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Cambridge House and Talbot

Annual Report and Financial Statements

Year ended 31st March 2011



'Where people fight poverty, tackle injustice, and realise their potential together.'

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Cambridge
House



Cambridge House and Talbot

Annual Report and Financial Statements

Year ended 31st March 2011

'Where people fight poverty, tackle injustice, and realise their potential together.'



Cambridge House and Talbot
Company Limited by Guarantee No 10050006
Charity No 265103
1 Addington Square,
London
SE5 0HF
Tel 020 7358 7000
Fax 0845 305 2160
VAT Registration No 802 6719 39
Website www.ch1889.org
E mail info@ch1889.org

Report of Trustees 2010 - 11

Cambridge House and Talbot is an independent charity registered as a company limited by guarantee. We began life in 1889 in Camberwell as a philanthropic settlement of Cambridge University, and so form part of the 19th century settlement movement. We have remained in Camberwell ever since, and have evolved into a vibrant community organisation that provides a range of services and resources to our local community.

Some activities are local, for example, acting as a provider of youth and community based work in the Camberwell and Walworth neighbourhoods. Some are Southwark wide, for example, providing legal advice and advocacy services, and supporting people with learning disabilities and their families. Over the past few years we have been able to expand our advocacy services to include Independent Mental Health Advocacy (IMHA) and beyond Southwark through contracts to provide Independent Mental Capacity Advocacy (IMCA) across other London boroughs.

Our vision for Cambridge House is a place where people fight poverty, tackle injustice, and realise their potential together. Our overall aim is to tackle the local effects of poverty, disadvantage and discrimination by enabling individuals and communities to take more control of decisions that affect their lives and to promote actively social inclusion and change.

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, submit this Annual Report (incorporating the report of the directors) and the audited financial statements for the year ended 31st March 2011.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Structure, Governance & Management

Cambridge House and Talbot is governed by the charity trustees/company directors (collectively called the Council) who are elected at the Annual General Meeting. The Council meets seven times per year to manage the business of the organisation. Each year one third of the Council members stand down at the Annual General

Meeting and are eligible for re-election. There is a well-defined induction process for all new members of staff, which also includes new trustee induction.

At 31st March 2011 the Council members were

David Coleman (Chair), Jenny Sargeant (Company Secretary), Robert Park, Rhys Moore, Shveta Shah, Paul Yiannouzis and Dan Metcalfe.

Thanks are due to Graham Fisher, Katie Turner and Janet Wallace who all stepped down during the year.

The Council appoints sub-committees and working groups to operate with delegated responsibilities. In the year 2010/11 the following sub-committees and working groups met with the involvement of Council members:

Buildings Development Group

Robert Park, Rhys Moore & Paul Yiannouzis

Finance

David Coleman & Robert Park

Fundraising

Rhys Moore, Dan Metcalfe & Jenny Sargeant

The Council appoints a Chief Executive, at present Clare Gilhooly, to manage the organisation. The delegated responsibilities and accountabilities of the Chief Executive, directors and other managers are currently set out in the organisation's Responsibility Matrix and in individual job descriptions.

The Council's governance structure is set out in its Governance Manual, which enshrines a clear distinction between the role of the trustees and the Council, and that of the Chief Executive and the senior management team (the 'Executive'). The trustees concentrate more on strategic matters, setting overall direction, ensuring clear organisational objectives, and holding the Executive to account. This is effected through reporting, both on performance and strategic matters, and formal appraisal of performance of the Chief Executive.

Our Risk Register is reviewed by the Council.

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annually in order to ensure that the material risks to which the charity is exposed are properly identified and evaluated in terms of inherent and residual risk. Appropriate actions are then scheduled to address the residual risk, mitigating it to a level the Council considers acceptable.

Strategic Aims

In 2010 – 11 we reached the final year of our three year strategic plan and our five strategic aims, the first three are externally focused and the last two internally focused.

Externally focussed

- To provide outstanding services
- To be an active voice for our service users and communities
- To be a neighbourhood centre that acts as a community anchor

Internally focused

- To plan and complete the major refurbishment of our buildings and neighbourhood facilities
- To build a strong organisation to enable the fulfilment of the Cambridge House vision

The Council has reviewed how these aims have been achieved and formulated its continuing strategy for the next financial year and beyond. This strategy will involve a continuing focus on providing quality services, making the best use of our redeveloped buildings and fostering and growing the unique culture of Cambridge House. The Council is eager to increase the collaboration with both other voluntary and community sector organisations but also with Corporate Partners.

During the 2010 – 11 year our established in-house activities continued to provide a range of high quality services and activities. In summary, these are Advocacy, Community Services, Law Centre and Resource Centre.

Advocacy

- Providing support and representation to ensure Southwark residents receive appropriate Community Care and Mental Health Services including specialist advocates for people with learning disabilities

- Providing Independent Mental Capacity Advocacy (IMCA) across 14 London Boroughs as a safeguard for people who are not able to make particular decisions for themselves and do not have friends or family members who are available, willing or suitable to be consulted on their behalf
- Providing a Paid Persons Representative Service for people who have been subject to a Deprivation of Liberty
- Providing Independent Mental Health Advocacy (IMHA) to help patients in hospital and in the community to obtain information about and understand their rights under the Mental Health Act, any conditions or restrictions to which they are subject, any medical treatment which they are receiving or might be receiving, the reasons for the treatment, and the legal authority for providing the treatment

Community Services

- Cambridge House Young People's Project offering young people the opportunity to maximise their potential and develop their life skills and enabling young people to take responsibility for themselves in their relationships with others and to develop cultural awareness and personal confidence
- Cambridge House Learning Disabilities Services – providing a range of services around Southwark for children and young adults with severe learning disabilities, including our long-standing Play and Respite Care Scheme
- Cambridge House Community Development – providing community development support to community groups living in the Camberwell and East Dulwich communities
- LINK Host - acting as the host organisation for LINK Southwark, the Local Involvement Network concerned with all publicly-funded health and social care services

Law Centre

- Cambridge House Law Centre – providing confidential advice, assistance and representation in social welfare law including housing, welfare benefits and employment

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Resource Centre

- Cambridge House Resource Services – providing office and meeting space and informal support to other voluntary organisations and community groups

Unfortunately, due to the building development works, we were unable to continue to operate the Cambridge House Butterfly Nursery and Crèche which closed during the financial year

Volunteers play a crucial and evolving role in the life of Cambridge House and these opportunities are a vital tool in enabling local people to make a contribution to their local community, and as a way of enhancing their own skills

Achievements and Performance:

'To provide outstanding services'

Our programmes have continued to provide outstanding services in a climate which has seen an increase in demand for some services but further uncertainty over future funding. Our services consistently receive high external recognition with our Law Centre receiving a further Competency Plus rating from the Legal Service Commission meaning we now hold this rating in Housing, Employment and Welfare Benefits

We provided an excellent Person Representative Service for people who are subject to a Deprivation of Liberty Order for a number of London Boroughs

19+, our outstanding life skills service for adults with learning disabilities have had an unusual year and because of the building works have met mainly in other premises. They have been undertaking an interior design project supporting members of the group to personalise their own personal space and that used as respite care to counteract the often institutionalised feel the local respite care centre has

'To be an active voice for our service users and communities'

We have continued to work on being a more active voice through being the LINK host organisation for LINK Southwark. LINK Southwark enables local people to affect the commissioning,

design and delivery of health and adult social care. It gives people a voice on care services and presents people's views and reports and recommends improvements to those responsible for commissioning, providing, managing and scrutinising those services

We published our Cambridge House Stories – Past and Present book in the year. Capturing the voices and experiences of our people involved in Cambridge House from 1930 until the present day in their own words

'To be a neighbourhood centre that acts as a Community Anchor'

Even with our challenging redevelopment programme we have grown our Community Anchor role by welcoming new tenants Blackfriars Advice Centre, Community Action Southwark and the Latin American Rights Service in the year. The research referred to last year with us working with IVAR on assessing the impact of multi purpose community organisation was completed during the year and the report will be imminently published. Many of the groups who use our space to deliver their programmes have had to temporarily find other homes during our redevelopment programme but we look forward to welcoming them back in the autumn of 2011

'To complete the major refurbishment of our buildings and neighbourhood facilities'

We have made significant moves forward with our refurbishment plans during the year and a substantial amount of the proposed building works were completed or well underway at the year end. Occupants of the buildings have been extremely patient as we have moved them from place to place to accommodate the ongoing works

The end, however, now appears to be in sight and we trust that the inevitable disruption that everyone has had to endure will have been well worth it, when the new facilities are available

'To build a strong organisation to enable the fulfilment of the Cambridge House vision'

The Council has continued to evolve. During the financial year we said good bye to Graham

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Fisher, Katie Turner and Janet Wallace (Treasurer) We have, however, since the year end now welcomed Nikki Mellor, Mike Thornton and Graham Moss (Treasurer) as new members of the Council, each of whom brings new skills and experience to the organisation

Corporate Social Responsibility (CSR) Partners:

Our partnership with Broadgate Estates continues to be strong Broadgate Estates support includes

- IT department supporting the evaluation and procurement of a new IT system,
- continued sharing Cascade HR software resulting in considerable improvements in HR management and associated cost savings,
- support from the Design for Management Team with the management plan and costing of the redeveloped Cambridge House facilities,
- Broadgate Director serving on the Buildings Group,
- frequent sharing of meeting facilities with the charity

Cambridge House continued to benefit from free key holding services delivered by Eurotech Monitoring, which has saved the charity valuable resources in the running of the community facility The property and its users benefit further from additional security and security measures as a result of the installation of safety equipment on the premises that is monitored 24/7 by Knightsbridge Guarding

Macfarlanes LLP, a City-based independent law firm with a strong international outlook, has been supporting the Law Centre at Cambridge House for over 30 years A fortnightly free debt-advice service continues to involve volunteers from across the spectrum of legal staff, from partners to trainee solicitors Macfarlanes supports the management of Cambridge House through one of its partners who acts as Chair and a solicitor who acts as Company Secretary Macfarlanes has continued to give legal advice on a pro bono basis in relation to a number of matters, including property related contracts and pensions Macfarlanes Head of Administration has also provided advice in relation to the fit-out and other aspects of the redevelopment project

In the ever-changing environment of the contracting of services, the support given by our

CSR partners amounts to huge cash savings to the charity

Financial Review

During the year the charity's incoming resources from charitable activities increased by 61.8% to £3,909,228 (2010 - £2,416,812) The high increase is due to the successful securing of capital grant funding of £1,641,753 for the redevelopment project The main service delivered by the charity outside the boundaries of the London Borough of Southwark is the specialist advocacy service provided in accordance with the statutory requirements of Independent Mental Capacity Advocacy (IMCA) and Independent Mental Health Advocacy (IMHA) The London Borough of Southwark was the largest single source of income to the charity at 52% of total incoming resources for service delivery (2010 - 46%) In total, funds received from public bodies amounted to 92% (2010 - 84%) of total incoming resources Total expenditure was 4.8% higher than the previous year (2010 - 11% increase) The net result for the year after the net investment surplus was a surplus of £1,594,217 (2010 - surplus £ 151,516)

Redevelopment Project and Capital expenditure
The charity serves as a local neighbourhood resource centre, providing support, hiring offices, meeting rooms and activity space to local community groups, voluntary organisations and community initiatives As the charity has grown stronger, busier and more effective than ever before, the charity has embarked on a £5.7 million redevelopment of its premises This involved the major renovation of its existing buildings, as well as a new building to support activities with an appropriate infrastructure Final completion of the project is anticipated towards the end of September 2011

The Re-development project consists of the refurbishment and conversion of part of the buildings to provide a neighbourhood Resource Centre and the upgrading of the existing Office Block to accommodate the charity's activities and other public, voluntary, community sector projects and organisations The development also includes a new build which will provide high quality, flexible community space which will support more third sector organisations, as well as offer a far wider range of services and opportunities for the local neighbourhood This

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programme of redevelopment, refurbishment and development will enable the charity to fulfil its vision of becoming a Community Anchor and Neighbourhood Resource Centre within three years

The total cost of the redevelopment will be financed by loans of £4.1m and grants of £1.64m from the Futurebuilders and Communitybuilders Funds and the Sure Start Capital Grant Scheme as well as the Aiming High Fund

The Resource Centre, Office Block and New Build will be a hub for local community groups and projects, and will be fully accessible for people with disabilities. It will be a place where a regular programme of community events and activities takes place, some of which may be organised directly by the charity and established organisations already based at 1 Addington Square and other local community groups. It is anticipated that the capital expenditure would be fully capitalised in the next financial year end accounts

The charity benefited from the recovery of the investment markets and the net value of the investments increased by 8.9% (2010 – 45.6% increase). The charity's adopted "wait and see" approach regarding its investments will continue until the full investment value of the investments has been recovered. During the year the Council revised its investment policy and concluded that cash resources which exceeded working capital requirements should not be invested in unit trusts as in previous financial years. The investment performance for the year was positive and is constantly reassessed to avoid repetition of previous financial years' mediocre performances. The charity will endeavour, during the 2011/12 financial year, to improve its investment portfolio's performance

The charity prepares annual budgets for all activities and monitors performance against these in order to ensure that any activity operating at a deficit is carefully monitored and that opportunities are taken to increase unrestricted funds

Unrestricted designated funds relating to the charity's programmes are funds earmarked for use by programmes and/or projects. The trustees annually review the level of such funds carried forward by each programme. As a result of the

latest revision of these the transfer to unrestricted designated funds from unrestricted funds amounted to £120,749. Trustees will review this position at regular intervals

The Council's reserves policy is to maintain total free reserves, excluding the element which relates to tangible fixed assets, at a level which is no less than approximately three months' operating costs in order to provide the charity with some ability to cope with unforeseen expenditure and for interruptions in income flows. Based on 2011's results, the monthly operating costs amounted to circa £218,000. The charity's total free reserves, excluding tangible fixed assets, at 31st March 2011 amounted to £691,561 (See note 13 and 14 £1,809,107 - £1,117,546). This represents a reserve level of 3.2 times the monthly expenditure. This level is in line with the charity's reserves policy. The reserves policy is reviewed annually by the trustees

Future budgeting policies

The charity has continued to include two organisational designated reserves in the budget for the financial year 2011/12. The Staff Cost Reserve is calculated as 5% on annual salary cost and would be designated for unforeseen expenditure on any component regarding salaries (long-term sickness, maternity leave cover cost and the cost of other staffing related issues). The Development Reserve is calculated as 1% on the total income of the charity and is designated to a reserve for organisational and service development and expansion. The reserve is created to enable the charity to cover expenditure associated with tendering of existing and new contracts and the development of new services. It will serve as a provision for unsuccessful bid expenditure that can not be recovered from any existing services. The charity further has a policy requiring desired levels of surpluses for all services delivered. All future budgets and cost of services would be expected to include a surplus provision. Future surpluses would enable the charity to improve its reserves position, strengthen the balance sheet and provide for adequate operational capital to allow for growth, expansion of services and the changing nature of payment schedules for service delivery. The charity regards a surplus on service delivery as a

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charity regards a surplus on service delivery as a realistic financial expectation and a prudent approach to reach sound financial sustainability

Plans for the future

The future of public funding remains challenging with the organisation still awaiting some final funding decisions for the full year of 2011/12 and very little is known of public bodies' true financial intentions and capabilities from 2012 onwards. We have not been successful in the re-tendering of many of our IMCA contracts despite a new addition of Waltham Forest. We will be reviewing all our services over the coming year.

Redevelopment Project

The completion of the redevelopment project anticipated to be at the end of September 2011 will be "a dream come true" for the Charity. Trustee minutes from 1911 indicate the need for a complete redevelopment of the entire Cambridge House complex. Once completed the centre will have an office desk capacity of 200 – 220 desks, a 50 place nursery catering for main stream and special needs, 16 meeting/activity rooms ranging in size from a capacity of 4 – 150 people, specially designed and equipped People Centre for interview and consultations, interlinking foyer and court yard garden suitable for reception functions and art exhibitions, safe storage space for almost 30 bicycles, shower facilities for staff, a staff room, functions room and roof terrace, three environmentally friendly green roofs, a board room and training room. Every square metre of the complex will be wheelchair accessible and the complex will have a specially designed and equipped Changing Places facility for public use.

We continue to see increased collaboration with other organisations as integral to our future success and as an effective means of ensuring that our service users and local people get the very best possible services and opportunities in these challenging times. We will be reviewing opportunities for better collaboration over the coming year.

Aspire Youth Programme

In September 2011 we will be delivering the first 'Aspire' programme in Southwark, based on the

highly successful model delivered by Toynbee Hall in Tower Hamlets. 'Aspire' is an innovative youth programme geared towards the needs of a frequently overlooked group of young people. Those 'excluded within' rather than from education.

The programme runs throughout the academic year with young people from Yr 9 providing a structured, targeted mentor/coaching scheme within schools and themed based activities which take place outside of the school. The 'Aspire' programme raises aspirations and develops interpersonal skills through a range of activities to impact positively on student's educational attainment and aspirations for the future.

Young people are referred by teachers to the programme when they become disengaged at school and are at risk of failing academically and/or socially.

In addition to the mentoring/coaching in schools, Aspire provides a series of workshops both in and out of schools around three different themes: Think! (Citizenship), Express! (Arts) and Achieve! (Outdoor Activities).

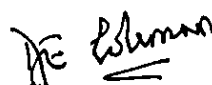
If we can build on this successful model we hope to increase it further to include more Southwark schools and more young people.

Concluding remarks

Being such a diverse organisation it is always a challenge to summarise the key achievements, and much of our core work goes on day after day by our committed team of staff, trustees and volunteers so a very big thank you to them all.

Our work could also not happen without the financial support of our various funders and donors and we thank them all for being committed to Cambridge House and having the confidence in us that enables us to do the critical work we do.

Signed on behalf of the Trustees/Directors



David Coleman (Chair)

20th July 2011

Report of Trustees 2010 - 11

Reference & Administration Details

Registered Office:

1 Addington Square,
London
SE5 0HF
Tel 020 7358 7000
Fax 084 5305 2160
info@ch1889.org

Charity Registration No: 265103

Company Limited by Guarantee

Registered in England No: 1050006

VAT Registration Number. 802 6719 39

Bankers:

Royal Bank of Scotland
London City Office
63 Threadneedle Street,
London
EC2R 8LA

Auditors:

HW, Chartered Accountants
Old Station House
Station Approach
Newport Street
SWINDON Wilts
SN1 3DU
Tel 01793 533838
Fax 01793 434930

Statement of responsibilities of the Trustees

The Trustees (who are also the directors of Cambridge House and Talbot for the purpose of company law) are responsible for preparing the Report of the Trustees and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the net income or expenditure, of the charitable company for the year. In preparing those financial statements, the Trustees are required to

- Select suitable accounting policies, 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the Trustees are aware

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislations in other jurisdictions

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Independent auditor's report to the members of Cambridge House and Talbot

We have audited the financial statements of Cambridge House and Talbot for the year ended 31 March 2011 which comprise the Statement of Financial Activities (incorporating the income and expenditure account), the Balance Sheet, 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).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its 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 charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material 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 financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011, 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 applicable to smaller entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Cambridge House and Talbot

Independent auditor's report to the members of Cambridge House and Talbot

**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

**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

S Plumb

S Plumb BSc ACA
Senior Statutory Auditor

For and on behalf of HW Chartered Accountants and
Statutory Auditors
Old Station House
Station Approach
Newport Street
Swindon
SN1 3DU

Date *21 July 2011*

Statement of Financial Activities

Incorporating an Income and Expenditure Account for the year ended 31 March 2011

| | | Unrestricted General Fund | Restricted Funds | Total 2011 | Total 2010 |
|--|-----------|--------------------------------------|-----------------------------|-----------------------|-----------------------|
| | | £ | £ | £ | £ |
| Incoming resources | | | | | |
| Income resources from generated funds | | | | | |
| Voluntary income | | 22,903 | - | 22,903 | 49,871 |
| Activities for generating funds | (note 2) | 292,491 | - | 292,491 | 145,250 |
| Investment income | (note 3) | 9,126 | - | 9,126 | 5,210 |
| | | 324,520 | - | 324,520 | 200,332 |
| Other income | (note 4) | 2,267,475 | 1,641,753 | 3,909,228 | 2,416,812 |
| Total incoming resources | | 2,591,995 | 1,641,753 | 4,233,748 | 2,617,144 |
| Resources expended | | | | | |
| | (note 5) | | | | |
| Charitable activities costs | (note 7) | 2,589,574 | 46,177 | 2,635,751 | 2,425,389 |
| Governance costs | | 10,335 | - | 10,335 | 11,260 |
| Total resources expended | | 2,599,909 | 46,177 | 2,646,086 | 2,488,582 |
| Net incoming/(outgoing) resources before transfers | | | | | |
| | | (7,914) | 1,595,576 | 1,587,662 | 128,562 |
| Transfers between funds | (note 13) | 854,697 | (854,697) | - | - |
| Net incoming/(outgoing) resources before other recognised gains and losses, being net income/expenditure for the year | | | | | |
| | | 846,783 | 740,879 | 1,587,662 | 128,562 |
| Investments | (note 9) | 6,555 | - | 6,555 | 22,954 |
| Net movement in funds | | 853,338 | 740,879 | 1,594,217 | 151,516 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 1,076,248 | - | 1,076,248 | 924,732 |
| Total funds carried forward | | 1,929,586 | 740,879 | 2,670,465 | 1,076,248 |

All the above accounts relate to continuing activities. The notes on pages 15 – 22 form part of these financial statements. All gains and losses are shown above, hence no statement of total recognised gains and losses have been presented.

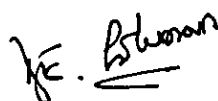
Cambridge House and Talbot

Balance sheet as at 31 March 2011

| | | 2011 £ | 2010 £ |
|---------------------------------------|-----------|-------------------------|-------------------------|
| FIXED ASSETS | | | |
| Tangible assets | (note 8) | 3,214,899 | 280,028 |
| Investments | (note 9) | <u>79,752</u> | <u>73,197</u> |
| | | 3,294,651 | 353,225 |
| CURRENT ASSETS | | | |
| Debtors and prepayments | (note 10) | 649,841 | 218,799 |
| Bank balances and cash | | <u>2,967,670</u> | <u>822,115</u> |
| | | 3,617,510 | 1,040,914 |
| LESS. | | | |
| Creditors falling due within one year | (note 11) | <u>(162,928)</u> | <u>(292,891)</u> |
| NET CURRENT ASSETS | | 3,454,582 | 748,023 |
| Creditors falling due after one year | (note 12) | <u>(4,078,769)</u> | <u>(25,000)</u> |
| NET ASSETS | (note 14) | <u>2,670,465</u> | <u>1,076,248</u> |
| FUNDS | | | |
| Unrestricted general funds | (note 13) | 1,809,107 | 1,040,891 |
| Unrestricted designated funds | (note 13) | <u>120,479</u> | <u>35,357</u> |
| | | 1,929,586 | 1,076,248 |
| Restricted Funds | | <u>740,879</u> | <u>-</u> |
| TOTAL CHARITY FUNDS | | <u>2,670,465</u> | <u>1,076,248</u> |

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Council and authorised for issue on 20th July 2011 and signed on its behalf by



David Coleman (Chair)

The notes on pages 15 - 22 form part of these financial statements

Company Limited by Guarantee No 10050006

Notes to the Accounts for the year ended 31 March 2011

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared under the historical cost convention, except for investments which are stated at market value, and in accordance with the Companies Act 2006, the Statement of Recommended Practice "Accounting and Reporting by Charities"(SORP) issued in 2005, and applicable accounting standards

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Income and Expenditure Account

A separate Income and Expenditure Account has not been prepared as the figures comprising net income/expenditure for the year shown in the Statement of Financial Activities give the information required under the Companies Act 2006, together with details of other recognised gains and losses

Fund Accounting

Unrestricted funds are available for use at the discretion of the Council in furtherance of the general charitable objects. Unrestricted Designated Funds are unrestricted funds which the trustees have earmarked for particular uses by the Charity. Where, at the end of the financial year, all conditions of funding for a given activity have been met (thereby preventing claw back), any surplus is transferred to Unrestricted Funds. Any deficits arising for a particular activity were met firstly from related Restricted Reserves, then from available Unrestricted Designated Funds of that activity's programme or, in the absence of either of those, from Unrestricted General Funds. Restricted Funds are subject to specific restrictions imposed by the donors.

Incoming Resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. 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.

Resources Expended

All costs are recognised on accruals basis including VAT where irrecoverable. All charitable activities costs are charged to the programme/activity to which they are directly attributable. Costs which are incurred centrally are allocated to programme/activity on a basis which is consistent with the budgeted use of the resources. Governance costs include the cost of the statutory audit, the printing of the annual report and accounts and holding the annual general meeting.

Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets by equal annual instalments over their expected useful lives as follows:

| | |
|----------------------|-------------------------------------|
| Freehold properties | 2% |
| Leasehold properties | lesser of 20 years and lease period |
| Equipment | 25% |

Investments

Investments are stated at market value as at the Balance Sheet date and the unrealised gains or losses taken to the Statement of Financial Activities.

Notes to the Accounts for the year ended 31 March 2011

1 ACCOUNTING POLICIES (CONT)

Pension Contributions

The charity participates in two sections of The Pensions Trust, a multi-employer pension scheme

One section effectively provides benefits based on final pensionable pay, "The Growth Plan". The assets of this section are held separately from those of the charity. It is not possible to separately identify the assets and liabilities of participating employers on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', the charity accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

The other section, The United Ethical Plan, is a segregated defined contribution pension scheme. The assets of this section are also held separately from those of the charity. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

2. ACTIVITIES FOR GENERATING FUNDS

| | 2011 | 2010 |
|-------------------------------|----------------|----------------|
| | £ | £ |
| Rental income | 292,491 | 141,940 |
| Provision of payroll services | - | 3,310 |
| | <u>292,491</u> | <u>145,250</u> |

3 INVESTMENT INCOME

| | 2011 | 2010 |
|-------------------------|--------------|--------------|
| | £ | £ |
| Bank interest | 9,126 | 5,208 |
| Income from Unit Trusts | - | 2 |
| | <u>9,126</u> | <u>5,210</u> |

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | Advocacy | Community Services | Community Nursery | Law Centre | Redevelopment Project | Total 2011 | Total 2010 |
|----------------------------------|------------------|--------------------|-------------------|----------------|-----------------------|------------------|------------------|
| | £ | £ | £ | £ | £ | £ | £ |
| London Borough of Southwark | 309,798 | 667,766 | 34,877 | 181,875 | - | 1,194,316 | 1,123,252 |
| Southwark Primary Care Trust | 94,694 | - | - | - | - | 94,694 | 121,107 |
| Legal Services Commission | - | - | - | 181,848 | - | 181,848 | 145,970 |
| Grant making trusts / similar | 10,107 | 33,848 | - | 43,465 | 1,641,753 | 1,729,173 | 67,379 |
| Other services | - | 13,848 | 58,482 | - | - | 72,330 | 309,766 |
| Other government / public bodies | 636,867 | - | - | - | - | 636,867 | 649,337 |
| | <u>1,051,466</u> | <u>715,462</u> | <u>93,359</u> | <u>407,188</u> | <u>1,641,753</u> | <u>3,909,228</u> | <u>2,416,812</u> |
| 2010 | <u>1,029,928</u> | <u>710,902</u> | <u>269,772</u> | <u>401,606</u> | <u>-</u> | | <u>2,416,812</u> |

Notes to the Accounts for the year ended 31 March 2011

5 RESOURCES EXPENDED

Resources expended include

| | 2011 | 2010 |
|--------------|--------|--------|
| | £ | £ |
| Audit fees | 6,319 | 4,965 |
| Depreciation | 14,217 | 23,218 |

6 EMPLOYEE INFORMATION

The average number of employees during the year was

| | 2011 | 2010 |
|---|-----------|-----------|
| Full time employees | 53 | 43 |
| Part time employees and sessional workers (not expressed as full time equivalents) | 22 | 42 |
| | <u>75</u> | <u>85</u> |

No remuneration or expenses were paid to any member of the Council during the year (2010 - £nil)
Professional indemnity insurance including trustee indemnity insurance has been taken out in order to protect the charity against loss arising from claims of neglect by and defaults of its employees, volunteers, directors and officers

Staff costs:

| | 2011 | 2010 |
|------------------------|------------------|------------------|
| | £ | £ |
| Wages and salary costs | 1,582,383 | 1,658,143 |
| Social security costs | 151,904 | 154,022 |
| Pension costs | 27,807 | 40,450 |
| | <u>1,762,095</u> | <u>1,852,615</u> |

There were no employees earning more than £60,000 pa (2010 - £nil)

7 CHARITABLE ACTIVITIES COSTS

| | Advocacy | Community Services | Community Nursery | Redevelopment Project | Total 2011 | Total 2010 |
|----------------|------------------|--------------------|-------------------|-----------------------|------------------|------------------|
| | £ | £ | £ | £ | £ | £ |
| Staff Cost | 992,222 | 590,225 | 117,294 | 35,964 | 1,735,705 | 1,852,615 |
| Activity Cost | 18,563 | 88,288 | 4,868 | 76 | 111,795 | 128,745 |
| Occupancy Cost | 301,299 | 305,253 | 171,562 | 10,137 | 788,251 | 420,811 |
| | <u>1,312,084</u> | <u>983,766</u> | <u>293,724</u> | <u>46,177</u> | <u>2,635,751</u> | <u>2,402,171</u> |
| 2010 | 1,195,344 | 897,589 | 309,238 | - | | 2,402,171 |

Notes to the Accounts for the year ended 31 March 2011

8. TANGIBLE ASSETS

| | Freehold Premises £ | Work in Progress Redevelopment Project £ | Equipment £ | Total £ |
|-------------------------------|---------------------------|--|----------------|------------------|
| Cost | | | | |
| At 1 st April 2010 | 335,882 | 51,633 | 304,167 | 691,682 |
| Additions | - | 2,900,418 | 48,670 | 2,949,088 |
| At 31st March 2011 | 335,882 | 2,952,050 | 352,837 | 3,640,769 |
| Depreciation | | | | |
| At 1 st April 2010 | 107,487 | - | 304,167 | 411,654 |
| Charge for the year | 6,717 | - | 7,499 | 14,216 |
| At 31st March 2011 | 114,204 | - | 311,666 | 425,870 |
| As at 31st March 2010 | 228,395 | 51,633 | - | 280,028 |
| As at 31st March 2011 | 221,678 | 2,952,050 | 41,171 | 3,214,899 |

All the fixed assets are used for direct charitable purposes. Capital expenditure committed but not provided for at 31st March 2011 amounted to £2,722,294 (2010 - £Nil)

The accounts include the cost of improvements to freehold premises but not the original cost, since the land and buildings were given to the Company as an endowment many years ago

The freehold premises together with fixtures and fittings are valued at £2,170,000 for insurance purposes. Costs incurred in the year relating to the refurbishment of the freehold premises have been included as work in progress at the year end as the project is not yet complete. Once complete the premises will be re-valued

9. INVESTMENTS

| | 2011 £ | 2010 £ |
|---|---------------|-----------|
| The movements on investments in the year were | | |
| Market value brought forward (cost £85,138) | 73,197 | 50,242 |
| Additions to investments at cost | - | - |
| Disposals at carrying rate | - | - |
| Net gain/(loss) on revaluation | 6,555 | 22,956 |
| Market value carried forward (cost £85,138) | 79,752 | 73,197 |
| At 31st March 2011 investments comprised | £ | |
| Unlisted investment | 83 | |
| Conversion stock | 55 | |
| Ethically branded unit trusts | 79,614 | |
| | 79,752 | |

All investments were held in the UK. There were no material individual investment holdings in the year that require disclosure

Notes to the Accounts for the year ended 31 March 2011**10. DEBTORS AND PREPAYMENTS**

| | 2011 | 2010 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Other debtors | 618,790 | 181,960 |
| Prepayments and accrued income | 6,520 | 36,839 |
| VAT debtor | 24,531 | - |
| | <u>649,841</u> | <u>218,799</u> |

11 CREDITORS FALLING DUE WITHIN ONE YEAR

| | 2011 | 2010 |
|---------------------------------|----------------|----------------|
| | £ | £ |
| Loan from Futurebuilders | 25,000 | 37,500 |
| Creditors and accruals | 56,594 | 83,191 |
| Taxes and social security costs | 36,321 | 167,200 |
| Deferred income | 45,013 | 5,000 |
| | <u>162,928</u> | <u>292,891</u> |

All deferred income is released in the following year

12. CREDITORS FALLING DUE AFTER ONE YEAR

| | 2011 | 2010 |
|-----------------------------|------------------|---------------|
| | £ | £ |
| Loan from Futurebuilders | 2,872,632 | 25,000 |
| Loan from Communitybuilders | 1,206,136 | - |
| | <u>4,078,769</u> | <u>25,000</u> |

Repayment of the Futurebuilders loan will commence July 2012 and will be repayable on a monthly basis for a period of 22 years. Interest is initially charged at 6% per annum.

Repayment of the Communitybuilders loan will commence September 2012 and will be repayable on a monthly basis for a period of 10 years. Interest is initially charged at 5% per annum.

Notes to the Accounts for the year ended 31 March 2011

13. SUMMARY OF FUNDS

| | Balance at 1st April 2010 £ | Net movements excluding transfers £ | Transfers (to)/from other Funds £ | Balance at 31st March 2011 £ |
|---------------------|--------------------------------------|---|---|---------------------------------------|
| General fund | 1,040,891 | (1,359) | 769,575 | 1,809,107 |
| Designated Funds | | | | |
| IT Improvement Fund | 35,357 | - | (35,357) | - |
| Staff Cost Reserve | - | - | 92,708 | 92,708 |
| Development Reserve | - | - | 27,771 | 27,771 |
| Sub-total | 35,357 | - | 85,122 | 120,479 |
| Restricted Reserves | - | 1,595,576 | (854,697) | 740,879 |
| Total | 1,076,248 | 1,594,217 | - | 2,670,465 |

Staff Cost Reserve represents a designated reserve for unexpected staff related expenditure in cases of long-term illness cover and maternity cover. The Development Reserve represents a designation for costs associated with unsuccessful tendering, these costs are not allocated to the specific or relevant projects. The Restricted Reserves represents the remainder of the capital grant income for the Redevelopment Project which will be spent during the next financial year on the completion of the Redevelopment Project.

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted general funds £ | Unrestricted designated funds £ | Restricted funds £ | Total funds £ |
|-----------------------|---------------------------------------|--|--------------------------|---------------------|
| Tangible fixed assets | 1,117,546 | - | 2,097,353 | 3,214,899 |
| Investments | 79,752 | - | - | 79,752 |
| Current assets | 749,737 | 120,479 | 2,747,295 | 3,617,511 |
| Current liabilities | (137,928) | - | (25,000) | (162,928) |
| Long-term liabilities | - | - | (4,078,769) | (4,078,769) |
| | 1,809,107 | 120,479 | 740,879 | 2,670,465 |

15 PENSION

The charity participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date.

Notes to the Accounts for the year ended 31 March 2011

14. PENSION (CONT)

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met

The charity paid contributions at the rate of 5% during the accounting period. Two members paid contributions at the rate of 5.2% during the accounting period.

During the year there were 13 active members of the Plan employed by the charity. Cambridge House and Talbot ceased to offer membership of the Plan to its new employees.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The valuation results at 30 September 2008 were completed in 2009 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £742 million and the Plan's Technical Provisions (i.e. past service liabilities) were £771 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29 million, equivalent to a funding level of 96%.

The financial assumptions underlying the valuation as at 30 September 2008 were as follows:

| | % p.a. |
|--------------------------------|--------|
| Rate of return pre retirement | 7.6 |
| Rate of return post retirement | |
| Active/Deferred | 5.1 |
| Pensioners | 5.6 |
| Bonuses on accrued benefits | 0.0 |
| Rate of price inflation | 3.2 |

The Scheme Actuary has prepared a funding position update as at 30 September 2010. The market value of the Plan's assets at that date was £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £825 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £45 million, equivalent to a funding level of 95%.

In view of the small funding deficit and the level of prudence implicit in the assumptions used to calculate the Plan liabilities, the Trustee has prepared a recovery plan on the basis that no additional contributions from participating employers are required at this point in time. In reaching this decision, the Trustee has taken actuarial advice and has been advised that the shortfall of £29 million (as at 30 September 2008) will be cleared within 10 years if the investment returns from assets are in-line with the 'best estimate' assumptions. 'Best estimate' means that there is a 50% expectation that the return will be in excess of that assumed and a 50% expectation that the return will be lower than that assumed over the next 10 years. These "best estimate" assumptions are 8.4% per annum pre-retirement, 5.1% per annum post retirement (actives and deferreds) and 5.6% per annum post-retirement (pensioners).

Notes to the Accounts for the year ended 31 March 2011

15. PENSION (CONT)

The next full actuarial valuation will be carried out as at 30 September 2011

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The Trustee's current policy is that it only applies to employers with pre-October 2001 liabilities in the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

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realise their potential together.'*



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