TRUSTEES' REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 DECEMBER 2017

TUESDAY

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COMPANIES HOUSE

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CHARITY AND COMPANY INFORMATION

Trustees/Directors	*Roydon Loveley (Chair)*	*Mark Adams (resigned 11 Oct 2017)*
	Kirstie Cook	Simon Holley
	Paul Johnson	Matthew Neville (resigned 22 Feb 2017)
	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	
Business address	King's House 245 Ampthill Road Bedford, MK42 9AZ	
Statutory Auditor	Mazars LLP The Pinnacle, 160, Midsummer Boulevard, Milton Keynes, MK9 1FF	
Solicitor	HCB Park Woodfine LLP 1 Lurke Street Bedford, MK40 3TN	
Banker	Unity Trust Bank Plc Nine Brindleyplace Birmingham B1 2HB	

TRUSTEES' REPORT

INTRODUCTION

The Trustees of King's Arms Project (Bedford), (referred to hereafter as KAP), present herewith their annual report, together with the financial statements of the charitable company for the year 1st January 2017 to 31st December 2017.

KAP provides Outreach, Accommodation and Opportunity areas of service provision all specifically developed to help people out of poverty. These areas work together to provide joined up, person focused pathways out of homelessness. KAP has been operating in and around Bedford since 1989 and supports between 500 – 700 people every year.

Formerly part of the King's Arms Trust (Bedford), KAP was established as an independent charitable company in 2011. It has its own Board of Trustees and independent executive management, who are responsible for its strategy and direction.

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

KAP 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, KAP 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 KAP comprise four Elders of the King's Arms Church as well as one other employed by KAT. Trustees are appointed by the Elders, with the approval of the other Trustees. The Trustees met three times during 2017 and were regularly consulted and informed on matters of importance. The Trustees of KAP are as follows:

Roydon Loveley (Chair)	Mark Adams (resigned 10/2017)	Kirstie Cook
Paul Johnson	Simon Holley	Stephen Wilson

In the year ending 31st December 2017 the Trustees had insurance cover up to the sum of £1 million. The cost of the insurance was £522 paid by the charitable company.

The day-to-day running of KAP is delegated by the Trustees to a Project Leadership Team comprising the Chief Executive Officer, two Directors and Service Area Managers

The report provides details of the activities of KAP 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 and expenditure (£K) for 2016 and 2017 is shown below:

	2016	2017
Income	1,084.6	1,368.8
Expenditure	1,048.7	1,349.8
Profit/Loss	35.9	19.0

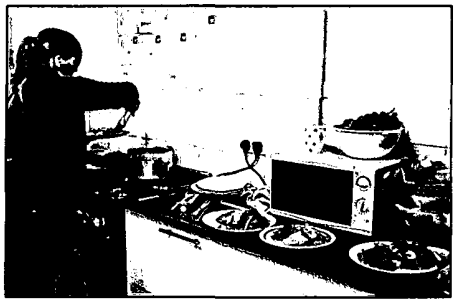
Income totalled £1,368.8K in 2017, an increase of 26.2% compared with 2016. During 2017 there was a surplus of £19.0K compared with a £35.9K surplus in 2016.

Included in the income is £55.7K raised in November and December 2017 towards the purchase of the Nightshelter Building in 2018, see Future Plans on page 8 for further details.

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 KAP 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 KAP 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 KAP the scope of the work undertaken has increased and the following services are now provided:

OUTREACH

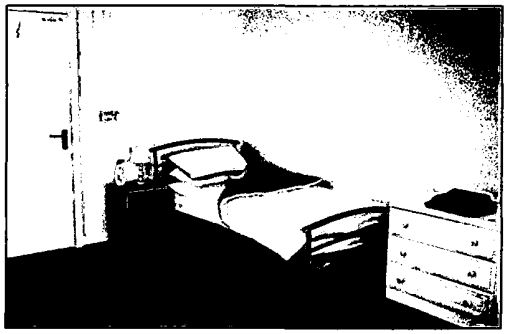


- **Friday Night Meeting** – a weekly community outreach for rough sleepers and those in need, providing signposting to other support services, alongside hot meals and friendship. Between 35 - 65 people regularly attend each session.

- **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.

- **Rough Sleepers Outreach Service** – This service works to support the homeless and disadvantaged in both Bedford and Milton Keynes and can support over 50 clients at any one time. Dedicated support workers engage with a wide range of street homeless clients including those with no recourse to public funds and help them to access services, support and accommodation.

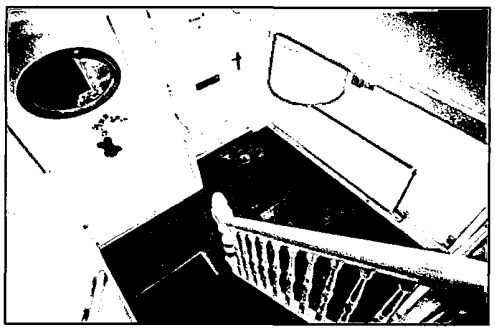
ACCOMODATION



- **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 key worker support and learn basic life skills together with domestic disciplines essential for a successful progression to independent living. **NOTE - This service will cease March 2018 due to the contract ending.**

- **Hub & Spoke Service** - The service provided 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) provided short-term accommodation for up to 4 months. Personalised support was also provided for up to 4 months after moving into independent accommodation. The Hub received 27 referrals in 2017 and had a 91% positive move on rate.
  The Spoke - (Floating Support Service) was available to those who are able to, or already, lived in independent accommodation within the community. **NOTE - This service ceased on 31 October 2017 due the local authority decision not to extend funding.**



- **Move-On Housing (MOH)**– is designed for individuals who are actively seeking paid employment and independent accommodation. The model has proved to be very popular with 58 referrals last year. Bed spaces available in January were 6 which by October grew to 14, which makes expanding the model to meet the need a necessity. MOH outcomes have also been excellent as 33% of our clients gained meaningful employment and sustained their new jobs due to the low rental charge. Four properties are currently operational with two further properties opening during 2018 offering a further 10 bed spaces.

- **Refugee Support** – 2017 saw continued 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 addition, KAP sponsor one family directly through charitable contributions. In 2017 KAP worked with 7 refugee families and expect further families to arrive in 2018.

OPPORTUNITY

- **Pathways to Employment** - 2017 saw the programme continue to go from strength to strength, preparing clients for work and obtaining work placements and training opportunities – this has proved extremely successful with 13 clients on voluntary work placements and a further 6 in paid employment. In 2017 the service was extended to specifically target prison leavers. In total 139 individuals attended courses with over 700 places provided on training programmes during the year.



- **ESOL (English for Speakers of Other Languages)** - 2017 saw the recruitment of a dedicated ESOL Tutor, employed to work with families and individuals in the development of their English language skills. KAP are currently working with 7 refugee families and expect to see the role broaden in 2018 to encompass clients from other areas of KAP.

The excellent work undertaken by KAP has been recognised both within Bedford and the UK and KAP often have the privilege of hosting visitors from around the country 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 2017

Key achievements in 2017 have been as follows:

- The growth of the refugee project, securing accommodation and support for a family by means of direct charitable donations. KAP became the first Community Sponsor of Refugees in the East of England, welcoming a family through this programme in November 2017.
- Continued success of Move-On Housing growing the service by the addition of 2 more houses providing 8 bed spaces. This service now provides 14 bed spaces in total.
- Successfully securing funding to open accommodation specifically to house people with no recourse to public funds.
- Running a successful fundraising campaign, with excellent support from the local community, toward the purchase of the Nightshelter building.
- Successfully partnering with other local charities to form the Rough Sleeper Partnership to increase the level of rough sleeper outreach provision across Bedford, Milton Keynes, Luton and Central Bedfordshire.
- The extending of Pathways to Employment to include a client mentoring service specifically targeting Prison Leavers.

- Our Pathways to Employment Programme receiving grant funding in October 2017 for a further 3 years.
- Launching a new website to improve awareness and provide resources to the local community to tackle rough sleeping (www.befordhomeless.org.uk).

FUTURE PLANS

KAP plan to build upon 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 have agreed 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 2018 KAP will continue to acquire suitable three/four bed properties on a rental basis as KAP this initiative develops. Further accommodation providing specialised support may be introduced in the future.
- Due to the termination of the contract for our Barton House hostel in March 2018 and, once the current need is fulfilled by other services in the town, KAP 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 KAP 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 purchase the building that the current Nightshelter service is run from. The funding will be sourced from donations, grants and a loan. This will secure the future of the service and enable KAP to develop the building to better meet the needs of the service.
- To continue to develop effective courses and mentoring which enables clients to be 'work ready'
- 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 refugees under both the Home Office Vulnerable Persons Resettlement Programme and Community Sponsorship.
- To increase the number of trustees in 2018, in order to replace Trustees that have stepped down and to broaden the diversity and skill set. Three prospective trustees have been 'sitting-in' on trustee meetings during 2017.

PUBLIC BENEFIT

All of the activities of KAP 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. Thus, the Trustees believe that KAP fully complies with the requirements of the Charities Act 2011 with respect to public benefit.

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 KAP as they are committed to the ethos of Kings 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 KAP 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 KAP is provided by a Finance Team which usually meets monthly. The Finance Team consists of the Chair of Trustees, the Chief Executive, and Finance Officer of KAP and others from KAP.

Monthly management accounts for KAP are generated by the Finance Officer, showing actual income and expenditure against the agreed budget in several 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 and external benchmark data.

RESERVES

The policy on reserves, agreed by the Directors/Trustees, is that KAP seeks to maintain reserves of three months' expenditure. Due to expenditure on service development during 2017 reserves currently stand at approx. 1.7 months' expenditure. Efforts will be made during 2018 to increase this figure. For the 2018 budget, a figure of £30K has been built into the fundraising target, that will go towards achieving the reserves policy.

INVESTMENT POLICY

Reserve funds are invested such that the total in any one bank/building society is ideally less than the £85K guarantee limit provided by the Financial Services Compensation Scheme (FSCS). In order to, wherever possible, stay below the limit accounts have been opened with Virgin Money Plc and CAF Bank Ltd. In addition, a near dormant account with the Co-op Bank is being utilized again. In the current uncertain financial climate and with interest rates being very low, priority is being given to protecting the reserves under FSCS rather than seeking to maximize interest.

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 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 – page 8).
- KAP has an established regular donor base of 38 (2016:37) individuals who provide approximately £32.4K (2016: £27.4K) per annum mostly through regular standing orders. During 2017 the level of income from sources other than Housing Benefit and Supporting People was approximately 31% (down from 33% in 2016). It is planned to increase this percentage over 2018 and in subsequent years.
- The Supporting People contracts for Barton House was due to end on October 2017 but following discussions with Bedford Borough Council, the funding of the service will continue through to March 2018. The Rough Sleepers Outreach Service was also due to end in October 2017, however, this service has now been extended 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 does mean a decrease of income into the central office. However, Barton House has also required significant investment from unrestricted funds. With this burden relieved and the planned expansion of other KAP services, the losses will be minimised.

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

POLICIES AND PROCEDURES

KAP works with some of the most vulnerable in society seeking to help people out of poverty and homelessness. In order to support the work undertaken, a wide range of policies and procedures have been developed to support and protect employees and those KAP work with. These are reviewed on a regular basis to ensure compliance with legislation and best practice. The policies include but are not limited to:

Safeguarding (Lone Working, DBS, Risk Management)

Data Protection

Equal Opportunities (Equality and Diversity)

Health & Safety

AUDITOR

The auditor, Mazars LLP who have signified their willingness to act on KAP's behalf, were appointed to KAP for a further year at a meeting of the Trustees on 7th February 2018.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR

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

29 March 2018

and signed on their behalf:

R Loveley

Roydon Loveley, Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING'S ARMS PROJECT (BEDFORD) 2017

OPINION

We have audited the financial statements of King's Arms Project (Bedford) (the 'charity') for the year ended 31 December 2017 which comprise of The Statement of Financial Activities, The Balance Sheet, The Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2017 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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.

USE OF THE AUDIT REPORT

This report is made solely to the 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 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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report (the Directors' Report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper 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 specific 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 businesses regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 9, 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

AUDITORS RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Vincent Marke

(Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

The Pinnacle
160 Midsummer boulevard
Milton Keynes
MK9 1FF

Date: 29/3/2018

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017

INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

	Notes	Unrestricted funds year ended 31/12/17	Restricted funds year ended 31/12/17	Total funds year ended 31/12/2017	Total funds year ended 31/12/2016
Incoming Resources		**£**	**£**	**£**	**£**
Incoming resources from generated funds					
Voluntary income					
Donations		84,875	6,137	91,012	130,346
Other income/fundraising		7,687	55,661	63,348	8,249
Investment income		458	-	458	1,159
		-	-	-	-
Incoming resources from charitable activities					
Rent & Housing Benefit			350,392	350,392	306,685
Supporting People			484,287	484,287	419,330
Other income from activities			161,553	161,553	43,318
Grants		24,735	193,034	217,769	175,531
Total incoming resources	2	**117,755**	**1,251,064**	**1,368,819**	**1,084,618**
Resources expended					
Cost of raising funds		60,518	-	60,518	58,730
Charitable activities					
Outreach		-	546,419	546,419	416,792
Accommodation		-	621,850	621,850	482,773
Opportunity		-	120,964	120,964	90,382
Total resources expended	3	**60,518**	**1,289,233**	**1,349,751**	**1,048,677**
Net movement in funds	5	57,238	(38,170)	19,068	35,941
Balance brought forward		157,071	113,641	270,712	234,771
Transfers between funds		(63,189)	63,189	-	-
Balances carried forward		**151,120**	**138,660**	**289,780**	**270,712**

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 18 to 26 form part of these accounts.

BALANCE SHEET AS AT 31 DECEMBER 2017

	Notes		2017 £		2016 £
Fixed assets					
Tangible assets	6		36,646		45,329
Current assets					
Debtors	7	124,610		44,270	
Short term deposits	8	72,756		143,927	
Cash and cash equivalents	8	125,413		119,175	
Total current assets			322,779		307,372
Creditors falling due within one year	9		(69,645)		(81,989)
Net current assets			253,134		225,383
Net assets			**289,780**		**270,712**
Funds	10				
Unrestricted funds			151,119		162,071
Restricted funds			138,661		108,641
Total funds			**289,780**		**270,712**

The notes on pages 18 to 26 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 29/03/18 and signed on their behalf.

R. Loveley
Trustee

S. Wilson
Trustee

STATEMENT OF CASH FLOWS AT 31 DECEMBER 2017

	2017 £	2016 £
Cash flows from operating activities:		
Net incoming resources	19,068	35,941
Depreciation	15,363	13,887
Loss/(Surplus) on sale of fixed assets	2,344	1,747
Interest received	(458)	(1,159)
Increase in debtors	(80,340)	(16,518)
Short term investments	71,171	18,928
(Decrease)/ Increase in creditors	(12,346)	6,854
Net cash inflow/(outflow) from operating activities	14,802	59,680
Cash flows from investing activities		
Purchase of fixed assets	(9,023)	(31,841)
Interest received	458	1,159
Net increase in cash & cash equivalents	6,237	28,998
Opening cash and cash equivalents	119,176	90,177
Net increase in cash and cash equivalents	6,237	28,998
Net increase in cash & cash equivalents	125,413	119,176

The notes on pages 18 to 26 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 are 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 doubts about the ability the company to continue as a going concern.

1.2 Incoming resources

Any income received 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.

1.3 Voluntary assistance and donated goods

Volunteers are key to the success of KAP and during 2017 there were over 77 (2016: 160) volunteers giving approx. 5,100 hours of service in 2017 (2016: 7,300) - the reduction in volunteers (and as such, hours) is a combination of efficiency measures across KAP reducing the volunteer need, improved recruitment processes reducing vacant role times and the increase of bank and agency staff to cover more skills roles.

Volunteers and interns provided assistance to KAP 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.

Donated goods includes food, clothes and consumables for the homeless.

Voluntary assistance and donated goods are not recognised in the financial statements as the amount cannot be measured accurately.

ACCOUNTING POLICIES (CONTINUED)

1.4 Allocation of costs

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

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

1.5 Pension costs

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

1.6 Operating leases

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

1.7 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%-33% straight line
Motor vehicles	20% straight line

1.8 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.

1.9 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 £56K 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.

ACCOUNTING POLICIES (CONTINUED)

There is an overarching fund for KAP 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.

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

In applying the company's accounting policies, the trustees are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The trustees 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 area of judgement in the accounts relates to voluntary assistance and donated goods - refer to note 1.3.

2 Total incoming resources

Restricted income	Donation & Legacies £	Rent & Housing Benefit £	Supporting People £	Grants £	Service Income £	Fundraising £	Investment income £	Year ending 31.12.17 Total £	Year ending 31.12.16 Total £
OUTREACH									
Rough Sleeper Outreach Worker	-	-	30,680	500	-	-	-	31,180	35,267
Rough Sleeper Partnership	-	-	-	-	21,708	-	-	21,708	-
No Recourse Worker	-	-	-	26,904	-	-	-	26,904	-
Friday Night Meeting	-	-	-	16,396	-	-	-	16,396	11,526
Nightshelter	2,614	170,002	198,689	31,700	-	-	-	403,005	371,261
Nightshelter Purchase	-	-	-	-	-	55,661	-	55,661	-
ACCOMMODATION									
Barton House	70	96,215	188,288	-	-	-	-	284,573	247,885
Move-On Housing	25	46,038	-	27,232	-	-	-	73,295	54,243
HUB	-	29,424	66,630	-	-	-	-	96,054	72,304
Refugee Work – Central Beds	-	-	-	-	139,845	-	-	139,845	49,318
Refugee Fund	3,428	8,713	-	-	-	-	-	12,141	33,735
OPPORTUNITY									
Pathways to Employment	-	-	-	90,302	-	-	-	90,302	73,607
Total Restricted income	**6,137**	**350,392**	**484,287**	**193,034**	**161,553**	**55,661**	-	**1,251,064**	949,145
Unrestricted income	84,875	-	-	24,735	-	7,687	458	117,755	135,472
Total	**91,012**	**350,392**	**484,287**	**217,769**	**161,553**	**63,348**	**458**	**1,368,819**	1,084,618

3 Direct charitable expenditure

	Staff Costs £	Direct Costs £	Indirect Costs £	Depreciation £	Year ending 31.12.17 Total £	Year ending 31.12.16 Total £
OUTREACH						
Rough Sleepers Outreach Worker	30,479	2,424	3,178	-	36,081	34,491
Rough Sleeper Partnership	25,471	1,804	4,768	-	32,043	
No Recourse Worker	23,790	875	3,178	100	27,943	144
Friday Night Meeting	9,907	6,714	477	-	17,098	10,929
Nightshelter	287,007	105,269	34,962	6,016	433,254	371,227
Nightshelter Purchase	-	-	-	-	-	-
ACCOMMODATION						
Barton House	209,292	64,404	22,249	8,528	304,473	296,860
Move-On Housing	31,945	29,435	6,357	2,524	70,261	40,345
HUB	53,586	19,267	6,357	225	79,435	90,218
Refugee Work – Central Beds	69,320	65,216	6,357	100	140,993	49,142
Refugee	-	26,688	-	-	26,688	6,213
OPPORTUNITY						
Pathways to Employment	92,880	14,521	13,349	214	120,964	90,382
TOTAL Restricted FUNDS	**833,677**	**336,617**	**101,232**	**17,707**	**1,289,233**	**989,947**
Fundraising & Publicity	55,202	5,316	-	-	60,518	58,730
Total Charitable expenditure	**888,879**	**341,933**	**101,232**	**17,707**	**1,349,751**	**1,048,677**

Included in direct costs is auditor's remuneration of £3,500 (2016: £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

	2017	2016
	£	£
Salaries	774,583	609,635
Social security costs	60,953	45,559
Pension	53,343	44,260
Total	**888,879**	**699,450**

The table below details how many Full Time Equivalent (FTE) roles are required for each project/service

	2017	2016
Management & administration	8	8
Fundraisers	2	2
OUTREACH		
Rough Sleeper	1	1
Rough Sleeper Partnership	2	
No Recourse Worker	1	
Nightshelter	12	12
ACCOMMODATION		
Barton House	8	7
Move-On Housing	2	1
HUB	2	1
Refugee worker	2	1
OPPORTUNITY		
Pathways to Employment	3	4
ESOL	1	
Total Employees	**44**	**37**
Total Full Time equivalents (FTE)	**38.2**	**33.5**

No employee received remuneration of more than £60K.

Trustee remuneration is in accordance with the Memorandum & Articles of the Trust for services provided to the Trust. Trustee remuneration 2017: £nil (2016: £nil). Expenses reimbursed to Trustees during 2017 totalled £nil (2016: £nil).
Remuneration of key management personnel for the year ended 31 December 2017 comprising the CEO, HR Manager, Outreach Manager, Accommodation Manager and Pathways to Employment Manager totalled £172,513 (2016:4 posts £136,046).

Redundancy costs in the year totalled £1,904 (2016: £nil). This was as a result of the closure of the Hub and Spoke Service.

5 Movement in funds

	Opening balance	Income	Expenditure	Transfers	Closing balance 2017
	£	£	£	£	£
Unrestricted funds					
King's Arms Project	157,071	117,755	(60,518)	(63,189)	151,119
Restricted funds					
OUTREACH					
Rough Sleeper	6,972	31,180	(36,081)	-	2,071
Rough Sleeper Partnership	-	21,708	(32,043)	10,335	-
No Recourse Worker	-	26,904	(27,943)	1,039	-
Friday Night Meeting	597	16,396	(17,098)	105	-
Nightshelter	56,187	403,005	(433,254)	-	25,938
Nightshelter Purchase	-	55,661	-	-	55,661
ACCOMODATION					
Barton House	-	284,573	(304,473)	19,900	-
Move-On Housing	16,363	73,295	(70,261)	-	19,397
HUB	-	96,054	(79,435)	-	16,619
Refugee Work – Central Beds	-	139,845	(140,993)	1,148	-
Refugee Fund	33,522	12,141	(26,688)	-	18,975
OPPORTUNITY					
Pathways to Employment	-	90,302	(120,964)	30,662	-
Total Restricted funds	**113,641**	**1,251,064**	**(1,289,233)**	**63,189**	**138,661**
Total movement in funds	**270,712**	**1,368,819**	**(1,349,751)**	**-**	**289,780**

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 2017	**54,455**	**14,980**	**69,435**
Additions	9,023	-	9,023
Disposals	(6,392)	-	(6,392)
Cost at 31st December 2017	**57,086**	**14,980**	**72,066**
Depreciation			
As at 1st January 2017	**21,110**	**2,996**	**24,106**
Charge for the year	12,367	2,996	15,363
Eliminated on disposal	(4,049)	-	(4,049)
Depreciation at 31st December 2017	**29,428**	**5,992**	**35,420**
Net book value at 31st December 2017	**27,658**	**8,988**	**36,646**
Net book value at 31st December 2016	33,345	11,984	45,329

7 Debtors

	2017	2016
	£	**£**
Accrued income & prepayments	105,870	40,270
Tax credit (gift-aid)	18,740	4,000
Total debtors	**124,610**	**44,270**

8 Short term deposits and cash and cash equivalents

	2017	2016
	£	**£**
Accounts over 90 days	72,756	143,927
Bank accounts	125,413	119,175
Total	**198,169**	**263,102**

9 Creditors falling due within one year

	2017	2016
	£	**£**
Deferred income	50,217	64,158
Creditors	15,227	13,630
Accrued expenses	4,200	4,200
Total creditors	**69,645**	**81,988**
Deferred income		
At 1st January	64,158	60,532
Received during the year	50,217	64,158
Released to incoming resources for the year	(64,158)	(60,532)
At 31st December	**50,217**	**64,158**

Income is deferred where income has been received in advance or the recognition criteria have not yet been met.

10 Net assets held by funds

	Fixed assets	Debtors	Bank and cash	Creditors	Total
	£	£	£	£	£
Unrestricted funds					
King's Arms Project	3,829	15,305	142,451	(10,466)	151,119
Restricted funds					
OUTREACH					
Rough Sleeper Outreach Worker	-	-	2,223	(152)	2,071
Rough Sleeper Partnership (SMART)	-	12,530	(12,490)	(40)	-
No Recourse Worker	140	16,137	(16,255)	(22)	-
Friday Night Meeting	-	2,660	(2,636)	(24)	-
Nightshelter	8,935	12,840	6,365	(2,202)	25,938
Nightshelter Purchase	-	8,454	47,207	-	55,661
ACCOMODATION					
Barton House	16,998	8,374	(2,588)	(22,784)	-
Move-On Housing	6,304	11,095	12,322	(10,324)	19,397
HUB and Spoke	-	-	16,619	-	16,619
Central Beds Refugee Work	140	18,721	(15,592)	(3,269)	-
Refugee Care Fund	-	210	18,765	-	18,975
OPPORTUNITY					
Pathway to Employment	300	18,284	1,778	(20,362)	-
Total	**36,646**	**124,610**	**198,169**	**(69,645)**	**289,780**

11 Financial commitments

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

	Property	Equipment	Total 2017	Total 2016
	£	£	£	£
Expiring within one year	139,521	3,024	142,545	104,450
Expiring within two to five years	228,799	1,756	230,555	91,542
Expiring over five years	-	-	-	-
Total	**368,320**	**4,780**	**373,100**	**195,992**

12 Pension costs

During the year defined contribution pension costs of £53,343 (2016: £44,260) were paid on behalf of 37 employees (2016: 35) to pension schemes administered independently of the charitable company. There were no pension liabilities outstanding at the year end.

If the level of staff and salaries remain the same during the year 2018, the estimated pension contributions for the year ended 31 December 2018 will be £54,504.

13 Related Party Transactions

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

During the period, rent, pensions and service charges of £112,442 (2016: £87,725) were paid to KAT 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 – see note 12. There was an outstanding balance of £2,854 (2016: £2,290) due to the KAT at the year end.

During 2017, KAT gave a total of £6,382 (2016: £43,109) to KAP. 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 £409 (2016: £2,354) promised to KAP at the year end.

KAP shares two Trustees with the Catalyst Network of Churches. During the year £100 (2016: £140) was paid to Catalyst for services provided.

KAP received a grant of £1,000 (2016: nil) from Catalyst for Pathways to Employment.