

Company Number 06904882
Charity Number 1129748

ST JOHN'S APPROVED PREMISES

DIRECTORS' AND TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016



ST JOHN'S APPROVED PREMISES

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors and trustees have pleasure in presenting their report and audited accounts for the year ended 31 March 2016.

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

St John's Approved Premises is a charitable company. The charity was registered on 20 May 2009, number 1129748, and the company on 13 May 2009, number 06904882. The company commenced its activities on 1 July 2009.

The registered office and operating address is: -

259-263 Hyde Park Road
Leeds
LS6 1AG

The directors of the company, who are the charity trustees, and who served during the year and up to the date of this report were: -

A Barnes	(Chair)
T A Conneely	
C G Spiller	
J Granger	
M J Montoro-Blanch	
A Theakston	(resigned 23 May 2016)
N Thompson	(Deputy Chair)
J Johnson	(appointed 25 January 2016)

Principal staff: I Johnson – Manager
A Dobbie – Deputy Manager

Bankers: The Royal Bank of Scotland
27 Park Row
Leeds
LS1 5QB

Auditors: Garbutt & Elliott Audit Limited
Chartered Accountants and Statutory Auditors
33 Park Place
Leeds
LS1 2RY

Solicitors: Wrigleys Solicitors LLP
19 Cookridge Street
Leeds
LS2 3AG

ST JOHN'S APPROVED PREMISES

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 MARCH 2016

Looking back over the year, I am pleased to report on a successful and positive year, one of consolidation of practice and purpose.

Our funding and our key relationship with the National Offender Management Service continues to be robust and resilient, and we look ahead to a healthy future. Contract management arrangements are now firmly in place as are the more informal networks of communication with partner agencies.

Performance measures have been maintained to an excellent standard, with high occupancy levels and positive qualitative feedback in place reporting residents' excellent experiences from their stay at St John's.

Strategic leadership and strong management skills have been maintained by the management team of Ms Imogen Johnson and Mr Alan Dobbie. The staff team have been supervised with Annual Appraisal and Development, and together the core Values and Vision for St John's has continued to be paramount. There have been some changes in the staff group for some expansion with Compass St John's Housing Project, including the appointment of a Compass Development Worker with a third member of staff expected to come on board later in the year.

The staff group have been working to implement the St John's Purposeful Activities timetable. This includes a Living Skills Programme to promote independent living skills, Employability and Job Club activities in conjunction with colleagues from partner agencies from Skills for Work and Department of Works and Pension. Residents meetings provide a core meeting time for residents and staff, as well as the very popular Bike Project and the Thursday trips out to focus on community reintegration. Service user engagement is also encouraged across all elements of hostel living.

We are delighted to announce the national recognition by the Royal College of Psychiatrists in the achievement of the Enabling Environment Award in March of this year. This represents a significant amount of work and is testament to the team work, supportive culture and leadership at St John's.

St John's continues to improve service users' rehabilitation by providing housing options, and we have continued to develop and expand into this area, something we see as an essential element in reducing the prospect of relapse and recall. We are very proud to witness the growth and sustainability of the Compass St John's Housing Project. We are grateful for the financial support provided and are delighted to have now been recognised by Leeds City Council as a housing provider. Planning and multi agency interest and encouragement has continued including support from West Yorkshire Police. Permission and funding has now been agreed for up to 80 units, a very exciting new development for St John's.

We continue to be supported by the hard working Trustees of St John's, who participate in all aspects of the running of the hostel. We remain committed to forward business planning and we maintain robust financial planning to ensure the solid foundation remains in place.

I have to acknowledge the ongoing support from all the staff team at St John's, who provide the supportive and secure environment required. We are actively seeking to develop staff and enhance skills through training and personal development. We continue to work with a focus on partnership working and the coming year we will aim to promote and connect the links with all agencies across the local community network to seek alliances, coming together to improve service user's opportunities and to thereby reduce reoffending.

ST JOHN'S APPROVED PREMISES

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 MARCH 2016

In conclusion, I once again offer my gratitude and thanks to the management team and to all the staff at St John's.

I remain proud of the contribution we make to the resettlement of residents we welcome to St John's Approved Premises. I am delighted that St John's has been recognised this year with the achievement of the Enabling Environment Award – again this follows the dedication and commitment from the staff group and dedicated Trustees.

Thank you
Tony Barnes
Chair, St John's Approved Premises Committee

ST JOHN'S APPROVED PREMISES

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is a charitable company limited by guarantee. It is governed by the rules contained within its Memorandum and Articles of Association.

Members guarantee to contribute an amount not exceeding £10 each to the assets of the charitable company in the event of winding up.

Recruitment and Appointment of Trustees

The Directors of the company are also charity trustees for purpose of charity law and under the company's articles are known as members of the council.

The Directors who held office during the period and to date are as listed on page 2.

The Board have a wide range of backgrounds and skills, bringing expertise in education, probation, industry, legal, social work, business, finance and the Roman Catholic Church. Trustees and Directors however, do not have any affiliation to a particular religion. Upon appointment, Directors are requested to provide a list of their skills and areas of expertise. This enables the Board to maintain the skills base necessary for the smooth administration of the Approved Premises. If a particular skill is lost due to retirement of a Board member, individuals with similar skills will be asked to take up an appointment of the Board of Directors.

Organisational Structure

Comprising up to 12 Board members, the Directors are responsible for the strategic direction and policy making of the charity. Board meetings are held 10 times per year. The meetings fall on the last Monday of the month, with the exception of the month of December and the month of August. The management of St John's Approved Premises is delegated to a management committee and Manager. The Approved Premises Manager is responsible for the daily running of the hostel and the supervision of the team of staff, assisted by a Deputy Manager. This will include development of working practice and skills of the staff team as set down in the best practice guide.

Appointments to the management committee can be made at any time. There is no time limit on any appointment. Membership is ratified each year by the Directors at their Annual General Meeting.

The trustees consider Imogen Johnson and Alan Dobbie the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis.

The pay of the charity's key personnel are reviewed annually and normally increased in accordance with average earnings. The remuneration is also bench-marked with charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

Staffing

The staff group at St John's Approved Premises remains a stable one. Outreach support and the expansion of Compass St John's Housing Project, is now supported by an additional Development Worker.

ST JOHN'S APPROVED PREMISES

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Trustees Induction and Training

All new Directors receive an Induction Pack. Trustees who have served on the Management Committee over a period of time will be familiar with the practical work of the Hostel and the Charity. Any gaps in knowledge are identified and articulated by individual board members. To enable all members to have the requisite information and knowledge of the Hostel and Charity, training and visits are arranged. Board members are encouraged to attend seminars and conferences run by NAPA – The National Approved Premises Association.

Risk management

Having conducted a review of the major risks to which the charity is exposed, systems have been identified and implemented with the intention of mitigating any risk faced by the charity.

Compliance of health and safety regulations in relation to staff, residents and visitors to the hostel, is in accordance with the Mentor Services provided by the Royal Bank of Scotland.

A comprehensive Health and Safety report is prepared and presented monthly to the Directors. This gives the Directors the opportunity to act upon any points identified and ensure staff compliance.

Related Parties

The Hostel works in partnership with the National Offender Management Service, the National Probation Service, Burley Park and Hyde Park Medical Services, Local Housing Associations, Drug and Alcohol Services, Mental Health Services and local landlords. These partnerships cater for the diversity, health and wellbeing of all our residents.

The National Offender Management Service provides our principal funding and we work in partnership with them and the National Approved Premises Association at a national level. The hostel has consistently achieved excellent results. The Directors offer their thanks and appreciation to all agency partnerships for the commitment and assistance to the Charity over the last 12 months, allowing us to fulfil our work to such an excellent standard.

See note 14 to the accounts for related party disclosure.

ST JOHN'S APPROVED PREMISES

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016

OBJECTIVES AND ACTIVITIES

The Charity's purpose as set out in the objectives contained in the Memorandum and Articles of Association is to:

- Maintain the Premises known as St John's, as an Approved Premises within the meaning of the offender Management Act 2007 and in particular:
- Provide for the public benefit, legal, educational, or other assistance and accommodation, to those in need by reason of youth, age, ill health, disability, financial hardship, or other social disadvantage, and particularly for the rehabilitation of persons who have been convicted of criminal offence, who are on bail or who are otherwise subject to criminal proceedings.
- Rehabilitate offenders particularly those addicted to drugs, alcohol or otherwise in need of help.
- Assist offenders who have mental health requirements.
- Relieve distress or suffering arising from offending behaviour.
- Seek suitable accommodation and employment for offenders whilst confronting their offending behaviour.

These objectives were reviewed on the formation of the Charity in July 2009. When reviewing the aims and objectives of the charity, and in planning future activities, the trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission.

The focus of our work

The Charity supports those individuals in the main who have been released on licence from Prison. We also support those individuals who are completing Community Orders and those granted Bail, who have been given a condition to reside at St John's Approved Premises for a period of three months.

St John's has a highly trained team of staff and a qualified member of Probation who work closely with Probation Officers and other Prison staff, The National Offender Management Service, Prisons and the Courts. Staff will challenge offending behaviour with a view to assisting offenders in addressing their lifestyle. St John's offers an individual programme of work and every offender is expected to complete this during their stay. The programmes offered are tailored to reduce the risk of serious harm posed by offenders to members of the public.

As part of the rehabilitation services on offer at St John's residents are required to take part in Purposeful Activities as well as a weekly Residents Meeting and other Service User groups. Preparation for move on and for independent living are facilitated by attendance at a Living Skills group which includes a practical focus on cookery and budgeting skills, participation in a Financial Awareness Programme, a Job Skills Club and/ or a referral to Skills for Work.

We do offer specialist advice and support to address accommodation and housing provision. Also training on the use of the Internet for maintaining family ties, access to the Job Centre and to assist with Social Security claims.

We offer a Bicycle Workshop, where residents who wish to partake can, under supervision, build a custom made bicycle, which will become their own.

St John's continues to work in tandem with a number of organisations providing the specialist services required by residents.

ST JOHN'S APPROVED PREMISES

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The focus of our work (cont)

We are very proud to have achieved the Royal College of Psychiatrists Enabling Environment Award in March of this year. This represents a significant achievement for St Johns, being the first male independently managed hostel to achieve this and to be part of a small number of hostels to achieve the accreditation nationally.

ACHIEVEMENTS AND PERFORMANCE

This year, as every year, the Directors have discussed a Business Plan that is felt reflects the requirements of the National Offender Management Service and meets the performance objectives for the hostel.

We continue to meet the requirements in terms of high occupancy rates for the hostel, whilst both meeting an acceptable risk profile and ensuring we meet high support needs. We have worked to improve the residential experience for residents, both to address issues of institutionalisation and to make better preparation for release.

Our commitment to improving residents lives, and to reduce reoffending and to protect the public, has served to motivate staff to improve services to residents and we have in the provision of the Purposeful Activities a wide range of activities and programmes to better equip our residents for independent living.

A key achievement over the period has been a continued focus on accommodation planning for move on after the residency at St John's. With this in mind, Compass St John's Housing Project has gone from strength to strength. The aim and vision for the project to deliver further housing options through private rented supportive housing in conjunction with the Outreach worker service has continued to take shape and we are developing the move on pathway from St John's Approved Premises to secure move on accommodation.

Clearly in the current economic climate some uncertainties remain, and we have continued to maintain an excellent relationship with the National Offender Management Service. Current contract management structures are in place to ensure governance and ongoing oversight.

FINANCIAL REVIEW

The Statement of Financial Activities shows net expenditure for the year before actuarial gains of £60675 and the reserves stand in total at £1331659 at 31 March 2016.

The Approved Premises submits an annual budget to the Directors for approval. At each monthly management meeting, a financial review takes place. Also, monthly and on a random date, a cash and bank check is carried out by the Honorary Treasurer.

The finances of the Approved Premises continue to be managed in a prudent and resourceful manner.

Principal funding sources

The Ministry of Justice is the principal funder of St John's Approved Premises. The charity received £664504 from this source.

Investment policy

Investments are made principally through the development fund. Income generated from any investments contributes to the future development of St John's Approved Premises. Short term investments are approved by the Board of Directors at Management Committee meetings.

ST JOHN'S APPROVED PREMISES

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016

FINANCIAL REVIEW (CONTINUED)

Reserves policy

The Trustees are of the view that the level of central reserves is adequate to enable the charity to fulfil its charitable objectives.

The Directors have established a policy whereby the unrestricted funds of the Approved Premises not committed or invested in tangible fixed assets ('free reserves') are maintained at a level at which the Management Committee feels it is sufficient to maintain the continuing activities of the charity on the basis of the funding arrangements with the Ministry of Justice. The trustees estimate this level to be equal to two months of the resources expended, which equates to around £157000. At 31 March 2016 the free reserves amounted to £115792 before taking account of the pension reserve. The trustees will review the policy annually.

FUTURE PLANS

The targets for the coming year have been discussed and agreed and are set out below:

General targets

- Continue to manage the affairs of the charity in accordance with the legal requirements
- Continue to manage the finances of the Trust with prudence
- Continue to promote the work of the charity
- Recruitment of new directors who have relevant skills as required
- Remain aware of the constant need to be inclusive and encourage diversity
- Maintain a skills audit of directors
- Provide training as necessary for the trustees
- Set strategy and targets with awareness of and responsive to needs for strategic change
- Contribute to national and local debate within the Ministry of Justice and the National Probation Service to promote the work of Approved Premises
- Review the performance of management by completing objectives set by the National Probation Service, the National Offender Management Service and the directors and trustees

Approved Premises

- Continue to maintain, as well as seek to improve, St John's Hostel as a property that is fit for the purpose.
- Support the Management Committee of St John's Approved Premises to continue the function of supervising the work done by the Approved Premises
- Where appropriate and agreed, to act in pursuing discussions and any action relevant to point 2 above
- Monitoring the performance of the trustees against national and local targets
- Support St John's Approved Premises in developing the work carried out with high and very high risk offenders.
- Continue to develop the structured interventions for residents, including the timetable of Purposeful Activities and to promote service user involvement
- Continue to provide settled and secure move on accommodation for residents and continue to develop housing opportunities through Compass St John's Housing Project.

ST JOHN'S APPROVED PREMISES

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016

AUDITORS

In September 2015 Ian Pickup & Co merged with Garbutt & Elliott. It is proposed that Garbutt & Elliott Audit Limited be appointed auditors in accordance with s.485 of the Companies Act 2006.

STATEMENT OF RESPONSIBILITIES OF THE DIRECTORS AND TRUSTEES

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 company as at the end of the financial year, and of the surplus or deficit of the company for that period. In preparing those 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 company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the charity, 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 charity and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.


STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The trustees of the company who held office at the date of approval of this annual report confirm that:

- so far as they are aware, there is no relevant audit information, information needed by the company's auditors in connection with preparing their report, of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of this information.

SMALL COMPANY RULES

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. It was approved by the Board and signed on its behalf.



Tony Barnes
Director and Trustee (Chair)

14 November 2016

ST JOHN'S APPROVED PREMISES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST JOHN'S APPROVED PREMISES

We have audited the accounts of St John's Approved Premises for the year ended 31 March 2016 which comprise the primary statements such as the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees, (who are also the directors of the company for the purposes of company law), are responsible for the preparation of the accounts and for being satisfied that the accounts give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors, including "APB Ethical Standard – Provisions Available for Small Entities (Revised)", in the circumstances set out in note 18 to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable 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 accounts. In addition, we read all the financial and non-financial information in the trustees' annual report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ST JOHN'S APPROVED PREMISES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST JOHN'S APPROVED PREMISES

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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.



Ian Pickup
Senior Statutory Auditor
For and on behalf of Garbutt & Elliott Audit Limited
Chartered Accountants & Statutory Auditors
33 Park Place
Leeds
LS1 2RY

Date: 7 December 2016

ST JOHN'S APPROVED PREMISES

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2016 (Incorporating an Income and Expenditure Account)

	Note	UNRESTRICTED FUNDS	RESTRICTED FUNDS	ENDOWMENT FUNDS	TOTAL FUNDS 2016	TOTAL FUNDS 2015 (restated)
		£	£	£	£	£
Income from:						
Charitable activities:						
Grants, contracts and fees	2	664504	-	-	664504	664504
Rents receivable	3	217787	-	-	217787	65935
Investments		65	-	-	65	88
Other		1204	-	-	1204	264
		-				
Total income		883560	-	-	883560	730791
Expenditure on:						
Charitable activities	4	944235	-	-	944235	751310
Total expenditure	4	944235	-	-	944235	751310
Net (expenditure) for the year	5	(60675)	-	-	(60675)	(20519)
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	17	27000	-	-	27000	(80000)
Net movement in funds		(33675)	-	-	(33675)	(100519)
Total funds brought forward	12	906884	-	458450	1365334	1465853
Total funds carried forward	12	873209	-	458450	1331659	1365334

There were no recognised gains and losses for 2016 and 2015 other than those included in the income and expenditure account. All activities derive from continuing operations.


The notes on pages 16 to 27 form part of these accounts

ST JOHN'S APPROVED PREMISES

BALANCE SHEET AS AT 31 MARCH 2016

	Note	2016 £	2015 (restated) £
FIXED ASSETS			
Tangible assets	7	1627867	1632115
<i>Total fixed assets</i>		<u>1627867</u>	<u>1632115</u>
CURRENT ASSETS			
Debtors & prepayments	8	25344	12427
Cash at bank and in hand		<u>137264</u>	<u>170122</u>
<i>Total current assets</i>		<u>162608</u>	<u>182549</u>
CREDITORS: amounts falling DUE WITHIN ONE YEAR	9	<u>(46816)</u>	<u>(36330)</u>
<i>Net current assets</i>		<u>115792</u>	<u>146219</u>
Net assets excluding pension liability		1743659	1778334
Defined benefit pension liability	17	<u>(412000)</u>	<u>(413000)</u>
Total net assets		<u>1331659</u>	<u>1365334</u>
Funds of the charity:			
Unrestricted Funds:			
General funds	12	1285209	1319884
Endowment funds	12	458450	458450
Pension reserve	12	<u>(412000)</u>	<u>(413000)</u>
TOTAL CHARITY FUNDS		<u>1331659</u>	<u>1365334</u>

The financial statements, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved by the board of directors and trustees on 14 November 2016 and signed on its behalf.



Tony Barnes
Director and Trustee (Chair)

The notes on pages 16 to 27 form part of these accounts.

Company registration number: 06904882

ST JOHN'S APPROVED PREMISES

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

Statement of Cash Flows	Note	2016 (Total Funds) £	2015 (Prior year Funds) £
Cash Flows from operating Activities:			
<i>Net cash provided by (used in) operating activities</i>	19	<u>(32923)</u>	<u>(58921)</u>
Cash Flows From investing activities:			
Interest income		65	88
Purchase of equipment		<u>-</u>	<u>-</u>
<i>Net cash provided by (used in) investing activities</i>		<u>65</u>	<u>88</u>
Change in cash and cash equivalents in the reporting period		(32858)	(58833)
Cash and cash equivalents at the beginning of the reporting period		<u>170122</u>	<u>228955</u>
<i>Cash and cash equivalents at the end of the reporting period</i>		<u>137264</u>	<u>170122</u>

ST JOHN'S APPROVED PREMISES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are as follows:

a) Basis of preparation

The accounts 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 (FRS102) (effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. The trustees concluded that no restatement is required as any adjustment would be immaterial.

c) Transition to FRS102

This is the first year the charitable company has presented its financial statements under FRS102 and Charity SORP (FRS102). The 2015 financial statements under the previous UK GAAP were for year ended 31 March 2015. The date of transition to FRS102 and the Charities SORP (FRS102) is 1 April 2014.

d) Going concern

The trustees have prepared financial projections, taking into consideration the current economic climate and its potential impact on the sources of income and planned expenditure. They have a reasonable expectation that adequate financial resources are available to enable the charity to continue in operational existence for at least the next 12 months, and have adequate contingency plans in the event that income streams are reduced. Consequently the accounts have therefore been prepared on the basis that the charity is a going concern.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

- Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- The value of services provided by volunteers is not included.
- Investment income is included when receivable and the amount can be measured reliably by the charity.
- Where income is received for expenditure in a future accounting period that amount is deferred.

f) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Resources expended include attributable VAT which cannot be recovered.

Expenditure is classified under the following activity headings:

ST JOHN'S APPROVED PREMISES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

f) Expenditure (cont)

- Charitable expenditure comprises those costs incurred by the charity in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities and those costs of an indirect nature necessary to support them.
- Governance costs, included in support costs, include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements and are allocated to charitable activities.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. staff time, as set out in Note 4.

g) Tangible fixed assets and depreciation

Freehold property is stated at valuation. Freehold buildings are not depreciated. It is the company's policy to maintain the properties in continual state of sound repair. Accordingly, directors consider that the life of the property is so long and the residual value, based on prices prevailing at the time of acquisition, is so high that any depreciation would be insignificant.

Other fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets less their estimated residual value over their expected useful lives on the following basis:

Furniture and equipment - 10% per annum straight line
Individual fixed assets costing more than £2000 are capitalised.

h) Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remains with the lessor, are charged to the Statement of Financial Activities in the year in which they fall due over the period of the lease.

i) Pensions

The company operates a defined benefit scheme for employees. The assets of the scheme are held separately from those of the company. Contributions are charged to the profit and loss account as they become payable as advised by the actuary.

j) General – Unrestricted funds

General funds are unrestricted funds which 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.

k) Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

l) Endowment funds

Endowment funds are funds where capital is held to generate income for charitable purposes. They are either permanent endowment funds, where the trustees have no discretion to expend the capital and expendable endowment funds, where the trustees have the discretion to spend the capital.

ST JOHN'S APPROVED PREMISES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (cont)

m) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a maturity within the 12 months after the balance sheet date.

o) Creditors

Creditors are recognised where the trust 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.

p) Financial instruments

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

q) Significant areas of estimation and judgement

The preparation of the financial statements requires judgements, estimations and assumptions to be made that affect the reported values of assets, liabilities, revenues and expenses. The nature of estimation and judgement means that actual outcomes could differ from expectation. In the accounts to 31 March 2016 these include the depreciation charge on fixed assets.

2. CHARITABLE ACTIVITIES – GRANTS CONTRACTS AND FEES

	Unrestricted funds £	Restricted funds £	2016 Total £	2015 Total £
Ministry of Justice contract	664504	-	664504	664504

The income from charitable activities was £664504 (2015: £664504), of which £nil (2015: £nil) were restricted and £664504 (2015: £664504) were unrestricted.

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES: RENTS RECEIVABLE

	Unrestricted funds £	Restricted funds £	2016 Total £	2015 Total £
Income from residents	29025	-	29025	31787
Income from housing benefit				
- Compass St Johns	188762	-	188762	34148
Total	217787	-	217787	65935

The charity received rents receivable of £217787 (2015: £65935), of which £nil (2015: £nil) were restricted and £217787 (2015: £65935) were unrestricted.

ST JOHN'S APPROVED PREMISES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

4. TOTAL RESOURCES EXPENDED

	Basis of allocation	Charitable activities – Core Rehabilitation £	Compass St John's Project £	Governance £	2016 Total £	2015 Total £
Costs directly allocated to activities						
Staff costs	Staff Time	466490	68799	-	535289	480855
Pension scheme – current service cost (note 17)	Direct	12201	1799	-	14000	(6000)
Net interest on net pension liability (note 17)	Direct	10458	1542	-	12000	12000
Professional fees – FRS102 disclosure	Direct	1398	-	-	1398	1200
Provisions	Direct	21584	-	-	21584	23330
Loans and grants	Direct	1579	455	-	2034	1617
Travelling expenses	Direct	4885	3724	-	8609	3883
Repairs and refurbishment	Direct	62766	4442	-	67208	49720
Rents to landlords	Direct	-	120881	-	120881	27699
Office expenses	Direct	27937	411	-	28348	33794
Sundry expenses	Direct	7090	971	-	8061	5738
Drugs and alcohol testing	Direct	1270	-	-	1270	975
Heating and lighting	Direct	20644	-	-	20644	23170
Rates	Direct	4997	1006	-	6003	5331
Insurance	Direct	2328	-	-	2328	2358
Cleaning	Direct	6235	-	-	6235	7227
Depreciation	Direct	4248	-	-	4248	4248
Support costs allocated to activities:						
Staff costs	Staff Time	79199	-	-	79199	69143
Audit & accountancy	Direct	-	-	4896	4896	5022
Total		735309	204030	4896	944235	751310

The charity expended £944235 (2015: £751310) on charitable activities, of which £nil (2015: £nil) were restricted and £944235 (2015: £751310) were unrestricted.

5. NET EXPENDITURE FOR THE YEAR

This is stated after charging:

	2016 £	2015 £
Auditors' remuneration:		
Audit fees	2280	2158
Accountancy fees	2196	2624
Conversion to FRS 102 SORP	420	-
Taxation	-	240
Operating lease rentals – equipment	4075	4075

ST JOHN'S APPROVED PREMISES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

6. INFORMATION REGARDING EMPLOYEES AND TRUSTEES

The average monthly number of employees, on the full-time equivalent basis, during the year was as follows:

	2016 FTE	2015 FTE
Direct charitable activities	15	13
Management and administration of the charity	3	3
	<u>18</u>	<u>16</u>

The average number of employees for the year was 35 (2015:34).

Staff costs during the year were as follows:

	2016 £	2015 £
Wages and salaries	494321	439828
Social security costs	34713	24863
Pension costs	85454	85307
	<u>614488</u>	<u>549998</u>

Wages and salaries include £nil (2015: £30777) incurred in connection with the secondment of the charity's manager from West Yorkshire Probation Trust.

No employee earned £60000 or more during the year (2015: none).

One trustee, Colin Spiller received an honorarium of £1000 for finance services provided to the charity (2015: £750). See also note 14. No other trustees received remuneration from the charity during the year (2015: £nil).

The charity considers its key management personnel to be Imogen Johnson and Alan Dobbie. The total employee benefits of the key management personnel of the charity were £123483 (2015: £100413).

The amount paid to 8 trustees in respect of travel costs was £1786 (2015: £2074 paid to 8 trustees for travel costs). The amount paid to 1 trustee for subsistence was £48 (2015: £63 paid to 1 trustee for subsistence).

ST JOHN'S APPROVED PREMISES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

7. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Furniture and equipment £	Total £
Cost or valuation:			
At 1 April 2015	1600000	42491	1642491
Additions	-	-	-
At 31 March 2016	<u>1600000</u>	<u>42491</u>	<u>1642491</u>
Depreciation:			
At 1 April 2015	-	10376	10376
Charge for the year	-	4248	4248
At 31 March 2016	<u>-</u>	<u>14624</u>	<u>14624</u>
Net book value			
At 31 March 2016:	<u>1600000</u>	<u>27867</u>	<u>1627867</u>
Net book value			
At 31 March 2015:	<u>1600000</u>	<u>32115</u>	<u>1632115</u>

Freehold land and buildings were brought into the company when the company was incorporated in 2009 at a valuation of £1600000. The directors have not adopted a revaluation policy. The land and buildings include 259 and 263 Hyde Park Road Leeds, which are properties held by the charitable company outright and 261 Hyde Park Road Leeds which is held on trust (under the terms of the 1971 trust deed) as a result of the Charity Commission scheme dated 9 June 2009.

On 11 February 2015 the 3 properties were valued by David H F Moor FRICS FNAEA FICBA FNAVA in accordance with VPS3 and VPS4 of the Red book (RICS Valuation – Professional Standards 2014, incorporating International Valuation Standards 2013). The market valuations individually were as follows: 259 Hyde Park Road - £420,000; 261 Hyde Park Road - £500,000; 261 Hyde Park Road - £825,000. As a single unit the 3 properties valuation was £1,750,000

8. DEBTORS

	2016 £	2015 £
Trade debtors	16649	6466
Other debtors	-	4405
Prepayments	8695	1556
	<u>25344</u>	<u>12427</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Sundry creditors and accruals	27773	21072
Taxation and social security	10986	8422
Pension creditor	8057	6836
Deferred income (note 10)	-	-
	<u>46816</u>	<u>36330</u>

ST JOHN'S APPROVED PREMISES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

10. DEFERRED INCOME

	2016 £	2015 £
At 1 April 2015	-	55375
Amount released to incoming resources	-	(55375)
Amount deferred in the year	-	-
At 31 March 2016	-	-

11. ANALYSIS OF NET ASSETS BY FUND

	Tangible fixed assets £	Pension reserve £	Net current assets £	Total £
Unrestricted funds:				
General	1169417	-	115792	1285209
Endowment funds	458450	-	-	458450
Pension Reserve	-	(412000)	-	(412000)
	<u>1627867</u>	<u>(412000)</u>	<u>115792</u>	<u>1331659</u>

ANALYSIS OF NET ASSETS BY FUND – PREVIOUS YEAR (RESTATED)

	Tangible fixed assets £	Pension reserve £	Net current assets £	Total £
Unrestricted funds:				
General	1173665	-	146219	1319884
Endowment funds	458450	-	-	458450
Pension Reserve	-	(413000)	-	(413000)
	<u>1632115</u>	<u>(413000)</u>	<u>146219</u>	<u>1365334</u>

12. MOVEMENT IN FUNDS

	Balance 1 April 2015 £	Incoming Resources Resources Expended £	Transfers £	Actuarial Gain/(Loss) £	Balance 31 March 2016 £
Unrestricted funds :					
General funds	1319884	883560 (918235)	-	-	1285209
Pension reserve	(413000)	- (26000)	-	27000	(412000)
Total unrestricted funds	906884	883560 (944235)	-	27000	873209
Restricted fund					
Endowment funds (Note 7)	458450	- -	-	-	458450
Total funds	<u>1365334</u>	<u>883560 (944235)</u>	<u>-</u>	<u>27000</u>	<u>1331659</u>

ST JOHN'S APPROVED PREMISES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

MOVEMENT IN FUNDS – PREVIOUS YEAR (RESTATED)

	Balance 1 April 2014 £	Incoming Resources Resources Expended £	Transfers £	Actuarial Gain/(Loss) £	Balance 31 March 2015 £	
Unrestricted funds:						
General funds	192853	730791	(745310)	1141550	-	1319884
Pension reserve	(327000)	-	(6000)	-	(80000)	(413000)
Total unrestricted funds	(134147)	730791	(751310)	1141550	(80000)	906884
Restricted fund	-	-	-	-	-	-
Endowment funds - Expendable Endowment	1600000	-	-	(1141550)	-	458450
Total funds	1465853	730791	(751310)	(1141550)	(80000)	1365334

13. TAXATION

The company is a registered charity and is exempt from income and corporation tax to the extent that income and gains are applicable and applied to charitable purposes only.

14. RELATED PARTIES

Alan Theakston (director and trustee) has a nephew whose business PTE Sound Systems provides services to St Johns. The amounts paid were £nil in the year to 31 March 2016 (£198 in the year to 31 March 2015). No amounts were outstanding at the year end.

Colin Spiller, who provides finance services to the charity, is also a trustee of the charity. During the year the charity paid Colin Spiller a £1000 honorarium (2015: £750) in respect of those services.

15. LIABILITY OF MEMBERS

The company is limited by guarantee and does not have a share capital. Every member of the charity undertakes to contribute such sum as may be required (not exceeding ten pounds) to the charity's assets if it should be wound up while he or she is a member, or within one year after he or she ceases to be a member, for payment of the charity's debts and liabilities contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

16. COMMITMENTS

As at 31 March 2016 the charity had total commitments under non-cancellable operating leases as follows:

	Other equipment 2016 £	2015 £
Due date:		
Within one year	4076	4076
Between one and five years	10088	14164

ST JOHN'S APPROVED PREMISES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

17. PENSIONS

The charity participates in the West Yorkshire Pension Fund (WYPF). WYPF is a local government multi-employer defined benefit scheme where the charity is able to identify its share of the underlying assets and liabilities on a consistent basis. Under FRS102 the charity should provide information on the fair value of the scheme assets and the present value of the scheme liabilities at the opening and closing balance sheet dates and the movement in surplus/(deficit) between both balance sheets together with comparatives and other required disclosures. The WYPF is funded and is contracted out of the state scheme. The last triennial valuation of the Scheme took place 31 March 2013 and was undertaken by professionally qualified actuaries, Aon Hewitt, using the projected unit method.

The market value of the charity's share of the Scheme's assets at 31 March 2016 was £1642000. The liabilities at the last valuation at 31 March 2016 were £2054000.

The valuation revealed a shortfall of assets compared with the value of liabilities of £412000. The change in the present value of liabilities for 2015/2016 was as follows:

The amounts recognised in the balance sheet are as follows:

	2016	2015
	£000s	£000s
Present value of funded obligations:	2054	1887
Less: Fair value of plan assets	(1642)	(1474)
Net pension liability at end of year	412	413

The amounts recognised in the statement of financial activities are as follows:

	2016	2015
	£000s	£000s
Components in pension cost:		
Current Service Cost	14	(6)
Net Interest on Pension Liabilities	12	12
Total pension cost recognised in the statement of financial activities	26	6

Changes in the present value of defined benefit obligations are as follows:

	2016	2015
	£000s	£000s
Change to present value of liabilities:		
Present value of liabilities at 1.4.2015	1887	1573
Current Service Cost	99	79
Interest on Pension Liabilities	62	67
Members Contributions	23	21
Past Service Costs	-	-
Actuarial (gains)/losses on liabilities	(78)	175
Benefits/transfers paid	61	(28)
Present value of liabilities at 31.3.2016	2054	1887

ST JOHN'S APPROVED PREMISES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

17. PENSION COSTS (continued)

Changes to the fair value of scheme assets are as follows:

	2016 £000s	2015 £000s
Fair value at 1.4.2015	1474	1246
Interest income on assets	50	55
Remeasurement gains/(losses) on assets	(51)	95
Employer Contributions	85	85
Members Contributions	23	21
Benefits/transfers paid	61	(28)
Fair value at 31.3.2016	1642	1474

	2016 £000s	2015 £000s
Statement of Recognised Gains and (Losses)		
Gains/(losses) on liabilities	78	(175)
Gains/(losses) on assets	(51)	95
Total actuarial gains/(losses) on defined benefit pension scheme	27	(80)

The charity paid contributions at the rate of 17.9% (2015: 16.9%) during the year. The cost to the charity for the year was £85454 -including an additional amount of £21000 (2015: £85307 – including an additional amount of £30000). At the year end £8057 was unpaid to the scheme (2015: £6836).

The charity is required to contribute at the rate of 18.9% of pensionable salaries for 2016/17. Further increases will be required for the following 22 years so that after a total of 22 years, assets and liabilities will be brought into balance. Members' contributions are related to earnings and range between 5.5% and 8.5%. In addition, Strain on Fund contributions may be required in exceptional circumstances.

Principal actuarial assumptions used by the independent qualified actuaries to calculate the liabilities under FRS102 at the balance sheet date are set out as follows:

	31 March 2016	31 March 2015	31 March 2014
Discount rate	3.4%	3.2%	4.3%
RPI inflation	2.9%	2.9%	3.3%
CPI Inflation	1.8%	1.8%	2.3%
Pension increases	1.8%	1.8%	2.3%
Pension accounts revaluation rate	1.8%	1.8%	n/a
Salary increases	3.3%	3.3%	3.8%

ST JOHN'S APPROVED PREMISES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

17. PENSION COSTS (continued)

The analysis of the fair value of the assets held by the pension scheme at the beginning and end of the period is as follows:

	Assets at 31 March 2016	%	Assets at 31 March 2015	%	Assets at 31 March 2014	%
	£000s		£000s		£000s	
Equities	1235	75.2	1124	76.2	938	75.3
Government Bonds	176	10.7	156	10.6	131	10.5
Corporate Bonds	76	4.6	69	4.7	67	5.4
Property	80	4.9	63	4.3	40	3.2
Cash Liquidity	21	1.3	28	1.9	39	3.1
Other	54	3.3	34	2.3	31	2.5
	1642	100	1474	100	1,246	100

Amounts for the current and previous periods are as follows:

	31 March 2016	31 March 2015	31 March 2014	31 March 2013
	£000s	£000s	£000s	£000s
Defined Benefit Obligations	(2054)	(1887)	(1573)	(1540)
Plan Assets	1642	1474	1246	1155
(Deficit)	(412)	(413)	(327)	(385)

18. AUDITORS' ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other organisations of our size and nature our auditors have assisted us with the analysis of the accounting records and the preparation of the financial statements.

19. RECONCILIATION OF NET MOVEMENTS IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016	2015
	£	£
Net (expenditure) for the year	(60675)	(20519)
Add back: depreciation charges	4248	4248
pension scheme current service cost	14000	(6000)
Net interest on net pension liability	12000	12000
Deduct investment income	(65)	(88)
(Increase)/ decrease in debtors	(12917)	(533)
Increase/(decrease) in creditors	10486	(48029)
Net cash used in operating activities	(32923)	(58921)

ST JOHN'S APPROVED PREMISES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

20. FINANCIAL INSTRUMENTS

	2016 £	2015 £
<i>Carrying amount of Financial Assets</i>		
Financial assets that are debt instruments measured at amortised cost	153913	180993
<i>Carrying amount of Financial Liabilities</i>		
Financial liabilities measured at fair value	412000	413000
Financial liabilities measured at amortised cost	35830	27908