

St Basils Annual Report and Financial Statements

Year ending 31st March 2013

ST BASILS
(Limited by Guarantee)

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INFORMATION

BOARD

Kathy Halliday - chair
Maddy Bunker
Pat Brown-Richards
Prof. Harris Beider
Venerable John Duncan
Sara Fowler
Cllr. James Hutchings
David Leigh
Amelia McCann
Jonathan Morgan
John Parr
Cllr Mike Sharpe
Det. Supt. Sue Southern
Jean Templeton

CHIEF EXECUTIVE

Jean Templeton

SECRETARY

Brian Adams

REGISTERED OFFICE

Heath Mill Lane
Deritend
Birmingham
B9 4AX

CHARITY NUMBER

1080154

COMPANY NUMBER

3964376

HOMES AND COMMUNITIES AGENCY NUMBER

H 3994

AUDITORS

Mazars LLP
45 Church Street
Birmingham
B3 2RT

BANKERS

Lloyds TSB Bank Plc
3rd Floor
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Birmingham
B3 3SD

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BOARD REPORT

The Board present their report and Operating and Financial Review together with the financial statements for the year ended 31 March 2013.

Nature, Objectives and Strategies of the Business

Mission

"St Basils works with young people to enable them to find and keep a home, to develop their confidence, skills and opportunities, and to prevent homelessness".

St Basils Housing Association

St Basils is a Registered Provider of Social Housing, a registered Company and Charity providing a holistic range of accommodation and support services for young people aged 16-25 who are homeless, at risk or in conflict.

Legal and Policy Context

St Basils is governed by the Homes and Communities Agency (HCA) regulations and standards, Charity Commission rules, the Companies Act and the regulatory frameworks of service commissioners. In particular, this includes the Supporting People Quality Assessment Framework and other commissioner-specific standards. The Agency has no statutory obligation to provide services but many of the services provided are covered by legislation including Children Acts, which apply to all service provision for young people and children.

Principal activities and geographical coverage

St Basils is one of the largest organisations working with young people who are homeless or at risk in the country and is the largest regional organisation of its kind. The organisation operates over 31 sites in Birmingham, North Worcestershire, Solihull and Sandwell, of which 28 offer 414 units of accommodation. St Basils has long recognised that providing accommodation alone is an inadequate response to the combination of factors associated with youth homelessness. Our services therefore aim to provide a holistic response based on individual need and experience.

Birmingham

St Basils successfully secured Level A across the board in our Birmingham Quality Assessment Reviews of our Supporting People services. We have also secured contract extensions during 2012/13 and were able to negotiate an option for a redefinition of the 'claimable hour' which has enabled us to protect much needed services whilst reducing contract values by 15% in Birmingham. We have directly delivered over 140,000 hours of housing related support, implemented support services from our Places of Change scheme at Carole Gething House, and continued with our very successful supported lodgings service for Care Leavers. We have managed the City's multi-agency Youth Hub service, launched in November 2011 and receiving referrals from over 4,500 young people during the year and achieving a 90% Prevention rate. Working with Children, Families and Young People's services and Homelessness services as well as our housing related support partners, we have aligned both our own services and access to their services through the Youth Hub, providing a friendly and accessible single gateway for young people who are homeless or at risk in the City. The largest of its kind in the country, the Youth Hub has attracted significant attention from many Local Authorities and their partners.

During 2012/13, we have worked with a range of commissioners to provide services to young people leaving care, young offenders and those with substance misuse issues.

North Worcestershire 2012-13

We have secured contract extensions in north Worcestershire for 3 years plus the option of a 2 year extension, with reduced resources as a result of public sector funding pressures. The team have supported in excess of 492 people since the service was launched in September 2009 and are currently supporting in excess of 100 young people. Around 79% of referrals were to accommodation projects including the mYPlace Private Rented Sector (PRS) scheme, the remainder being floating support. Of the 102 young people who have exited the service 92% of those have exited the service with positive outcomes. The team have expanded the accommodation offer in response to this need in Bromsgrove and Kidderminster and have successfully secured funding from Crisis to continue with a private rented scheme in Wyre Forest. Our service developments and successes over the year include the award of a contract to deliver floating support services across north Worcestershire for the next three years; implementation of a Schools Training and Mentoring Programme (STaMP) with continued funding in the next financial year; award of a contract to develop additional Private Rented Schemes and provision of a Supported Lodgings service.

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Solihull

St Basils continues to provide both floating support services and accommodation based services in Solihull. During 2012/13 we worked with partners and commissioners to secure funding to improve and extend Mildenhall from 5 shared units to 12 self-contained units. We have successfully delivered the Supported Lodgings contract since 1 April 2012, expanding support and accommodation options for young people in the Borough. From April 2013, we are relaunching our STaMP (schools training and mentoring programme) in Solihull.

Sandwell

During 2012/13 we have delivered our expanded Family Mediation Service in Sandwell in partnership with the Home Options Team and Prevention Services, and have secured additional funding to further enhance our services to young people in the Borough since 1 April 2012. The scheme worked with 245 young people during the year and over 90% of the young people were assisted to remain in the family home or achieve a planned move.

National Youth Reference Group

We have been funded by the Department for Communities and Local Government to facilitate and support the National Youth Reference Group (NYRG) since 2008 successfully completing a fifth year in 2012/13 and securing further funding for 2013/14. This is a group of young people from around the country who have experienced homelessness and who work together to inform and influence policy makers and service deliverers to optimise service effectiveness. The group has had a significant impact nationally and are unique in their contribution to service development. Initially intended to be a 6 month legacy project, NYRG are now firmly embedded in national influencing structures.

The group held a National Youth-led conference in Birmingham in May 2012 which was well received and participated in the first Homeless Young People's Parliament in Westminster in December 2012. This was so successful that St Basils has been funded to develop a standing Homeless Young People's Parliament during 2013/14 to provide the opportunity for homeless young people to speak directly to Ministers about issues which affect them. This is a ground breaking milestone.

Accommodation and Support Services

During 2012/13, we updated our Asset Management Strategy and stock condition information and committed resources to our action plan to ensure our accommodation remains fit for purpose.

We embedded the training and reflective practice as part of our investment in St Basils as a Psychologically Informed Environment in partnership with Birmingham and Solihull Mental Health Foundation Trust (BSMHFT) achieving significant improvements both for young people and staff resilience.

Our accommodation and support services include:

- Direct access provision (young men, young women and mixed)
- Range of accommodation, some having on site 24 hour support, and some with flexible support to meet the needs of the young people living there
- An accredited Foyer (Accommodation plus Education) for young people and young families
- Places of Change scheme with accommodation based support
- Accommodation with support for young mothers and babies
- Move-on accommodation with support for young parents
- Neighbourhood based accommodation with support for young people
- 8 Starter Homes for working young people
- Foyer in Bromsgrove
- Supported Lodgings for Care Leavers and young homeless people
- Private rented options in north Worcestershire and Birmingham
- Cross tenure Floating Support for young people leaving St Basils accommodation and those in Local Authority/ Social Landlord tenancies who are assessed as at risk by the landlord.

Non Accommodation based services:

- YouthHub – Multi-Agency Single Point of Access in Birmingham
- Leaving Care Housing Pathways Planning service
- Referral and placement service for young offenders
- Housing related support Centres in Kidderminster, Bromsgrove and Redditch
- Prevention Services:
 - Home Options Service

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- Family Support, Mediation and Advocacy Service
- Estrangement and reconciliation work
- STaMP (schools training and mentoring project)
- Peer education project
- Peer Befriending service
- Learning, Skills and Work Service
 - access to Life skills training and accreditation
 - access to work experience, mentoring and coaching
 - access to bespoke training and development
- Supporting Youth Involvement including:
 - Youth Engagement Structures and support
 - Youth Advisory Board (YAB), elected by clients of St Basils
 - National Youth Reference Group
 - National Youth Parliament
- Access to extended range of specialist services through partnership network
- Creative Arts and Sports opportunities
- Training, Strategic Advice and Consultancy support.

Our Vision

Our vision for all young people is that:

- Homelessness is not part of their experience of growing up
- There are integrated education, employment and housing pathways
- They are able to access the support and development opportunities they need to secure their futures and realise their potential

Our vision for St Basils as an organisation is that we:

- Continue to be creative and innovative in our work with young people
- Prevent homelessness in the first place, through early intervention and flexible prevention work with young people and their families
- Extend and improve on our services that assist young people in realising their potential
- Build on our local, regional and national reputation for excellence in youth homelessness

We will work towards our vision by:

- Working alongside other agencies
- Influencing and informing both strategic and service development locally, regionally and nationally
- Sharing the learning from our experience and evaluation of what works
- Ensuring young people are at the heart of all decision-making relating to their lives and futures.
- Having a skilled and highly motivated workforce which reflects the diverse community we serve

The more young people can be engaged in deciding about their own lives, their environment and their communities, the more likely they are to successfully move into independence. Our challenge is to create active not passive services which engage with the young person in co-creating a journey which provides both challenge and support. Increasingly we are focussing on developing skills and confidence which enable the young person to find a pathway to employment as this is more likely to enable them to secure their independence, increase their choices and avoid homelessness.

The framework for our vision encompasses:

- *Services for young people*
- *Community engagement*
- *St Basils - a good place to work*

Services for young people

We will continue to provide, improve and develop services, which meet a broad range of needs, responding to young people with high and complex needs but also developing prevention and early intervention services, which target young people before those needs are acute.

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Community engagement

We believe it is not possible to provide services effectively to young people from diverse communities unless you reflect those communities at all levels within your organisation. We will promote and sustain our diversity by engaging with the diverse communities we serve as employers, service providers and contributors to local neighbourhoods. We will work with young people supporting and motivating them to play an active part in securing the future of their communities, promoting cross community cohesion and breaking down barriers which might exist.

St Basils - a good place to work

We recognise that our diverse, skilled and highly motivated workforce is central to our effectiveness. We will continue to ensure we have the skills and capacity to achieve our objectives by developing a reputation for quality standards, and by ensuring our employment and development policies and practices make St Basils a preferred place to work.

The Board wishes to explicitly recognise the commitment and dedication of the staff team throughout this year, within an increasingly complex and challenging environment.

Principles to Work by

Our seven *Principles to Work by*, describe what we believe in and should help us describe what this means to all who work with us.

1. Young People First

This is at the heart of everything we do. By putting the needs and aspirations of young people as our top priority, we will ensure that our policies and practices assist them to secure their futures and realise their potential. We will recognise and promote their achievements and challenge negative images which create barriers and reinforce stereotypes.

2. Everybody Counts

We believe that everyone has an important contribution to make and a viewpoint which matters. We will adopt an open and inclusive approach which ensures that the views, ideas, beliefs and interests of all our stakeholders are considered and dealt with in a respectful way.

3. Strength and Unity through Diversity

Our diversity is our strength and we are united in our purpose through a collective framework of principles and priorities. Like the pieces in a Jigsaw, we are all different but only by fitting together, is the whole picture complete.

We believe that our different experiences, skills and heritage better enable us collectively to respond to the individual needs and experiences of the young people who come to us.

4. Working and learning with Others

St Basils recognises that in order to provide the best possible services for young people we must work with others who have specific knowledge, skills and expertise in areas where we do not. Within our organisation and in our dealings with external partners, we believe we can make a greater difference when working together. We will also share our learning of what works and what doesn't and learn from the experience of others.

5. Delivery and Effectiveness

It is essential that we are able to demonstrate our effectiveness and that we 'do what we say we're going to do'. If we claim that 'St Basils works...' we have to be prepared to evidence the outcomes of what we do. Our commitment to continuous improvement means that we must constantly question our effectiveness and strive to improve our services and evidence the impact of what we do from our customers' perspective.

6. Accountability

We are individually and collectively accountable for our work and the promotion of St Basils' objectives and principles. We recognise the balance between rights and responsibilities and encourage accountability for the promotion of both. We recognise our range of accountabilities to all our stakeholders and seek to be consistent and open in their delivery. We are regulated and inspected by a range of external organisations and welcome this as an opportunity to examine ourselves and check that we continue to deliver.

7. Forward Thinking

To work with young people means that you have to be prepared to work in a constantly changing environment. Needs, experiences and aspirations change. We believe that we must not only deal with young people's needs as they present themselves today but also plan and develop services which will meet future needs. It is our intention therefore

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to remain at the ‘cutting edge’ of services for young people in order to assist them to break down barriers preventing them from achieving their ambitions.

Optimising Outcomes for Young People – Our business direction

During 2012/13, we have made considerable progress in a number of service areas, outlined in our summary of progress under our 6 strategic priorities. We have also identified specific actions to take forward these priorities during the coming year.

In order to maximise investment in services for young people, our minimum surplus target is 1% which we have fallen just short of at 0.96% after net transfers from reserves, as a result of our planned investment of reserves in services and infrastructure. Had the opportunity to write some old sales and purchase ledger costs not been taken, the target of 1% would have been achieved. Our reserves strategy ensures free reserves are used to support our strategic objectives.

Charitable fundraising remains a key funding source in our future strategy, currently representing some 7.0% of our total income. Our fundraising strategy aims to raise funds in an ethical way linking closely to the Principles and Strategic Priorities of the agency. Our fundraising committee brings additional skills, business knowledge and networks to draw on in developing our approach.

Review of Activities

Our strategic priorities for 2012/13 were:

1. Provision of good quality accommodation which meets the needs and raises the aspirations of young people
2. Provision and development of prevention and support services which meet the diverse needs of young people
3. Young people fully involved in setting standards, identifying priorities and monitoring services
4. St Basils- a good place to work
5. Challenging discrimination and promoting diversity and cohesion through employment, service delivery and community engagement
6. Optimising resources to achieve our strategic objectives

Progress in Achieving Key Service and Performance Objectives in 2012/13

Specifically we were able to make progress in the following areas:

Strategic Priority 1

‘Provision of good quality accommodation, which meets the needs and raises the aspirations of young people’

- ✓ Completed cyclical maintenance programme
- ✓ Secured funding for refurbishment of Trentham House
- ✓ Expanded accommodation options through a range of means including development of supported lodgings, working with Registered Providers, Local Authorities and Private Landlords
- ✓ Commenced development of Kidderminster Foyer
- ✓ Implemented private rented schemes in Bromsgrove and Redditch
- ✓ Implemented Supported Lodgings schemes in north Worcestershire and Solihull
- ✓ Worked with Solihull MBC to redevelop accommodation at Mildenhall House.
- ✓ Opened Lashbrook House in Rubery to provide 15 additional units of accommodation in north Worcestershire
- ✓ Relunched Brandon Thomas Court as John Austin Court.
- ✓ Commissioned support from Ark consultancy to implement our Asset Management Plan
- ✓ Secured Empty Homes Funding

Strategic Priority 2

‘Provision and development of prevention and support services which meet the diverse needs of young people’

- ✓ Expanded employment pathways for young people through partnerships with Employers and training providers
- ✓ Completed the relocation of the Youth HUB service to Heath Mill Lane
- ✓ Completed review of integrated Learning, Skills and Work model
- ✓ Developed ‘Boost’ strategy and secured pilot funding
- ✓ Reviewed and relaunched STaMP model
- ✓ Implemented “Outcomes Star” across the agency
- ✓ Implemented year 2 of PIE (Psychologically informed environment) and reported on performance against Key Performance Indicators (KPIs)

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- ✓ Worked with new Health Commissioners to ensure youth homelessness is a priority in health commissioning
- ✓ Expanded multi-agency partners within YouthHub.
- ✓ Ensured Multi-agency assessment processes included as a priority within BIG Lottery Fulfilling Lives bid
- ✓ Contributed to steering group of national End Youth Homelessness Alliance

Strategic Priority 3

‘Young people fully involved in setting standards, identifying priorities and monitoring services’

- ✓ Facilitated year 5 of National Youth Reference Group Action Plan – completed guidance on Health, Education and Employment
- ✓ Delivered a national youth lead conference
- ✓ Delivered and reviewed ‘Local Offer’
- ✓ Expanded Tenant Involvement capacity and implement recommendations from Involvement review
- ✓ Implemented Apprentice Board Member Programme
- ✓ Supported Youth Advisory Board
- ✓ Involved young people in providing ‘thought leadership’ on development of youth led housing programmes
- ✓ Implemented revised satisfaction survey
- ✓ Young People carried out ‘ASK 100’ at Youth Hub to review service experience
- ✓ Reviewed policy on young people’s employment as a result of Future Jobs Fund experience
- ✓ Implemented Active Governance Programme
- ✓ Involved young people in key policy reviews and development of BOOST
- ✓ Embedded young people’s involvement in all recruitment processes
- ✓ Supported NYRG to contribute to National Youth Homeless Parliament
- ✓ Secured lottery funding for a number of youth led programmes on financial inclusion, health and employment

Strategic Priority 4

‘St Basils – A good place to work’

- ✓ Carried out Review of sickness terms and conditions
- ✓ Relocated head office functions to The Arch
- ✓ Relocated National Youth Reference Group function to Ryder Street and then to The Arch
- ✓ Relocated Youth HUB and Supported Lodgings services to Heath Mill Lane
- ✓ Protected jobs and wage levels as a result of negotiated changes in contractual terms
- ✓ Appointed a Learning and Development Manager
- ✓ Commissioned and delivered 2012/13 Learning and Development Programme
- ✓ Reviewed constituencies and elected members to the Employee Council
- ✓ Implemented second year of PIE investment, training and reflective practice
- ✓ Established and implemented St Basils “*Trainee Programme*” recruiting 13 trainee Support Workers
- ✓ Implemented lone working security measures
- ✓ Signed up to Birmingham’s Business Charter for Social Responsibility including Living Wage

Strategic priority 5

‘Challenging discrimination and promoting diversity and cohesion through employment, service delivery and community engagement’

- ✓ Implemented Equality and Diversity Action Plan with BRAP (Human Rights Consultancy)
- ✓ Embedded mandatory training for all staff on equalities and diversity issues
- ✓ Achieved compliance with Quality Assessment Framework (QAF) and achieved Level A in reviews in Birmingham
- ✓ Used Youth Hub data to review access and outcomes in relation to equality
- ✓ Reviewed survey data and implemented actions to address any differential experiences
- ✓ Maintained diverse teams
- ✓ Employed local people with relevant experience through Trainee Programme
- ✓ Developed BOOST programme to reach those most entrenched NEET young people (not engaged in education, employment or training)
- ✓ Engaged in multi-agency welfare reform committee; trained staff and implemented measures to mitigate impacts for young people
- ✓ Contributed to Birmingham ‘Social Inclusion Process’

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Strategic Priority 6

‘Optimising resources to achieve our strategic objectives’

- ✓ Commenced commissioning process of integrated business support system
- ✓ Reviewed and analysed current procurement activities to identify priorities for improvement
- ✓ Put in place the funding plan for the Asset Management Strategy
- ✓ Reviewed Treasury Management policies and procedures
- ✓ Achieved business growth
- ✓ Exceeded Fundraising target
- ✓ Sustained Supporting People contracts within the context of public sector funding pressures
- ✓ Achieved a 0.8 % surplus on turnover

During 2013/14, we aim to make progress in the following areas:

Strategic Priority 1

‘Provision of good quality accommodation, which meets the needs and raises the aspirations of young people’

- Complete cyclical maintenance programme
- Refurbish Trentham House
- Refurbish Edgwood House
- Provide an additional 11 units of accommodation through Empty Homes Funding
- Implement Asset Management Plan including review of Property Services Team
- Expand accommodation options through a range of means including development of supported lodgings, working with Housing Associations, Local Authorities and Private Landlords
- Complete development of Kidderminster Foyer and set up services
- Develop young people’s housing co-operative model

Strategic Priority 2

‘Provision and development of prevention and support services which meet the diverse needs of young people’

- Secure Youth Hub Contract for further 3 years
- Develop Health Partnerships and secure psychologist support in-house
- Develop and train PIE Champions and review evaluation templates
- Develop partnership with Birmingham University to analyse data and inform targeted prevention approaches
- Implement Partnership with Homeless Link to promote positive pathway for young people
- Extend STaMP services
- Implement BOOST pilots
- Extend employment opportunities for young people

Strategic Priority 3

‘Young people fully involved in setting standards, identifying priorities and monitoring services’

- Implement year 6 of National Youth Reference Group (NYRG)
- Develop and implement National Youth Homeless Parliament
- Implement BIG Lottery ‘Pay Ahead Stay Ahead’ programme for Financial Inclusion
- Appoint additional Youth Engagement Coordinator
- Develop Scrutiny processes including implementation of mystery shopping programme
- Support YAB
- Employ Youth Trainee to support NYRG and Youth Homeless Parliament
- Develop Apprentice Board Members
- Recruit and develop ‘Healthy Conversations’ programme involving young people
- Develop and implement ‘POP up Talent’ with young people to extend job opportunities
- Engage young people with social enterprise and Hub Launchpad partnership

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Strategic Priority 4

‘St Basils – A good place to work’

- Implement Health and Wellbeing Programme
- Support Trainees and develop programme
- Implement Learning & Development Programme
- Use our collective Assets to support each other and young people
- Protect service quality and skilled work
- Develop Volunteers Strategy
- Identify and provide advanced training to PIE Champions
- Reduce use of Agency cover
- Work with Employee Council to protect services and quality, fulfilling jobs

Strategic priority 5

‘Challenging discrimination and promoting diversity and cohesion through employment, service delivery and community engagement’

- Develop partnership to provide research into Needs
- Ensure we are intentional about Equality issues and use our data and intelligence to promote equality and fairness
- Implement Boost Pilots
- Focus on access to learning , skills and work for all young people
- Work with welfare reform partnerships to mitigate impacts on vulnerable people
- Align with those who are tackling inequalities
- Promote End Youth Homelessness Alliance

Strategic Priority 6

‘Optimising resources to achieve our strategic objectives’

- Implement service contracts and use flexibilities to protect services
- Increase fundraising profile and targets
- Develop our Internal Market for business support services
- Commission ICT Strategic framework
- Commission and implement Business Support integrated system
- Review procurement networks and evaluate CHIC (Central Housing Investment Consortium)
- Optimise in-house services
- Pursue new business opportunities
- Make it easier for young people to pay rents locally

Current performance and influences on future performance

Governance and Reporting Structures

St Basils Board is supported by three sub-committees: Service Delivery and Development sub-committee, Business Support sub-committee and Fundraising sub-committee. In addition, the Board is advised by our Youth Advisory Board (YAB). The organisational management structure provides a Directorate comprising Chief Executive, Director of Operations, Finance Director and Corporate Services Director/Company Secretary. Each committee has a lead reporting officer and links to Directorate and the main Board. In addition to business meetings, the Board has two extended sessions each year, considering business planning in October and reviewing Board contributions and performance in April. The Chair and Vice Chair of Youth Advisory Board members have participant observer status on the main Board and during 2012/13, the outgoing Chair and Vice Chair have apprentice Board member status on the main Board. Our Board has 4 young people who have experienced our services as members at any one time.

Our approach to governance and risk management is reviewed annually by our internal auditors and recommendations for best practice implemented.

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Value for Money

1. Our Commitment to VfM:

The regulatory framework for the sector includes a specific standard for VfM. Our regulator, The Homes & Communities Agency (HCA) expects us to have a strategy in place for optimising VfM, and systems in place to ensure that this strategy is delivered.

St Basils is driven by trying to find ways to provide excellent services at the same time as seeking to reduce costs and improve efficiency. The importance of VfM and efficiency are well understood throughout the business, and we continue to work to ensure that we are effectively engaging service users in VfM.

2. Our Value for Money Standard

Our Value for Money Standard, agreed with Young people in our Local Offer, states:

- We will develop and deliver strategies which help us to undertake a planned approach to identifying our business priorities and achieving our overall mission;
- We will publish our Annual Review which will show a summary of our income and expenditure for the year, our Balance Sheet at the financial year end and the activities we have been engaged in during the along with our performance in key service delivery areas;
- We will consult young people and Members of our Youth Advisory Board on our Business Plan which includes our financial plans and priorities;
- We will have fair, open and transparent processes in place for appointing contractors and suppliers such as those we use for gas safety checks, water checks etc.;
- We will survey our service users annually to inform service improvement plans;
- Youth Advisory Board Members' will sit on our interview and recruitment panels and assist to appoint new staff;
- We will have service user representatives on our main Board.

3. How we deliver on VfM:

We have integrated VfM in the following ways:

Governance:

The Board have agreed a strategy which will "Protect, Deepen and Extend" service provision to vulnerable and potentially homeless 16-25 year olds within the West Midlands Region. Board Members encourage Managers and staff to question how we operate and find ways of providing better and more efficient services to our service users. Representatives from our Youth Advisory Board will attend Board meetings and contribute to the strategic thinking of the Board.

Financial:

Our financial strategy has a clear requirement for budget and business plan targets that will produce efficiency gains and improvements to services each year.

Managing Performance:

We continually review our performance. Senior staff are charged with reviewing operations to help us understand the costs of our various services and activities and identify service improvements through peer comparisons and adoption of best practice.

Young People focus:

The Board has co-opted Young People in its' membership to provide a perspective from service users and to help inform strategic decision making. We have a Youth Advisory Board who inform strategy, policy and service delivery. Young people's satisfaction levels are monitored by the Service Delivery Committee and Board to monitor progress on service user satisfaction.

Planning Process:

Our annual business planning process across all activities aims to achieve the best service to young people at the most efficient cost, and to generate sufficient financial headroom to allow investment in improved services and provide reasonable growth.

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Our People:

We are committed to investing in our staff to improve operational efficiency and increase service user satisfaction. An integral aspect of our commitment to this end is the involvement of service users' on recruitment panels where practicable.

4. How we performed:

Satisfaction Matters: How are we doing:

98% overall satisfaction with St Basils (2011/12 – 97%)

97% satisfaction with being treated with respect by St Basils (2011/12 - 96%)

97% satisfaction with safety and security while at St Basils (2011/12 – 94%)

91% satisfaction with complaints handling (2011/12 – 88%)

We have increased our engagement of service users in the annual survey by 79% from an average of 144 responses in 2011/12 to 260 responses for 2012/13.

- Prevention rates

During 2012/13, a total of 4,650 (4,572 – 2011/12) young people sought assistance from the YouthHub; 3,990 young people aged 16-21 (3,821 – 2011/12) had presented as homeless or at risk of homelessness and an additional 660 (753 – 2011/12) young people aged 22-25 were referred seeking urgent accommodation. 1,028 were aged 16-17.

90.78% of 16 and 17 year olds and 84.52% of 18-21 year olds were prevented from being homeless.

- Planned move on from St Basils

We know that one of the important factors in whether young people make a success of sustaining accommodation in the long term is a planned approach to accessing move on accommodation. It is also a reliable indicator as to whether young people have engaged with the support process. Our target is for 75% of young people to leave St Basils services in a planned way. This means that they have not been evicted or abandoned their accommodation, but have secured a tenancy, moved back to family in a planned way or accessed alternative accommodation more suitable to their requirements. This indicator now applies to all housing related support, including support provided to young people in independent tenancies.

During 2012/13 92% (89% - 2011/12) of young people moved on in a planned way. This has been achieved whilst continuing to work with young people with complex needs. The Life Skills programme and the move on process have helped to achieve this improvement.

In terms of inward investment to improve the efficiency of service delivery, we have:

- Invested £95,000 in ICT infrastructure to provide centralised storage of data and support for remote sites;
- Invested £18,000 on capital and £79,000 on revenue improvements to existing accommodation during the year to enhance or prolong the useful life of our accommodation;
- Reduced expenditure on Agency Staff by 42.3% through the successful recruitment and retention of staff;
- Secured the unit price payable for gas and electricity for the next 3 years at 7% and 4% respectively, above the cost of supply negotiated 3 years ago;
- Commissioned external support to formulate and deliver on our Asset Management Strategy;
- Implemented “Outcome Star” as a support planning and outcomes tracking tool which provides information at individual, team and service level on progression made and outcomes achieved. This is essential in providing evidence to Commissioners of impacts;
- Analysed how much we spend, what on and who with to formulate priorities for improving the efficiency and effectiveness of our procurement activity;
- Achieved Level A in reviews of support services provided in Birmingham against the Quality Assessment Framework (QAF);
- Nominated as a Finalist in UK Housing Awards, Specialist Landlord of the Year;
- Nominated as a Finalist in BSMHFT Awards for Innovation for PIE

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Accommodation and Service Provision:

- Increased the number of bedspaces in management and ownership by 15 units from 399 to 414 (3.9%);
- Delivered over 140,000 hours of housing related support;
- Embedded the training and reflective practice as part of our investment in St Basils as a Psychologically Informed Environment, achieving significant improvements for both young people and in staff resilience;

Influencing the National Youth Homelessness Agenda:

- Held a National Youth-led conference in Birmingham to highlight youth homelessness issues;
- Participated in the first Homeless Young People's Parliament in Westminster;
- Secured funding to develop a standing Homeless Young People's Parliament to enable young people to speak directly with Ministers;

5. 2013/14 and beyond

We are committed to demonstrating VfM to our stakeholders in terms of our continual improvement in service delivery performance.

Changes in Welfare Reform and the socio economic environment will place considerable strain on opportunities for young homeless and potentially homeless people to access and receive the support they need to live independently.

St Basils will continue to review the financial cost, impact and effectiveness of services delivered to support its' service users. These reviews will be ongoing and in the context of demonstrating achievement of our mission for the benefit of stakeholders. Detailed plans will be presented to the Board on an annual basis for consideration as an integral aspect of the annual Business plan.

Risks and uncertainties and key relationships

Risk Management

The Homes and Communities Agency requires Registered Providers to have an effective risk management framework. The Board conducts an annual review of the effectiveness of the Association's system of internal control and in particular this focuses on the significant risks that threaten the organisation's ability to meet its objectives and provide reasonable assurance of the safeguarding of assets. St Basils takes a proactive approach to risk management and has initiated a number of monitoring and reporting systems, which feed into risk assessment. These includes our Annual Active Governance Programme of visits to all service areas, individual risk assessments are conducted for each young person coming to St Basils, annual health & safety risk assessments are completed for all areas of the business, and key financial indicators and information are monitored on a weekly basis.

An overall risk assessment report and risk register is produced annually and presented to the Board. For the purpose of the assessment, risk is defined as *"the threat that any event or action will adversely affect an organisation's ability to achieve its business objectives and execute its strategies"*. The assessment is set against the agency's strategic priorities and within the context of St Basils being in a high risk business in terms of:

1. Funding resources
2. Client group
3. Capability

When risks are identified they are allocated a priority rating, control actions identified and responsibilities for actions are determined. From the annual assessment an action plan is formulated and this is regularly monitored and reported to the Business Support sub committee. A risk assessment has also been applied to our service and performance objectives to assist the Board and Senior Management Team to manage their delivery.

The Business Support sub committee also receive regular internal audit reports prepared by the Association's appointed internal auditor, on a wide range of business activity. This is based upon an annual plan prepared at the beginning of each financial year. Our current internal auditors, RSM Tenon's approach to internal audit involves a systematic risk based approach in all of their audits undertaken throughout St Basils, with the aim of aligning their work more closely to St Basils' own analysis of the key risks that we face. It also aims to integrate internal audit more closely into the whole risk management process.

The internal audit programme regularly reviews our risk management systems to apply a degree of independent scrutiny and to ensure best practice. Recommendations arising from the reviews are used by the Board as a means of ensuring a robust risk management process, learning and continuous improvement.

BOARD REPORT

Key Risks/Challenges to the Business Plan in 2013/14

The key risks to delivering our Business Plan include:

- Impacts of the recession and external financial pressures on our Funders, including public service bodies and charitable donors. We believe we have successfully mitigated those risks in 2012/13 but are aware that they will intensify as we implement the cuts in our new contracts.
- Access to safe, affordable housing for young people remains a challenge as a result of little development of affordable housing and increased pressure on one bedroom resources as a result of welfare reform and the shared accommodation rate being extended to 35 year olds.
- Difficulty in supporting young people into employment with high unemployment levels and skilled workers competing in the labour market.
- Implementation of welfare reform and impact on those in receipt of benefits, particularly impacts of sanctions on young people who are estranged from their families. Review of service charges in supported housing and housing benefit for under 25s.
- Ensuring we have the skills to develop the highest standards of safeguarding when we are likely to receive referrals from more young people in the 16-18 age group.
- Forging effective relationships with new partners, particularly in Health and Learning, Skills and Work fields to benefit the young people we support.
- Coping with pressure to reduce hourly rates whilst sustaining high quality services - Influencing commissioners to pay for outcomes rather than inputs.
- Securing capital resources to invest in our Asset Strategy and optimise accommodation options for young people.

Key Relationships

A Business priority for St Basils is to develop and maintain productive relationships with government, local, regional and national as well as our commissioning bodies, delivery partners, employees, young people and the local communities we work with. We are particularly committed to working with others who can assist us to deliver our strategic objectives, including Health commissioners, Police and Crime Commissioners and the new Prime contractors tackling unemployment. In our audit commission inspection and our GOLD award assessment, our approach to partnership working was commended. This remains a priority for us and is even more critical in the changing context of multiple financial pressures, localism and greater focus on self help.

Specifically, we have a formal partnering agreement with Waterloo Housing Association as our lead development partner. Our consortium of social landlords helps provide good quality move-on accommodation for young people when they are ready to leave St Basils. During 2012/13, we have developed a number of productive partnerships with employers to enhance employment opportunities with young people. Our partnership with Birmingham and Solihull Mental Health Foundation Trust deserves special mention.

St Basils continues to prioritise our commitment to a number of key local, regional and national fora including Birmingham City Housing Partnership; North Worcestershire Steering Group; Supporting People Provider Forum; West Midlands Homelessness Forum, regional supported housing network and the partnership group supporting the government's Ministerial group on homelessness.

Financial Position

Financing Structure

Since the Association's restructuring in 2000 a surplus has been achieved in each subsequent year. Surpluses will continue to be achieved which will contribute to our Reserves Policy and Strategy of ensuring financial probity and investment in achieving our strategic priorities, in particular, improvement of our accommodation and the prevention of homelessness.

44% of the organisation's income is from Supporting People and only 33% met from net Rents and Service Charges. Of the amount of income that is received 7% is met from charitable donations with the other remaining income being met from grants and income for specific purposes.

At the end of the financial year a surplus was made on ordinary activities amounting to £69,528 compared to an operating surplus budget of £139,332. Planned expenditure is often being funded through accumulated reserves, however to ensure proper accounting regulations are adhered to, this expenditure has to be accounted for through the income and expenditure account and the deficit or surplus has to be shown before any transfers to / from reserves are applied.

In 2012/13 capital expenditure on properties amounted to £18,626. Of the non-housing capital expenditure £95,275 was for computer equipment, in line with the IT Strategy, and furniture and equipment of £68,869, spend on non-

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BOARD REPORT

housing leasehold properties amounted to £51,815 and this related to cost of works to a new office for support functions.

Cash Flow

The net cash outflow from operating activities during the year amounts to £310,740. With debtors movements of £334,937 and creditor movements of £231,213 and after returns on investments and serving of finance of £26,615 and net capital expenditure in cash terms of £234,555 these transactions have resulted in a net reduction in cash amounting to £526,474.

Rent Policy

The Rent and Service Charges at each of our accommodation schemes are set at affordable levels in line with the Government's Rent reform regulations.

Treasury Policy

There is a clearly defined Treasury Management Policy which lays out the procedures and controls to ensure that St Basils complies with the best professional practice.

The Policy adopted by the Board is summarised below:-

- A limit of no more than £320,000 will be invested in any one account with any one financial institution other than the Association's bankers.

In order to ensure best professional practice, four key factors must be addressed in deciding which financial institutions St Basils would invest with:-

- That the financial institution provides a secure 'home' for the investment.
- That investments are made only for periods for which cash is available without jeopardising effective development strategy.
- Investments should be diversified in order to spread risks.
- Investment income should be maximised without prejudicing the other three factors.

Reserves Policy

Our policy is to maintain reserves for three reasons:-

- To maintain a level of cash backed reserves, which would allow us to meet current liabilities in the event of major disaster or liquidity problems.
- To meet our statutory, regulatory and landlord liabilities.
- To continue to achieve the aims and objectives of St Basils.

Fixed Assets

Details of changes to fixed assets are set out in notes 8 and 9 of the financial statements.

Accounting Policies

In accordance with FRS 18 'Accounting Policies' St Basils regularly reviews its accounting policies to ensure they are the most appropriate for its particular circumstances.

Board Members

The Board Members set out below have held office during the whole of the period from 1 April 2012 to the date of this report unless otherwise stated:-

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Prof. Harris Beider	-	Ordinary Director	
Pat Brown-Richards	-	Ordinary Director	
Maddy Bunker	-	Ordinary Director	- from 1 st October 2012
Venerable John Duncan	-	Nominated Director	
Sara Fowler	-	Ordinary Director	
Kathy Halliday	-	Ordinary Director	
Cllr. Paulette Hamilton	-	Nominated Director	- to 21 st May 2012
Cllr. James Hutchings	-	Nominated Director	
David Leigh	-	Ordinary Director	
Amelia McCann	-	Ordinary Director	
Jonathan Morgan	-	Ordinary Director	
John Parr	-	Ordinary Director	
Cllr Mike Sharpe	-	Nominated Director	- from 21 st May 2012
Det. Supt. Sue Southern	-	Ordinary Director	
Jean Templeton	-	Executive Director	

At the 2013 Annual General Meeting of St Basils, Maddy Bunker, Sue Southern, and Pat Brown retire by rotation. They being eligible offer themselves for re-election.

Internal Controls Assurance

The Board of St Basils has voluntarily chosen to include a statement on internal controls within the published accounts.

St Basils Board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The Board of Management recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Company's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Company is exposed and is consistent with Turnbull principles.

The process adopted by the Board of Management in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

- **Identification and evaluation of risks**

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and on going process of management review in each area of the Company's activities. This process is co-ordinated through a regular reporting framework by the Executive Director and Senior Management Team.

- **Monitoring and corrective action**

There is a process of control self-assessment and regular management reporting on control issues to the Senior Management Team and the Business Support sub committee of the Board. The risk management system provides the basis for development of the internal audit plan to ensure internal audit reviews provide advice and/or assurance in critical areas of risk to the Company. These reviews are reported to the Business Support sub committee of the Board and actions arising from these reports and self-assessment are reviewed regularly.

- **Control environment and control procedures**

The Board retains responsibility for a defined range of issues covering strategic, operation, financial and compliance issues including treasury strategy and new investment projects. The Board has adopted the code of governance 'Competence and Accountability'. Its approach to risk management and internal assurance is embedded in its Business Plan and disseminated through policies, procedures, induction, training, internal communication and working practices.

- **Information and financial reporting systems**

Financial reporting systems include consideration by the Board in October each year of the priorities for the coming year. Detailed budgets are then prepared and approved by the Board annually. The Business Support sub

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BOARD REPORT

committee reviews and reports to the Board regularly on key performance indicators and financial forecasts. The Company has invested in the development of a bespoke performance evaluation system which will assist in the monitoring of service outcomes.

The internal control framework and risk management process is subject to regular review by the external Internal Audit firm who are responsible for providing independent assurance to the Board via the Business Support sub committee. Based on the work during the year the Internal Audit opinion is that the Company has adequate and effective risk management, control and governance processes to manage the achievement of the organisation's objectives. All the recommendations were accepted by management.

The Board confirms that there is an on going process for identifying, evaluating and managing significant risks faced by St Basils. This process has been in place throughout the year under review, up to the date of the annual report, and is regularly reviewed by the Board.

Going Concern

Under the governance requirements, the Board confirms that after making enquiries they have a reasonable expectation that the entity has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the accounts.

Directors Indemnity

The directors have confirmed that St Basils does have Directors and Officers Insurance in place.

Financial Instruments

St Basils does not have any abnormal exposure to price, credit, liquidity and cash flow risks arising from its trading activities. St Basils does not enter into any hedging transactions and no trading in financial instruments is undertaken.

Disclosure of Information to Auditors

In the case of each of the persons who are directors of the Company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditors are unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make them aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information.

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BOARD REPORT

Board Members' Responsibilities

Legislation requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of the entity as at the end of the financial year and of its income and expenditure for the year ended on that date. In preparing those financial statements, suitable accounting policies have been used, framed, to the best of the Board's knowledge and belief, by reference to reasonable and prudent judgements and estimates and applied consistently. Applicable accounting standards have been followed. The Board is also required to indicate where the financial statements are prepared other than on the basis that the entity is a going concern.

The Board is responsible for ensuring that arrangements are made for keeping proper books of account with respect to the entity's transactions and its assets and liabilities and for maintaining a satisfactory system of control over the entity's books of account and transactions. The Board is also responsible for ensuring that arrangements are made to safeguard the assets of the entity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on 9 September 2013
and signed on its behalf by

Brian Adams
Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST BASILS

We have audited the financial statements of St Basils for the year ended 31 March 2013 which comprise the income and expenditure account, the statement of total recognised surpluses and deficits, 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).

Respective responsibilities of the Board and auditors

As explained more fully in the Statement of Board Members' responsibilities out on page 15, the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the 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.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2013 and of its surplus 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, and the Accounting Direction for Private Registered Providers of Social Housing 2012.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Board Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Lee Cartwright (Senior statutory auditor)
for and on behalf of Mazars LLP, Chartered Accountants (Statutory auditor)
45 Church Street
Birmingham
B3 2RT

2013

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INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 March 2013

	Notes	2013 £	2012 £ Restated
TURNOVER			
Supporting people grants			
- City of Birmingham		3,230,163	3,079,276
- Solihull MBC		61,633	76,163
- Worcester CC		420,224	578,044
		<u>3,712,020</u>	<u>3,733,483</u>
Income from charges		2,768,960	2,594,597
Donations		583,916	665,390
Other income		1,349,455	1,219,421
	2	<u>8,414,351</u>	<u>8,212,891</u>
OPERATING COSTS	2	<u>(8,371,438)</u>	<u>(7,952,469)</u>
OPERATING SURPLUS	2	42,913	260,422
Interest receivable and similar income		50,577	20,255
Interest payable and similar charges		(23,962)	-
SURPLUS ON ORDINARY ACTIVITIES BEFORE TRANSFERS	4/15	<u>69,528</u>	<u>280,677</u>

The turnover and expenses relate to continuing activities.

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STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS
For the year ended 31 March 2013

	Notes	2013 £	2012 £
Surplus for the year		69,528	280,677
Unrealised gain on non-cash investments		20,230	
Total recognised surpluses and deficits relating to the year	18	89,758	
Prior year adjustment	15	(124,404)	
Total surpluses and deficits recognised since last annual report		(34,646)	

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BALANCE SHEET
At 31 March 2013

	Notes	2013 £	2012 £ Restated
FIXED ASSETS			
Tangible assets			
Housing properties - Cost	8	12,904,045	12,885,419
- Social Housing and other capital grants	8	(10,982,068)	(10,982,068)
- Depreciation	8	(299,252)	(236,039)
Other fixed assets	8 9	1,622,725 468,247	1,667,312 401,572
		2,090,972	2,068,884
CURRENT ASSETS			
Debtors	11	874,543	539,606
Cash and investments		2,177,684	2,704,158
Non Cash Investments		63,108	42,878
		3,115,335	3,286,642
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	(855,819)	(1,087,033)
NET CURRENT ASSETS		2,259,516	2,199,609
TOTAL ASSETS LESS CURRENT LIABILITIES		4,350,488	4,268,493
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13	385,275	393,038
CAPITAL AND RESERVES			
Accumulated reserves	15	2,058,180	1,977,166
Designated reserves	16	1,177,302	1,161,746
Restricted funds	17	709,501	736,543
Revaluation Reserve	18	20,230	-
		4,350,488	4,268,493

The financial statements on pages 17 to 30 were approved by the Board on 9 September 2013 and were signed on its behalf by:

- Chair

- Member of the Board

- Company Secretary

Company number: 3964376

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CASH FLOW STATEMENT
For the year ended 31 March 2013

	Notes	£	2013 £	£	2012 Restated £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	19		(310,740)		339,225
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received			50,577		20,255
Interest Paid			(23,962)		-
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT					
Purchase of housing properties	8	(18,626)		(1,595,950)	
Purchase of other fixed assets		(216,723)		(140,173)	
Capital grants and donations received	8	-		923,045	
			(235,349)		(813,078)
			(519,474)		(453,598)
FINANCING					
Loan principal repayments	20		(7,000)		-
(DECREASE) IN CASH	20		(526,474)		(453,598)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2013

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and in accordance with the Companies Act 2006, the Accounting Direction for Private Registered Providers of Social Housing 2012, and the Statement of Recommended Practice, "Accounting by Registered Social Housing Providers" updated 2010 issued by the National Housing Federation.

(a) Accounting convention

The financial statements are prepared under the historical cost convention, as modified to include the revaluation of investments.

(b) Turnover

Turnover represents rents and revenue grants receivable together with donations and miscellaneous income.

(c) Depreciation

Housing properties

Depreciation is calculated to write down the cost of housing properties less land and attributable capital grants to their residual value on a straight line basis over 50 years. This is in accordance with the SORP. Freehold land is not depreciated.

Component Accounting (Housing Properties)

Depreciation is calculated to write down the cost of investment in specific components which need replacing over different useful economic lives. St Basils has adopted the following components and economic useful lives for its asset components:

Kitchens	10 year life
Bathrooms	10 year life
Doors	15 year life
Heating systems (Boilers)	15 year life
Window	20 year life
Roofs	50 year life

Other fixed assets

Depreciation is calculated to write down the cost of other fixed assets on a straight line basis over their estimated useful lives.

(d) Social Housing Grant (SHG) and other capital grants

Grants for capital expenditure are deducted from the cost of the fixed assets to which they relate as they become receivable. Grants received in advance of the relevant expenditure are included in short-term creditors and represent amounts to be utilised in the next accounting period.

Grants for revenue expenditure are credited to the income and expenditure account as they become receivable.

(e) Improvements to properties

Expenditure on existing housing properties other than replaced components is capitalised to the extent that it improves the economic benefit of the asset either through an increase in rental income, a reduction in maintenance costs or through an extension of the life of the property.

(f) Investments

Investments held as current assets are stated at market value.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2013

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

(g) Reserves

The Company's policy is to maintain a prudent level of reserves to insure against future liabilities.

Detailed below are the various specific designated reserves.

In addition to these we have free reserves that are available to assist the Company to achieve its strategic objectives of working with young people, to enable them to find and keep a home, to develop their confidence, skills and opportunities and to prevent homelessness. In particular, reserves will be used to improve accommodation standards and to provide the infrastructure for support services for those with the highest and most complex needs. This will include continual assessment of those needs and evaluation and testing of responses which are effective.

Designated reserves (note 16)

(i) Project furnishings replacement reserve

An amount is set aside each year based on project budgets to provide for future replacement of project furnishings.

(ii) Major repairs reserve

Following the completion of a stock condition survey, the Board has identified a requirement to designate reserves to meet future major repairs liabilities, transfers are made accordingly.

(iii) Cyclical maintenance reserve

The cyclical maintenance reserve is based on the Company's ability to maintain its properties in accordance with a planned programme of works.

(iv) Development reserve

A development reserve has been established in respect of surpluses arising on development activities. This will be utilised to fund future capital projects.

(h) Restricted funds (note 17)

The restricted funds represent donations received but as yet unspent, in respect of specific projects together with capital grants and donations received for restricted purposes.

The capital grants and donations for capital projects are deducted from the capital project costs they were intended to finance.

(i) Pension costs

Defined contribution scheme

Contributions payable to the Company's pension scheme are charged to the income and expenditure account as they become payable in accordance with the rules of the scheme.

(j) Supporting People

Separately identifiable tenancy related rent, service and support charge income along with any related costs for supported housing is disclosed under 'supported housing' within notes 2 and 3. Charges for and costs of support services funded under Supporting People are shown under 'Supporting People' within notes 2 and 3.

(k) Operating Leases

Rentals under operating leases are charged to the Income and Expenditure account on a straight line basis over the lease term.

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2013

2. TURNOVER AND OPERATING SURPLUS/(DEFICIT)	2013			Turnover £	2012 Restated	
	Turnover £	Operating costs £	Surplus/ (deficit) £		Operating costs £	Surplus/ (deficit) £
Income and expenditure from lettings						
Supported housing – residential	6,770,112	(6,064,401)	705,711	6,482,608	(5,890,186)	592,422
Other income and expenditure						
Fund raising	583,916	(153,886)	430,030	665,390	(155,490)	509,900
Non residential services	1,060,323	(2,153,151)	(1,092,828)	1,064,893	(1,906,793)	(841,900)
Total	8,414,351	(8,371,438)	42,913	8,212,891	(7,952,469)	260,422

3. **INCOME AND EXPENDITURE FROM SOCIAL HOUSING**

	2013	2012
	All supported Housing Accommodation	Restated All supported Housing Accommodation
	£	£
Income from lettings		
Rent receivable	1,490,133	1,506,987
Service charges receivable	1,278,828	1,087,610
Net rents receivable	2,768,961	2,594,597
Supporting People grant	3,505,883	3,566,095
Other income	495,268	321,916
Total income from lettings	6,770,112	6,482,608
Expenditure on lettings		
Management	2,993,047	2,986,126
Services	2,346,791	2,219,248
Routine maintenance	537,749	459,699
Planned maintenance	27,360	58,514
Major repairs	43,289	28,335
Bad debts	52,952	121,582
Depreciation of properties	63,213	16,682
Total expenditure on lettings	6,064,401	5,890,186
Operating surplus on social housing lettings	705,711	592,422
Rent losses from voids	176,222	132,814

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2013

4. SURPLUS ON ORDINARY ACTIVITIES

	2013	2012
	£	£
		Restated
Surplus on ordinary activities before transfers is stated after charging:		
Depreciation of housing properties	63,213	16,682
Depreciation of other fixed assets	149,284	61,568
Auditors' remuneration:-		
In their capacity as auditors (excluding VAT)	16,980	16,405
In respect of other services	-	-
Staff costs (note 6)	4,793,056	4,222,637
	<u><u>4,793,056</u></u>	<u><u>4,222,637</u></u>

5. TAXATION

No taxation charge arises as the Company is a registered charity and is exempt from tax on charitable activities.

6. STAFF COSTS

	2013	2012
	£	£
Staff costs including directors:		
Wages and salaries	4,326,041	3,803,746
Social security costs	396,778	350,533
Other pension costs	70,237	68,358
	<u><u>4,793,056</u></u>	<u><u>4,222,637</u></u>

Average number of full time equivalent persons (including the Chief Executive) employed during the year:

	Number	Number
Management	4	4
Administration	27	24
Housing support services	154	138
	<u><u>185</u></u>	<u><u>166</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2013

7. DIRECTORS' EMOLUMENTS

	2013	2012
	£	£
Emoluments (including pension contributions)	242,545	234,320

The emoluments of the Chief Executive and senior management team disclosed above (excluding pension contributions) include amounts paid to:

The highest paid director	70,891	70,544
---------------------------	---------------	--------

There are no other employees who are paid in excess of £60,000 per annum.

8. TANGIBLE FIXED ASSETS – FREEHOLD HOUSING PROPERTIES

	Housing properties held for letting
	£
COST	
At 1 April 2012	12,885,419
Additions	18,626
At 31 March 2013	12,904,045
LESS:	
SOCIAL HOUSING AND OTHER CAPITAL GRANTS	
At 1 April 2012	10,982,068
Received in year	-
At 31 March 2013	10,982,068
LESS:	
DEPRECIATION	
At 1 April 2012	236,039
Charge for the year	63,213
At 31 March 2013	299,252
NET BOOK VALUE	1,622,725
At 31 March 2013	1,622,725
At 31 March 2012	1,667,312

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2013

9. OTHER FIXED ASSETS

	Leasehold properties (non housing) £	Computer equipment £	Furnishings and fittings £	Total £
COST				
At 1 April 2012	351,634	667,113	790,064	1,808,811
Additions	51,815	95,275	68,869	215,959
At 31 March 2013	403,449	762,388	858,933	2,024,770
CAPITAL GRANTS				
At 1 April 2012	150,000	-	-	150,000
Received in year	-	-	-	-
At 31 March 2013	150,000	-	-	150,000
ACCUMULATED DEPRECIATION				
At 1 April 2012	58,564	559,200	639,475	1,257,239
Charge for the year	23,937	80,337	45,010	149,284
At 31 March 2013	82,501	639,537	684,485	1,406,523
NET BOOK VALUE				
At 31 March 2013	170,948	122,851	174,448	468,247
At 31 March 2012	143,070	107,913	150,589	401,572
Depreciation rates	Over term of lease	33.33%	20% to 33.33%	

ST BASILS
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2013

10. UNITS IN MANAGEMENT

	2013	2012
	Number	Number
Bed spaces	414	399

At the end of the year there were no units in development (2012: nil).

11. DEBTORS

	2013	2012
	£	£
Rental debtors	487,048	Restated 364,355
Less: Provision for bad debts	(277,052)	(224,099)
Net rental debtors	209,996	140,256
Prepayments and accrued income	664,547	399,350
	874,543	539,606

The rental debtors' balance includes £101,645 attributable to Housing Benefit payments.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Rental pre-payments	131,884	Restated 139,628
Accruals and deferred income	180,333	353,122
Trade creditors	405,895	424,015
Other taxation and social security costs	129,982	113,268
Other creditors	-	50,000
Housing Loans	7,725	7,000
	855,819	1,087,033

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

	2013	2012
	£	£
Housing loan	385,275	Restated 393,038
Profile:		
Amount falling due 2-5 years	38,150	35,288
Amount falling due 5+ years	347,125	357,750
	385,275	393,038

The loan is a deferred charge secured against Brandon Thomas Court payable to Viridian Housing Association over 25 years, paying interest at 6%.

14. SHARE CAPITAL

The Company is limited by guarantee and does not have any share capital.

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2013

15. ACCUMULATED RESERVES

	2013	2012
	£	£
At 1 April as previously stated	2,101,570	1,942,113
Prior Year Adjustment	(124,404)	-
	<hr/>	<hr/>
At 1 April as restated	1,977,166	1,942,113
Surplus for the year	69,528	280,677
Transfers (to) designated reserves	(15,556)	(106,176)
Transfers (to) / from restricted reserves	27,042	(139,448)
	<hr/>	<hr/>
At 31 March	<u>2,058,180</u>	<u>1,977,166</u>

The prior year adjustments relates to the write off of old debtors and creditors balances.

16. DESIGNATED RESERVES

	2013				
	Projects furnishings replacement	Major repairs	Cyclical maintenance	Development	Total
	£	£	£	£	£
At 1 April 2012	104,132	795,200	164,258	98,156	1,161,746
Transfer from income and expenditure account	(98,925)	82,391	32,090	-	15,556
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2013	<u>5,207</u>	<u>877,591</u>	<u>196,348</u>	<u>98,156</u>	<u>1,177,302</u>

17. RESTRICTED FUNDS

	Revenue				
	Non- housing	Working with young men	Working with young women	Capital receipts applied	Total
	£	£	£	£	£
At 1 April 2012	113,833	28,735	331,938	262,037	736,543
Transfer to income and expenditure account	-	-	(8,942)	(18,100)	(27,042)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2013	<u>113,833</u>	<u>28,735</u>	<u>322,996</u>	<u>243,937</u>	<u>709,501</u>

18. REVALUATION RESERVE

	2013	2012
	£	£
At 1 April 2012	-	-
Revaluation in Year	20,230	-
	<hr/>	<hr/>
At 31 March 2013	<u>20,230</u>	<u>-</u>

ST BASILS
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2013

19. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013	2012
	£	£
Operating surplus for the year	42,913	260,422
Movement in debtors	(334,937)	(145,862)
Movement in creditors	(231,213)	146,226
Depreciation	212,497	78,439
	<u> </u>	<u> </u>
Net cash outflow from operating activities	(310,740)	339,225
	<u> </u>	<u> </u>

20. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2012 £	Cash flows £	Non Cash flows £	At 31 March 2013 £
Cash at bank	14,671	6,397	-	21,068
Deposits accounts	2,689,487	(532,871)	-	2,156,616
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Housing loans	2,704,158 (400,038)	(526,474) 7,000	-	2,177,684 (393,000)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March	2,304,120	(519,474)	38	1,784,684
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

21. STATEMENT OF GRANT MOVEMENTS

	2013	2012
	£	£
At 1 April 2012	11,132,068	10,209,023
Received in year	-	923,045
	<u> </u>	<u> </u>
At 31 March 2013	11,132,068	11,132,068
	<u> </u>	<u> </u>

22. CAPITAL COMMITMENTS

	2013	2012
	£	£
Capital expenditure contracted for but not provided for in the financial statements	-	-
	<u> </u>	<u> </u>
Capital expenditure authorised but not yet contracted for	150,000	150,000
	<u> </u>	<u> </u>

These commitments include £150,000 for replacement of computer equipment for key business support systems.

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2013

23. OPERATING LEASE COMMITMENTS

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2013	2012	2013	2012
	£	£	£	£
Expiry date:				
Between 2 and 5 years	57,162	165,154	12,318	-
After more than 5 years	<u>114,181</u>	<u>85,361</u>	<u>-</u>	<u>-</u>

24. LEGISLATIVE PROVISIONS

The Company is a registered charity, a company limited by guarantee incorporated under the Companies Act 2006, and is a Registered Provider of social housing.

25. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge as detailed in note 6 represents contributions payable by the Company to the fund.

26. RELATED PARTIES

Cllr Mike Sharpe and Cllr James Hutchings are members of the St Basils Board and are councillors of Birmingham City Council. All transactions with Birmingham City Council are made at arms' length, on normal commercial terms. Cllrs Sharpe and Hutchings cannot use their position to their advantage.

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Charity Number: 1080154

Registered with the Homes and Communities Agency Number: H3994

Company Limited by Guarantee Number: 3964376

Registered in England