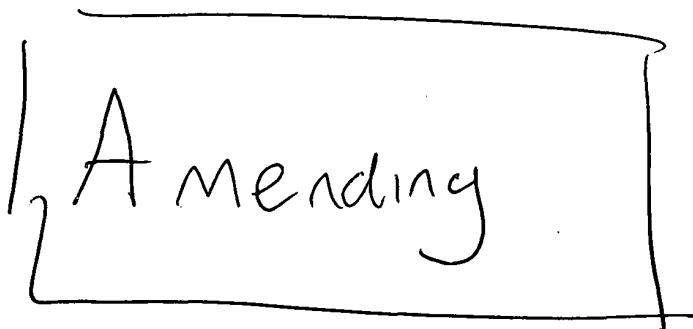




Company number: 1050006

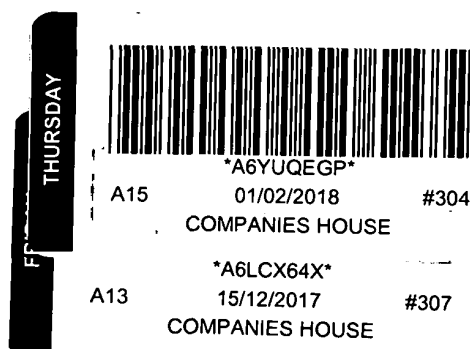
Charity number: 265103

Cambridge House and Talbot

A people's social action centre – working innovatively to achieve social justice for all

Annual Report and Accounts

Year ended 31 March 2017



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Welcome to our annual report

Our history

As one of the UK's pioneering university settlements, Cambridge House was founded to promote social justice in South London's 19th century 'slum' neighbourhoods. In 1889 we began working at a 'grass roots' level to empower local people to tackle the social problems created by industrialisation.

The ideological principles driving the work of the settlement movement contributed to the 1906 Liberal welfare reforms and the creation of the 20th century's welfare state.

The 21st century context for our work

Today the welfare state is retracting and the financial restrictions arising from welfare reforms affect disproportionately the communities in which Cambridge House works. These neighbourhoods include a high proportion of wards which are in the most deprived 5 to 20 per cent nationally.

Recognising the complex nature of the challenges that our society faces on both a neighbourhood and a national level we maintain our commitment to change and continuous improvement by:

- i) Focusing on activities that contribute in a positive way to the wellbeing, productivity and resilience of the people and communities we serve.
- ii) Gathering local level insights from evidence-based practice to support the development of best practice models, influence national policy debates, and deliver social transformation.
- iii) Working collaboratively with our service users and stakeholders to agree a shared vision of desired outcomes and ways to deliver them.

- iv) Recognising that we continue to operate in an environment that is financially constrained and must therefore strive to offer increasing value for money.
- v) Maximising opportunities to respond innovatively to new social needs as they emerge in the communities we serve.

This annual report demonstrates the scope and quality of our work during our 2016 - 2017 financial year. We identify areas in which we have achieved measurable results, and illustrate how we have continued to improve our financial sustainability although significant challenges remain.

Our work is made possible by our generous, enthusiastic and dedicated funders and supporters. Our tremendous thanks goes to them and our excellent team of staff, volunteers and trustees for their continued commitment to the people we serve.

This year, we wish to record special thanks to Graham Moss for his commitment and drive as a trustee from 2011 to 2017 and as our Treasurer from 2011 to 2014. Graham's rigorous and insightful assessment of our business model has helped us to build a stronger and more sustainable organisation that is better equipped to meet the changing needs of our beneficiaries.

After eight years' service, initially as our Director of Services and then as our Deputy Chief Executive, we were sad to see Charlotte Gilsenan move on to pastures new in August 2017. Charlotte's dedication, commitment and leadership energy has helped to ensure that Cambridge House has expanded the reach, quality and impact of all its services. We wish Charlotte continuing success and thank her for her significant contribution to the development of Cambridge House.

Julie Myers, Chair
Karin Woodley, Chief Executive
Corporate information

President
HRH The Duke of Gloucester

Patrons

Dr Rowan Williams

Charles Arthur

Robert Park

Jeremiah Emmanuel (Youth Patron)

Board of Trustees and Directors

Julie Myers – Chair

Tessa Smith – Vice Chair (Retired May 2017)

Fran Sanderson – Treasurer

Nicholas Page – Company Secretary

Andy Carr

David Coleman

Nikki Dawson

David Goode (Appointed May 2017)

Peter Jenkins

Simon Latham (Appointed May 2017)

Dan Metcalfe

Graham Moss (Retired March 2017)

Clarisse Simonek (Appointed May 2017)

Shveta Shah

Lorna Stabler (Appointed May 2017)

Paul Yiannouzis

Registered Office

Cambridge House, 1 Addington Square, London
SE5 0HF

Reference and Administrative Details

Charity number, England and Wales: 265103

Company number: 1050006

VAT Registration Number: 802 6719 39

Chief Executive

Karin Woodley

Financial Advisers

Neal Howard Ltd

Auditor

Sayer Vincent LLP

Invicta House, 108–114 Golden Lane, London
EC1Y 0TL

Bankers

Royal Bank of Scotland, London City Office

63 Threadneedle Street, London EC2R 8LA

Aims and Objectives

Cambridge House

Founded 128 years ago, we pursue a vision of a society without poverty where all people are valued, treated equally and lead fulfilling and productive lives. Today we work to mitigate the effects and tackle the root causes of poverty and social injustice.

Our Work

Frontline services

Objective: To support people to stabilise their lives and progress

Specialist, personalised and integrated services to help people in crisis and support them to build the resilience they need both to make recurrence of crisis less likely and improve the quality of their lives.

A people's social action centre

Objective: To support active citizenship

Managing our building as a community anchor so that it is a focal point for local communities and civic activity, a home for voluntary and community organisations, and a space where local people and statutory agencies can come together to promote and bring about positive social change.

Research and knowledge exchange projects

Objective: To support the development of social policy and practice

Activities to generate and collate evidence of what delivery strategies are most effective at tackling poverty and social exclusion at a local level and establish opportunities for evidence sharing and knowledge exchange.

Operational Aims and Objectives

During the year, we continued to deliver our three-year business plan to 31 March 2017, supported by our stakeholders and business advisers. We recognise fully that we had depleted our reserves in previous years while weathering the impact of austerity measures on our income streams.

The plan's key strategic objectives are to:

- i) Enhance organisational capacity, resilience and sustainability
- ii) Design and provide services that deliver positive impact for individuals, families and communities facing severe and multiple disadvantage

Our commitment to quality and impact

We strive to find solutions to identifiable problems in the communities with which we work. Actual and potential service user needs as well as gaps in service provision are identified through:

- Analysis of research and demographic reports and data
- Consultation with actual and potential service users, delivery partners and stakeholders
- Competitor analyses
- Policy reviews
- Participation in professional and knowledge exchange networks

In addition to confirming all activities contribute to the delivery of our vision, we secure impact by ensuring we have:

- Governance, financial stewardship, risk management, operational and quality assurance capabilities and capacity.
- We are cost effective and can secure sufficient financial and partnership resources.
- Not unnecessarily duplicated the work of other providers.
- Clear impact evaluation criteria and associated measurable outcomes.

Evidencing quality and impact

Our theory of change identifies the casual links between what we do and what we are trying to achieve. It also provides the theoretical framework to allow us to assess whether what we do is working as planned and how it can be improved.

Quantitative and qualitative methods of collecting outcomes and outputs including feedback from and consultation with beneficiaries, enable us to evidence impact and these are verified by a range of accredited quality assurance and impact measurement schemes.

In 2016–17 we worked with two external agencies to evaluate the social impact of our services and this enabled us to focus our 2017–2020 corporate strategy on activities that have the greatest measurable impact in delivering our vision.

Legal services

Our Law Centre has been awarded Centre of Excellence status by the London Legal Support Trust and is also accredited by Lexcel, the Law Society's legal practice quality mark for excellence in legal practice management and excellence in client care.

Advocacy services

Our independent advocacy services Advocacy QPM accreditation is being renewed in 2017. The QPM works in conjunction with the Advocacy Code of Practice, enabling providers to demonstrate how they are meeting the different standards set out in the code.

Youth Empowerment services

The evaluation systems and impact measures for our work with young people have Project Oracle accreditation. We also use the Youth Outcomes Star to monitor young people's personal development outcomes. In August 2017 we were awarded London Youth Quality Mark accreditation.

Disabled People's Empowerment services

Our Playdagogy programme is accredited by Project Oracle and Skills Active and the pilot programme was evaluated by Loughborough and Leeds Universities. The Outcomes Star is used to monitor personal development outcomes for disabled children and adults on our arts, sports and life skills projects.

Governance

We are accredited by Investors in People, are organisational members of the Institute of Fundraising and have Positive about Disability, Mindful Employer and London Living Wage Employer quality marks.

Our fundraising ethos

We rely on fundraising to support all our work and it is important to us that everyone who engages with us has a positive experience. We work diligently to comply with the newly created Fundraising Regulator's Fundraising Code of Practice and to ensure that we fundraise in a respectful and compelling way that is consistent with our values.

All our fundraising activity is carried out in accordance with our Data Protection Policy, which reflects current legal and regulatory requirements. We are cognisant that there are some important changes ahead with the implementation of General Data Protection Regulation (GDPR) which comes into force in May 2018, and we will therefore review and update our policies and procedures during 2017-18.

Our fundraising activities and compliance with regulations and best practice are scrutinised by our Council of Management and its Finance Subcommittee. No fundraising complaints have been received.

In 2016-17 we agreed a fundraising pledge to donors, adopted an ethical fundraising policy, which governs our interactions with third parties, including, but not limited to, corporate and individual donors, local and national governments, other charities and public sector agencies, and we became an organisational member of the Institute of Fundraising.

During the year our primary fundraisers were the Chief Executive and the Deputy Chief Executive supported by two development officers recruited through our paid internship programme. Third party fundraising comprised of one fundraising fashion show by Cambridge University students (£7,000) and one challenge event by a team of sponsored cyclists in the Prudential RideLondon-Surrey 100 (£1,120).

Our relationship with supporters

1. We respect the rights of our supporters to clear, truthful information on the work of Cambridge House, therefore we:
 - Openly report how we spend donated and statutory monies.
 - Are transparent and honest.
 - Do what we say we are going to do.
 - Answer all reasonable questions about our fundraising activities and costs.
 - Abide by the conditions attached to the donations and grants we receive.
 - Respect the privacy and contact preferences of all donors.
 - Respond promptly to requests to cease contact.
2. We respond promptly to complaints and act as best we can to address their causes.

3. We never accept a donation from someone we believe to be vulnerable and not in an informed position to make a decision about their donation.
4. We never sell donor information to third parties and will do our best to keep contact details up to date and accurate.
5. We do not use techniques such as telemarketing or door-to-door collections.
6. Paid fundraisers, whether staff or consultants, are compensated by a salary, retainer or fee, and are not paid finders' fees, commissions or other payments based on either the number of gifts received or the value of funds raised.

Serious Incident Reporting

We have procedures for the reporting of serious incidents to the Charity Commission, in accordance with the statutory requirement under section 169 of the Charities Act 2011. The Trustees confirm that there were no serious incidents or other matters relating to Cambridge House and Talbot during the last financial year that should have been brought to the attention of the Charity Commission.

Wider networks

We are firmly 'outward looking', as befits our vision of a society without poverty where all people are valued, treated equally and lead fulfilling and productive lives. We work collaboratively with a diversity of voluntary, community, private and public sector partners to deliver services and exchange knowledge and information. Co-location with, and acting as a landlord to 14 other social welfare organisations and agencies in Cambridge House is another important element of this stance and we are members of:

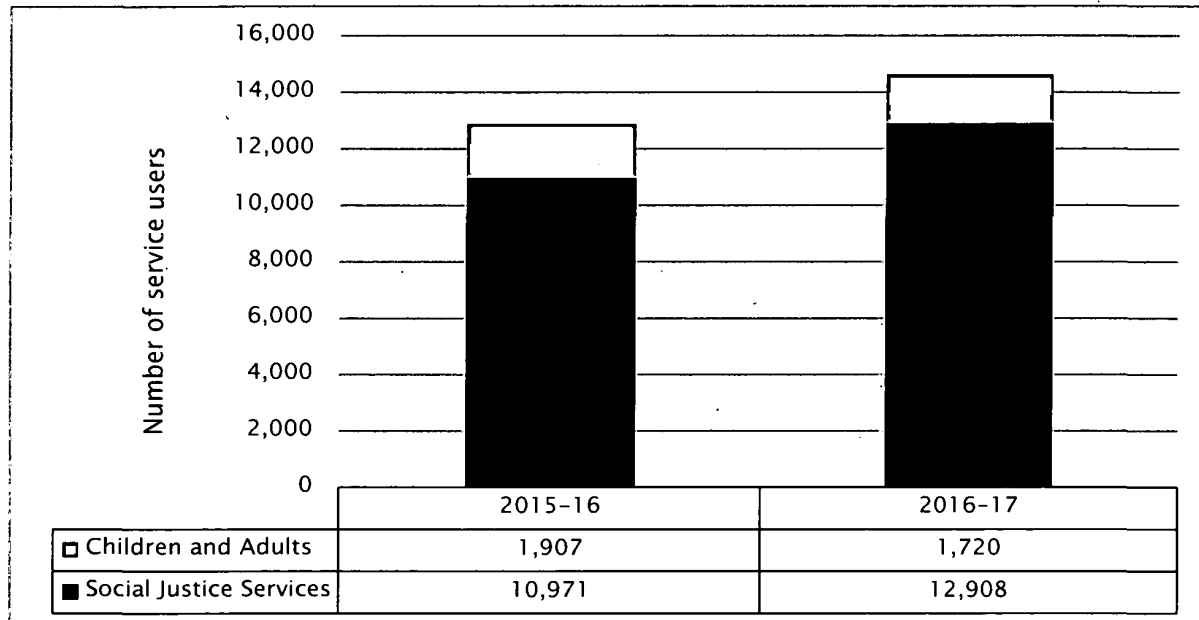
- **Community Southwark**, the umbrella body for the voluntary and community sector, volunteers and social action in Southwark.
 - Our Chief Executive is Vice Chair of Community Southwark's Board of Trustees.
- **Global Social Economy Forum (GSEF)**, an international association that brings together local governments and civil society stakeholders committed to supporting the development of the social and solidarity economy (SSE).
 - Our Chief Executive is a member of the Forum's Steering Committee.
- **Healthwatch Southwark**, a consumer network established as a result of the health and social care reforms of 2012 to champion the views of local people who use health and social care services in Southwark.
 - Our Chief Executive is a member of its Advisory Group.
- **Institute of Fundraising**, the professional membership body for UK fundraising.
- **The International Federation of Settlements and Neighbourhood Centres (IFS)**, an association of national, regional and local organisations working to strengthen communities around the world. Its mission is to build an inclusive global community by empowering, inspiring and connecting people who are working locally for social justice.
- **London Youth**, a network of diverse community youth organisations serving young people of all backgrounds right across the capital.

- **Locality**, whose stated objective is to develop a network of ambitious and enterprising community-led organisations with a strong, collective voice and to inspire community action so that every neighbourhood thrives.
 - Our Chief Executive is a member of Locality's Board of Trustees.
- **National Council for Voluntary Organisations (NCVO)**, which champions the voluntary sector by connecting, representing and supporting voluntary organisations.
- **Play International (formerly Sports without Borders)**, an international sports organisation which uses sports for education and social change.
 - Cambridge House is the organisation's UK partner.
 - Our Chief Executive is a member of its Research and Action Committee.
- **Southwark Legal Advice Network (SLAN)**, which aims to improve access to quality assured advice services and self-help information in Southwark for people in greatest need.

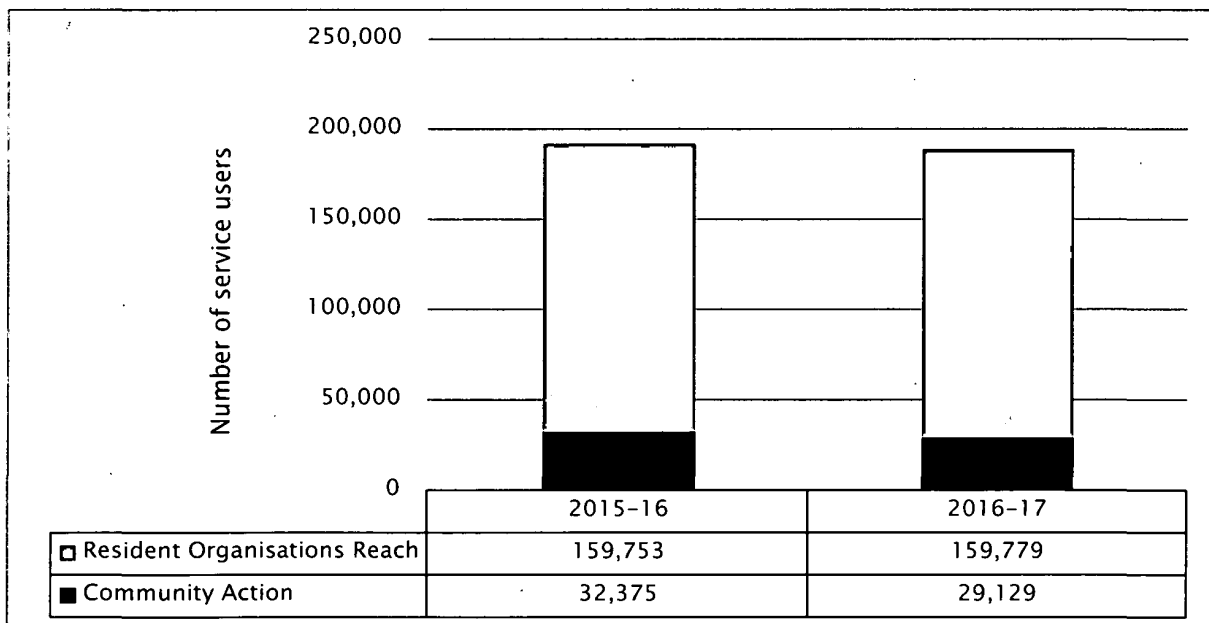
Strategic Report

Our key achievements in 2016-17

Specialist services for individuals and families



Social Innovation services



We reached a total of 213,116 people in 2016–17

Our reach this year was calculated by:

- Recording the numbers of individual people and families who accessed each Cambridge House frontline service and project during the year: 12,878 beneficiaries
- Recording the numbers of individual people and families who accessed services provided by organisations that Cambridge House provided with work, delivery and events spaces (our resident organisations). A large share of this reach is due to the work of Improving Health Ltd, a health and social care organisation reaching more than 100,000 people every year via GP surgeries: 159,779 beneficiaries
- Recording the numbers of attendees at community action events at Cambridge House organised primarily by local voluntary and community sector organisation and statutory agencies: 29,129 beneficiaries

Strategic Objective 1

To enhance organisational capacity, resilience and sustainability

Our key achievements in relation to business development targets included:

1. Continuing to embed the shift in strategy and thinking required by our three year business turnaround strategy, we:

a) **Improved our financial position as follows:**

- Completed a business and deficit recovery plan for the period 2017 to 2020
- Completed the business transformation programme funded by the Local Sustainability Fund
- Published a corporate strategy for the period 2017 to 2022
- Extended services to 18 local authorities through procured and spot purchasing contracts
- Increased our total incoming resources by 4%
- Secured continuation of 0% interest on Communitybuilders and Futurebuilders England loan repayments to 31 September 2018
- Achieved 91% occupancy of office space
- Further diversified our income as follows:

Income Type	2017	2016	2015
Earned Income	82%	76%	68%
Charitable Income	17%	22%	9%
Public Sector Grants	1%	2%	23%

b) **Improved our governance processes as follows:**

- Recruited four new trustees including two trustees with finance expertise to join the Council of Management's Finance Subcommittee
- Continued to convene monthly meetings of the trustees' Finance Subcommittee
- Updated our Governance Manual
- Reviewed our corporate policy frameworks
- Published an Ethical Fundraising Policy and Charter

c) Maintained and/or secured professional accreditations as follows:

- Corporate:
 - i) Investor in People
 - ii) Positive about Disability
 - iii) Mindful Employer
 - iv) London Living Wage
 - v) Institute of Fundraising Organisational Membership
- Law Centre:
 - i) Law Society's Lexcel: legal practice quality mark for excellence in legal practice management and excellence in client care
 - ii) London Legal Support Trust Centre of Excellence
- Stand-Up Service:
 - i) Project Oracle (level 1) accreditation for monitoring and evaluation
- Playdagogy Service:
 - i) Continuing Professional Development Accreditation for Training from Skills Active (6 points)
 - ii) Project Oracle (level 1) accreditation for its monitoring and evaluation framework.

Strategic Objective 2

To deliver positive impact for individuals, families and communities facing severe and multiple disadvantages

Social Justice Services

Cambridge House Law Centre

Helping vulnerable people save their homes, keep their jobs and protect their families

Our key achievements in relation to free, independent and expert legal services included:

- 3,660 beneficiaries during the year comprising 2,507 direct clients and an estimated further 1,153 family members and children:
- Users were:
 - 53% female
 - 82% Black and Minority Ethnic and 18% British White and White Other
 - 67% Social housing
 - 26% Homeless
 - 6% Privately renting
 - 57% Lone parents with children
 - 61% Unemployed
 - 39% Working (full-time and part-time)
- Housing and homelessness
 - 104 new housing cases opened
 - 61 specialist one-off advice sessions
 - 159 clients represented at Court
 - 8 possession/eviction proceedings successfully defended, helping clients keep their homes
 - 20 successful homelessness challenges
 - 3 disrepair claims concluded resulting in repairs being carried out by the landlord and clients receiving compensation

- Employment
 - 3 clients given specialist advice
- Community Care
 - 1 new case opened
- Public law
 - 2 new cases open
- Welfare Benefits:
 - 17 new welfare benefits cases opened
 - 61 specialist one-off advice sessions
 - 159 clients given welfare benefits advice at outreach sites
 - 8 clients successfully represented at Appeals Tribunals
 - 20 successful Employment and Support Allowance (which replaced incapacity benefit) and / Personal Independence Payment (which replaced disability living allowance for people between the ages of 16 and 64) Appeals
 - 3 successful Tax Credit appeals

Independent Advocacy Services

Protecting the voices, choices and rights of vulnerable adults and children

Our key achievements in the year included:

- A 65% increase in the number of cases handled compared to the previous year.
- The continued provision of advocacy services to the London Boroughs of Southwark, Barking and Dagenham, Lewisham, Islington, Newham and Waltham Forest and Tower Hamlets.
- The extension of services to the London Boroughs of Haringey, Kent County Council, West Berkshire County Council and Hertfordshire County Council.
- 1,855 hours of Care Act Advocacy and support were provided in Southwark and Barking and Dagenham. This is 29% increase from last year.
- 8,516 hours of Independent Mental Capacity Advocacy (IMCA), supporting and protecting the rights of people who were declared unable, for medical reasons, to make key decisions about their lives in the following boroughs: Southwark, Waltham Forest, Barking and Dagenham. This is a 57% increase from last year.
- 3,300 hours of Independent Mental Health Advocacy (IMHA), supporting people who were detained or sectioned in hospital under the Mental Health Act, or had their liberty restricted by Community Treatment Orders in the following boroughs: Southwark, Newham and Barking and Dagenham.
- 94% of advocacy issues resolved.

Safer Renting Service

Preventing homelessness by providing access to justice for vulnerable tenants and victims of criminal landlords

- In 2016–17 we launched a new social justice service to tackle the needs of a rapidly growing cohort of medium to low income individuals and families driven into inadequate housing and poverty by sharp private rental price increases, low wages, and Local Housing Allowance insufficiencies.
- In accordance with our corporate focus on the needs of people facing multiple disadvantage and complex needs, the service provides access to justice for migrants and refugees who make up a significant proportion of victims of criminal landlords, along with tenants who experience social isolation, poor health, mental health conditions, and illegal employment conditions that their housing circumstances exacerbate.
- Often bullied by their landlords into 'handing over' their power of attorney (so benefits are paid directly to landlords) we have found cases of modern slavery and human trafficking, including forced labour (e.g. working directly for the landlords).
- The service is developing as a pathfinder for effective multi-agency interventions for tenants of criminal landlords, providing specialist advice, support and advocacy and helping them to find alternative housing
- The service has received 125 referrals in its first year, completing casework in 66 of these cases. There were a wide range of outcomes; however it is in the nature of the weak regulation of the private rented sector that outcomes can only be stated in the short term.

Our key achievements in the year included:

- Establishing a team of experts to lead the project, deliver advice services, and build relationships with local authorities across London.
- Securing 4 London partner boroughs (Hounslow, Waltham Forest, Croydon and Enfield) to deliver our pilot service.
- Winning a tender to deliver our service to one of the 4 partners for the next 3 years and securing forward funding for the year from a second of the 4 partners.
- Securing a charitable grant for core costs over two years plus 4 other grants to fund training.
- Supported bids by 3 of our partner boroughs to the Department for Communities and Local Government for funding activity in the new and future financial years.
- Set up and delivered a pilot training programme for 6 potential apprentices.
- Contributed to a range of policy forums to raise the profile of the needs we are addressing and contributed to Department for Communities and Local Government (DCLG) Policy lab on future regulation of the Private Rented Sector.
- The leading outcomes were as follows:
 - 32% of clients took advice from us and the case was then closed due to there being no further assistance required.
 - 20% of clients were provided with advice but their objective could not be secured (for example due to lack of rights or lack of evidence to support legal action).
 - 14% of clients were assisted to sustain their private rented tenancies in the face of attempts by the landlord to bring them to an end.
 - 14% of clients were given assistance to relocate to alternative private rented accommodation.

Education and Inclusion Services

Providing support and building the resilience of people facing severe and multiple disadvantage

Youth Empowerment Projects

Our key achievements in relation to services for young people included:

1. The **Stand-Up Southwark** programme was delivered at Cambridge House and provided twice weekly workshops alongside 1:1 coaching in life skills and employment training to the 20 participants.
 - An average of 5 hours contact time per week to each participant through:
 - a) Twice weekly group workshops in life skills, employment training, volunteering and educational day trips, including:
 - Goal setting; Communication Skills and Body Language; Self-Reflection
 - CV workshops
 - Sexual health awareness with Southwark Healthwatch
 - Mental health awareness with NHS Southwark Clinical Commissioning Group (CCG)
 - Personal Finance training with MyBnk
 - Anger Management workshops using Cognitive Behavioural Therapy techniques
 - Motivational Mood Board art project
 - b) Residential weekend at Woodrow High House, which included activities such as: archery; drumming workshops; evening campfires; woodland walks; bush craft skills; outdoor team exercises
 - c) Trips to: Kew Gardens Christmas Festival of Lights; A Man of Good Hope theatre production at the Young Vic; Peter Pan theatre production at the National Theatre
 - d) Gardening project funded by Grow Wild, to regenerate the Cambridge House community garden. Opportunities have included: visits to various public gardens; volunteering at Hampton Court Flower Show; expert training in horticulture; woodwork and decorating skills; art projects; involvement in Grow Wild social media campaigns
 - e) Daily Drop-In Support Sessions including 1:1 sessions and or to use Cambridge House facilities in order to prepare college and job applications and receive emotional support
 - f) Specialist Support, including acting as Appropriate Adults in police matters and accompanying young people to healthcare appointments
 - Stand-Up Southwark self-reported outcomes:
 - a) Involvement in criminal activity, reduced from 19% to 13%
 - b) Involvement in gang activity maintained at 0%
 - c) Involvement in gun and knife crime, down from 14% to 0%
 - d) Involvement in substance abuse:
 - 100% continue to refrain from using Class A drugs
 - 100% continue to refrain from binge drinking
 - 50% of those using marijuana have reduced their use
 - e) Of those living with emotional and behavioural problems, or experiencing destructive personal relationships:
 - 14% were referred for intensive NHS psychiatric support
 - 27% self-referred themselves for psychological support through their GP or the NHS Improving Access to Psychological Therapies (IAPT) service

2. Our **Stand-Up Lambeth** programme continued to support 13 young people living on the Angell Town Estate in Brixton by:
- a) Offering 1:1 and group sessions at Cambridge House
 - b) Visiting Marcus Lipton youth club in Loughborough on a weekly basis. Participants tend to gather there, rather than frequenting the Angell Town community centre, following a series of shootings
 - c) Contacting participants over the phone or by text to check on their safety (many young people changed their numbers and stayed away from the area following the shootings, therefore it was difficult to maintain face to face contact)
 - d) Accompanying young people to meetings with social services
 - e) Assisting with housing issues
 - f) Inviting participants to external activities such as theatre productions, visits to public gardens and training workshops
- Stand-Up Lambeth self-reported outcomes:
- a) Involvement in criminal activity reduced from 61% to 54%
 - b) 11% of those using marijuana have reduced their use
 - c) 7% were referred for intensive NHS psychiatric support
 - d) 8% self-referred themselves for psychological support through their GP or the NHS Improving Access to Psychological Therapies (IAPT) service
 - e) Of the 4 participants who requested our support to enter further education and/or employment, 100% have achieved their goals
 - f) 100% of participants who were homeless are now living in safe accommodation

Disabled Peoples' Empowerment Projects

Our Education and Inclusion projects have continued to promote equality, diversity, awareness and inclusion, building the skills and resilience of children and adults with disabilities and mental health conditions.

1. **Playdagogy/ *Gamechangers*** – Our 'Sports for Social Justice' programme.

Building on the success of previous years, we secured funding from Laureus Sport for Good Foundation and The Peter Harrison Foundation to continue the roll-out of our Playdagogy/*Gamechangers* programme. Through our train-the-trainer approach we have upskilled and empowered educators to address complex social issues with the children and young people they work with, increasing dialogue, challenging misconceptions and raising awareness about inequality and social injustice in schools and community centres across Greater London.

Our key achievements this year include:

- The official launch of Cambridge House as PLAY International's UK delivery partner following our successful 2 year pilot project
- 69 educators were trained to deliver Disability Awareness and Inclusion sessions to their children and young people
- 12 schools took part in the training and began incorporating the Playdagogy/ *Gamechangers* programme into their activities
- 13 community organisations have delivered Playdagogy/ *Gamechangers* sessions to children and young people in their communities.
- We returned to Lille for PLAY International's Global Forum in June 2016. Practitioners from Burundi, Kosovo, France and the UK worked collaboratively to share best practice and create new anti-discrimination, awareness and inclusion sessions. Teachers, coaches and practitioners implemented the Playdagogy/ *Gamechangers* training and trialled the new sessions to over 600 children at the final 'Playground' event that concluded the forum.
- Partnerships and collaborations with:
 - a) The Harris Federation
 - b) EduKit online platform
 - c) SportEd
 - d) London Youth
 - e) MAC UK
 - f) The INTEGRATE Movement
 - g) The Sporting Movement
 - h) London PE and School Sport Network
 - i) Moving Matters
 - j) Woodcraft Folk
 - k) The Baytree Centre
- We presented the Playdagogy/ *Gamechangers* programme to 50 Harris Academy teachers at their national event at the Excel Centre in October 2016.
- We were subsequently invited to the Harris Academy 'Inclusion and Awareness Day' to deliver directly to children and young people in school. This was received very positively and has prompted discussions regarding further delivery, a potential mental health and wellbeing pilot, and further staff training days.
- We exceeded our targets for delivering to community centres through the positive engagement of umbrella bodies such as Woodcraft Folk.
- We trained staff at Moving Matters who are a major provider of PE in schools.
- Development of our Mental Health and Wellbeing curriculum and pilot project has begun and we are in consultation with MAC UK to contribute to the development of this.
- We were nominated for the Beyond Sport Award for Inclusion in October 2016

Outcomes:

- 98% of those trained rated our Playdagogy/ *Gamechangers* trainers as 5/5 – "Very Good"
- 97% of those trained found the Playdagogy/ *Gamechangers* model to be "Effective" or "Very Effective" for helping children to understand issues relating to disability.
- 100% of those trained would recommend the Playdagogy/ *Gamechangers* training to a colleague.

2. Our **SENsational Sports programme** continued, delivering rebound therapy and hydrotherapy sessions to disabled children and young people and providing essential respite for their parents and carers. Activities and outcomes included:
 - 117 hours of hydrotherapy (swimming) and rebound therapy (trampolining) sessions to for disabled young people in Southwark.
 - 17 participants with profound and multiple learning difficulties aged 11–25 years took part in regular exercise and physical activity.
 - Weekly therapeutic rebound and weightlessness sessions to improve the psychological, emotional and physical health and well-being of participants.
 - Recruitment and training of a new instructor to lead both the Rebound Therapy and Hydrotherapy sessions, increasing staff consistency between the two and enhancing the understanding of participants' development on a broader scale across the service.
 - In partnership with BBC Children in Need we developed a new monitoring and evaluation system focusing on three key areas of development, namely confidence, communication and behaviour. Through staff observations, weekly feedback and individual monitoring using a 10–point scale it was found that:
 - a) 78% of participants increased in confidence during SENsational Sports sessions over the year
 - b) 67% made progress in relation to their relationships with peers
 - c) 67% made progress in relation to their behaviour within the group
 - d) A specific focus on teamwork and interaction has seen some significant progress among participants. Even those that are predominantly non-verbal have shown signs of development in terms of connecting to people, high-fiving their peers and mirroring positive behaviour.
 - e) Communication with staff has also progressed quite significantly with a number of participants taking the initiative to tell staff about their achievements and experiences, both in and out of sessions.
 - f) Positive developments have also been seen with regard to promoting independence and life skills. A number of the service users have gone from being quite dependent on the staff to being able to dress and undress themselves and pack their bags with minimal prompting.
 - A participant who had initially been afraid of the water recently exclaimed: *"June, did you see – I learnt how to swim. I'm not scared anymore!"* (SENsational sports beneficiary)
 - A parent recently commented that: *"Julia is the best swimming instructor I've seen in all my years of bringing 'A' to SEN Sports. She even got him doing backstroke which he never did before!"* (Mother of SENsational sports beneficiary)
3. We continued to deliver **19Plus**, an important social group for disabled people where we run stimulating creative activities, projects and daytrips that are geared towards developing independent living skills, with a focus on clear communication, comprehension, social interaction and self-expression. Activities and outcomes this year included:
 - A total of 12 participants attended the 19Plus group two days per week engaging in meaningful activities involving social interaction, creative expression, life skills and personal development.

- 390 hours of user-led, person-centred, socially engaging activities were delivered for disabled people in Southwark.
 - Over 100 members of the public, including family, friends and supporters attended the 19Plus 'Cops & Robbers' theatre performance, raising awareness of the group and increasing interaction between 19Plus participants and the local community.
 - The participants decided on the theme, personally designed the set and props and carried out the performance themselves, developing their confidence, planning, motor skills, teamwork, creativity and communication skills.
 - Monitoring and evaluation processes for the 19Plus group were redefined, tailoring the definition of progress to each individual based on their specific interests, skills, abilities, challenges and personal goals. This process of measuring participants against personalised aims rather than a generic idea of progress has been an important shift in our approach to measuring outcomes across our disabled people's empowerment projects.
 - Weekly 'Walk-and-Talk' and 'Move-and-Grove' sessions were introduced in place of morning meetings in order to get participants active and provide a space for discussion in a less formal and more engaging environment.
 - 8 Cycling sessions at the Herne Hill Velodrome, as well as dance and pizza-making workshops were delivered to help improve health, fitness, independence, confidence and social interaction in a fun, inclusive and welcoming environment.
 - The Caspian Street Allotments continue to work with the 19Plus and Saturday Arts groups, donating two allotment beds and hosting the end of year 19Plus Graduation Ceremony.
 - 12 Participants produce a regular blog documenting their activities and creations which can be found here: <http://19plus.blogspot.co.uk/>.
 - Day trips have included the Imperial War Museum, The British Museum, the Transport Museum, the Museum of London, Kew Gardens and regular visits to Tony's cafe, local shops and Burgess Park.
4. We continued to deliver our Arts Clubs for children and adults with profound and multiple learning disabilities, supporting them to develop social skills, use different forms of communication, engage in positive self-expression, understand boundaries and better manage their emotions. Activities and outcomes this year included:
- 23 children and adults with profound and multiple learning disabilities attended our Wednesday Arts Afterschool Club and Saturday Arts Club on a weekly basis.
 - 97.5 hours of activities for 11-25 year olds with a learning disability were delivered.
 - 175.5 hours of activities for adults with a learning disability were delivered.
 - A new group leader was appointed. An artist and art therapist she has focused the workshops and found new and creative ways to engage the participants, positively challenging them to try new approaches and discover new interests.

- 1 participant played an active role in designing and creating many of the props for the 19Plus Christmas performance. Originally a very shy individual, he began engaging with the 19Plus staff and group members and notably gained confidence from his involvement in the performance, stating:
- *"I really like coming to Wednesday Arts. I never want to leave. But when I do have to leave I'm going to 19Plus!"* (Weds Arts beneficiary)

Social Innovation and Enterprise Services

Promoting systemic, structural and cultural change

We promoted systemic change by nurturing opportunities for government, businesses and civil society organisations to share information, experiences, skills and expertise by:

1. More than 58,000 individuals used our building this year for a range of community-oriented services, activities and events including:
 - Social Care events, engaging users, practitioners, and strategic partners
 - Southwark forum for local VCS organisations and local authority commissioners
 - Public health and patient experience consultations and drop-in sessions co-delivered with Southwark Council
 - Support, solidarity, and awareness raising groups and events
 - Victim support sessions
 - 1:1 counselling, debt advice and generalist legal support sessions
2. Contributing to a range of community empowerment networks including:
 - Chief Executive: member of Southwark's Learning Disabilities Partnership Board; Chair, Learning Disabilities Provider Forum; member of the Southwark Giving Steering Group; Vice Chair, Community Southwark; member of Healthwatch Southwark's Advisory Group; member of the Council/VCS Liaison Group; member of the Council's Social Value -Task and Finish Group.
 - Law Centre Manager: member of Southwark Legal Advice Network; member of the Law Centre Network.

Work and event spaces for civil society organisations

Our key achievements in relation to improving the working and service delivery conditions of civil society organisations so that they can focus on their mission, accelerate their success, and amplify their impact:

1. Over 140 community groups were provided with meeting, event and service delivery spaces, for an estimated 29,129 beneficiaries during the year
2. 16 resident charities and social enterprises providing services to 159,779 beneficiaries, occupied workspaces during the year at an annual license fee cost of £1.80 per beneficiary.
3. Some of the key demographic groups who attend these services include:
 - people with a disability
 - people with a low income
 - culturally and linguistically diverse
 - newly arrived migrants
 - vulnerable families
 - people with low levels of formal education
 - people experiencing drug/alcohol issues

- people at risk of social isolation
 - people experiencing mental health issues (including children and BAME people)
 - children below school age (0–5 years) attending children's programmes
 - young people
4. Resident organisations at the year-end included:
- **Lifeline** – Southwark's integrated drug and alcohol service
 - **Community Southwark** – Supporting volunteering and community action in Southwark
 - **Working Families** – Helping working parents and carers and their employers find a better balance between responsibilities at home and work
 - **Contact A Family** – Offering information, advice and support to parents and carers of disabled children as well as professionals working with families
 - **Depression Alliance** – supporting Southwark residents who've been affected by depression & anxiety to: connect, engage and recover.
 - **Rewrite** – fighting prejudice and injustice by bringing together young people from different backgrounds through the power of drama and creative writing
 - **Social Action for Health (Kindred Minds project)** – working alongside marginalised local people and their communities towards justice, equality, better health and wellbeing
 - **Place2Be** – providing school-based mental health support, unlocking children's potential in the classroom and beyond
 - **1st Place Children and Play Centre** – Providing high-quality, early learning experiences, family support and training to local families
 - **Lambeth and Southwark Mind** – Promoting the well-being of people in Lambeth and Southwark experiencing mental distress
 - **Improving Health Ltd. (NHS)** – Improving the health and wellbeing of the residents of Southwark, by delivering service innovation and ensuring equality of provision
 - **Maintaining Health Partners** – Providing therapies to improve the quality of life of people experiencing mental health difficulties and the wider community
 - **Latin American Women's Rights Service** – Advocating for better provision and awareness of local services for Latin American women
 - **Ladies of Virtue Community Outreach** – a community project supporting women and families in Southwark
 - **Southwark Association for Mental Health** – Campaigning for better mental health services across Southwark
 - **The Equality Trust** – Working to improve peoples' quality of life in the UK by reducing economic inequality

Achieving Our Priorities

Our performance against our priorities for 2016-17

Cambridge House Priorities 2016-17	Evaluation
Enhance organisational capacity, resilience and sustainability by:	
a) Completing a business transformation process	Successful
b) Commissioning an independent social impact review of Cambridge House's building as a community hub	Successful
c) Reviewing and updating our trustees' Governance Manual	Successful
d) Completing an audit of our corporate policies framework	Successful
e) Preparing a new business plan for the period 2017-2020	Successful
f) Continuing to diversify our income profile with particular regard to unrestricted earned income	Successful
g) Beginning to build reserves	Unsuccessful
h) Establishing two new paid internships	Successful
2. Design and provide services that deliver positive impact for individuals, families and communities facing severe and multiple disadvantage by:	
a) Expanding our co-produced academic research projects and/or frontline services in partnership with Barton Hill Settlement (Bristol), Birmingham Settlement and Barca-Leeds	In progress
b) Expanding the delivery of Playdagogy nationally	Successful
c) Developing cross-sector partnerships for the Playdagogy project	Successful
d) Contributing to international civil society policy forums	Successful
e) Extending the Safer Renting pilot to 4 London Boroughs	Successful
f) Extending reach of estate-based youth empowerment activities	Unsuccessful
g) Extending the delivery of advocacy services to an increased number of London Boroughs	Successful
h) Continuing to use our experience gained by delivering frontline services to influence policy in favour of community-led solutions to multiple disadvantage and complex need	Successful

Acknowledgements

Cambridge House fundraises for all its work. We rely on relationships with many partners throughout the country and internationally.

Our trustees sincerely thank all our supporters and donors who make our work possible, including:

Bermondsey Square Community Trust
Children in Need
Drapers' Fund
Grow Wild
HI McMorram Charitable Trust
Jack Petchey Foundation
Laureus Foundation
Local Sustainability Fund
Locality
London Borough of Barking & Dagenham
London Borough of Camden
London Borough of Croydon
London Borough of Enfield
London Borough of Hackney
London Borough of Hounslow
London Borough of Islington
London Borough of Lewisham
London Borough of Newham
London Borough of Richmond
London Borough of Southwark
London Borough of Tower Hamlets
London Borough of Waltham Forest
London Catalyst
London Housing Foundation
London Legal Support Trust
Magdalene College Youth Trust
Matrix Causes Fund
North Southwark Environment Trust
Peter Harrison Foundation
Peter Minet Trust
Sir Jules Thorn Charitable Trust
Team London Bridge
The Law Society Charity
The Legal Aid Agency
Tudor Trust
Walcott Foundation
Zaiger Trust

Our trustees also wish to thank the many organisations who have worked in partnership with Cambridge House – our success relies on collaboration:

1st Place Children and Parents' Centre
1st Place Nursery
ABLE
Arsenal Football Club
Bacon's College
Bite the Ballot
Black Police Association Charitable Trust
Blackfriars Settlement
British Youth Council
Brixton Topcats
Camberwell Youth Centre
Centre for Analysis of Social Exclusion
Centre for Disability Studies – Leeds University
Centre for London
Charles Russell LLP
Citizens UK
City Action
City Gateway
Community Southwark
Contact a Family
Creative Innovations
Crystal Palace Football Club
Cuckoo Club
Depression Alliance
Electric Elephant Café Ltd
Empower Change
Endz 2 Endz
Fédération des Centres Sociaux et Socioculturels de France
Fulham Football Club
Gala Bingo Surrey Quays
Get Outta The Gang
Global Social Economy Forum
Health Watch Southwark
Heart of the City
Improving Health Ltd. (NHS)
InSpire
International Federation of Settlements
King's College Hospital
La Brasserie
Ladies of Virtue Community Outreach

Lambeth and Southwark Mind
Latin American Women's Rights Service (LAWRS)
Leyton Orient FC
Lifeline (Southwark)
Lilian Baylis Technology School
Lives Not Knives
Livity London
London Borough of Hackney
London Legal Support Trust
London Live
London School of Economics
London South Bank University Student Union
London Youth
Maintaining Health Partners
Media Trust
Muscular Dystrophy UK
NHS Southwark
Nike
Notting Hill Housing Trust
Open Minds
Place2Be (Southwark hub)
Quay Health Solutions
Rewrite
Sickle Cell & Young Stroke Survivors
Social Action for Health
South London & Maudsley Trust
Southwark Association for Mental Health
Southwark Wellbeing Hub
St Johns Ambulance
St Martin-in-the-Field
The Equality Trust
Volunteer Centre Southwark (CAS)

Financial Report

Governance and management

Cambridge House and Talbot is a registered charity (registration number 265103) and is constituted as a company registered in England and Wales and limited by guarantee (registration number 1050006). The company does not have share capital, and is limited by the guarantee of the members to a maximum of £1 each. The total number of such guarantees at the year-end was 70. The objects and powers are set out in the Articles of Association.

Cambridge House owns the whole of the issued ordinary share capital of Enterprise at Cambridge House Limited, a company registered in England and Wales. The subsidiary was used for non-primary purpose trading activities. The results of the undertaking have not been consolidated as the undertaking ceased to trade during 2013–2014.

Trustees

Cambridge House is governed by the charity's trustees, who are also the company's directors (and are collectively called the Council). The members of the Council are elected at the company's annual general meeting. Each year one third of the elected members of the Council stand down at the annual general meeting and are eligible for re-election.

The Council meets a minimum of six times per year to manage the business of the organisation. It has appointed sub-committees and working groups to operate with delegated responsibilities as follows:

- Finance: David Goode – from May 2017, Graham Moss – retired March 2017, Fran Sanderson, Clarisse Simonek – from May 2017, Paul Yiannouzis
- Governance (David Coleman, Julie Myers, Shveta Shah, Tessa Smith – retired May 2017)

The delegated responsibilities and accountabilities of the Chief Executive, directors and other managers are currently set out in the organisation's Governance Manual 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 trustees concentrate on strategic matters, setting overall direction, ensuring clear organisational objectives and holding the senior management team to account. This is affected through reporting, both on performance and strategic matters, and formal appraisal of the Chief Executive's performance.

The trustees have reserved certain powers, which only they can exercise. These include those statutory powers that cannot be delegated, such as policies on investment and reserves, and decisions linked to major policy or programme initiatives, strategic planning, and changes to organisational structure.

Trustee recruitment and training

The Council completes skills audits in order to assess the skills of the existing trustees, identifies any 'skills gaps' and assesses any skills being lost by the retirement of a trustee. New trustees are recruited through advertising in the media, volunteer bureau, and direct approaches to professional bodies and other voluntary organisations.

The induction process for new trustees is based on Cambridge House's induction pack, and is designed to acquaint them with our purposes, financial position, work programmes, structure, staff and current issues. The induction process includes:

- Meetings with the existing trustees and others involved with the charity such as the CEO, members of staff, beneficiaries and stakeholders.
- One-to-one meetings with the Chair and the CEO after the first few trustees' meetings, in order to discuss any questions or issues that may have arisen.

In order to ensure continued development, the trustees are offered the opportunity to attend training on key areas, such as risk and accountability.

Public benefit

Charity trustees have a duty to report in the trustees' annual report on their charity's public benefit. The trustees should demonstrate the following:

- They are clear about what benefits are generated by the activities of the charity. This report sets out the activities carried out by Cambridge House to further its mission.
- The benefits must be related to the objects of the charity: all activities are intended to further Cambridge House's charitable objects, as detailed in its Articles of Association.

The people who receive support are entitled to do so according to criteria set out in the charity's objects: wherever possible, the views and opinions of beneficiaries are sought in the design and implementation of Cambridge House's activities. This approach helps to ensure that projects are targeted at people in need, and that beneficial changes to the lives of people from disadvantaged and excluded communities can be evaluated and assessed.

The trustees are therefore confident that Cambridge House meets the public benefit requirements, and they confirm that they have taken into account the guidance contained in the Charity Commission's general guidance on public benefit where applicable.

Staffing and Remuneration

Cambridge House is accredited by *Investors in People*, *Mindful Employer*, *Two Ticks Positive about Disabled People*, and the *London Living Wage Foundation*. In practice these standards ensure our human resource policies:

- Are underpinned by a rigorous assessment methodology and a framework which reflects the very latest workplace trends, essential skills and effective structures required to perform effectively.
- Promote increased awareness of mental health and disability at work and provide ongoing support for the organisation in the recruitment and retention of staff.

Performance Management

We have a performance management and appraisal policy that:

- Promotes a consistent approach to workforce supervision throughout Cambridge House.
- Ensures that supervision is geared to achieving the organisation's objectives.
- Enhances the quality of workforce performance.
- Addresses the personal impact of work on all Cambridge House's staff, volunteers, interns and trainees.

Staff Remuneration

We recognise the importance of being transparent and accountable in all aspects of our work, including how we reward and recognise our staff. We are an accredited Living Wage Employer and we employ interns with pay. This means that every employee and intern in our organisation earns at least the Living Wage. The London Living Wage is an hourly rate set independently and updated annually, based on the cost of living in London.

Cambridge House is committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain the right skills to have the greatest impact in delivering our charitable objectives. In deciding on levels of pay the following factors are taken into account:

- The mission, aims, objectives and values of Cambridge House.
- How any decision might impact on the overall pay policy for all staff.
- The type of skills, experience, competences, etc. that our organisation needs.
- A significant increase in responsibilities or major change in job description.
- Our current strategic business plan and how this might affect future needs.
- Our ability to pay.
- Assessment of the individual's performance against expectations, where possible with clear evidence and targets.
- Appropriate available information on pay levels in other charities relative to size, budgets, responsibilities, etc.
- Our track record in recruiting and retaining high-performing staff.
- The likely impact of any decision on our public reputation, especially amongst our service users and stakeholders.

Salaries

We have a staff team of 21 full-time and 38 part-time staff (42.8 FTE). For Cambridge House to run successfully, a large range of skills and disciplines are required, and we need to pay appropriately to ensure that we can recruit people with the right skills. We also need to retain them in a competitive market for the long-term, developing them and benefiting from their growing knowledge. This is in preference to the disruption and expense of recruitment, especially as many staff have detailed knowledge that is unique to them in the organisation and could not be quickly replaced. Our staff pay scales are set with this in mind.

The salary of the Chief Executive is approved by our Council of Management on the basis of recommendations from its Finance Sub-Committee. The Chief Executive requires a breadth and depth of expertise which requires drawing from the best senior level talent in a competitive market. They need to be able to command the respect of their peers, our stakeholders and our service users locally, nationally and internationally, through their experience and their credibility.

Every three years the chief executive's salary is reviewed to benchmark it against other charities in London relative to size, budgets, responsibilities and the competitiveness of the employment market. At the same time, we seek to keep salary costs under control. The chief executive's salary was last benchmarked in 2015-16.

Chief Executive Pay

Name	Title	2016-17	2015-16	2014-15
Karin Woodley	Chief Executive	£77,250	£77,250	£75,000

All other staff salaries are set by our management team, using comparisons with charities of our size in London and taking into account factors including inflation and Cambridge House's financial position. Salaries are openly stated in job adverts. The same benefits, including pensions, and terms and conditions apply to the chief executive as all other staff. We don't apply any form of performance-related pay, nor do we have a bonus scheme.

Pay Awards

The annual pay increase for the Chief Executive, management team and staff was 0% in 2013-14, 0% in 2014-15, 3% in 2015-16 and 0% in 2016/17 except for staff being paid the London Living Wage who received a cost of living increase of 3.7% in October 2016.

Pay ratio

The ratio of our highest salary (£77,250) to our median salary (£28,398) is 2.72:1.

Volunteering and Employability Projects

Volunteering

Volunteers have always been vital in delivering our work and bring their time, energy and enthusiasm to all Cambridge House's activities. We aim to ensure that as many local people as possible are aware of the volunteering opportunities we offer. We also aim to provide our volunteers with opportunities to acquire skills and experiences that will help them improve their quality of life, develop their professional knowledge and or progress into further education, employment or training.

The majority of our volunteers find out about us through online recruitment, through personal recommendation and business CSR schemes. Our volunteers are not paid for their time but they are reimbursed for out-of-pocket expenses such as travel, and they provide receipts for any expenses they incur. All of our volunteers are provided with volunteer agreements which define their goals, our needs, and the level of support or training they will receive.

59 people volunteered for Cambridge House in 2016-2017 to provide support in the following areas:

- Governance
- Reception and administration
- Youth mentoring and coaching
- Education and arts projects
- Advocacy

Risk Management

The trustees regularly review and assess the risks faced by Cambridge House in all areas of its work, and plan for the management of those risks. The management ensure that all plans and decisions take into account the possibility of negative outcomes. There is a Risk Register which is supervised and monitored monthly by the Finance sub-committee, reported on quarterly at meetings of the Council and reviewed annually by the Council in order to ensure that the material risks to which the charity is exposed are properly evaluated and managed.

Appropriate mitigating actions are implemented by management to address the residual risks, mitigating them to a level the Council considers acceptable.

The Council recognises that, to achieve the objectives of the charity, the nature of some of Cambridge House's work requires acceptance of some risks which are outside our control, that is, risks which cannot be eliminated, so where this happens there is active and clear monitoring of the risk.

The trustees consider that appropriate systems and controls are in place to monitor, manage and mitigate Cambridge House's exposure to risks. These include, among other control mechanisms, maintaining staff awareness of risks by embedding suitable approaches in the budgeting process, the maintaining of reserves and the review of key systems and processes by the Finance Sub-Committee.

Principal Risks and Uncertainties

Our risk assessment and mitigation strategy approach is proactive and:

- Involves the whole organisation in the identification of business risks
- Increases our capability to respond to unforeseen events by integrating risk management with business continuity management
- Provides a register of prioritised risks, ranked for likelihood and impact
- Provides a framework for operational risk management and quarterly reporting by delivery teams
- Integrates scenario planning and disaster recovery into the agenda of annual trustees' strategy days
- Updates our risk assessment methodology every 2 years

Principle risks and uncertainties are assessed for impact and likelihood. The highest risk areas have been identified as follows:

- Failure to generate sufficient income
- Failure to effectively manage budget and liquidity
- Failure to invest in asset renewal, leading to inadequate buildings and declining asset values and income
- Major unforeseen expenditure creates significant overspend or a need to make significant and unplanned reductions in expenditure
- Failure to maintain day-to-day service provision where service quality, availability and continuity of service is affected by partial or total loss of resources such as staff, equipment, systems, information and premises, which would result in reduced levels of service provision and additional cost, dissatisfied clients and lost business
- Competition from other providers across all sectors resulting in the organisation being unable to sustain its current service portfolio

Financial Review

In the face of growing demand and a tough financial, legislative and inflationary climate, we have had a difficult year and seen our margins continue to be squeezed with funding cuts across our grant giving and commissioning environments.

- During the year our total incoming resources increased by 4% to £1,751,396 (£1,682,159 in 2016). Our net operating surplus (before depreciation and loan interest) however reduced to £31,643 (£145,038 in 2016) and our gross deficit for the year was £142,199 (£50,664 in 2016).
- We maintained a healthy ratio of 84% unrestricted to 16% restricted income (79%:21% in 2016).
- Funds generated by earned income from venue hire, legal, advocacy and personal budget fees and office workspace licenses remained our largest source of income. We are fortunate that resident churn remains extremely low and income from workspace licenses has been consistent for a number of years.
- Our income diversification strategy continues to successfully ensure that our reliance on income from the London Borough of Southwark has reduced again to 20% of total incoming resources (26% in 2016 and 36% in 2015), and our reliance on statutory grants remains very low at 1% (2% in 2016).
- We embarked on a business sustainability programme in the year with the support of a Big Lottery Local Sustainability Fund award. This enabled us to prepare our next business and deficit recovery plan and has provided trustees with the confidence that future business improvement and restructure activities will build the charity's sustainability and resilience.

Going Concern

The trustees are of the view that Cambridge House is a going concern for at least the next twelve months from the date of signing these accounts; the charity has no intentions to liquidate or curtail materially the scale of its operations. In making this assessment, the trustees recognise that there are inherent uncertainties over the future which present risk to the charity.

An increasing number of public sector contracts and charitable grants are paid in arrears, which can negatively impact the cash flow cycle of the charity. Following the completion of our building project in 2013 the charity has been operating with low cash reserves and is looking to rebuild the reserves whilst maintaining the level of our services. As at 31 March 2017, the charity held cash of £4,084 and has regularly made use of the overdraft facility in place.

As set out in note 17a, there is an illiquidity of free reserves at the year end. This is being carefully and regularly monitored by the trustees including daily updates of the cash flow projections. There is a risk that negative deviations from the cash flow projections, such as slow payments and bad debts, could result in the charity struggling to meet its current liabilities as they fall due.

With these uncertainties in mind, the trustees have further considered the following factors:

- The charity has unrestricted general reserves at the year-end of £1,283,968.
- The diversified income portfolio continues to reduce reliability on any one source of income. At least 84% of annual income is unrestricted (79% in 2015-16).
- 73% of the expected 2018-19 income requirements have been secured at the date of signing these accounts (of which 83% relates to unrestricted funding).
- The fair value of the charity's freehold property at 1 Addington Square, London SE5 0HF, as assessed by Colliers International in March 2016, is £7,550,000 which is sufficient to meet the

charity's actual and contingent liabilities. The property is in a good central London location, the neighbourhood is the focus of a number of major regeneration projects and the site is well maintained. The trustees are therefore confident that this value will not have diminished since this assessment.

- Management have taken proactive steps to identify, create and implement opportunities to improve the charity's financial position.
- The charity has demonstrated hardiness through tough conditions, both its own financial resources and the wider economy, by continuing to provide high quality services to a stable/growing reach.
- Subsequent to the balance sheet date, Cambridge House has secured a further extension of the zero-interest on loans held with capital only repayments to 30 September 2018. Further, it has recovered some significant old debts improving the cash position and has agreed more favourable payment terms with key suppliers for a healthier cash cycle.
- Overdraft facilities, variations to our loan conditions, and internal financial and risk management processes including those addressed above continue to enable us to manage short-term cash flow needs.
- It is considered very unlikely that a situation will arise when there is no realistic alternative but to cease operating.
- The trustees have initiated discussions with a potential merger partner and secured funding for first stage legal costs.
- Opportunities to release capital by disposing of a section of the property while enabling the charity to maintain its operations and its community anchor facilities on a smaller footprint have been scoped and will be developed in more detail in 2018.

Reserves

In May 2016 the trustees reviewed the reserves policy to ensure that it is aligned to Cambridge House's strategic plan, and set a reserves policy that requires reserves in a readily realisable form be built to a level that:

- **Continuity Planning:**
 - a) Protects the continuity of the organisation's services for beneficiaries in the event of a large variation of income
 - b) Bridges cash flow problems
 - c) Provides a buffer to allow contingency actions to be effected
 - d) Addresses spending commitments and potential liabilities in the event of a winding up
- **Asset Planning:**
 - a) Provides the funds needed to replace capital assets
 - b) Addresses risks associated with emergency building repairs
- **Innovation and Service Investment:**
 - a) Provides the capital needed to finance expansion of the charity including enabling the organisation to progress with grant-funded projects which require a funding match, before the match had been secured
 - b) Provides funds to enable the organisation to respond to new beneficiaries and/or needs as quickly as possible
 - c) Enables the organisation to take advantage of opportunities

Having drawn from reserves in previous years to finance the building repair and extension programme, exploit opportunities to grow and deliver Cambridge House's charitable objectives, and implement a business turnaround plan, the trustees recognise that the current negative level of reserves is considerably below the desired amount. The risks associated with this lack of reserves are currently mitigated by:

- At least 70% of total annual income being unrestricted
- A diversified income portfolio which reduces reliability on any one source of income
- An increase in income sources that, though variable, are more reliable than in the past
- Overdraft facilities and variations to our loan conditions that enable us to manage short-term cash flow needs
- Established collegiate management processes and increased levels of internal knowledge and skills exchange having increased the ability of our staff team to respond flexibly and quickly to urgent needs and changes in direction
- The freehold asset value of the building exceeding our current liabilities

To address long-term financial sustainability, the trustees have set the following liquid reserve targets based on an assessment of the risks and opportunities facing Cambridge House as well as the current and future needs of beneficiaries:

31 03 2019	£340,000	19% of annual expenditure, representing 3-months operating costs
31 03 2020	£560,000	31% of annual expenditure, representing 3-months operating costs and change management/asset planning provisions
31 03 2022	£758,000	41% of annual expenditure, representing 3-months operating costs and continuity and change management, asset planning, and service innovation and development provisions

The trustees will continue to closely monitor the reserves situation, ensuring that redoubled efforts are put in place during 2017/18, including devising strategies to:

- Increase earned and unrestricted income.
- Introduce cost efficiencies.

The trustees will review the required level of reserves on an annual basis, alongside the operating budget. The assessment will take account of the market valuation of the freehold property, income and expenditure risk within the budget, commitments to repay the loan secured on the building, and the need to keep sufficient bank balances to be able to manage the day-to-day fluctuations of receipts and payments.

Restricted funds of £0 were held at the financial year-end.

Budgeting

Annual budgets are prepared for all activities and we carefully monitor performance against these on a monthly basis in order to ensure that any activity operating at a deficit is carefully supervised and opportunities are taken to mitigate risks and increase unrestricted funds.

Future Plans

Our future plans are to:

1. Design and provide services that deliver positive impact for individuals, families and communities facing severe and multiple disadvantage by:
 - a) Contributing to civil society policy, research and knowledge exchange forums.
 - b) Extending the geographic reach of the Safer Renting and Advocacy services.
 - c) Establishing youth empowerment delivery partnerships.
 - d) Expanding the Law Centre's welfare law resources.
2. Enhance organisational capacity, resilience and sustainability by:
 - a) Implementing our 2017–2020 business and deficit recovery plan.
 - b) Pursuing merger and/or partnership opportunities.
 - c) Appointing a digital trustee and completing an IT improvement programme.
 - d) Beginning to rebuild our reserves.
 - e) Reviewing internal structures.
 - f) Improving audio visual facilities for community anchor amenities.
 - g) Developing asset optimisation proposals.
 - h) Devising and implementing a GDPR compliance plan.

Statement of trustees' responsibilities

The trustees (who are also the directors of Cambridge House 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, and then apply them consistently.
- Observe the methods and principles in the charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping 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.~~

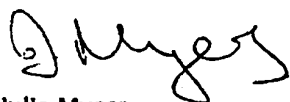
- The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislations in other jurisdictions.

Auditor

Sayer Vincent LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year. A resolution proposing their re-appointment will be submitted to the Annual General Meeting.

The Trustees Annual Report is approved by the Trustees of Cambridge House. The Strategic Report, which forms part of the Annual Report, is approved by the Trustees in their capacity as Directors in company law of Cambridge House.

Signed on behalf of the trustees/directors



Julie Myers
Chair

Date: 30 November 2017

Independent auditors' 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 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 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 including the strategic report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

Emphasis of matter – Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in the trustees' report and note 1d to the financial statements concerning the charitable company's ability to continue as a going concern. At the end of the year the charity had a cash at bank balance of £4,084 and an overdraft of £60,301 and there was some uncertainty around the timing of payments to creditors and the impact of this on the charity's cash flow. This position may lead a reader to question the charitable company's ability to continue as a going concern. However as explained in note 1d and the trustees' report, steps are being taken to improve the financial position of the charitable company so that the trustees consider the going concern basis to be appropriate. The financial statements do not include the adjustments that would result if the charitable company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report, including the strategic 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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or

Noelia Serrano (Senior statutory auditor)

13 December 2017

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL

Cambridge House and Talbot

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2017

	Note	Unrestricted £	Restricted £	2017 Total £	Unrestricted £	Restricted £	2016 Total £
Income from:							
Donations and legacies	2	22,974	75,279	98,253	23,102	-	23,102
Charitable activities							
Advocacy	3a	478,636	-	478,636	335,130	-	335,130
Children and adult services	3b	81,440	149,690	231,130	133,756	157,767	291,523
Law Centre	3c	412,816	12,000	424,816	380,419	36,750	417,169
Research & Knowledge Exchange	3d	-	-	-	-	7,000	7,000
Safer Renting	3e	14,316	51,144	65,460	-	1,000	1,000
Rental income		453,089	-	453,089	450,706	-	450,706
Investment		12	-	12	142	-	142
Transfer of funds from Magdalene College Youth Trust	4	-	-	-	-	156,386	156,386
Total income		1,463,283	288,113	1,751,396	1,323,255	358,903	1,682,158
Expenditure on:							
Raising funds	5	1,997	-	1,997	11,656	-	11,656
Charitable activities							
Advocacy	5	537,402	22,283	559,685	369,308	-	369,308
Children and adult services	5	37,196	204,681	241,877	70,266	268,798	339,064
Law Centre	5	342,325	26,679	369,004	328,401	36,750	365,151
Research & Knowledge Exchange		-	-	-	-	7,000	7,000
Safer Renting		10,810	53,703	64,513	-	1,000	1,000
Enterprise services		630,397	26,122	656,519	639,643	-	639,643
Total expenditure		1,560,127	333,468	1,893,595	1,419,274	313,548	1,732,822
Net income / (expenditure) before other recognised gains and losses		(96,844)	(45,355)	(142,199)	(96,019)	45,355	(50,664)
Gains on revaluation of fixed assets		-	-	-	1,285,547	-	1,285,547
Net movement in funds		(96,844)	(45,355)	(142,199)	1,189,528	45,355	1,234,883
Reconciliation of funds:							
Total funds brought forward		3,644,438	45,355	3,689,793	2,454,910	-	2,454,910
Total funds carried forward		3,547,594	-	3,547,594	3,644,438	45,355	3,689,793

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18 to the financial statements.

Cambridge House and Talbot

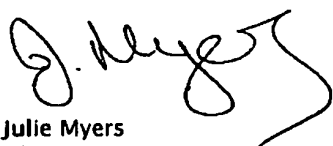
Balance sheet

Company no. 1050006

As at 31 March 2017

	Note	£	2017 £	£	2016 £
Fixed assets:					
Tangible assets	11		<u>7,417,836</u>		<u>7,586,928</u>
			<u>7,417,836</u>		<u>7,586,928</u>
Current assets:					
Debtors	12	180,213		237,557	
Cash at bank and in hand		<u>4,084</u>		<u>30,535</u>	
		184,297		268,092	
Liabilities:					
Creditors: amounts falling due within one year	13	<u>(459,273)</u>		<u>(456,986)</u>	
Net current liabilities			<u>(274,976)</u>		<u>(188,894)</u>
Total assets less current liabilities			<u>7,142,860</u>		<u>7,398,034</u>
Creditors: amounts falling due after one year	15		<u>(3,595,266)</u>		<u>(3,708,241)</u>
Total net assets	17		<u><u>3,547,594</u></u>		<u><u>3,689,793</u></u>
The funds of the charity:	18				
Restricted income funds			-		45,355
Unrestricted income funds:					
Revaluation reserve		2,263,626		2,296,906	
General funds		<u>1,283,968</u>		<u>1,347,532</u>	
Total unrestricted funds			<u>3,547,594</u>		<u>3,644,438</u>
Total charity funds			<u><u>3,547,594</u></u>		<u><u>3,689,793</u></u>

Approved by the trustees on 30 November 2017 and signed on their behalf by


Julie Myers
Chair

Cambridge House and Talbot

Statement of cash flows

For the year ended 31 March 2017

	Note	2017 £	£	2016 £	£
Cash flows from operating activities	19				
Net cash provided by operating activities			91,262		176,710
Cash flows from investing activities:					
Dividends, interest and rents from investments		12		142	
Purchase of fixed assets		(4,750)		-	
Net cash provided by / (used in) investing activities			(4,738)		142
Cash flows from financing activities:					
Repayments of borrowing		(120,001)		(120,000)	
Interest paid on loan balance		-		-	
Net cash used in financing activities			(120,001)		(120,000)
Change in cash and cash equivalents in the year			(33,477)		56,852
Cash and cash equivalents at the beginning of the year			30,535		(26,317)
Cash and cash equivalents at the end of the year	20		(2,942)		30,535

1 Accounting policies

a) Statutory information

Cambridge House and Talbot is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is:
Cambridge House, 1 Addington Square, London SE5 0HF.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The accounts have been prepared on a going concern basis which the trustees consider to be appropriate. The trustees recognise that there is a low liquidity at yearend, specifically due to a cash balance of £4,084 and an overdraft of £60,301, and there is some uncertainty around the timing of payments to creditors which may cast doubt over the charitable company's ability to continue as a going concern. The uncertainties around this conclusion, together with the steps being taken to improve the financial position, are disclosed in more detail in financial review of the Council of Management's annual report.

e) Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1 Accounting policies (continued)

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

● Advocacy	29.6%
● Children & Adult Services	12.8%
● Law Centre	19.5%
● Safer Renting	3.4%
● Enterprise Services	34.7%
● Costs of generating funds	0.0%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Freehold property	50 years
● Computer and office equipment	4 years

1 Accounting policies (continued)**o) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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

r) Pensions

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 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 Unitised 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 Income from donations and legacies

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Gifts	22,974	–	22,974	23,102
Core LSF Grant	–	75,279	75,279	–
	<u>22,974</u>	<u>75,279</u>	<u>98,253</u>	<u>23,102</u>

Cambridge House and Talbot

Notes to the financial statements

For the year ended 31 March 2017

3 Income from charitable activities

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
London Borough of Southwark	175,802	-	175,802	134,165
Other services	302,834	-	302,834	200,965
a) Sub-total for Advocacy	478,636	-	478,636	335,130
London Borough of Southwark	-	18,321	18,321	85,416
Grant making trusts	-	131,369	131,369	153,637
Other Services	81,440	-	81,440	52,470
b) Sub-total for Children and adult services	81,440	149,690	231,130	291,523
London Borough of Southwark	149,151	-	149,151	214,578
Legal Aid Agency	100,000	-	100,000	107,121
Other services	163,665	-	163,665	68,720
Grant making trusts	-	12,000	12,000	26,750
c) Sub-total for Law Centre	412,816	12,000	424,816	417,169
University of Leicester	-	-	-	7,000
d) Sub-total for Knowledge and Research Exchange	-	-	-	7,000
London Borough of Hounslow	-	2,994	2,994	1,000
Other services	14,316	7,650	21,966	
Grant making trusts	-	40,500	40,500	
e) Sub-total for Safer Renting	14,316	51,144	65,460	1,000
Total income from charitable activities	987,208	212,834	1,200,042	1,051,822

4 Transfer of funds from Magdalene College Youth Trust

In the year to 31 March 2016 the assets of The Magdalene College Youth Trust (Charity registration number 303211) were transferred in their entirety to Cambridge House and Talbot. These assets were comprised solely of a permanent endowment fund held by The Magdalene College Youth Trust of £156,385, which was transferred to Cambridge House and Talbot on 23 February 2016.

These funds have been recognised as restricted in the Cambridge House and Talbot accounts as agreed in the deed of transfer with The Magdalene College Youth Trust. This stated that the funds be used against children and young adult services provided by Cambridge House and Talbot.

Cambridge House and Talbot

Notes to the financial statements

For the year ended 31 March 2017

5 Analysis of expenditure

	Cost of raising funds £	Charitable activities							Support costs £	2017 Total £	2016 Total £
		Advocacy £	Children & Adult Services £	Law Centre £	Knowledge & Research Exchange £	Safer Renting £	Enterprise services £	Governance costs £			
Staff costs (Note 7)	-	403,727	150,529	235,000	-	-	152,257	-	285,035	1,226,548	1,110,925
Other staff costs	-	19,235	2,841	1,338	-	353	4,963	-	5,094	33,824	48,769
Activity cost	-	15,455	36,067	52,778	-	50,230	183,295	-	46,296	384,121	272,554
Premises cost	-	-	-	-	-	-	-	-	17,728	17,728	19,754
Office cost	1,997	-	-	-	-	-	-	1,851	19,795	23,643	19,840
Depreciation	-	-	-	-	-	-	173,842	-	-	173,842	195,700
Audit & accountancy	-	-	-	-	-	-	-	14,351	-	14,351	15,911
Legal & professional	-	-	-	-	-	-	-	-	1,803	1,803	19,839
Loan Interest	-	-	-	-	-	-	-	-	-	-	-
Irrecoverable VAT	-	-	-	-	-	-	-	-	17,735	17,735	29,530
	1,997	438,417	189,437	289,116	-	50,583	514,357	16,202	393,486	1,893,595	1,732,822
Support costs	-	116,472	50,366	76,729	-	13,379	136,540	-	(393,486)	-	-
Governance costs	-	4,796	2,074	3,159	-	551	5,622	(16,202)	-	-	-
Total expenditure 2017	1,997	559,685	241,877	369,004	-	64,513	656,519	-	-	1,893,595	1,732,822
Total expenditure 2016	11,656	369,308	339,064	365,151	7,000	1,000	639,643	-	-	-	-

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2017 £	2016 £
Depreciation	173,842	195,700
Auditors' remuneration (excluding VAT):		
Audit	11,400	11,300
Under accrued for previous year	–	1,950
Other services	750	750

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2017 £	2016 £
Salaries and wages	1,111,276	995,080
Redundancy and termination costs	–	2,825
Social security costs	96,237	85,939
Employer's contribution to defined contribution pension schemes	19,036	19,708
Agency staff costs	3,617	29,504
Training and expenses	30,206	26,639
	<u>1,260,372</u>	<u>1,159,695</u>

One employee earned between £70,000 and £80,000 during the year, excluding Employer's National Insurance (2016: one). There were no other employees earning more than £60,000 during the year.

The total employee benefits including pension contributions and Employer's National Insurance of the key management personnel were £152,377 (2016: £152,948).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2016: £nil). No charity trustee received payment for professional or other services supplied to the charity (2016: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2016: £nil) incurred by no (2016: no) members relating to attendance at meetings of the trustees.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2017 No.	2016 No.
Advocacy	20.0	14.0
Children & adults	16.0	17.0
Law Centre	7.0	6.0
Enterprise Services	7.0	7.0
Safer Renting	–	–
Support	7.0	7.0
	<u>57.0</u>	<u>51.0</u>

9 Related party transactions

There are no related party transactions to disclose for 2017 (2016: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

	Freehold property £	Computer equipment £	Total £
Cost or valuation			
At the start of the year	7,550,000	337,684	7,887,684
Additions in year	–	4,750	4,750
At the end of the year	7,550,000	342,434	7,892,434
Depreciation			
At the start of the year	–	300,756	300,756
Charge for the year	151,000	22,842	173,842
At the end of the year	151,000	323,598	474,598
Net book value			
At the end of the year	7,399,000	18,836	7,417,836
At the start of the year	7,550,000	36,928	7,586,928

All of the above assets are used for charitable purposes.

The freehold property was re-valued at 31 March 2016 by Chris Rodericks BSc (Hons) MRICS from Colliers International Property Consultants Limited. The Market Value of the freehold interest in subject property assuming full vacant possession throughout as at 31 March 2016 was £7,550,000.

On an historical cost basis the cost of the building is £5,885,975 and the net book value is £5,135,374. 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.

12 Debtors

	2017 £	2016 £
Trade debtors	27,371	66,908
Prepayments	4,759	37,069
Accrued income	141,088	131,418
Other debtors	6,995	2,162
	180,213	237,557

13 Creditors: amounts falling due within one year

	2017 £	2016 £
Overdraft	60,301	-
Loan from Futurebuilders/Communitybuilders	120,000	120,000
Trade creditors	55,991	137,802
Taxation and social security	106,356	102,249
Accruals	16,200	31,395
Deferred income	69,454	65,540
Other creditors	30,971	-
	459,273	456,986

The balance of the loan from Futurebuilders/Communitybuilders is the amount payable within the next 12 months. Further details on the terms of the loan are given in note 15.

14 Deferred income

Deferred income comprises of grant income received in the year for projects to take place in the next financial year.

	2017 £	2016 £
Balance at the beginning of the year	65,540	17,869
Amount released to income in the year	(65,540)	(17,869)
Amount deferred in the year	69,454	65,540
Balance at the end of the year	69,454	65,540

15 Creditors: amounts falling due after one year

	2017 £	2016 £
Bank loans	3,595,266	3,708,241
	3,595,266	3,708,241

The terms of the loans have been renegotiated in the previous years resulting in capital repayments commencing from 1 April 2015 equal to £120,000 per year. Interest during the year was agreed at 0% with an agreement to extend this until 31 March 2017.

The loans are secured on a Pari Passu legal charge basis between the Futurebuilders Fund and Communitybuilders Fund over the freehold property.

16 Pension scheme

The company participates in the The Pensions Trust – The Growth Plan, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2011. This valuation showed assets of £780m, liabilities of £928m and a deficit of £148m.

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions – total from all participating employers

From 1 April 2013 to 31 March 2023	£13.9m per annum (payable monthly and increasing by 3% each on 1 April)
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A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions – total from all participating employers

From 1 April 2016 to 30 September 2025	£12,945,400 per annum (payable monthly and increasing by 3% each on 1 April)
From 1 April 2016 to 30 September 2028	£54,560 per annum (payable monthly and increasing by 3% each on 1 April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The trustees consider that this amount is currently not material to the accounts. The amount that would be recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit.

17a Analysis of net assets between funds 2017

	Revaluation reserve £	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	2,263,626	5,154,210	-	7,417,836
Net current assets	-	(274,976)	-	(274,976)
Long term liabilities	-	(3,595,266)	-	(3,595,266)
Net assets at the end of the year	2,263,626	1,283,968	-	3,547,594

17b Analysis of net assets between funds 2016

	Revaluation reserve £	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	2,296,906	5,290,022	-	7,586,928
Net current assets	-	(234,249)	45,355	(188,894)
Long term liabilities	-	(3,708,241)	-	(3,708,241)
Net assets at the end of the year	2,296,906	1,347,532	45,355	3,689,793

18a Movements in funds 2017

	At the start of the year £	Income and gains £	Expenditure and losses £	Transfers £	At the end of the year £
Restricted funds:					
<i>Children and Adult Services</i>					
BBC Children in Need	-	21,827	(21,827)	-	-
Jack Petchey Award	-	2,000	(2,000)	-	-
London Borough of Southwark	-	18,321	(18,321)	-	-
Tudor Trust	-	30,000	(30,000)	-	-
Walcott Foundation	-	7,500	(7,500)	-	-
Magdalene College Youth Trust	45,355	-	(45,355)	-	-
Peter Harrison Foundation	-	18,554	(18,554)	-	-
Laureus Foundation	-	19,638	(19,638)	-	-
Peter Minet Trust	-	3,000	(3,000)	-	-
Sir Jules Thorn Charitable Trust – Ann Rylands Donation Programme	-	600	(600)	-	-
North Southwark Environment Trust	-	2,000	(2,000)	-	-
Bermondsey Square	-	2,250	(2,250)	-	-
Grow Wild	-	4,000	(4,000)	-	-
Drapers' Fund	-	20,000	(20,000)	-	-
<i>Law Centre</i>					
London Legal Support Trust	-	12,000	(12,000)	-	-
<i>Safer Renting</i>					
London Catalyst	-	5,000	(5,000)	-	-
Matrix Causes Fund	-	5,000	(5,000)	-	-
The Law Society Charity	-	7,500	(7,500)	-	-
London Borough of Hounslow	-	2,994	(2,994)	-	-
London Borough of Croydon	-	5,000	(5,000)	-	-
London Borough of Enfield	-	2,650	(2,650)	-	-
London Housing Foundation	-	18,000	(18,000)	-	-
London Legal Support Trust	-	5,000	(5,000)	-	-
<i>Core services</i>					
Local Sustainability Fund	-	75,279	(75,279)	-	-
Total restricted funds	45,355	288,113	(333,468)	-	-
Unrestricted funds:					
Revaluation reserve	2,296,906	-	-	(33,280)	2,263,626
General funds	1,347,532	1,463,283	(1,560,127)	33,280	1,283,968
Total unrestricted funds	3,644,438	1,463,283	(1,560,127)	-	3,547,594
Total funds	3,689,793	1,751,396	(1,893,595)	-	3,547,594

18b Movements in funds 2016

	At the start of the year £	Income and gains £	Expenditure and losses £	Transfers £	At the end of the year £
Restricted funds:					
<i>Children and Adult Services</i>					
BBC Children in Need	-	7,309	(7,309)	-	-
King Baudouin Foundation	-	33,263	(33,263)	-	-
Jack Petchey Award	-	1,200	(1,200)	-	-
Newcomen Collett Foundation	-	926	(926)	-	-
Play International	-	1,174	(1,174)	-	-
Sport England	-	28,546	(28,546)	-	-
The Alan & Babette Sainsbury	-	7,500	(7,500)	-	-
The Batchworth Trust	-	15,000	(15,000)	-	-
The Goldsmith Company	-	3,000	(3,000)	-	-
The Robert Holman Memorial Trust	-	2,000	(2,000)	-	-
London Borough of Southwark	-	10,350	(10,350)	-	-
Tudor Trust	-	30,000	(30,000)	-	-
True Colours	-	5,000	(5,000)	-	-
Walcott Foundation	-	7,500	(7,500)	-	-
London Community Foundation	-	5,000	(5,000)	-	-
Magdalene College Youth Trust	-	156,386	(111,031)	-	45,355
<i>Law Centre</i>					
London Borough of Southwark	-	10,000	(10,000)	-	-
London Legal Support Trust	-	17,000	(17,000)	-	-
The Baring Foundation	-	9,750	(9,750)	-	-
<i>Research and Knowledge Exchange</i>					
University of Leicester	-	7,000	(7,000)	-	-
<i>Safer Renting</i>					
London Borough of Hounslow	-	1,000	(1,000)	-	-
Total restricted funds	-	358,904	(313,549)	-	45,355
Unrestricted funds:					
Revaluation reserve	1,032,877	1,285,547	-	(21,518)	2,296,906
General funds	1,422,033	1,323,255	(1,419,274)	21,518	1,347,532
Total unrestricted funds	2,454,910	2,608,802	(1,419,274)	-	3,644,438
Total funds	2,454,910	2,967,706	(1,732,823)	-	3,689,793

Revaluation reserve

The revaluation reserve represents the increase in value between fixed assets held at valuation compared to their net book value had they been held at cost.

Purposes of restricted funds**Children and Adult Services**

These funds are to deliver specific Children and Adult services programmes in accordance with restrictions agreed with the funder.

Law Centre

These funds are to support the work of the Law Centre subject to restrictions agreed with the funder

Research and knowledge**Safer Renting****Core Services**

19 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2017 £	2016 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(142,199)	(50,664)
Depreciation charges	173,842	195,700
Interest received	(12)	(142)
(Increase)/decrease in debtors	57,344	(88,434)
Increase in creditors	2,287	120,250
Net cash provided by operating activities	<u>91,262</u>	<u>176,710</u>

20 Trading subsidiary

Enterprise at Cambridge House Limited, the charitable company's trading subsidiary (Company Number: 06740813) was incorporated on the 4 November 2008.

The company ceased to trade in September 2013 although has continued to incur some expenditure. The results of the undertaking have not been consolidated as they were immaterial.

The charity holds all the share capital of Enterprise at Cambridge House Limited.

Relevant financial information regarding Enterprise at Cambridge House Limited is as follows:

	2017 £	2016 £
Assets	243	243
Liabilities	<u>(2,306)</u>	<u>(2,306)</u>
Total funds	<u>(2,063)</u>	<u>(2,063)</u>

21 Contingent assets or liabilities

In the event of the freehold property being sold, additional payments will be due to Futurebuilders and Communitybuilders funds under the terms of the loan agreements with them to account for reductions in the interest rate charged in comparison to the original agreement.

22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.