

Staffs

Arch (North Staffs) Limited
(A company limited by guarantee)

Trustees' Report and Financial Statements
Year Ended 31st March 2016



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Charity registration number: 701376
Company registration number: 2357520

Arch (North Staffs) Limited (A Company Limited by guarantee)

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Charity Reference and Administrative Details

Year Ended 31st March 2016

Charity registration number	7013776
Company registration number	2357520
Trustees	Susan Shardlow John Arthur Yates Valerie Bourne (appointed 1st October 2015) Rhian Hughes (retired 1st October 2015)
Chief executive officer	Diane Lea
Secretary	Robert Morton
Registered office	308 London Road Stoke on Trent Staffordshire ST4 5AB
Auditor	Beever and Struthers St George's House 215-219 Chester Road Manchester M15 4JE
Bankers	NatWest Bank plc 1 Upper Market Square Hanley Stoke on Trent Staffordshire ST1 1QA

Arch (North Staffs) Limited (A company limited by guarantee)

Trustees' Annual Report (Including Directors Report and Strategic Report)

Year Ended 31st March 2016

The Trustees present their report and the audited financial statements of the charity for the year ended 31st March 2016. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014. On 2 April 2012, Arch became a wholly owned subsidiary of Staffordshire Housing Association (SHA).

Trustees of the charity

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

Susan Shardlow
John Arthur Yates
Valerie Bourne
Rhian Hughes

(appointed 1st October 2015)
(retired 1st October 2015)

Objectives and activities

The charity's purpose is: To promote social exclusion for the public benefit by preventing people within the area of Staffordshire and its environs from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society.

For the purposes of this paragraph 'socially excluded' means being excluded from society, or parts of society, as a result of one or more of the following factors: unemployment; financial hardship; youth or old age; ill health (physical or mental); substance abuse or dependency including alcohol and drugs; discrimination on the grounds of sex, race, disability, ethnic origin, belief, creed, sexual orientation or gender reassignment; poor educational or skills attainment; relationship and family breakdown; poor housing or crime (either as a victim of crime or as an offender rehabilitating back into society).

Public benefit statement

In accordance with s4 of the Charities Act 2006, we have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and planning our future activities.

Strategic Report

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

During the year Arch worked in Stoke-on-Trent, Staffordshire and the south of the Borough of Cheshire East engaging nearly 6,000 children, young people, adults, families and professionals in services aimed at reducing social exclusion by ending domestic abuse, tackling homelessness and promoting social inclusion.

The areas we work in are demographically diverse in population, geography (urban and rural), economy and health and wellbeing outcomes. All have pockets of significant poverty and deprivation. Stoke-on-Trent continues to fair the worst; the city is ranked as the 16th most deprived local authority area in England with more than 30% of its population living in areas classified in the 10% most deprived in England and this remained our core area of delivery.

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This means that we are often connecting with people at difficult times in their lives and many of the people we support also have additional (and complex) needs that arise from mental ill-health, substance misuse, offending behaviour or their asylum seeker/refugee status and their lives are often further complicated by issues such as low confidence, a lack of practical skills for life, social isolation, debt and poverty.

ACTIVITIES

Arch continued to provide a range of information, advice and guidance, accommodation and support services aimed at reducing social exclusion by ending domestic abuse, tackling homelessness and promoting social inclusion:

ENDING DOMESTIC ABUSE

Arch continues to advocate for and deliver an all age, whole systems approach to ending domestic abuse.

During the year our activities engaging nearly 3,000 individuals covered:

- Awareness-raising, Prevention and Early Intervention
- Protection, Justice and Support for Victims
- Recovery services for those no longer in an abusive relationship or those who are experiencing long-term difficulties due to past experiences of abuse
- Support in to employment
- Multi-agency and partnership working and, sharing our expertise

We were able to offer a service to 91% of the referrals made across all domestic abuse services providing direct support and 97% went on to engage in a service. 20% of customers engaging with our refuge, resettlement and floating support services, were under 24, 44% were 25-34, 31% were 35-54 and 5% over 55. This was a pattern reflected across our outreach and recovery services with the majority of those accessing support being in the 25-34 age group.

TACKLING HOMELESSNESS

During the year our activities engaged more than 2,000 individuals covered:

- Awareness-raising, Prevention and Early Intervention
- Advice, Guidance, Advocacy and Support
- Support in to employment
- Multi-agency and partnership working and, sharing our expertise

The scale of homelessness or those at risk of homelessness in our local area is illustrated by our Supported Housing provision which was able to provide accommodation with support for a quarter of the 378 referrals received; more than two-thirds of the accommodation provided was for young people aged between 16-34.

PROMOTING SOCIAL INCLUSION

All our services aim to tackle social exclusion but we also actively promote social inclusion - taking positive action to empower people to take control of their lives, feel confident and able to have their voice heard and fully participate and make a positive contribution to society.

During the year services and activities engaging more than 500 individuals included:

- Involvement and participation work supporting vulnerable children and young people in Stoke-on-Trent to have their voice heard and influence current and future decision-making
- Support to improve the life chances of care leavers in Stoke-on-Trent
- Activities supporting people accessing our services to influence the planning and delivery of high quality services

ACHIEVEMENTS AND PERFORMANCE

ENDING DOMESTIC ABUSE

Key achievements during the year included:

Awareness-raising, Prevention and Early Intervention

Supporting children and young people to understand domestic abuse: we delivered 'Relationships without Fear' (RwF) programmes reaching 744 children and young people in 22 local schools and young people's services in Stoke. Delivered as an age appropriate, curriculum compliant educational programme, RwF addresses domestic abuse; children and young people explore their views about relationships and look at how to develop respectful relationships of their own.

Following the programme 100% of children and young people said that they recognised unacceptable behaviour in a friendship or relationship and confirmed they would know where to go to get support if they needed it. The role of friends and family is also an important aspect in tackling abuse and all 720 children and young people engaging in the programme reported they would feel confident to help others e.g. friend/relative/parent if they suspected that they were being abused.

Supporting professionals to understand and recognise domestic abuse: we expanded the scope of our domestic abuse training reaching 268 professionals through the delivery of specialist programmes covering Domestic Violence (DV) Awareness-raising, DV and Safeguarding, DV and Multi Agency Risk Assessment Conference (MARAC) and, bespoke programmes for healthcare professionals working in a hospital setting, foster carers and staff in the police and crime commissioner funded 'Victims' Gateway'.

100% of the 93 Health professionals who participated in Steps to Safety training said they felt more confident to 'ask the question'.

Our training programmes and delivery style receive extremely positive feedback for example 'I have attended a number of Domestic Abuse courses by other agencies previously but I found today very empathetic to help understand the victims journey. I would definitely recommend this course' [Social Worker].

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Working with perpetrators of abuse: our Domestic Violence Prevention Service assessed 29 out of 84 referrals of male perpetrators as suitable to engage with our 30-week change programme which holds perpetrators to account for their behaviour. As the main aim of all our domestic abuse services is to increase the safety of victims and their children, we also provided support for 101 existing partners or partners from previous relationships (and their children) during and following the perpetrators engagement with the service.

Arch became one of only 14 organisations to achieve full accreditation with Respect (the national body that provides a recognised framework for delivering perpetrator programmes, supporting safe practice and allowing our skilled practitioners to gain recognition for their work).

96% of male perpetrators completing our programme demonstrated the capacity to change their behaviour and 81% demonstrated motivation to change. All attendees reduced their levels of violence and reduced emotional power and controlling behaviour over victims. 100% of the partners/ex-partners of any perpetrator in contact with the service reported feeling safer since engaging with the Integrated Support Service.

Protection, Justice and Support for Victims (children, young people and adults)

Safe accommodation: across our 4 refuges we were able to provide 166 women escaping domestic abuse with safe accommodation. In addition to providing a safe and secure home the services include a range of support to empower women and their children to achieve independence and move towards a life free from abuse.

During the year we were also able to support 300 children and young people who were living in our refuges with their mothers. Support differs across the refuges due to differences in funding secured but has included 'one-to-one' sessions, Play Therapy, group work such as 'Rise' 'Stay & Play' and 'Time Together' and homework clubs. We also successfully developed and piloted a programme 'My Space', which aims to promote secure attachments and develop bonds between parents and children that have been affected by domestic abuse.

There are many more women that come to us for support than we are able to help. The reasons for this are varied but often are predominantly focused on their support needs being too high for the service to safely accommodate them, a lack of capacity in the refuge or the customer may have no recourse to public funds. In our Newcastle-under-Lyme Refuge alone we were unable to provide a service for 80% of women referred for accommodation and support.

Following the national Women's Aid SOS campaign to save refuges the Government issued a £10m fund to increase the number of refuge bedspaces available and enhance provision in those that already exist. Working with our Local Authority partners in Staffordshire Moorlands, Newcastle-under-Lyme and Stoke-on-Trent, we were one of 62 successful areas to secure additional funding which resulted in 5 new bedspaces being made available in North Staffordshire.

Our refuges continue to offer high quality services achieving great outcomes. Examples during the year include 95% of women in our Moorlands Refuge achieving a positive move from the refuge including taking up a new tenancy, returning 'safely' to a former tenancy and moving on to more appropriate accommodation.

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Independent Domestic Violence Advisors (IDVA): our IDVA services supported 420 high risk victims to increase their safety and wellbeing and hold their perpetrator to account through support through civil and criminal justice systems. We continue to offer support for male victims with a dedicated male IDVA worker. We also began our pilot of 'SkyGuard' providing 14 high risk female victims with personal safety devices linked to a central incident management centre.

99% of domestic abuse victims said they felt safer and saw a reduction in the risk posed by the perpetrator after they engaged and received support from an IDVA.

Support for children and young people: during the year we delivered 2 new support services for children and young people. In partnership with a local school where we delivered our Relationships without Fear programme we identified a group of young women who were at considerable risk of being sexually exploited and/or continuing or entering into abusive relationships. In response we developed 'Girl Power' and engaged 8 young women in piloting the groupwork programme covering issues such as understanding healthy/unhealthy relationships, cyber-bullying, issues around consent, developing confidence and self-esteem and self-care, and where to go for support.

We also engaged 147 young people in the first Young Person's Violence Advisor (YPVA) service in North Staffordshire. The YPVA role developed as a national response to issues including changes in the definition of domestic abuse to include 16/17 year olds and national findings that 67% of teenagers in adult IDVA services were experiencing strangulation, rape, broken bones and stalking. Our YPVAs have supported young people through court proceedings, sexual health, pregnancies, accessing support for their mental wellbeing, safeguarding, accommodation, safety planning and obtaining legal orders.

Our Children and Young People's Domestic Violence Outreach Services received 305 referrals for services including counselling, group work and support on a 1:1 basis, more than 50% of referrals were for young people aged from 13 years old who are in their own abusive relationships.

100% of the children and young people receiving support reported an increase in their safety, freedom from harm and improvement in their overall emotional wellbeing.

Recovery

Sunrise: now in its 3rd year our centre-based service providing resources, recovery and development opportunities for victim/survivors of abuse and their children has engaged over 650 victim/survivors and their children in a range of activities that support long-term resilience and recovery from abuse both on an individual and family basis. Support included specialist DV programmes such as 'Freedom', the 'DV Recovery Toolkit' and 'Rise' a recovery programme for parent and child as well as social and therapeutic activities led by or co-facilitated by service users, DV Ambassador roles for service users to support delivery or raise awareness of DV in businesses and communities, an accredited volunteer programme and work placements and advice clinics delivered on site by other agencies such as general advice from Citizens Advice, a local solicitor offering pro bono support with child contact issues and local education providers.

100% of those engaging with the Sunrise Centre programme increased their confidence and self-esteem, 61 female survivors reported increased confidence to gain employment following their engagement in volunteer opportunities through the Centre and in 2015, 2 women secured a place at university.

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Partnership working and sharing our expertise

- **Intervening early to avoid escalation:** working closely with key partners across our local area we have acted as the domestic abuse lead at the Multi-Agency Risk Assessment Conference (MARAC) ensuring that victims of abuse are identified and supported before the abusive relationship escalates.

During the year Arch have been involved with 90% of all high risk cases discussed at local MARAC and the MARAC lead achieved the nationally recognised SafeLives Leading Lights status; the mark of quality for domestic abuse services.

- **Engaging victims accessing Health Services:** working closely with the Emergency Department (ED) at the Royal Stoke Hospital our project trained 286 health employees to identify signs of domestic abuse and engage patients in support. Alongside this Arch offered onsite information, advice and support engaging nearly 150 victims in brief interventions, 1:1 support package or IDVA support and issued over 200 safety packs. Based in the hospital, this partnership enables Arch to engage victims who are often experiencing more severe abuse, usually hidden from other agencies and twice as likely to have complex needs in support.

Working with our colleagues in Health we undertook an analysis of the project's impact on attendance at the ED by looking at a sample data based on a 6-month period (looking at ED attendance before and after engagement with Arch). Overall we saw an increase in the safety of victims and a 69% decrease in Emergency Department attendances. During the 6 month period the team also identified and referred 17 patients to MARAC. This performance led to continuation funding of the project as it clearly showed savings to the health budget.

- **North Staffordshire Domestic Abuse Conference:** Arch led the delivery of the annual DV conference. Focused on the journey to recovery, there were over 100 attendees - 100% of those providing feedback on the Conference stated they learned from the event including increasing knowledge/skills, their ability to better understand DV and raise awareness of this with others. Everyone who attended also rated the stories presented by survivors of abuse as Excellent.
- **Responding to Serious Case, Domestic Homicide and Independent Management Reviews:** we participated in multi-agency panels to analyse and report on domestic homicide cases, advising on future action using expertise of domestic abuse and local resources to implement realistic but essential recommendations as well as being asked to provide critical friend support in Serious Case Reviews and Independent Management Review authoring.
- **Specialist DV workers delivering alongside other agencies:** Arch continued to second a worker to support the Family Intervention Project by providing specialist DV support to troubled families in North Staffordshire and a specialist DV worker continued to be based in a Staffordshire Moorlands police team. Alongside being able to engage victims in specialist support this approach to working also offers us the opportunity to raise-awareness of DV in other agencies, improving the response from non-specialist workers coming in to contact with victims.
- **Visual Evidence for Victims (VEV):** Arch continues to be the lead provider of VEV in North Staffordshire with all domestic abuse outreach workers trained to use Police approved cameras and systems to take and store photographs of injuries and damaged property caused by domestic abuse which may be used in supporting a conviction of a domestic violence perpetrator.

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TACKLING HOMELESSNESS

Key achievements during the year included:

Awareness-raising, Prevention and Early Intervention

Raising awareness of homelessness: we delivered our 67 'Realities of Independent Living' programme in 10 schools and young people's services reaching over 1,000 children and young people. The programme was developed as a prevention tool with a key message that 'independent living is hard!'

99% of children and young people showed an improvement in their understanding and awareness of homelessness following the programme and 100% said they would recommend attending to their peers.

Advice, Guidance, Advocacy and Support

Supported accommodation: in partnership with Brighter Futures, Arch provided 120 units of accommodation for single people offering a period of support enabling them to develop the skills and resources to live independently. Individual support packages provide practical, emotional and advocacy support and in addition to tenancy support, cover areas such as self-care and living skills, managing money and personal administration, social networks and relationships, drug and alcohol misuse, meaningful use of time and physical, emotional and mental health.

National benchmarking shows our high quality support provision is achieving almost twice the average change for customers in spite of customers having higher than average levels of need when first accessing the service.

Private rented sector access services: our award nominated PRS service has opened up access to private rented accommodation for vulnerable and socially excluded people and secured new tenancies for 25 customers during the year. In response to the impacts of welfare reform on the ability of under 35's to secure housing our service also offers a matching service which supported 20 individuals to secure shared tenancies.

By offering low level support in addition to support to access a tenancy customers are supported to maintain independence - during the year 83% of individuals engaged with the service had been in their tenancy for over 12 months.

PRS services offer significant value for money with savings for the public purse (including health, criminal justice and housing). Working with the national single homeless charity Crisis, we have had access to a range of materials and toolkits to support the development of our PRS service and using their 'Making it Count Toolkit' we have been able to report on the social benefits of our provision. In one quarter alone we evidenced gross cost savings to society (both housing and non-housing costs) valued at more than £30k.

Supported lodgings for young people: 14 volunteer 'hosts' provided 19 placements offering a room and access to shared facilities in their own home. This meant 31 young people were supported with; a period of settled accommodation and help to develop skills for independence. Both hosts and young people are supported by a dedicated worker to manage the placement and support the young person's development.

82% of young people leaving the service during the year went on to achieve and maintain independence. Our emergency placements supported an additional 12 young people to avoid sofa surfing or rough sleeping through providing a period of respite to reconcile relationships or secure more appropriate accommodation.

Asylum Seeker and Refugee Services: Harbour House provided emergency accommodation for 37 single people/families who were 'invisible' to many other agencies due to their destitution or the fact they had no recourse to public funds due to either their asylum seeker or refugee status. This short-term service offers respite for up to 4 weeks in fully equipped shared-accommodation and access to essentials including food and toiletries.

Harbour House links closely with our Blue Mountain service which, in partnership with Citizens' Advice (who offer advice for Asylum Seekers) supported nearly 100 refugees to resettle in Stoke-on-Trent. We also linked in to the Macari Centre a homeless shelter led by one of our partners, Brighter Futures, that offers temporary accommodation to rough sleepers.

Supported accommodation for people with mental health issues: our service continues to be delivered from the Arch owned property; 'Pointon House'. Our decision to self-fund the service has meant that, unconstrained by contractual requirements, it has been developed to directly meet the needs of people in the local community and offered 12 adults who were at risk of homelessness or inappropriately housed due to their mental health needs a safe and secure place to live with therapeutic/social support to better manage their condition.

With development funding from Staffordshire County Council we have looked at Personal Health Budgets (PHB's) and how we can support customers to access these. Our initial work has identified that a number of customers are entitled to PHBs and we will support them to access funding to pay for support at Pointon House in the future.

Floating support for customers with drug and alcohol issues: as a partner in the Addiction Dependency Solutions (ADS) led substance misuse service 'One Recovery', Arch supported 103 customers to achieve and maintain independence in their own home increasing their ability to make the most of specialist/clinical service provision. This included an Emergency Department Intervention service at the Royal Stoke Hospital engaging 17 people frequently using the ED due to their substance misuse issues.

Housing-related floating support services: our services supported 131 adults (single people and couples) to maintain their home and independence by offering support with setting-up or maintaining a home or tenancy and develop their skills and confidence to manage finances including benefit entitlements, develop independent living skills and access equipment to support independent living. As well as generic services we offered specialist support for a range of groups with identified needs relating to physical disabilities, long-term health problems, offending/history of offending and in partnership with Deaf Support Network supported people with hearing impairments. Despite the high need for these services both Staffordshire County Council and Cheshire East Council took the decision to decommission these services in response to budgetary restraints as a result of ongoing austerity.

In Cheshire East, we were able to secure a highly visible high street location for the service which enabled customers and professionals to call in without an appointment and get information and guidance before accessing longer-term support. As a result of this increased visibility we were able to engage some of the more hidden groups including Polish people, travellers, substance misusers and rough sleepers in support.

In addition to offering emotional and practical support to maintain a tenancy, the team were also able to add significant value by supporting customer's to get out of debt, often a significant barrier for people experiencing/at risk of homeless being able to get on with their lives. Examples include: debt of £1,162 written-off; Grant of £1,740 to pay for a customer's water bill; £800 grant for carpets and fitting; kennel fees for customer's dog whilst he was in hospital and £1,184 backdated Child Benefit payment. Advocating on behalf of a customer forced to sell her home, we requested a re-evaluation of the property which resulted in the agent increasing the value by £24k and will bring the customer out of negative equity if the full value is realised on sale.

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Partnership working and sharing our expertise

- **'VOICES of Stoke-on-Trent' multi-agency consortium** secured funding from the Big Lottery Fund as part of a 10 year 'Fulfilling Lives: Supporting people with complex needs' programme aimed at testing alternative approaches to tackling multiple needs and identifying more effective ways of working and embedding positive practice. Alongside the role of Chair of the Voices Board Arch also supported a service user in their role of Chair of the Expert Citizens' Group.
- **Local influence and championing the needs of vulnerable groups:** we were invited by statutory partners and using our expertise and networks were involved in: co-ordinating consultation on the Stoke-on-Trent Homelessness Strategy, a working group implementing citywide recommendations from the Stoke-on-Trent 'Hardship Commission' 2015 report and led the City's provider forum to collect and present data and customer views, demonstrating gaps in service provision to local authorities.
- **Sharing learning and good practice:** we engaged an external evaluator to review the impact of the Stepping-Up! project. The evaluation report will offer us opportunities to show service providers what has worked well in improving outcomes for care leavers in the city and influence the way that services are delivered for them in the future.
- **Co-location with partners:** we continued to take opportunities to co-locate our staff with partner agencies. During the year this included working alongside the City Council's Housing Solutions team and the Housing Advice Service in Newcastle. This way of working offered a better service for our customers whilst also enabling us to share good practice of working with people who are homeless or at risk of homelessness.

PROMOTING SOCIAL INCLUSION

Key achievements during the year included:

- **Stepping-Up! (Youth Support Network for Care Leavers):** quality of support for care leavers remains patchy and their journey through the first decade of adult life can often be disrupted, unstable and troubled. Now in its 4th and final year, Stepping-Up! our partnership project (with Stoke City Council Children's Services, MIND (North Staffs), Sporting Stars, UNITY Foundation, YMCA and the Dove service), has supported 151 care leavers to develop their practical skills and confidence to achieve and/or maintain independence ensuring that their housing, education, employment and physical and mental wellbeing does not get in the way of them being able to fully participate and contribute to their local communities. In addition to Transition Advisors offering dedicated support we also engaged 13 community volunteers to offer mentoring support and were able to embed a counsellor in the service who supported 13 young people who would otherwise be unlikely to engage in this type of support.

Stepping-Up! achieved 100% of its targets including supporting 26 young people to secure and sustain a placement in education, training or employment. We also piloted an apprenticeship programme with Learn Direct which supported young people accessing the service to engage in a supported work placement (with a Stepping-Up! partner) leading to NVQ Level 2 Business Administration/Customer Service. The young people were also provided with a 'Start Up! Apprentice Grant' to support travel to work, work clothing and access to additional literacy and numeracy support. To date we have had 2 successful completions with both young people going on to gain employment, 1 at the local authority and 1 continuing at MIND working towards their level 3 in ICT.

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- **'Shout-out Stoke!'** empowers vulnerable children and young people in Stoke-on-Trent to build their confidence and skills to ensure their voice is heard in issues that will affect them and their local communities both now and in the future. By providing training to develop skills and opportunities such as access to 'kickstart' funds we encourage children and young people to be active citizens and creators rather than passive consumers of services. The service also supports Arch to expand its sphere of influence by advocating for children and young people and sharing their insights and approaches with others.

244 children and young people participated in Peer Engagement training aimed at raising their skills and confidence to be active citizens. 28 young people participated in auditing local businesses ensuring that the needs of young people are considered in planning and delivering services and we engaged 51 professionals in training to increase skills and capacity of local organisations working with young people to embed engagement and participation as an every day part of their work.

- **Customer Engagement:** our parent company offers a dedicated engagement service supporting customers across the Staffordshire Housing Group to influence service design and delivery and develop their confidence and skills to be active citizens. Examples of the engagement during the year:

Our North Staffordshire Floating Support Service was decommissioned during the year. We held a consultation event with 16 customers to develop an effective exit plan whilst also looking at successes and learning. Customers who fed back on the event said that they also felt the event better prepared them and increased their confidence to deal with their issues following closure of the service.

A 'Digital Engagement' event held for all Arch customers has resulted in us gaining a much improved sense of the digital requirements and capabilities and has already resulted in service improvements including providing more access to computers and increased Wi-Fi connectivity in our women and children's refuges. Information from the event has also been used to shape the Staffordshire Housing Group's Digital Transformation Strategy.

The Customer Scrutiny Group has reviewed the Arch website and made a number of recommendations for improvement which have contributed to the action plan. These included improving accessibility for people with visual impairments, improving safeguarding (being able to quickly leave the site) and increasing the amount of detail and information available for all Arch services.

Measuring Performance and Quality of Services

Our well-embedded quality and performance methods allow us to interrogate a number of measures that test that services are of a quality that customers expect, while also being in line with contractual targets and stakeholders' expectations.

These are presented through quarterly key performance indicators which bring together a range of measures to give an overview of the quality of what we deliver to our customers and stakeholders. Our approach asks questions directly of our customers, of ourselves and our stakeholders and provides information that is regularly reported to our Board of Trustees and wider Group Board of Management through our committees and board meetings.

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We measure achievement and identify continual improvements through:

Internal tools and measurements:

- Distance travelled tools
- Achievement of targets contributing to the achievement of contractual performance
- Performance against budget
- Customer satisfaction
- Complaints, comments and improvements

External tools and measurements:

- Achievement of external quality marks and accreditations
- Benchmarking data available through the Outcomes Star support planning online tool

The Group's Business Improvement team has supported the review and improvement in Arch processes including:

- A Lean review of the Arch void process which has already had a positive impact on improving void turnaround for example, in our Single Homeless service the voids went from 16 days to 3 days. As well as offering a better service for customers we have also started to see a positive impact through reduced rent loss.
- A follow-up review of the Arch rent collection process identified further improvements to help maximise the collection of rents. Arrears have improved from 5% at the end of 14/15 to 4.1% at the end of 15/16.

Business Development and Fundraising Activity

Reports of the end of austerity have been much exaggerated and we can expect reductions in funding to continue until at least 2019/20 with the biggest changes being experienced in local government funding. By the end of 2015/16 we had experienced a £500k reduction in annual funding due to the decommissioning of 4 contracts. A further 2 contracts were reduced in value. We expect our preventative and low level support services to remain vulnerable, as councils are forced to focus on their statutory obligations.

Those remaining services are likely to be commissioned through a smaller number of larger contracts, coupled with an expectation on providers to reduce their unit costs. We have already received indication that domestic abuse services in Stoke-on-Trent and North Staffordshire, currently commissioned on a geographical basis, will become a large county-wide contract with local authorities, health and the PCC pooling budgets to achieve this.

Arch however, is in a good position to weather these changes. Over the last year we have developed strong relationships with commissioners and are working in partnerships that can deliver services at scale and unlike many charities, our Group structure means that we have access to a business infrastructure that has the flexibility to grow or shrink as required.

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Arch continues to invest in a dedicated business development team, now well established in the organisation. Activity and achievements during the year included:

- Secured £2m funding to continue to deliver existing services and develop or pilot new work.
- Achieved a success rate of 81% - feedback from partners suggests that this is more than double the performance of other organisations.
- Diversified income, although local government continues to be our main source of funding, we identified and applied for funding from a much wider range of funding streams. Nearly a third of our work focused on progressing opportunities to be a sub-contracting partner in larger scale funding opportunities – half of these were with private sector companies.
- Developed a more proactive approach to securing funding using internal and external data to highlight gaps in need/provision and/or where we can contribute to wider public sector savings and submitting proposals where a funding stream has not been published.
- Undertaken some small scale cost benefit analysis resulting in ongoing funding for the DV Intervention Project in Stoke Royal Hospital's Emergency Department.

Arch continued to invest resources in traditional fundraising activities:

We undertook a review of our traditional fundraising activity. As a result of the review we took the decision to cease investing resources to secure funding from smaller charitable trusts and instead focus on EBay charity trading and community and corporate fundraising.

Although not exclusively a domestic abuse charity, Arch took a decision to focus its fundraising activity on securing resources to support children and young people who have experienced domestic abuse; 87% of all donations to the charity are donated to this causal area and our Stepping Stones Appeal for cash or in-kind donations continues to be the most popular way of supporting our work.

Key achievements during the year included:

- Doubling the income from our EBay online charity shop, attracting 4 new volunteers to support selling and secured premises to be able to upscale this activity in the future.
- Attracting high profile regional and national businesses including Phoenix Gas who became our first Platinum Corporate Sponsor and Motiva whose support has enabled us to increase the amount and type of donations we can collect for the Arch EBay charity shop and increased its promotion through donating the lease of a livered transit van.
- Maintaining support from a Fundraising Committee who, on a voluntary basis, coordinate ideas and activities for fundraising. Many of the committee members are business owners and use their contacts and networks to reach a much wider audience than Arch could achieve on its own.
- Increasing our active fundraising volunteers to 23 people who have enabled us to increase the capacity, scale and reach of our fundraising. Putting this contribution into context, if each of these volunteers donated an average of 2 hours a week across the year, this would cost Arch nearly £20k in salary costs alone.

Financial review (including reserves policy)

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Arch (North Staffs) Limited (A company limited by guarantee)

Trustees' Annual Report (Including Directors Report and Strategic Report)

Year Ended 31st March 2016

b. Investment policy and performance

The results for the charity for the year are set out in the financial statements.

The charitable activities undertaken generated a surplus of £113,600. This compares to £3,395 surplus in the previous year.

Income increased by 1.7% compared to the previous year.

Details of changes in fixed assets are included in the financial statements.

c. Funds

As of March 2016 unrestricted funds stand at £1,320,465. This comprises £654,114 designated funds and £666,351 general funds.

d. Reserves policy

The Trustees aim to accumulate reserves sufficient to fund its fixed assets, meet its liquidity requirements and have sufficient contingency for unexpected events.

Unrestricted funds from any operating surplus will be held as accumulated reserves until the required level of 2.7 months of unrestricted funds is achieved.

The Trustees regard the ongoing review of the reserves level, target and policy as part of managing the charity. The operating results are identified and reported each month in the management accounts. Unrestricted funds are identified and analysed when the audit of the annual accounts is complete. The reserves policy is then reviewed by the Trustees as part of the charity's strategic planning process.

e. Principal funding

The principal funding of the charity is through:

		Average Contract Term
• Stoke-on-Trent City Council	£826,280	4.6 Years
• Staffordshire County Council	£538,263	2 Years
• Cheshire East District Council	£510,946	4 Years

f. Material investments policy

The bank account is reviewed daily and all free income is invested in higher-interest-bearing accounts.

Plans for future periods

The results from the EU referendum have created political uncertainty; we can expect slow progress on government policy change, and a range of potential financial challenges. Arch will continue to play an active role in the sector ensuring that the voices of all our communities are heard, this will be achieved by the following;

- In response to shrinking local and national government funds, and the likely reduction in funding available from voluntary grant-makers who rely on investment income to support charitable causes, we will continue to seek to diversify our income streams and embark on a growth strategy, gaining access to and proving ourselves in new markets
- Expand our domestic abuse provision to include all victims regardless of gender or sexual orientation, bring together our children and young people's services to offer a structured pathway from crisis to recovery and explore new models of delivering services for those who are perpetrating domestic abuse regardless of their age
- Develop our offer to support customers in to employment, education or training

Arch (North Staffs) Limited (A company limited by guarantee)

Trustees' Annual Report (Including Directors Report and Strategic Report)

Year Ended 31st March 2016

Plans for future periods continued

- Continue to prepare our organisation and customers for the impact of Welfare Reform and Universal Credit
- Our transformation plans will focus on the restructure of the management and front line delivery teams to ensure we are better able to flex to the ever-changing environment in which we operate and our aspiration to grow our services
- We will continue to identify and develop partnerships with organisations that share our ethos so that customers and communities continue to benefit from local knowledge and expertise in service delivery and we are able to access new markets and meet the challenges and expectations of commissioners to deliver services on a larger scale with reduced unit costs
- Maintaining existing and forging new relationships ensuring we are represented in the places we need to be
- Invest in cost-benefit analysis to evidence how we contribute to wider public sector savings
- Continue to develop our digital transformation plan to transform how we work to ensure that customers are as digitally engaged as possible and can communicate and transact with us effectively, efficiently and safely. This will include introducing new delivery models to maximise value for money including, better use of mobile technology and the introduction of a Customer Relationship Management) system as well as improving accessibility of services through our website and applications
- We will continue to work as smartly as we can, taking best value from our supply chains to ensure we can commit as much as possible to delivering frontline services. This will include transformational projects to improve back office processes including "purchase to pay", payroll and further development of our HR systems to introduce self-service and time and attendance modules

Structure, governance and management

a. Constitution

Status

Arch is a charitable company limited by guarantee, incorporated on 9 March 1989 and registered as a charity on 31 March 1989. The company was established under a Memorandum of Association, which sets out the objects and powers of the charitable company and is governed under its Articles of Association. On 2 April 2012, Arch (charity) became a wholly owned subsidiary of Staffordshire Housing Association (SHA). It is required to meet its own financial obligations in delivering its charitable objectives. Arch funds its services through government commissions, trust and grant awards and public fundraising.

Vision, Mission and Values

Arch worked closely with staff, customers, stakeholders and Board members in 2014-15, we reviewed our vision, mission and values to reflect our changing business, developing a Circle of Success. This Circle of Success identifies our leadership behaviours, core values, brand promise and strategic objectives for 2014-17.

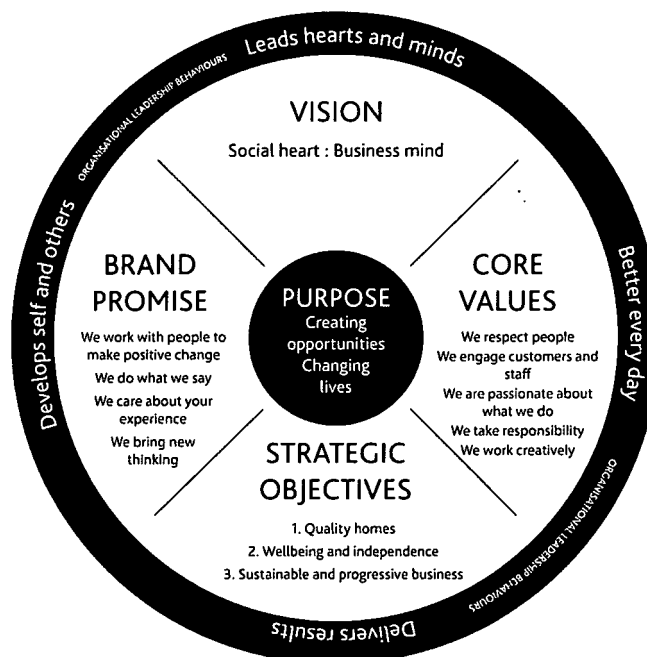
This will support us to continue to thrive and help us to understand and articulate where we are heading and what we hope to accomplish and is designed to underpin all other levels of planning and goal setting.

Arch (North Staffs) Limited (A Company Limited by guarantee)

Trustees' Annual Report (Including Directors Report and Strategic Report)

Year Ended 31st March 2016

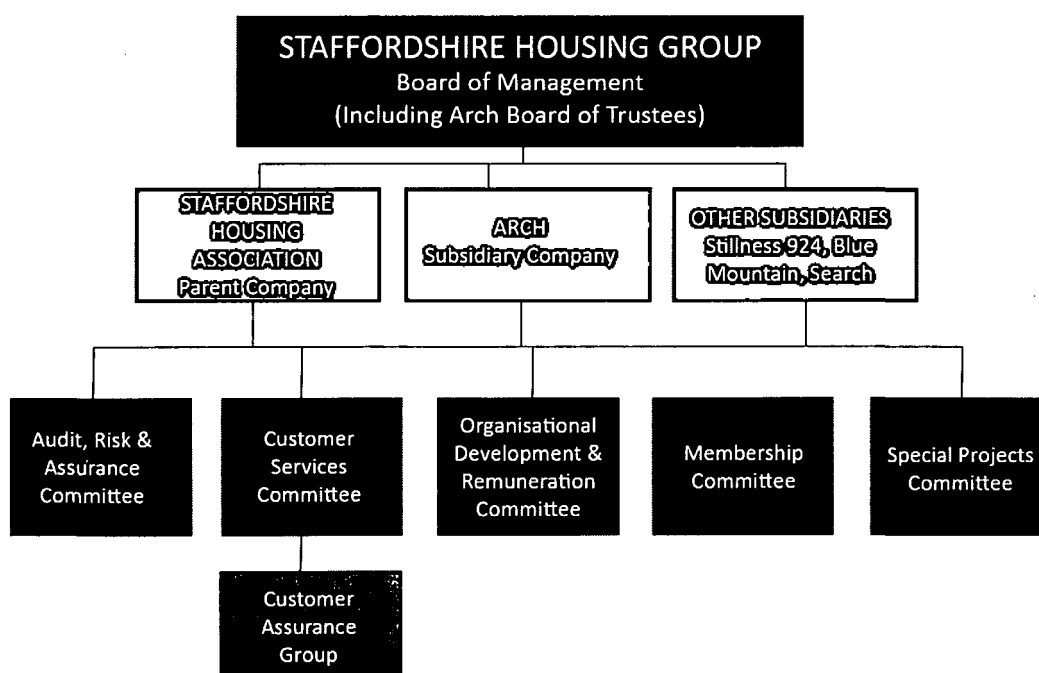
Circle of Success



Governance Structure

Arch is governed through an integrated Board of Management which oversees activities for the entire Staffordshire Housing Group, with three members acting in Trustee roles specifically for Arch.

Group Structure



Arch (North Staffs) Limited (A Company Limited by guarantee)

Trustees' Annual Report (Including Directors Report and Strategic Report)

Year Ended 31st March 2016

b. Method of appointment or election of Trustees

Trustees are appointed by the Board of the parent company, Staffordshire Housing Association Limited (SHA). The SHA Board are appointed in line with the National Housing Federation Code of Governance that includes open recruitment and appraisal.

The recruitment and selection process enables us to attract high-calibre members with the right mix of skills, expertise and qualifications, and ensures that the members' backgrounds and understanding reflects the needs of the customer.

All members of the Board of Trustees gave their time voluntarily and receive no benefits from the charity. No Trustees claimed any out-of-pocket expenses during the financial year 2015-2016.

c. Policies adopted for the induction and training of Trustees

Individually tailored development plans are developed for each Trustee. Trustees are also encouraged to take part in Arch (North Staffs) Limited internal quality assurance process, the Peer Audit Reviews. This involves assessing projects for quality of service, performance and policy compliance.

d. Organisational structure and decision making

Trustees meet 8-9 times each year and retain overall responsibility for managing the charity's affairs. Trustees receive key reports on strategy, finance, business risk, performance, development and management.

The Group's Chief Executive is responsible for the management of the Group's affairs and implementing strategies and policies approved by the Board. Day-to-day operational management of Arch is delegated to an executive director with support from a senior management team.

e. Risk management

Arch has a risk management policy and procedure by which business risk is regularly assessed and risk management strategies are implemented. It involves identifying the kinds of risks the charity faces, assessing them in terms of potential impact and likelihood of occurrence, and identifying ways in which to respond. This aims to provide reasonable assurance that risk is properly identified and assessed and mitigating actions are developed to reduce potential misstatement or loss.

A common approach to risk assessment and management has been adopted and cascaded throughout the organisation. Training has been provided to key employees. Risk review is embedded within the performance management process.

Key risks are overseen by the Staffordshire Housing Group Audit and Risk Committee which considers Arch risks and takes appropriate action.

SUPPORT FROM PARENT ORGANISATION AND WIDER GROUP STRUCTURE

Arch continued to benefit from the Group infrastructure support services including ICT, HR and Organisational Development, Business Improvement, Finance and Payroll and, Communications. Staffordshire Housing Association as the parent organisation takes responsibility for these services and 'recharges' the charity through an intra-group agreement, as well as sharing office space which provides a great working environment at cost that's affordable.

Arch has continued to access the Group's housing services to provide income management, money advice and, maintenance services for customers. With access to this wider pool of knowledge and experience as well as benefiting from increased purchasing power, Arch is able to achieve greater efficiency enabling more funding to be focused on frontline delivery.

Arch (North Staffs) Limited (A company limited by guarantee)

Trustees' Annual Report (Including Directors Report and Strategic Report)

Year Ended 31st March 2016

During the year our Group has:

- Started to implement a 'People Strategy' to drive positive learning, organisational development and employee engagement initiatives
- Started to roll-out the Theory of Change we have developed that will strengthen the outcomes and impact we achieve with customers
- Ensured it is in a better position to limit the impact of Welfare Reform and Universal Credit on both customers and the organisation
- Embedded the Risk Management Framework
- Developed a digital transformation plan to transform how we work digitally to deliver online access to services and customer-focused solutions. We aim to ensure that customers are as digitally engaged as possible and can communicate and transact with us effectively, efficiently and safely. We are doing this by introducing new delivery models to maximise value for money including, better use of mobile technology, the introduction of a CRM (Customer Relationship Management) system. And improving accessibility of services through customer website and applications.
- Rolled out a new Customer Engagement Strategy and framework for all customers
- Undertaken a Value for Money Assessment identifying areas for improvement
- Embarked on its transformation strategy ensuring that the organisation remains fit for purpose now and into the future.

Trustees' responsibilities

The Trustees (who are also directors of Arch (North Staffs) Limited for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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 or 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 accounting estimates that are reasonable and prudent.
- 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 are sufficient to show and explain the charitable company's transactions and 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.

Arch (North Staffs) Limited (A company limited by guarantee)

Trustees' Annual Report (Including Directors Report and Strategic Report)

Year Ended 31st March 2016

Disclosure of information to the auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

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

Signed by the board of trustees



Susan Shardlow, Trustee



John Arthur Yates, Trustee



Valerie Bourne, Trustee

4th August 2016

Arch (North Staffs) Limited (A company limited by guarantee)

Independent Auditor's Report

Year Ended 31st March 2016

To the Members of Arch (North Staffs) Limited

We have audited the financial statements of Arch (North Staffs) Limited for the year ended 31 March 2016 set out on pages 22 to 39. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' responsibilities statement on page 18, 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Arch (North Staffs) Limited (A company limited by guarantee)

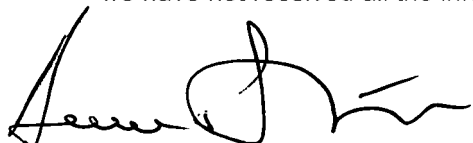
Independent Auditor's Report

Year Ended 31st March 2016

Matters on which we are required to report by exception

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.



David Hunter (Senior Statutory Auditor)

For and on behalf of

Beever and Struthers

Chartered Accountants and Statutory Auditors

St George's House

215-219 Chester Road

Manchester

M15 4JE

Dated: 4 August 2016

Arch (North Staffs) Limited (A Company Limited by guarantee)

Statement Of Comprehensive Income

Year Ended 31st March 2016

		2016			2015 restated
	Note	Unrestricted funds £	Restricted funds £	Total £	Total £
Income from:					
Donations	2	10,333	58,345	68,678	71,515
Charitable activities	3	1,506,761	3,233,267	4,740,028	4,640,562
Other trading activities	4	32,802	269	33,071	28,083
Investments	5	5,083	-	5,083	3,321
Other	6	23,153	-	23,153	43,374
Total income		1,578,132	3,291,881	4,870,013	4,786,855
Expenditure on:					
Charitable activities	7	1,464,532	3,291,881	4,756,413	4,783,460
Total expenditure		1,464,532	3,291,881	4,756,413	4,783,460
Net income		113,600	-	113,600	3,395
Net movement in funds		113,600	-	113,600	3,395
Reconciliation of funds:					
Total funds brought forward	18	1,320,465	12,500	1,332,965	1,329,570
Total funds carried forward		1,434,065	12,500	1,446,565	1,332,965

The notes on pages 25 to 39 form part of these financial statements.

Arch (North Staffs) Limited (A company limited by guarantee)


Statement of Financial Position

Year Ended 31st March 2016

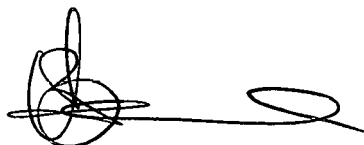
		2016	2015 restated
	Note	£	£
Fixed assets			
Tangible assets	11	792,385	837,867
		<hr/>	<hr/>
		792,385	837,867
Current assets			
Debtors	12	353,135	410,365
Investments	13	816,357	622,323
Cash at bank and in hand		363,926	225,876
		<hr/>	<hr/>
		1,533,418	1,258,564
Creditors: amounts falling due within one year	14	(806,238)	(690,466)
		<hr/>	<hr/>
Net current assets		727,180	568,098
		<hr/>	<hr/>
Total assets less current liabilities		1,519,565	1,405,965
Creditors: amounts falling due after more than one year	15	(73,000)	(73,000)
		<hr/>	<hr/>
Net assets		1,446,565	1,332,965
		<hr/>	<hr/>
Charity Funds			
Restricted funds	18	12,500	12,500
Unrestricted funds	18	1,324,670	1,210,570
Revaluation reserve	18	109,395	109,895
		<hr/>	<hr/>
Total charity funds	18	1,446,565	1,332,965
		<hr/>	<hr/>

The financial statements were approved and authorised for issue by the Board on 4th August 2016.

Signed by the board of trustees


Susan Shardlow, Trustee


Arthur Yates, Trustee


Valerie Bourne, Trustee

The notes on pages 25 to 39 form part of these financial statements.
Company registration number: 2357520

Arch (North Staffs) Limited (A company limited by guarantee)

Statement of Cash Flows

Year Ended 31st March 2016

	Note	2016 £	2015 £
Cash flow from operating activities			
Net income for the financial period		113,600	3,395
Depreciation and impairment of tangible fixed assets		50,662	58,219
Interest received		(5,083)	(3,321)
(Increase) / decrease in debtors		57,230	(127,358)
Increase / (decrease) in creditors		115,772	(118,814)
Other Movements		-	5
Net cash flow from operating activities		332,181	(187,874)
Returns on investments and servicing of finance			
Interest received	5	5,083	3,321
Net cash flow from investing activities		5,083	3,321
Capital expenditure and financial investment			
Acquisition of fixed assets	11	(7,117)	(2,389)
Disposal of fixed assets	11	1,937	17,640
Net cash flow from financing activities		(5,180)	15,251
Net increase / (decrease) in cash and cash equivalents		332,084	(169,302)
Cash and cash equivalents at 1st April 2015		848,199	1,017,501
Cash and cash equivalents at 31st March 2016		1,180,283	848,199
Cash and cash equivalents consists of:			
Cash at bank and in hand		363,926	225,876
Short term deposits	13	816,357	622,323
Cash and cash equivalents at 31st March 2016		1,180,283	848,199

The notes on pages 25 to 39 form part of these Financial Statements

Arch (North Staffs) Limited (A Company Limited by guarantee)

Notes to Financial Statements

Year Ended 31st March 2016

1 Summary of significant accounting policies

(a) General information and basis of preparation

Arch is a charitable company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to promote social exclusion for the public benefit by preventing people within the area of Staffordshire and its environs from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charity adopted SORP (FRS 102) in the current year and an explanation of how transition to SORP (FRS 102) has affected the reported financial position and performance is given in note 24.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Notes to Financial Statements

Year Ended 31st March 2016

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised as Expenditure on Charitable Activities which includes housing management, employment costs, office costs, client activity costs and support costs.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises overheads have been allocated on a headcount basis and other overheads have been allocated on a headcount or income basis.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 8.

Arch (North Staffs) Limited (A company limited by guarantee)

Notes to Financial Statements

Year Ended 31st March 2016

(f) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold property	Over 50 years straight line
Office equipment	Over 3 - 5 years straight line
Motor vehicles	Over 5 years straight line

(g) Investments

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

(h) Stocks

No stocks are held.

(i) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(j) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

(k) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(l) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

(m) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Arch (North Staffs) Limited (A company limited by guarantee)

Notes to Financial Statements

Year Ended 31st March 2016

(n) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(o) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(p) Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Tangible fixed assets.

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Bad Debt Provision

Bad debts are provided for on the basis of a 100% provision for all former tenants and 75% of all current tenants where arrear balances are increasing (priority 1 tenants). This is a change in policy; previously all current tenant arrear balances had a provision of 10%. The financial impact of this in the year ended 2016 was a £25,149 increase in provision.

2 Income from donations and legacies

	2016 £	Restated 2015 £
Gifts	10,333	16,285
Grants	7,283	700
Donated services	16,785	12,120
Donated goods for distribution to beneficiaries	17,028	42,410
Donated goods for resale / auction	17,249	-
	<hr/>	<hr/>
	68,678	71,515
	<hr/>	<hr/>

Income from donations was £68,678 (2015 - £71,515) of which £10,333 (2015 - £15,270) was attributable to unrestricted funds and £58,345 (2015 - £56,245) was attributable to restricted funds.

Arch (North Staffs) Limited (A Company Limited by guarantee)**Notes to the Financial Statements****Year Ended 31st March 2016****3 Income from charitable activities**

	2016 £	Restated 2015 £
Housing Management	1,494,831	1,359,392
Accommodation and Inclusion Services	1,325,442	1,414,474
Services to counter Domestic Violence	677,135	539,871
Floating Support and Outreach Services	1,226,405	1,308,822
Other	16,215	18,003
	<hr/> 4,740,028 <hr/>	<hr/> 4,640,562 <hr/>

Income from charitable activities was £4,740,028 (2015 - £4,640,562) of which £3,233,268 (2015 - £3,263,849) was attributable to restricted funds and £1,506,760 (2015 - £1,376,713) was attributable to unrestricted funds.

4 Income from other trading activities

	2016 £	Restated 2015 £
Ebay sales	18,132	10,733
Other	14,939	17,350
	<hr/> 33,071 <hr/>	<hr/> 28,083 <hr/>

Income from other trading activities was £33,071 (2015- £28,083) of which £269 (2015 - £nil) was attributable to restricted funds and £33,071 (2015- £28,083) was attributable to unrestricted funds.

5 Income from investments

	2016 £	Restated 2015 £
Interest - deposits	5,083	3,321
	<hr/> 5,083 <hr/>	<hr/> 3,321 <hr/>

Income from investment was £5,083 (2015 - £3,321) of which £0 (2015 - £0) was attributable to restricted funds and £5,083 (2015 - £3,321) was attributable to unrestricted funds.

Arch (North Staffs) Limited (A company limited by guarantee)

Notes to Financial Statements

Year Ended 31st March 2016

6 Other income

	2016 £	Restated 2015 £
Other	23,153	43,374
	<hr/> 23,153	<hr/> 43,374

Other income was £23,153 (2015- £43,374) of which £nil (2015 - £nil) was attributable to restricted funds and £23,153 (2015 - £43,374) was attributable to unrestricted funds.

7 Analysis of expenditure on charitable activities

	Activities undertaken directly £	Grant funding of activities £	Support costs £	2016 Total £	Restated 2015 Total £
Housing Management	53,286	204,342	217,957	475,585	810,702
Accommodation and Inclusion Services	254,754	1,131,004	272,819	1,658,577	1,842,525
Services to counter Domestic Violence	136,364	677,135	142,835	956,334	713,758
Floating Support and Outreach services	167,155	1,228,337	250,095	1,645,587	1,353,530
Other	(41,996)	51,063	11,263	20,330	62,945
	<hr/> 569,563	<hr/> 3,291,881	<hr/> 894,969	<hr/> 4,756,413	<hr/> 4,783,460

£3,291,881 (2015 - £3,277,169) of the above costs were attributable to restricted funds. £1,464,532 (2015 - £1,506,291) of the above costs were attributable to unrestricted funds. The agreement of outstanding lease costs of Arch's former head office (Pelham St) created a positive release of provisions (£65,114) to the 2016 costs resulting in a £41,966 net effect.

Arch (North Staffs) Limited (A company limited by guarantee)

Notes to Financial Statements

Year Ended 31st March 2016

8 Allocation of support costs

Support cost	Basis of allocation	Housing Management	Accommodation and Inclusion Services	Services to counter Domestic Violence	Floating Support and Outreach Services	Costs of generating Voluntary Income	2016 Total	Restated 2015 Total
		£	£	£	£	£	£	£
Finance	Total Income	1,025	938	489	875	35	3,362	7,636
Information technology	Total Income	5,694	5,209	2,717	4,858	193	18,671	16,539
Human resources	Headcount	2,157	9,886	5,572	6,830	1,258	25,703	37,965
Business Development	Non Rental Income	-	82,808	43,188	75,669	3,064	204,729	73,877
Service Management & Employee Tracking	Total Income	41,864	38,302	19,976	35,718	1,417	137,277	6,323
Depreciation	Rental Income	21,632	-	-	371	-	22,003	39,589
Office costs (incl. rental)	Total Income	1,628	1,490	777	1,388	55	5,338	70,152
Intragroup Charges	Total Income	133,741	122,362	63,817	114,107	4,524	438,551	459,263
Pension contributions	Headcount	676	3,096	1,746	2,139	394	8,051	8,755
Other	Total Income	9,540	8,728	4,553	8,140	323	31,284	141,700
Total		217,957	272,819	142,835	250,095	11,263	894,969	861,799

9 Net income for the year

Net income is stated after charging:

	2016 £	Restated 2015 £
Depreciation of tangible fixed assets	50,662	58,219
Operating Lease Payments	50,398	28,473
Auditors Remuneration	-	-
	101,060	86,692

Auditor's remuneration is included within the intercompany charge from Staffordshire Housing Association.

Arch (North Staffs) Limited (A Company Limited by guarantee)**Notes to the Financial Statements****Year Ended 31st March 2016****10 Staff costs and employee benefits**

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2016 Number	2016 FTE	2015 Number	2015 FTE
Management and Admin	24	21	20	21
Fieldworkers	127	94	115	94
Cleaners	3	1	1	1
	<hr/> 154	<hr/> 116	<hr/> 136	<hr/> 116

The total staff costs and employee benefits was as follows:

	2016 £	2015 £
Salaries and wages	2,285,687	2,298,750
PAYE / NI Costs	153,762	159,065
Redundancy Costs	46,697	41,837
Pension Costs	45,429	56,269
	<hr/> 2,531,575	<hr/> 2,555,921

Total redundancy / termination payments amount to £46,497 (2015 - £41,837) and are related to a Management restructure. £23,610 (2015 - £nil) are included in accruals.

The number of employees who received total employee benefits (excluding employer pension costs of more than £60,000 is as follows:

	2016 Number	2015 Number
£60,001 - £70,000	1	-
	<hr/> 1	<hr/> -

Arch (North Staffs) Limited (A Company Limited by guarantee)

Notes to the Financial Statements

Year Ended 31st March 2016

11 Tangible fixed assets

	Land and buildings £	Motor vehicles £	Office Equipment £	ICT Equipment £	Total £
Cost or deemed cost:					
At 1 st April 2015	775,000	12,990	115,244	221,044	1,124,278
Additions	-	-	1,212	5,905	7,117
Disposals	-	-	-	(19,319)	(19,319)
At 31 st March 2016	775,000	12,990	116,456	207,630	1,112,076
Depreciation:					
At 1 st April 2015	10,300	12,990	86,869	176,252	286,411
Charge for the year	10,300	-	9,925	30,437	50,662
Eliminated on disposals	-	-	-	(17,382)	(17,382)
At 31 st March 2016	20,600	12,990	96,794	189,307	319,691
Net book value:					
At 31 st March 2016	754,400	-	19,662	18,323	792,385
At 1 st April 2015	764,700	-	28,375	44,792	837,867

The net book value of land and buildings comprised:

	2016 £	Restated 2015 £
Land and buildings:		
Freehold	754,400	764,700
	754,400	764,700

Tangible fixed assets held at deemed cost (previously valuation).

The historic cost equivalent of land and buildings included at deemed cost are as follows:

	2016 Land and buildings £	Restated 2015 Land and buildings £
Cost	750,000	750,000
Accumulated depreciation	(49,000)	(39,200)
Net book value	701,000	710,800

Freehold land and buildings included above were recognised as a deemed cost on transition to SORP (FRS 102). These assets are being depreciated from their valuation date of 1st April 2014 and have a net book value of £754,400 (2015 - £764,700). The historic cost equivalent of these assets is £701,000 (2015- £710,800).

Arch (North Staffs) Limited (A company limited by guarantee)

Notes to Financial Statements

Year Ended 31st March 2016

12 Debtors

	2016	2015
	£	Restated £
Rent Arrears	136,785	115,799
Provision for Bad Debt	(103,709)	(51,922)
Trade debtors	33,076	63,877
Gross amounts due from customers for contract work & accrued income	100,968	116,011
Other debtors	153,885	165,865
Prepayments	65,206	64,612
	<u>353,135</u>	<u>410,365</u>

13 Current asset investments

	2016	Restated 2015
	£	£
Short term deposits	816,357	622,323
	<u>816,357</u>	<u>622,323</u>

Short term deposits an average interest rate of 0.69%.

14 Creditors: amounts falling due within one year

	2016	Restated 2015
	£	£
Trade creditors	99,163	128,563
Tenant prepayments	59,505	54,068
Payments on account for contracts or performance related contracts	293,176	235,682
Amounts owed to group undertakings	25,019	37,174
Other tax and social security	2,076	1,965
Other creditors	17,116	25,777
Accruals	310,183	207,237
	<u>806,238</u>	<u>690,466</u>

Details of leasing arrangements are provided in note 16.

Details of deferred income are provided in note 17.

Arch (North Staffs) Limited (A Company Limited by guarantee)

Notes to the Financial Statements

Year Ended 31st March 2016

15 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Amounts owed to group undertakings	73,000	73,000
	<hr/>	<hr/>
	73,000	73,000
	<hr/>	<hr/>

The amount owed to group undertakings is repayable upon the sale of the Elizabeth House property.

16 Leases

Operating leases - lessee

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2016 £	Restated 2015 £
Not later than one year	17,436	43,988
Later than one and not later than two years	15,620	20,260
Later than two and not later than three years	11,063	5,153
Later than three and not later than four years	7,633	813
Later than four and not later than five years	6,678	729
Later than five and not later than six years	2,473	701
Later than six and not later than seven years	618	-
	<hr/>	<hr/>
	61,521	71,644
	<hr/>	<hr/>

17 Deferred income

	Under 1 year £	Over 1 year £	Total £
At 1 st April 2015	235,682	-	235,682
Additions during the year	293,176	-	293,176
Amounts released to income	(235,682)	-	(235,682)
	<hr/>	<hr/>	<hr/>
At 31 st March 2016	293,176	-	293,176
	<hr/>	<hr/>	<hr/>

Income has been deferred to match to related costs in line with the conditions of the relevant contract.

Arch (North Staffs) Limited (A Company Limited by guarantee)

Notes to the Financial Statements

Year Ended 31st March 2016

18 Fund reconciliation

Unrestricted funds

	Balance at 1 st April 2015 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 31 st March 2016 £
Elizabeth House capital fund - designated	654,114	-	-	-	-	654,114
Retained Earnings	556,456	1,578,132	(1,464,532)	500	-	670,556
Revaluation Reserve	109,895	-	-	(500)	-	109,395
	1,320,465	1,578,132	(1,464,532)	-	-	1,434,065

Restricted funds

	Balance at 1 st April 2015 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 31 st March 2016 £
Rent deposit fund	12,500	3,291,881	(3,291,881)	-	-	12,500
	12,500	3,291,881	(3,291,881)	-	-	12,500

Fund descriptions

a) Unrestricted funds

Unrestricted funds constitute the surplus of incoming resources over resources expended on charitable activities which are not restricted in its application.

b) Designated funds

Designated funds comprise funding received from third parties for the development of specific capital projects.

c) Restricted funds

Restricted funds comprise funding which has been received for the provision of specified services. Any unspent funds are carried forward until they are spent or are returned to the funder.

Arch (North Staffs) Limited (A company limited by guarantee)

Notes to Financial Statements

Year Ended 31st March 2016

19 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fixed assets	-	792,385	-	792,385
Cash and current investments	513,669	654,114	12,500	1,180,283
Other current assets / liabilities	-	(453,102)	-	(453,102)
Creditors more than one year	-	(73,000)	-	(73,000)
Total	513,669	920,397	12,500	1,446,565

20 Big Lottery: Restricted Funds

	Total Big Lottery Recognised Income £	Total Restricted Charitable income for Associated Activity £	Total Restricted Charitable income £	Total Income £
Income				
Youth in Focus – Stepping Up	236,518	1,226,405	3,233,267	4,870,013
Reaching Communities – Sunrise Centre	120,599	677,135	3,233,267	4,870,013
Reaching Communities – Shout Out Stoke	108,633	1,226,405	3,233,267	4,870,013
Total	465,750			

	Total Big Lottery Recognised Expenditure	Total Restricted Charitable Expenditure for Associated Activity	Total Restricted Charitable Expenditure	Total Expenditure
Direct Costs				
Youth in Focus – Stepping Up	214,962	1,228,337	3,291,881	4,756,413
Reaching Communities – Sunrise Centre	109,995	677,135	3,291,881	4,756,413
Reaching Communities – Shout Out Stoke	94,243	1,228,337	3,291,881	4,756,413
Support Costs				
Youth in Focus – Stepping Up	21,556	252,037	-	894,969
Reaching Communities – Sunrise Centre	10,604	252,037	-	894,969
Reaching Communities – Shout Out Stoke	14,390	252,037	-	894,969
Total	465,750			

Arch (North Staffs) Limited (A Company Limited by guarantee)

Notes to the Financial Statements

Year Ended 31st March 2016

21 Events after the end of the period

There were no events after the period. (2015: £Nil).

22 Related party transactions

Arch (North Staffs) Limited is a subsidiary of Staffordshire Housing Association Limited. Other subsidiaries of Staffordshire Housing Association include Stillness 924 Limited, Blue Mountain Housing Association Limited and Search Housing Association Limited. Staffordshire Housing Association, as the parent, has taken advantage of the exemption available under Section 33 FRS 102 not to disclose transactions with wholly owned subsidiary undertakings.

Transactions with registered and non-registered elements of the business

The Association receives management services from Staffordshire Housing Association Limited.

23 Financial instruments

The carrying amounts of the charity's financial instruments are as follows:

	2016 £	2015 £
<i>Financial assets</i>		
Financial assets measured at amortised cost	<u>287,929</u>	<u>345,753</u>
<i>Financial liabilities</i>		
Financial liabilities measured at amortised cost	<u>(630,578)</u>	<u>(627,873)</u>

Arch (North Staffs) Limited (A company limited by guarantee)

Notes to Financial Statements

Year Ended 31st March 2016

24 First-time adoption of SORP (FRS 102)

On adoption of FRS 102 the Charity has restated the comparatives; the impact on reserves is as follows:

	Note	Reserves as at transition date 1 Apr 2014	Surplus Year ended 31 Mar 2015	Reserves as at 31 Mar 2015
		£	£	£
As previously stated under former SORP (2005)		1,275,170	75,774	1,350,944
Transitional adjustments				
Revaluation reserve for freehold property now held at deemed cost	a	54,400	(64,200)	(9,800)
Depreciation of Freehold Property at Cost	a	-	(500)	(500)
Accrual of staff holiday pay	b	-	(7,679)	(7,679)
As stated in accordance with FRS 102		1,329,570	3,395	1,332,965

Explanation of changes to previously reported surplus and reserves:

- The charity chose to elect the revaluation carried out by Louis Taylor on 16 April 2015 as its deemed cost. This was confirmed as a fair value as at transition date by a supplemental report dated 21 June 2016 (also provided by Louis Taylor). This increased reserves at transition by £54,400 and decreased the surplus for the year ending 31 March 2015 by £64,200, being the reversal of the revaluation movement in that year. Additional depreciation of £500 also reduced the previously stated 2015 surplus.
- FRS102 requires that the cost of unused entitlement and short term employee benefits is measured and recognised in the reporting period. The effect is that unused holiday entitlement has now been recognised as an accrual at the reporting period date. This has resulted in a decrease of reserves at transition of £Nil and a decrease in the surplus for the year ended 31 March 2015 of £7,679.