1	
HUB	1	
Fundraisers	2	1
Move on housing	1	1
TOTAL	**37**	**37**
Total Full Time equivalents	**33.5**	**26.9**

4 Employee information (continued)

No employee received remuneration of more than £60,000. Trustee remuneration is in accordance with the Memorandum & Articles of the Trust for services provided to the Trust.

Remuneration of key management personnel for the year ended 31 December 2016 comprising the CEO, HR Manager, Operations Manager, PTE Manager totalled £136,046 (2015: 3 posts £100,412).

Trustee expenses reimbursed to Trustees during 2016 totalled £nil (2015: £nil).

5 Movement in funds

	Opening balance	Income	Expenditure	Transfers	Closing balance 2016
	£	£	£	£	£
Unrestricted funds					
King's Arms Project	169,957	135,472	(58,730)	(89,628)	157,071
Restricted funds					
Nightshelter	56,153	371,261	(371,227)	-	56,187
Barton House	-	247,885	(296,860)	48,975	-
Rough Sleeper	6,196	35,267	(34,491)	-	6,972
Pathways to Employment (Meaningful Activities)	-	73,607	(90,382)	16,775	-
Friday Night Meeting	-	11,526	(10,929)	-	597
Move on House	2,465	54,243	(40,345)	-	16,363
Refugee Fund	-	39,735	(6,213)	-	33,522
Refugee Work – Central Beds	-	43,318	(49,142)	5,824	-
HUB	-	72,304	(90,214)	17,910	-
No Recourse Worker	-	-	(144)	144	-
Total Restricted funds	**64,814**	**949,146**	**(989,947)**	**89,628**	**113,641**
Total movement in funds	**234,771**	**1,084,618**	**(1,048,677)**	**-**	**270,712**

For a description of individual restricted funds, please refer to the Trustee's Report.

The transfers from unrestricted funds represent the shortfall on the activities that are covered by the charity's unrestricted income.

6 Fixed Assets

	Fixtures & fittings	Motor vehicles	Total
Cost	**£**	**£**	**£**
As at 1st January 2016	**44,994**	**5,890**	**50,884**
Additions	16,861	14,980	31,841
Disposals	(7,400)	(5,890)	(13,290)
Cost at 31st December 2016	**54,455**	**14,980**	**69,435**
Depreciation			
As at 1st January 2016	**16,854**	**4,908**	**21,762**
Charge for the year	10,891	2,996	13,887
Eliminated on disposal	(6,635)	(4,908)	(11,543)
Depreciation at 31st December 2016	**21,110**	**2,996**	**24,106**
Net book value at 31st December 2016	**33,345**	**11,984**	**45,329**
Net book value at 31st December 2015	**28,140**	**982**	**29,122**

7 Debtors

	2016	2015
	£	£
Accrued income & prepayments	40,270	24,318
Tax credit (gift-aid)	4,000	3,434
Total debtors	**44,270**	**27,752**

8 Short term deposits and cash and cash equivalents

	2016	2015
	£	£
Accounts over 90 days	143,927	162,855
Bank accounts	119,175	90,177
Total Cash in Bank	**263,102**	**253,032**

9 Creditors falling due within one year

	2016	2015
	£	£
Deferred income	64,158	60,532
Creditors	13,630	9,867
Accrued expenses	4,200	4,736
Total creditors	**81,989**	**75,135**

Deferred income		**2015**
At 1st January 2016	60,532	64,351
Received during the year	64,158	60,532
Released to incoming resources for the year	(60,532)	(64,351)
At 31st December	**64,158**	**60,532**

10 Net assets held by funds

	Fixed assets	Debtors	Bank and cash	Creditors	Total
	£	£	£	£	£
Unrestricted funds					
King's Arms Project	18,305	8,321	137,214	(6,769)	157,071
Restricted funds					
Nightshelter	12,712	6,899	55,620	(19,044)	56,187
Barton House	9,403	15,522	(11,151)	(13,774)	-
Rough Sleeper	-	500	6,592	(120)	6,972
Pathway to Employment (Meaningful Activities)	514	503	24,415	(25,432)	-
Friday Night Meeting	-	1,755	(1,152)	(6)	597
Move On House	3,692	1,001	17,465	(5,795)	16,363
Refugee Fund	-	-	33,522	-	33,522
Central Beds Refugee Work	239	8,904	(5,654)	(3,489)	-
HUB	225	865	6,386	(7,476)	-
No Recourse Worker	239	-	(155)	(84)	-
Total	**45,329**	**44,270**	**263,102**	**(81,989)**	**270,712**

11 Financial commitments and contingent liabilities

At the year end the charitable company was committed to making the following payments under operating leases in the coming year:

	Property	Equipment	Total 2016	Total 2015
	£	£	£	£
Expiring within one year	101,426	3,024	104,450	45,124
Expiring within two to five years	86,762	4,780	91,542	21,992
Total	**188,188**	**7,804**	**195,993**	**67,117**

There were no contingent liabilities at the year end.

12 Pension costs

During the year defined contribution pension costs of £44,260 (2015: £34,889) were paid on behalf of 35 employees (2015: 35) to pension schemes administered independently of the charitable company. There were no pension liabilities outstanding at the year end.

13 Related Party Transactions

The King's Arms Project (Bedford) was previously part of the King's Arms Trust (Bedford) and shares some of the same Trustees (Directors).

During the period, rent, pensions and service charges of £87,725 (2015:£65,812) were paid to the King's Arms Trust (Bedford) for use of offices, conference and transportation facilities at King's House. This figure also includes the pension costs that are collected by the pension provider from KAT. There was an outstanding balance of £2,290 (2015: £196) due to the KAT at the year end.

During 2016, KAT gave a total of £43,109 (2015: £5,149) to Kings Arms Project. This consisted of gifts from the King's Arms Church and also repayments for services KAP provided to KAT. This includes an outstanding balance of £2,354 promised to KAP at the year end.

The Kings Arms Project (Bedford) shares a Trustee with the Catalyst Network of Churches. During the year £140 (20165 £60) was paid to Catalyst.

The Kings Arms Project (Bedford) also shares Trustees with Frequentsee Trust – during the period £nil (2015: £nil) was exchanged with Frequentsee Trust.

14 Prior Year Statement of Financial Activities

	Unrestricted funds year ended 31/12/15	Restricted funds year ended 31/12/15	Total funds year ended 31/12/2015
Incoming Resources	**£**	**£**	**£**
Incoming resources from generated funds			
Voluntary income			
Donations	46,538	3,935	50,473
Other income/fundraising	19,127	-	19,127
Investment income	1,422	-	1,422
Incoming resources from charitable activities			
Rent & Housing Benefit received	-	290,761	290,761
Supporting People	-	364,632	364,632
Grants received	58,133	60,940	119,073
Total incoming resources	**125,220**	**720,268**	**845,488**
Resources expended			
Cost of raising funds	35,353	-	35,353
Charitable activities			
Nightshelter	2,600	374,918	377,518
Barton House	2,100	306,060	308,160
Rough Sleepers	-	29,493	29,493
Meaningful Activities	-	48,469	48,469
Friday Night Meeting	-	9,390	9,390
Move On House	-	28,769	28,769
Refugee Fund	-	1,433	1,433
Total resources expended	**40,053**	**798,532**	**838,585**
Net movement in funds	85,167	(78,264)	6,903
Balance brought forward	156,486	71,382	227,868
Transfers between funds	(71,696)	71,696	-
Balances carried forward	**169,957**	**64,814**	**234,771**