

**Cambridge House and Talbot Ltd – Annual Report and Accounts 2018/19**

Company number: 1050006

Charity number: 265103

**Cambridge House and Talbot**

**A people's social action centre**

**Annual Report and Accounts 2018/19**



## Contents

<b>Strategic Report</b>	<b>Page</b>
Welcome	3
Aims, objectives and activities	4
Charity reference and administrative details	5
<b>Achievements and performance</b>	
2019 at a glance	6
Independent advocacy services	8
Law Centre	9
Disabled people's empowerment services	10
Youth empowerment services	11
Safer Renting services	12
Our work as a community hub	13
Research and knowledge exchange	14
Achieving our priorities	15
Acknowledgements	16
<b>Financial review</b>	
Trustees' responsibilities	17
Operational aims and objectives	17
Financial overview	18
Going concern statement	20
Reserves policy	21
Budgeting and financial decision-making	21
Future plans	22
<b>Governance and management</b>	
Trustees	23
Quality and impact	24
Fundraising	25
Serious incident reporting	25
Safeguarding	26
Networks and partnerships	26
Public benefit	27
Staffing and remuneration	27
Volunteering and employability	29
Risk management	30
Auditors	31

<b>Independent Auditor's Report</b>	<b>Page</b>
Opinion	32
Basis for opinion	32
Material uncertainty related to going concern	32
Other information	32
Opinions on other matters prescribed by the Companies Act 2006	33
Matters on which we are required to report by exception	33
Responsibilities of trustees	33
Auditor's responsibilities for the audit of the financial statements	33
Use of our report	34
<b>Financial Statements</b>	<b>Page</b>
Statement of financial activities	35
Balance sheet	36
Statement of cash flows	37
Notes to the financial statements	38

## Strategic Report

### Welcome

We are delighted to report back on another year in which we transformed people's lives for the better. Our work continued to unlock our service users' potential, support them through crisis, protect their rights and build their resilience. We worked tirelessly to enable people to live with dignity and break free from the desolation of poverty.

As we entered the second year of our five-year strategic plan, we successfully secured multi-year funding from BBC Children in Need, City Bridge Trust, Comic Relief, London Housing Foundation, The Mayor for London, Trust for London and the Tudor Trust. This new support for service innovation and research demonstrates funders' confidence in the impact of our work and enables us to enhance the ways we tackle the deprivation and social stigma that remain stubbornly entrenched causes of misery.

To grow our financial sustainability, we undertook significant internal restructuring – we celebrate our team's passion, commitment and resilience as they navigated these unsettling changes whilst protecting the quality, reach and impact of our services.

One of the highlights of the year was the development of Safer Renting, our service supporting the private tenants of criminal landlords. Having completed its pilot phase, Safer Renting was established as a core service with multi-year revenue funding, a permanent staff team and a paid internship programme. Its collaborative approach to working with local authorities, academic researchers and other voluntary and private sector organisations epitomises our change-making and partnership ethos.

We also celebrated the ways in which our education and inclusion service users led the development of their projects by re-branding them, designing their own events in the local community, winning awards and participating in a range of public exhibitions. The co-production of services in this way clearly demonstrates our success at creating environments where our service users can flourish on their own terms.

Despite a year of continued austerity measures, we worked closely with local authority commissioners to improve the financial viability of our statutory advocacy contracts and prevent the transfer of financial risk from the councils to us. We were fortunate to work with several enlightened local authorities who allocated additional resources to protect the legal rights of their residents living with mental health conditions and reduced mental capacity. We move forward with renewed confidence that our advocates can continue to protect the human rights of some of the most vulnerable members of our society, without risking the financial stability of Cambridge House.

This year, we give special thanks for the extraordinary contribution of several members of our Council of Management who have left us. Julie Myers, who during her time as Chair of Trustees helped us to focus on the development of strategy and the recruitment of new trustees – her wise and considered counsel will be missed by staff and trustees alike. Fran Sanderson, who during her time as Treasurer, brought new rigor and challenge to our business thinking. Peter Jenkins and Andy Carr who dedicated their time and expertise to improving our messaging and marketing. We were also fortunate to recruit two new trustees, Clarissa Lyons (a charity lawyer and local resident) and Stephanie Tidball (the Head of Learning and Development at a law firm).

Our work towards an inclusive society without poverty has been taken forward with the determination, energy and skills of so many – including our incredible partners, funders and supporters, our committed staff and volunteers and the service users who shape our work and priorities. We thank them all.

David Coleman, Chair and Karin Woodley, Chief Executive

## **Aims, objectives and activities**

### **Vision**

We have a vision of a society without poverty where all people are valued, treated equally and lead fulfilling and productive lives.

### **Objectives**

- To improve access to justice and protect people's rights.
- To support people in crisis to stabilise their lives, progress towards stability and thrive.
- To support active citizenship, community development and social cohesion.
- To support the development of social policy and practice.

### **Values**

We are pioneering, inclusive, collaborative and reflective.

### **Activities**

#### **Intensive frontline social justice and inclusion services**

- Disabled people's empowerment
- Independent advocacy
- Law Centre
- Safer Renting
- Youth empowerment

#### **Social action services**

- Community hub
- Research and knowledge exchange

### **Our service users**

- People living in areas of high deprivation in London, particularly:
  - Young people and adults in crisis
  - Disabled children and adults
  - Children and adults living with mental health conditions
- People living and working in the London Borough of Southwark, including:
  - Residents
  - Voluntary and community sector organisations
  - Public sector agencies
  - Local social enterprises and community businesses

### **History**

We were founded in 1889 to support people living in London's 'slum' neighbourhoods. As one of the earliest members of the university settlement movement, our innovative work led the Victorian anti-poverty movement, paved the way for the modern welfare state and responded to problems of poverty, inequality and destitution.

With support from local people, funders and partners, we continue to fight poverty, confront social injustice, build community resilience and challenge the status quo in Southwark and beyond.

## **Charity reference and administrative information**

### **President**

HRH The Duke of Gloucester

### **Patrons**

Dr Rowan Williams

Charles Arthur

Robert Park

### **Trustees and directors**

David Coleman – Chair

Simon Latham – Vice-Chair (from May 2018)

David Goode – Treasurer (from March 2018)

Clarissa Lyons – Company Secretary (Appointed March 2018)

Andy Carr (Retired August 2018)

Clarisse Simonek (Retired September 2019)

Dan Metcalfe

Fran Sanderson (Treasurer to September 2018, retired March 2019)

Julie Myers (Retired March 2019)

Lorna Stabler (Retired November 2019)

Nikki Dawson

Peter Jenkins (Retired December 2018)

Shveta Shah

Stephanie Tidball (Appointed March 2018)

### **Chief Executive**

Karin Woodley

### **Financial adviser**

Neal Howard Ltd

### **Auditors**

Sayer Vincent

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

### **Bankers**

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

### **Registered office**

Cambridge House, 1 Addington Square, London SE5 0HF

### **Reference and administrative details**

Charity number, England and Wales: 265103

Company number: 1050006

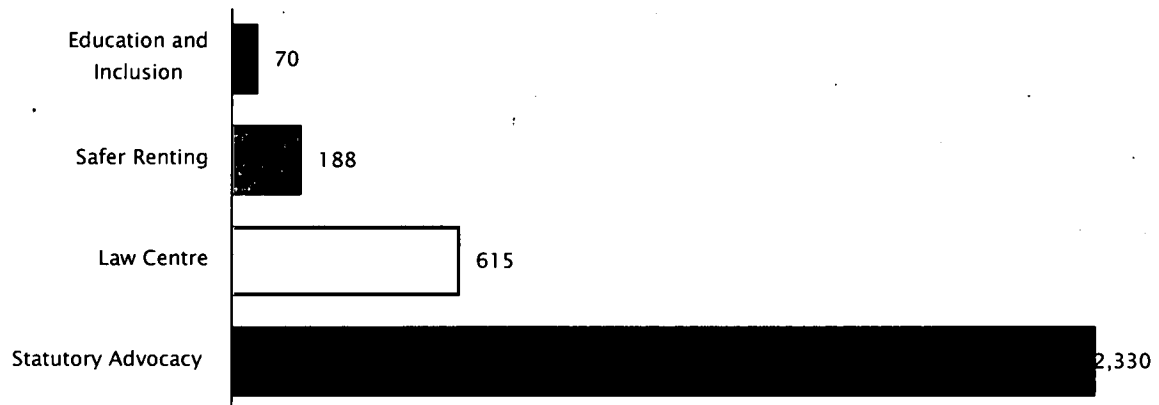
VAT Registration Number: 802 6719 39

## Achievements and performance

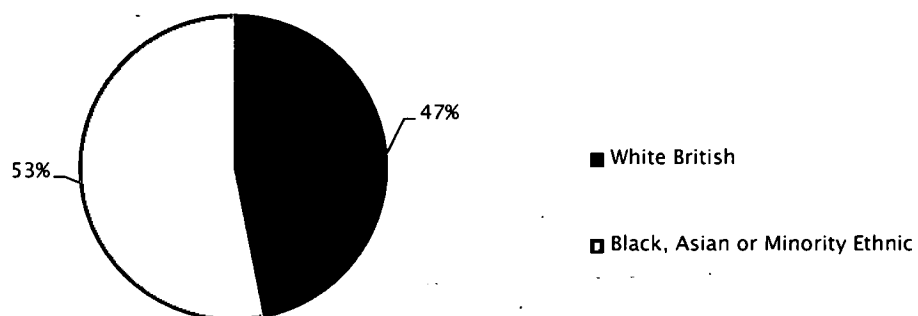
2019 at a glance – 182,742 service users

3,203 people accessed our frontline social justice and inclusion services

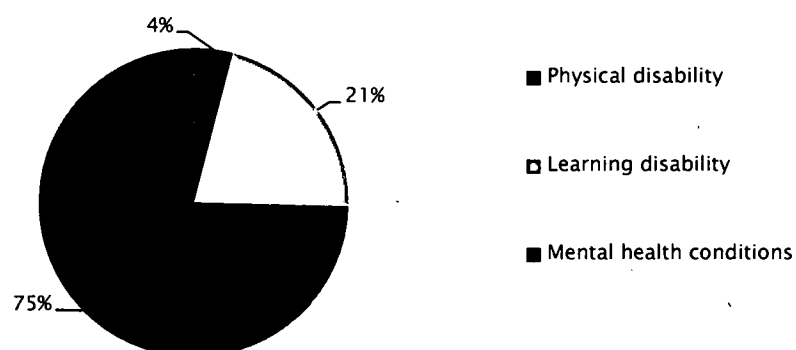
The number of people who accessed each of our services



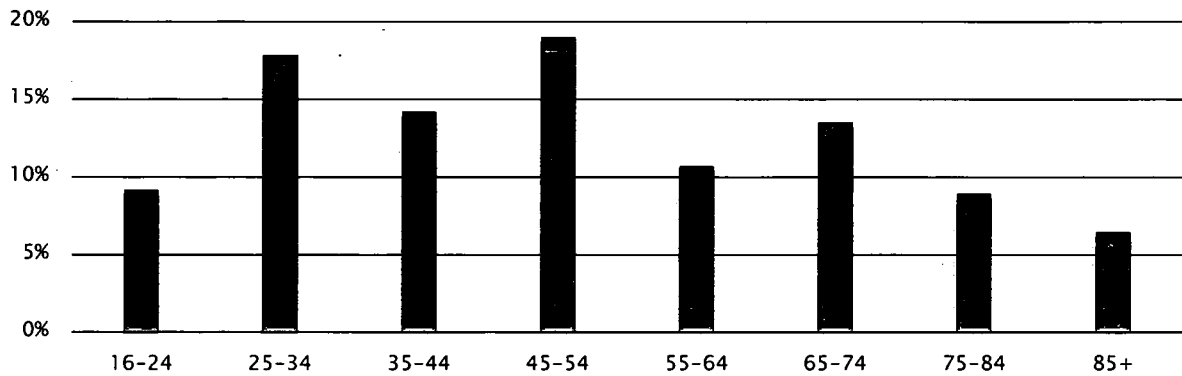
The cultural diversity of our service users as a % of total



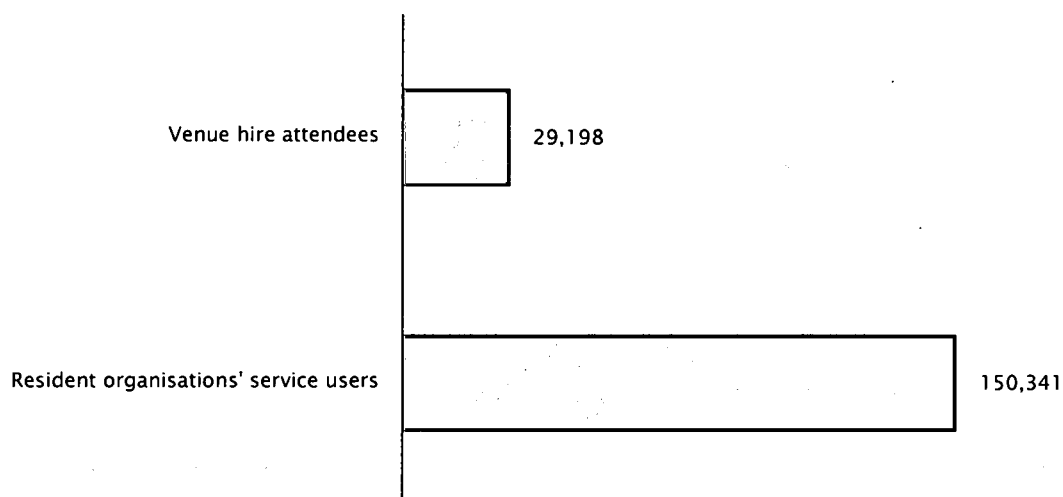
The diversity of our disabled service users



### The ages of our service users as a % of total



### 179,575 people accessed social action services in our community hub



### Calculating our reach

The number of service users during the year has been calculated by collating the following data:

- The number of individual people and their families who accessed each of Cambridge House's intensive frontline services: 3,203 service users during the year. This information is collected and recorded throughout the year on service-based computerised attendance and case-management databases.
- The number of service users of organisations that licensed offices and/or service delivery spaces: 150,341 service users during the year. This information has been provided by resident organisations and/or collected from their annual reports.
- The number of attendees at social action events organised at Cambridge House by local voluntary and community sector organisation and statutory agencies: 29,198 attendees during the year. This data is recorded on our venue booking system.

## Independent advocacy services

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

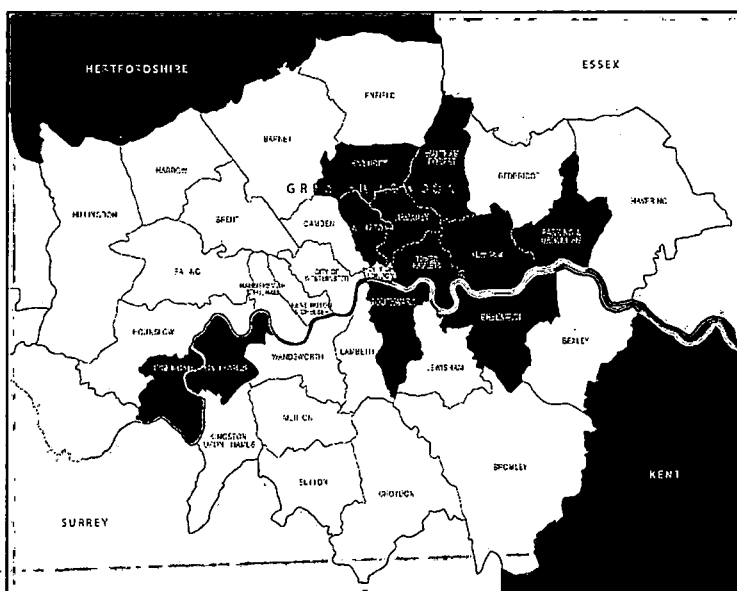
We delivered this service to 2,330 individuals during the year in line with the requirements of the Mental Health Act (1983), Mental Capacity Act (2005), Care Act (2014), Deprivation of Liberty Safeguards and Community Treatment Orders.

Our team provided these important legal safeguards, successfully resolving 98% of issues through the following six advocacy specialisms:

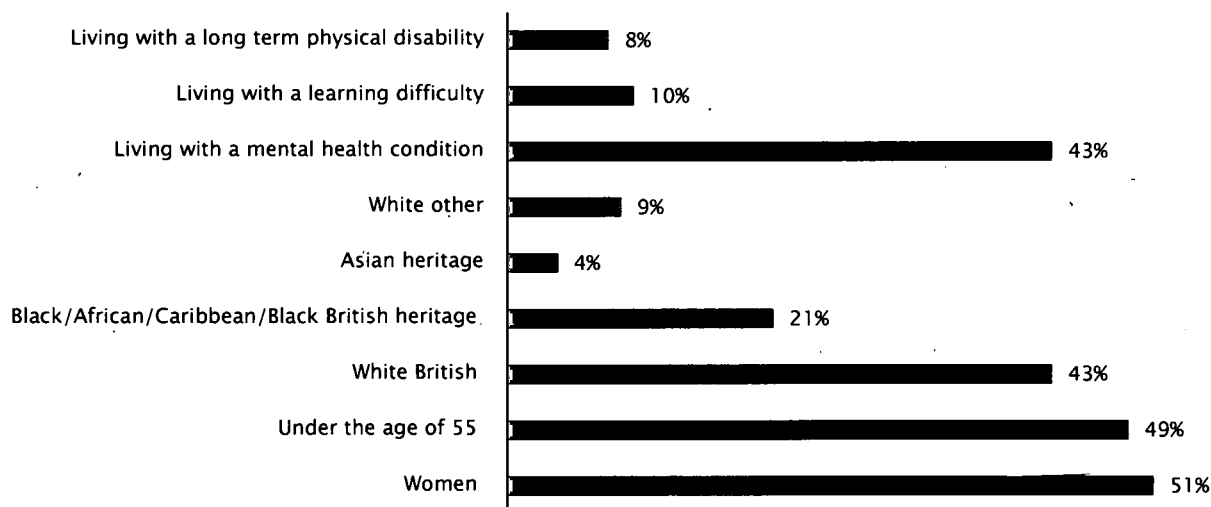
- Appropriate Adults
- Independent Mental Capacity Advocacy
- Independent Advocacy under the Care Act
- Independent Mental Health Advocacy
- NHS Complaints Advocacy
- Relevant Person's Representative

We provided services in twelve local authorities:

- Under contract in:
  - Barking and Dagenham
  - Richmond upon Thames
  - Southwark
  - Waltham Forest
- Through spot-purchase in:
  - Greenwich
  - Hackney
  - Haringey
  - Hertfordshire
  - Islington
  - Medway
  - Tower Hamlets
  - West Berkshire



### A demographic snapshot of our Independent Advocacy service users





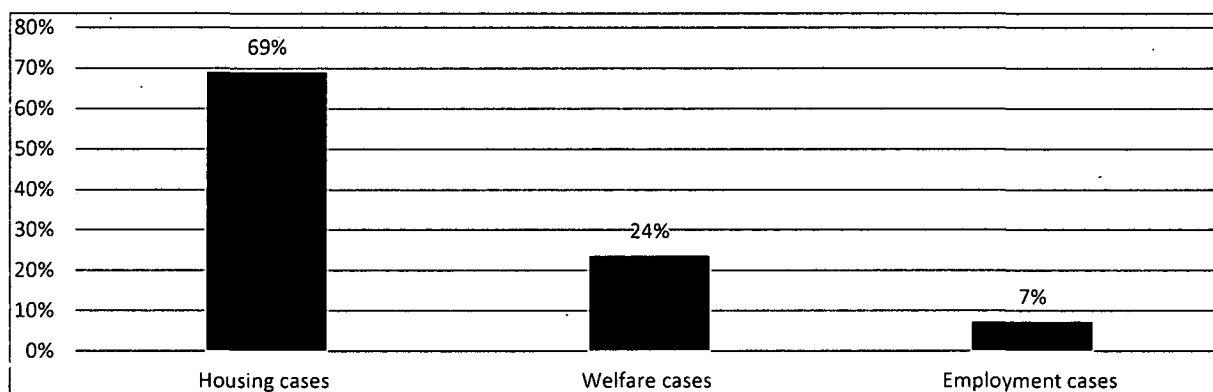
## Law Centre

Enabling vulnerable people to save their homes, keep their jobs and protect their families

During the year we provided free, independent and expert legal services to 1,958 clients with 306 dependents.

For the first time in many years and despite the fact that, according to government figures, half of all law centres and not-for-profit legal advice services in England and Wales have closed over the past six years – we secured new funding to expand our service. With a three-year grant from the City Bridge Trust to provide welfare benefits advice and support through a Crisis Prevention Advice Service, we recruited a Crisis Prevention Navigator who took up post in April 2019.

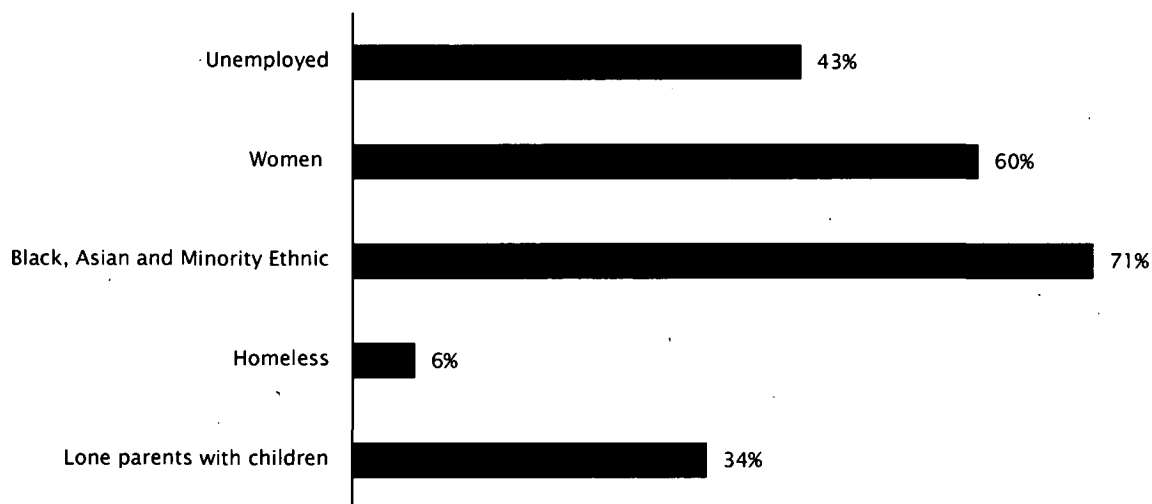
Our specialist areas of law as a % of legal services delivered



We successfully:

- Defended 148 evictions
- Challenged 6 homelessness cases
- Concluded 31 disrepair claims
- Represented clients at 4 Employment Tribunals
- Concluded 23 welfare benefits appeals

A demographic snapshot of our Law Centre's service users



## Disabled people's empowerment services

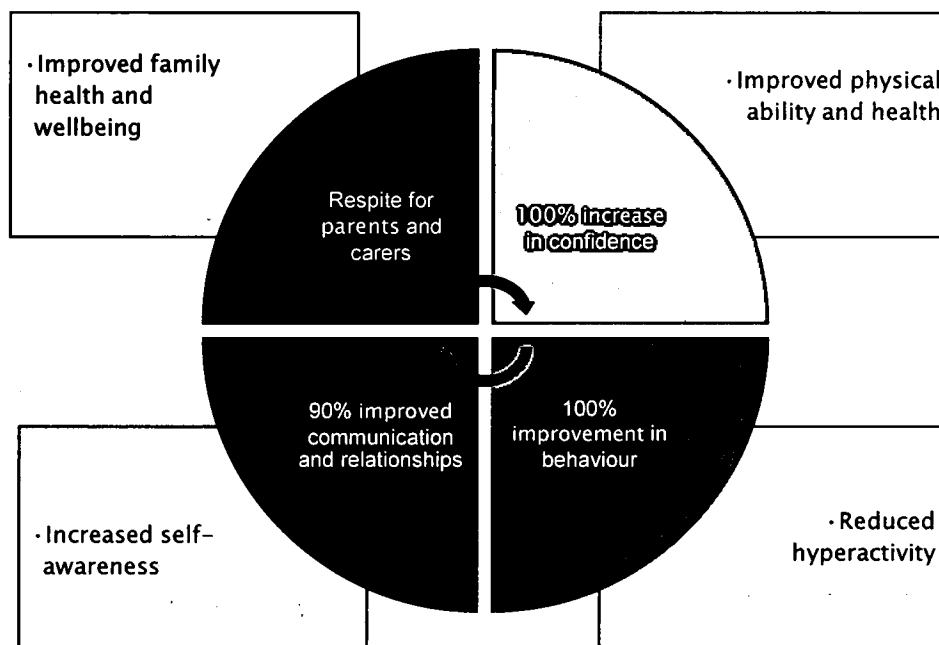
Supporting disabled children and adults to take control of their own lives and futures

We build the skills and resilience of children and adults living with complex needs through a varied portfolio of services.

**SENsational Sports** delivered weekly swimming (hydrotherapy) and trampolining (rebound therapy) sessions to disabled children and young people in Southwark while providing essential respite for parents and carers. Sessions focused on teamwork, communication, social interaction, wellbeing and physical health, ability and coordination.

- 15 young people aged 11–25 years old with profound learning disabilities and complex needs took part in regular, structured physical and social activity throughout the year.
- 117 hours of weekly swimming and trampolining sessions were delivered.

### A snapshot of SENsational Sports outcomes



**Camberwell Incredibles and Super Saturdays Arts Clubs** supported disabled adults aged 19 years and over to develop independent living skills and contribute to life in our local community through creative and arts activities.

- 19 participants attended our group sessions three days per week for a total of 546 hours during the year.
- In May 2018, the groups exhibited their artwork at the launch of the Hart Club, a new local art gallery.
- In June 2018, the groups took part in an academic symposium 'Thinking Through Drawing' at the British Film Institute.
- In July 2018, participants organised a Summer Parade in the local community to celebrate their achievements.
- In December 2018, they organised their 'Fashion Walkers Show'.
- Other activities included cycling at Herne Hill velodrome, gardening at our allotment on Caspian Street and inspirational day trips to museums and art galleries.

**SuperTeens Arts Club** supported 11 to 25-year olds with profound and multiple learning disabilities to build relationships, socialise and express themselves through arts and creativity.

- 10 children attended our weekly after-school arts sessions for a total of 97.5 hours during the year.
- 117 hours of respite were provided for parents and carers.
- The Club was selected for the London Youth 'Young Culture Makers' programme 2018–19, which provided participants with Arts Award accreditation.
- In November 2018, our SuperTeens' artwork was selected for an exhibition at the Timothy Taylor Gallery in Mayfair, London.
- In February 2019, for the second year running, our participants won 1st, 2nd and 3rd prizes at the London Youth Visual Art Exhibition and their work was exhibited at Central St Martins, University of the Arts London.

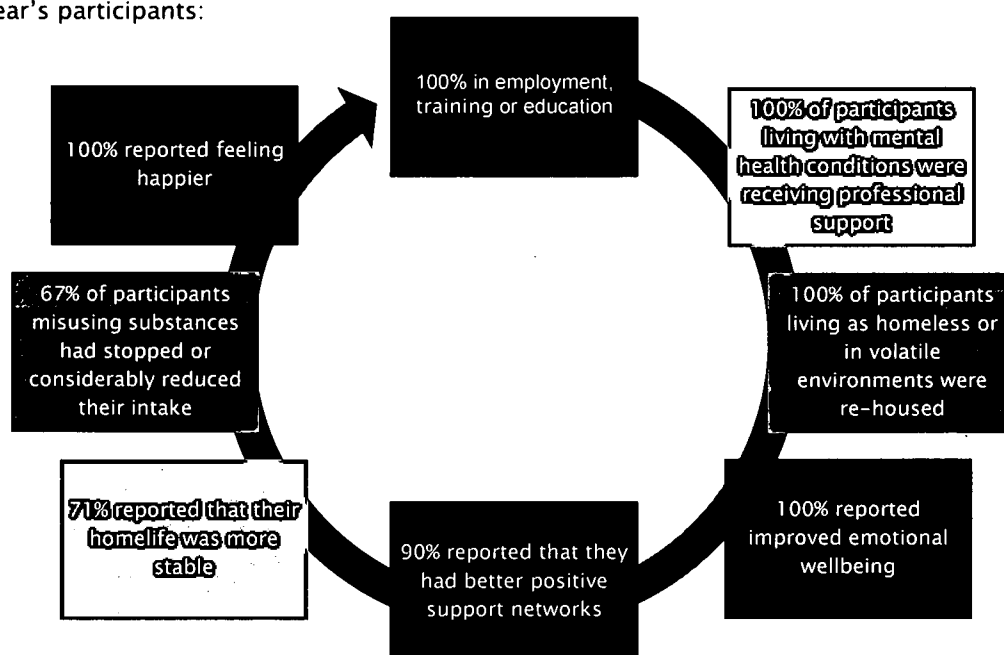
## Youth empowerment services

### Investing in young people so they thrive as adults

Launched in 2013 as 'Stand-up Southwark', our young people changed the service's name to 'RISE' in January 2019. During the year we delivered a range of bespoke activities to 35 excluded young people aged 16–25 years including:

- 81 hours of group workshops to develop life skills, tackle barriers to employment, build resilience and increase confidence.
- 193 one-to-one sessions to identify participants' needs and goals, create plans to achieve their goals and support them to put the learning from group workshops into practice.
- A residential weekend designed by participants to the Isle of Wight in August.
- Group trips to local theatres, restaurants and external activities to offer participants opportunities and experiences that they wouldn't usually have access to.
- Guided referrals offering a 'hand-holding' approach to build the young people's confidence in attending GP, social services and housing appointments, mental health assessments and meetings with school and colleges.

Using the evidence-based 'Youth Outcome Star', we are able to report the following outcomes for the year's participants:



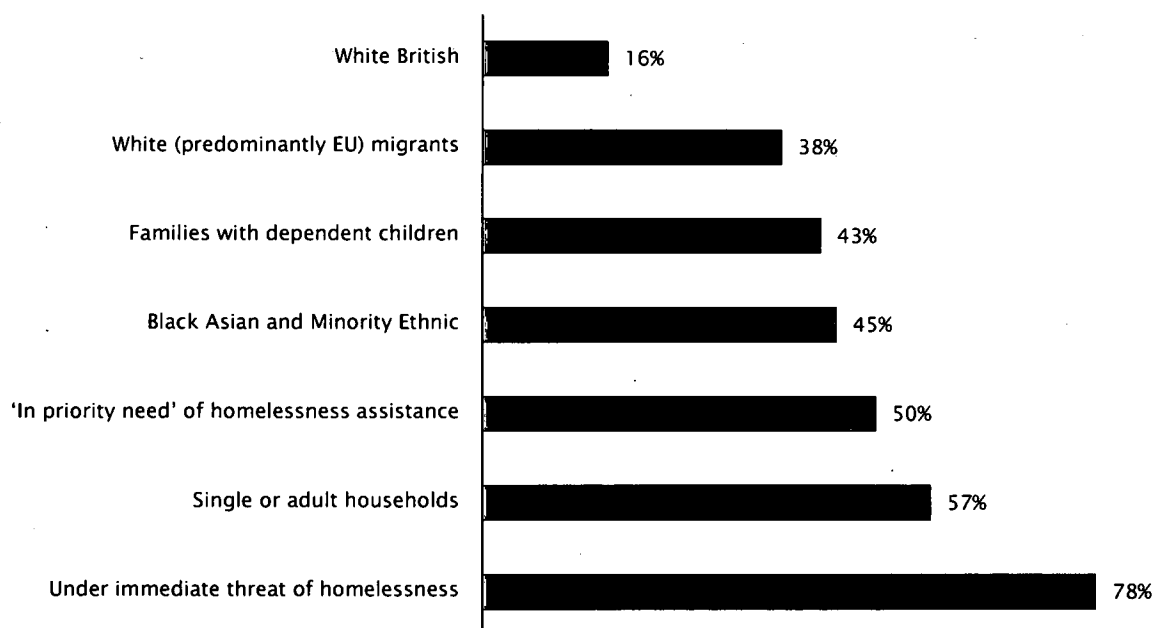
## Safer Renting services

### Making private renting safe for all

Using new core funding to grow the operational scale of this service offering access to justice for private sector tenants of criminal and slum landlords, we:

- Provided advice and support to 188 vulnerable households.
- Delivered our services in partnership with five local authorities: Croydon, Enfield, Hounslow, Waltham Forest and Westminster.
- Secured a Ministry of Housing, Communities and Local Government 'Controlling Migration Fund' grant through joint working with Waltham Forest, Enfield and Hounslow. The new initiatives that this will support include a scheme to provide loans for rent deposits in Hounslow and a fund for Third Party Litigation in Waltham Forest.
- Completed the Young Foundation's social impact accelerator 'Reimagining Rent' programme and reappraised our funding model, growth plan and external communications strategy.
- Received a commendation from the London Homelessness Awards and were shortlisted for a 2019 Charity Award in the 'Social Care, Advice and Support' category.
- Began the fieldwork phase of our research project 'Journeys Through the Shadow Private Rented Sector', supervised academically by Dr Julie Rugg, Senior Research Fellow at the Centre for Housing Policy, University of York.
- With funding from the Legal Education Foundation, developed a new apprenticeship for private sector housing rights advice and advocacy in partnership with the Chartered Institute of Housing and Chartered Institute of Legal Executives, taking advice from City Law School (ULU) and designed to be financed by the new Government Apprenticeship levy.
- Submitted an application for accreditation by Advice Quality Standard (AQS) the leading standard applicable to our service sector.

### A demographic snapshot of Safer Renting's service users



## Our work as a community hub

### Embedding services and social action in the heart of our neighbourhood

We continued to realise the value of our building as a multi-purpose community hub, social action centre and active heritage site for seven days per week throughout the year. The community-led activities that took place in the building sought to provide solutions to many of the seemingly intractable economic and social problems faced in our neighbourhood and promote active citizenship. We also maintained our status as a Mayor for London 'CitySafe Haven' by providing young people in immediate danger with a place of safety.

- Over 130 local people and organisations held meetings and events at Cambridge House attended by 29,198 people at an average cost of £3.48 per head.
- 15 resident charities, community organisations and social enterprises occupied workspaces during the year and provided services to 150,377 service users at an average licence fee cost per head of £2.26.
- The activities of our resident organisations divided into six main categories:
  - Childcare services
  - Community action and empowerment
  - Employment and the development of employability skills
  - Health and wellbeing and mental health support
  - Knowledge exchange, training and influencing
  - Support for disabled people and people with reduced intellectual capacity
- The primary demographic groups served by our resident organisations were:
  - Disabled people
  - People with a low income
  - Culturally and linguistically diverse people
  - Newly arrived migrants
  - Vulnerable families
  - People with low levels of formal education
  - People experiencing drug and/or alcohol dependency problems
  - People experiencing social isolation
  - People experiencing mental health issues (including children and Black, Asian and Minority Ethnic people)
  - Children below school age (0–5 years)
  - Young people (16–25 years)
- Our resident organisations during the year included:
  - **1st Place Children and Play Centre** – Providing high-quality early learning experiences, family support and training to local families.
  - **Britain Has Class** – A young people's grassroots campaign fighting class inequality and structural classism.
  - **Brook Young People** – Providing free and confidential sexual health services to young people under 25 years of age.
  - **Change Grow Live** – Providing help and support over a wide variety of areas including health and wellbeing, substance use, mental health, criminal justice, domestic abuse and homelessness.
  - **Community Southwark** – Supporting volunteering and community action in Southwark.
  - **Contact a Family** – Supporting parents and carers of disabled children as well as professionals working with families.
  - **Grandparents Plus** – A national charity working for all families where grandparents play a vital role in the development of their grandchildren.

- **Improving Health Ltd** – Improving the health and wellbeing of the residents of Southwark by delivering service innovation and ensuring equality of provision.
- **Lambeth and Southwark Mind** – Promoting the wellbeing of people in Lambeth and Southwark experiencing mental distress.
- **Leap Confronting Conflict** – An award-winning national youth charity that provides inspirational conflict management training and support to young people and the professionals that support them.
- **Maintaining Health Partners** – Providing therapies to improve the quality of life of people experiencing mental health difficulties and the wider community.
- **Place2Be (to April 2018)** – Providing school-based mental health support to unlock children's potential in the classroom and beyond.
- **Rewrite (to April 2018)** – A grassroots participatory arts charity.
- **Southwark Association for Mental Health** – Campaigning for better mental health services across Southwark.
- **Working Families (until May 2018)** – Helping working parents and carers and their employers find a better balance between responsibilities at home and work.

## Research and knowledge exchange

### Promoting best practice and developing social policy

We contributed regularly to a wide range of local, national and international forums which are detailed in the Governance section of this report. Highlights of the year included:

- Our Chief Executive's contribution to:
  - Civil Society Media's State of the Sector Conference on Diversity.
  - The Civil Exchange and Carnegie UK Trust published collection of essays 'Insights for A Better Way'.
  - The London Assembly's Education Committee's discussion on the underachievement of black Caribbean boys and white boys on free school meals.
  - The training of emerging community businesses for the School for Social Entrepreneurs.
- Camberwell Incredibles' participation in a symposium 'Thinking Through Drawing' attended by international academics, psychologists, art therapists, teachers and artists.
- Our Advocacy team's hosting of the London and South East 'National Independent Mental Capacity Advocacy Forum'.
- Our Safer Renting team's involvement in a diversity of policy and research forums on the private rented sector, particularly those led by the London School of Economics and the University of York, and presentations to conferences and workshops including:
  - Crisis
  - The Chartered Institute of Environmental Health Birmingham conference
  - Central Government Briefing on the private rented sector
  - National Practitioners Support Service conference on homelessness
  - Landlord Law Conference
  - Housing Law Practitioners Association AGM
  - London Borough of Waltham Forest Landlord Forum
  - Cambridge City Council Landlord's forum
  - National Landlord's Association event
  - Z2K conference for housing advisers

## Achieving our priorities

Our performance against our priorities for 2018–19 is detailed in the table below:

Cambridge House Priorities 2018–19		Evaluation
<b>Design and provide services that deliver positive impact for individuals, families and communities facing severe and multiple disadvantage by:</b>		
Contributing to civil society policy, research and knowledge exchange forums.		Successful
Extending the geographic reach of the Safer Renting and Statutory Advocacy services.		Successful
Establishing Safer Renting academic research partnerships.		Successful
Expanding the Law Centre's welfare law resources.		Successful
<b>Enhance organisational capacity, resilience and sustainability by:</b>		
Implementing our 2017–2022 business and deficit recovery plan.		Successful
Beginning to rebuild our reserves.		Unsuccessful
Reviewing internal structures.		Successful
Improving audio–visual facilities for community hub amenities.		Successful
Developing asset optimisation proposals.		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

BBC Children in Need  
 Charterhouse-in-Southwark  
 City Bridge Trust  
 Comic Relief  
 Croydon Relief in Need Charities  
 Elizabeth and Prince Zaiger Trust  
 Essex County Council  
 George Bairstow Charitable Trust  
 H I McMorran Charitable Foundation  
 Haysmacintyre  
 Hertfordshire County Council  
 Jack Petchey Foundation  
 Kent County Council  
 Legal Aid Agency  
 Legal Education Foundation  
 Locality  
 London Borough of Barking and Dagenham  
 London Borough of Croydon  
 London Borough of Enfield  
 London Borough of Hackney  
 London Borough of Haringey  
 London Borough of Hounslow  
 London Borough of Islington  
 London Borough of Lambeth  
 London Borough of Lewisham  
 London Borough of Newham  
 London Borough of Richmond upon Thames  
 London Borough of Southwark  
 London Borough of Tower Hamlets  
 London Borough of Waltham Forest  
 London Housing Foundation  
 London Legal Support Trust  
 London Youth  
 Medway Council  
 Merchant Taylors Company  
 Mrs Maud van Norden's Charitable Foundation  
 Newcomen Collett Foundation  
 Rix-Thompson-Rothenberg Foundation

Robert Holman Memorial Trust  
 Shanly Foundation  
 Sir Jules Thorn Charitable Trust  
 Social Investment Business  
 St Olave's and St Saviour's Schools Foundation  
 The Austin and Hope Pilkington Trust  
 The Mayor's Young Londoners Fund  
 The Young Foundation  
 Trust for London  
 Tudor Trust  
 University of Cambridge, Emmanuel College  
 University of Cambridge, St John's College  
 West Berkshire Council  
 Westminster City Council

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

Chartered Institute of Housing  
 1st Place Nursery  
 Ann Bernadt Children's Centre  
 Barca Leeds  
 Barton Hill Settlement  
 Birmingham Settlement  
 Blackfriars Settlement  
 Blue Elephant Theatre  
 Britain Has Class  
 Brook  
 Cambridge City Council Landlord's Forum  
 Centre for London  
 Change Grow Live  
 Chartered Institute for Housing  
 Chartered Institute of Legal Executives  
 City Law School  
 City University  
 Community Southwark  
 Contact a Family  
 Crawford Children's centre  
 Creation Trust  
 Crisis  
 Dulwich Wood Children's Centre  
 Esprima  
 Get Outta The Gang  
 Global Social Economy Forum  
 Grandparents Plus  
 Hackney Law Centre

Hart Club  
 Healthwatch Southwark  
 Housing Law Practitioners Association  
 Health Young People Southwark  
 Improving Health Ltd  
 InSpire  
 International Federation of Settlements  
 Kathryn Oliver & Iain Carroll  
 Ladies of Virtue Community Outreach  
 Lambeth and Southwark Mind  
 Lambeth Law Centre  
 Landlord Law Conference  
 Leap Confronting Conflict  
 Lives Not Knives  
 London Borough of Waltham Forest  
 Landlord Forum  
 London Legal Support Trust  
 London Live  
 London School of Economics and Political Science  
 London Youth  
 Macfarlanes LLP  
 Maintaining Health Partners  
 Ministry of Housing Communities and Local Government  
 MyBnk  
 National Landlord's Association  
 National Practitioners Support Service  
 Nell Gwynn Children's centre  
 NHS Talking Therapies  
 Peckham Pulse  
 Place2Be  
 Salmon Centre  
 School for Social Entrepreneurs  
 Southwark Council Communities Division  
 Southwark Law Centre  
 Southwark Legal Advice Network  
 Southwark News  
 St Giles Trust  
 The Better Way Network  
 The Centre for Housing Policy  
 The Chartered Institute of Environmental Health  
 The Grove Children's Centre  
 The Law Centres Network  
 University College London  
 University of York  
 Working Families  
 Z2K conference for Housing Advisers



## Financial review

### Trustees' responsibilities

The trustees (who are also the directors of Cambridge House for company law) are responsible for preparing the Annual 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. 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.
- 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.

### Operational aims and objectives

During the year, we continued to implement our 2017 – 2022 Strategic Plan, supported by our stakeholders and business advisers. Recognising that we had depleted our cash reserves in previous years to weather the impact of austerity measures on our income streams, we restructured the organisation to improve our financial position.

The Plan's objectives are to:

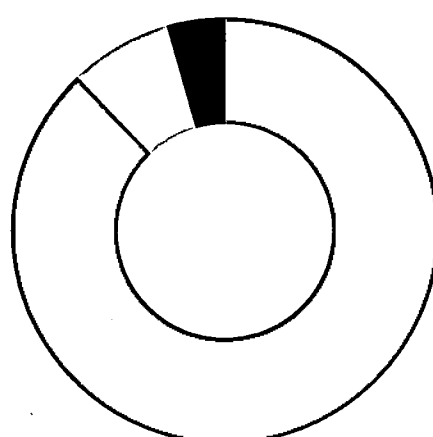
- Design and provide services that deliver positive impact for individuals, families and communities facing severe and multiple disadvantage.
- Enhance organisational capacity, resilience and sustainability.

## Financial overview

In the face of growing demand and a tough financial, legislative and inflationary climate, we restructured to reduce expenditure and renegotiated our local authority advocacy contracts to make them financially viable. As a result, we:

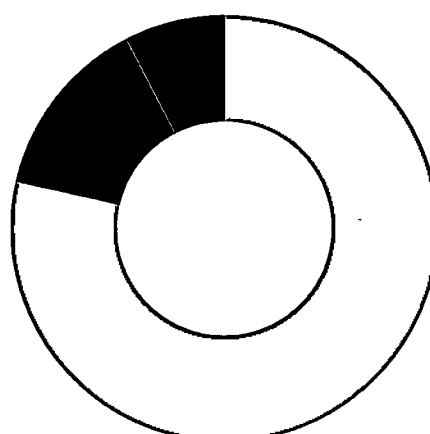
- Significantly improved our cash position and reduced the use of our bank overdraft facility.
- Generated an operating surplus of £72,922 (£17,841 deficit in 2018).
- Reduced our gross deficit, i.e., after depreciation, by over 50% to £82,930 (£180,862 in 2018).
- Reduced our total current liabilities to £191,429 (£263,970 in 2018).
- Held unrestricted general reserves at the year-end of £1,052,302 (£1,105,465 in 2018).

**Total Income £1.7m**



- £131K Charitable grants and donations 8%
- £1.5m Earned income 88%
- £76K Public sector grants 4%

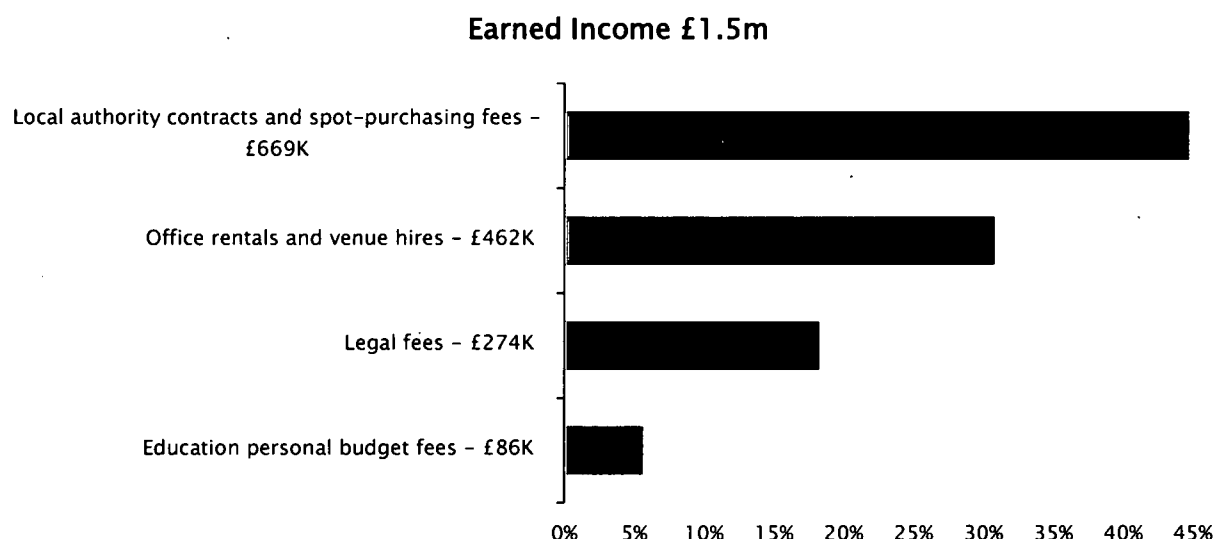
**Total Expenditure £1.6m**



- £1.3m Staffing costs 78%
- £226K Direct service costs 14%
- £126K Overheads 8%

## Income

During the year our total income was £1,698,093 (£1,693,098 in 2018) and we maintained a healthy ratio of 90% unrestricted (89% in 2018) to 10% restricted income (11% in 2018). At 88% of total income, earned income totalling £1,491,433m was by far our largest source of funds.

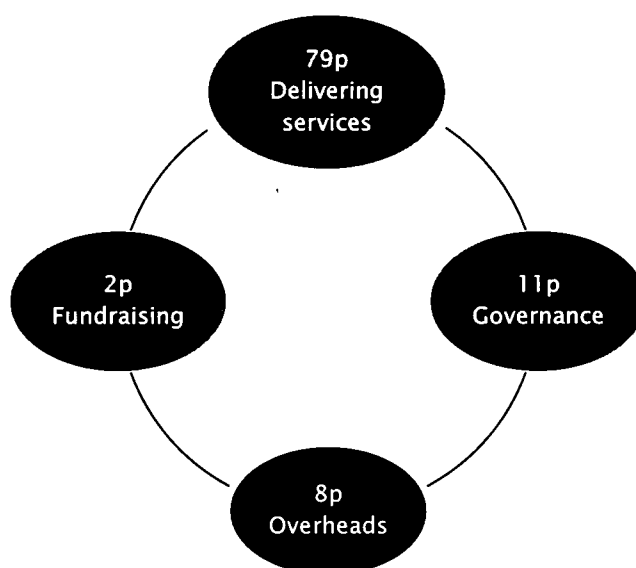


## Expenditure

Our total expenditure was reduced by 5% during the year to £1,781,024 (£1,875,113 in 2018). Though inflation and costs associated with GDPR implementation saw overhead costs increase by 24% from 2018, they remained 8% lower than in 2017. The restructure enabled us to mitigate the impact of this increase by reducing staffing costs by £107,293.

Staffing remained our largest cost at 72% of expenditure (74% in 2018). This reflects the people intensive nature of our frontline services and their reliance on high service user to delivery staff ratios.

### How we spent every £1



## Going concern statement

The trustees are of the view that Cambridge House remains a going concern and that we will have adequate resources available to meet our obligations for at least twelve months from the date of approving these accounts.

In reaching this view, the trustees have considered the following:

- We have neither the intention nor the immediate need to liquidate. Trustees continuously review our operations and explore options to ensure that this continues for the foreseeable future, whilst continuing to deliver high quality services to our service users.
- We continue to work in close partnership with Social Investment Business (SIB) who administer the Communitybuilders and Futurebuilders Investment Funds secured to finance the 2009–2012 building refurbishment and extension project. This has included securing capital and interest repayment holidays to 31 December 2020. We continue to work together to ensure the loan repayment terms are integrated in business planning processes with the intention of improving our long– term sustainability.
- We returned an operating surplus of £72,922 (£17,841 deficit in 2018).
- Our financial results have continued to improve and the year–to–date results as at 31 August 2019 show an operating surplus of £249,882 and an overall surplus of £185,088.
- At the date of approving these accounts we had secured:
  - 95% of the income we require for 2019/20.
  - 72% of the income we require for 2020/21.
  - 61% of the income we require for 2021/22.
- As part of our business turnaround plan we have restructured the organisation to reduce costs and improve cashflow.
- Our cashflow improved during the year, reducing our reliance on overdraft facilities, and we continue to pay our bills when they fall due.
- Our overdraft facilities, variations to our loan conditions, and internal financial and risk management processes, including cost saving exercises, continue to enable us to manage our cashflow needs.
- Our diversified income portfolio is 90% unrestricted and continues to reduce reliability on any one source of income as follows:

Education fees	5%
Public sector grants	5%
Charitable grants and donations	8%
Legal fees	16%
Office rentals and venue hire fees	26%
Local authority contracts and spot–purchasing fees	39%

- Our fundraising success rate was 44% during the year and outperforms the sector average benchmark of 20%.
- We have collegiate management processes and high levels of internal knowledge and skills which increase the ability of our staff team to respond flexibly and quickly to urgent needs and changes in direction.

## Reserves policy

In August 2019 the trustees updated the reserves policy to ensure that it is aligned to Cambridge House's 2017–2022 Strategic Plan, and set a reserves policy that requires reserves in a readily realisable form be built to a level that:

### Continuity Planning

- Protects the continuity of the organisation's services for service users in the event of a large variation of income.
- Bridges cashflow problems.
- Provides a buffer to allow contingency actions to be effected.
- Addresses spending commitments and potential liabilities in the event of a winding-up.

### Asset Planning

- Provides the funds needed to upkeep and replace capital assets.
- Addresses risks associated with emergency building repairs.

### Innovation and Service Development Planning

- 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 has been secured.
- Provides funds to enable the organisation to respond to new service users and/or needs as quickly as possible.
- Enables the organisation to take advantage of opportunities to innovate.

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 level of reserves is considerably below the desired amount. Our strategy to address risks associated with this lack of reserves is outlined in the Going Concern statement above.

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 service users:

31 03 2022	£481,000	27% of annual expenditure to provide for Continuity Planning.
31 03 2024	£574,000	33% of annual expenditure to provide for Continuity and Asset Planning.
31 03 2026	£662,000	38% of annual expenditure, to provide for Continuity, Asset and Innovation Planning.

The trustees review the target level of reserves on an annual basis alongside the operating budget. The assessment takes account of income and expenditure risk within the budget, commitments to repay the loan secured on the building, and the need to keep enough bank balances to be able to manage the day-to-day fluctuations of receipts and payments.

## Budgeting and financial decision-making

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

In September 2019, to complement our Business Continuity and Disaster Recovery Plan, the trustees approved a Finance Emergency Response Plan to protect the interests of our service users, employees, trustees, creditors and stakeholders by outlining the steps that can be taken to avoid and/or manage a financial crisis.

A meeting schedule detailing priorities and regulatory deadlines for the Council of Management is published at least 12-months in advance and ensures that the trustees consider, monitor and approve our:

- 3 or 5-year corporate strategy and business plan.
- Annual budget and associated cash projections, income analyses and risk register.
- Annual reserves policy.
- Actual income and expenditure results compared to budget and reforecast income and expenditure projections as the year progresses.
- Quarterly progress and financial management reports that:
  - Update high level risk assessments and risk mitigation actions.
  - Detail performance against contractual and grant funding conditions and key performance indicators so that the trustees can ensure we are meeting our obligations and any restricted income requirements.
  - Detail quarterly financial information including management accounts, balance sheet, cashflow projections, income analyses (received and projected income and restrictions where appropriate).

Monthly meetings of the trustees' Finance Subcommittee ensure:

- Trustees regularly receive and consider robust and up-to-date financial management information.
- Sources of income are analysed and reviewed so that any dependency on one source of funding (which could leave us vulnerable to increased financial risk) is assessed and our diversification of income sources is monitored to protect against this.
- Regular review of planned and proposed expenditure so that opportunities for cost efficiencies or the need to divest are realised.
- Actual results against budget are monitored within 3-weeks of each month-end.

## 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) Developing the ways that we contribute to civil society policy, research and knowledge exchange forums.
  - b) Extending the geographic reach of Safer Renting and our Statutory Advocacy Service.
  - c) Securing external accreditation for Safer Renting and the Youth Empowerment Programme.
  - d) Expanding the Law Centre's legal portfolio to discrimination law.
  - e) Developing the curriculum portfolios of the disabled people's empowerment and the youth empowerment services.
  - f) Reviewing and extending our service user engagement strategy.
2. Enhance organisational capacity, resilience and sustainability by:
  - a) Implementing our 2017–2022 strategic and deficit recovery plan.
  - b) Implementing our reserves strategy.
  - c) Reviewing asset optimisation options.
  - d) Reviewing and extending our paid internship programme.
  - e) Upgrading our venue hire facilities.
  - f) Upgrading the CRM databases for the Statutory Advocacy Service and Safer Renting.
  - g) Increasing our investment in staff training and development.
  - h) Reviewing and enhancing our internal communications processes.
  - i) Approving a Finance and Emergency Response Plan to complement our existing Business Continuity and Disaster Recovery Plan.
  - j) Reviewing our internal IT systems.

## 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 (i.e., our company members) at the year-end was 61 (2018 – 61). The organisation's 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 and 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 of Management (the Council). The members of the Council are elected at the company's annual general meeting. Each year the nearest in number to 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 subcommittees and working groups to operate with delegated responsibilities:

- Finance: Fran Sanderson (retired March 2019), David Goode (Treasurer), Clarisse Simonek (retired September 2019), Simon Latham (Vice-Chair, ex officio), David Coleman (Chair, ex officio).
- Governance: Clarissa Lyons (Company Secretary), David Coleman (Chair), Simon Latham (Vice-Chair), Shveta Shah, Julie Myers (retired March 2018).
- Asset Optimisation: David Coleman (Chair), Simon Latham (Vice-Chair), Clarissa Lyons (Company Secretary), David Goode (Treasurer), Stephanie Tidball.

The delegated responsibilities and accountabilities of the Chief Executive are set out in the organisation's Governance Manual and in their job description.

The Council's governance structure is set out in our Governance Manual, which includes our code of governance and enshrines a clear distinction between the role of the trustees, the Council, and the Chief Executive. The trustees concentrate on strategic matters, setting overall direction, ensuring clear organisational objectives and holding the Chief Executive 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 to assess the skills of the existing trustees, identify 'skills gaps' and assess any skills being lost by the retirement of a trustee. New trustees are recruited through advertising in the media, volunteer bureaux, and direct approaches to professional bodies and other voluntary organisations.

The induction process for new trustees is detailed in the Governance Manual 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 Chief Executive, members of staff, service users and stakeholders.
- One-to-one meetings with the Chair and the Chief Executive after the first few trustees' meetings, to discuss any questions or issues that may have arisen.

To ensure continued development, the trustees are offered the opportunity to attend training on key areas, such as financial reporting and strategic planning.

### **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 that all activities contribute to the delivery of our vision, we secure impact by ensuring that we have:

- Good governance, financial stewardship, risk management, operational and quality assurance capabilities and capacity.
- Been cost effective and can secure enough 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 causal 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 service users and stakeholders, enable us to evidence impact and these are verified by a range of accredited quality assurance and impact measurement schemes covering all areas of our work.

### **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 was renewed in 2019. 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.

### **Safer Renting services**

Our work supporting the private tenants of 'slum landlords' was formally awarded accreditation against the Advice Quality Standard by the Advice Service Alliance in September 2019.

### **Youth Empowerment and Disabled People's Empowerment services**

The evaluation systems and impact measures for our empowerment activities have London Youth Quality Mark accreditation. We also use the Youth Outcomes Star to monitor service users progress towards their personal development outcomes.

### **Governance**

We are organisational members of the Institute of Fundraising and have Positive about Disability, Mindful Employer, London Living Wage Employer and Cyber Essentials quality marks.



## Fundraising

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 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 Ethical Fundraising and Data Protection Policies, which ensure legal and regulatory requirements are met and are reviewed regularly to ensure they also reflect best practice.

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.

We are an organisational member of the Institute of Fundraising and have a published fundraising pledge to donors. Our Ethical Fundraising Policy 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.

During the year our primary fundraisers were the Chief Executive and our Fundraising and Development Officers and paid Interns. All fundraisers are required to demonstrate an understanding of the Fundraising Regulator's Fundraising Code of Practice and make a commitment to uphold its values when they join Cambridge House. We do not engage any third-party fundraisers.

### Our relationship with supporters

- 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.
- We respond promptly to complaints and act as best we can to address their causes.
- We never accept a donation from someone we believe to be vulnerable and not in an informed position to decide about their donation.
- We never sell donor information to third parties and do our best to keep contact details up to date and accurate.
- We do not use techniques such as telemarketing or door-to-door collections.
- Paid fundraisers, whether staff or consultants, are compensated by a salary 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 year that should have been brought to the attention of the Charity Commission.

## Safeguarding

Cambridge House believes that it is unacceptable for vulnerable people to experience abuse of any kind. Cambridge House does not work in isolation and is committed to engaging with Local Authority multi agency structures and procedures set out in response to the Department of Health's Publication 'No Secrets (2000)'.

We have procedures for the reporting of safeguarding incidents, in accordance with the Children Acts (1989, 2004); the Education Act 2002, 2011; the Further Education Regulations 2006 and the Safeguarding Vulnerable Groups Act (2006). Our policies and procedures were reviewed and updated during the year.

- **Internal alerts concerning the conduct of members of the Cambridge House team**
  - Trustees confirm that there were no allegations made against an employee or volunteer by a service user in the financial year.
- **External alerts concerning the treatment of Cambridge House service users by external agencies**

Our service users sometimes report or demonstrate to us that their welfare has been put at risk by third parties. As a result, we raised 25 safeguarding alerts during the financial year:

  - 5 physical abuse alerts led to a 21A Deprivation of Liberty Safeguards challenge in the Court of Protection, changes to Protection and Care Plans and changes in Lasting Power of Attorney arrangements.
  - 1 sexual abuse alert was investigated by the police.
  - 1 emotional abuse alert led to a statutory safeguarding intervention.
  - 11 neglect and 4 institutional abuse alerts led to formal safeguarding arrangements and revisions to Care Plans.
  - 1 financial abuse alert led to changes in Lasting Power of Attorney arrangements.
  - 2 self-neglect alerts led to Care Plan revisions.

## Networks and partnerships

We are firmly 'outward looking' and 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 other voluntary and community sector organisations 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).
- **Healthwatch Southwark**, a consumer network established because 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 Vice Chair of Locality's Board of Trustees.
- **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.

We are also very grateful for the support we receive through the following partnerships:

- **Macfarlanes LLP**, a London-based law firm, has been a corporate partner for over 30 years. In addition to providing us with legal services on a pro bono basis:
  - Clarissa Lyons, our company secretary and trustee from March 2018, is a senior charity law solicitor at Macfarlanes.
  - Stephanie Tidball, one of our trustees, is Macfarlanes' Head of Learning and Development.
  - David Coleman, our Chair, is a former partner of Macfarlanes.

During the financial year, our Chief Executive was:

- A non-executive director of the Economic and Social Research Council and a member of its Audit and Risk Committee (to October 2018).
- A member of the Advisory Committee of the Understanding Patient Data Steering Group (from June 2017).
- A non-executive director of the Office of the Public Guardian and a member of its Audit and Risk Committee (from October 2018).
- A member of the Power to Change Community Business Panel (from June 2019).

## Public benefit

The trustees have considered the Charity Commission's general guidance on public benefit and have taken it into account when reviewing our aims and objectives and in planning future activities.

Cambridge House provides public benefit by:

- Delivering specialist, personalised and integrated frontline services that help people in crisis and support them to build the resilience they need to both make recurrence of crisis less likely and improve the quality of their lives.
- Managing our building as a community hub 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.
- Generating and collating evidence of what delivery strategies are most effective at tackling poverty and social exclusion at a local and regional level and establishing opportunities for evidence sharing and knowledge exchange.

The trustees are satisfied that the aims of Cambridge House are carried out wholly in pursuit of the public benefit.

## Staffing and remuneration

Cambridge House is accredited by Mindful Employer, Two Ticks Positive about Disabled People, and the London Living Wage Foundation. These standards help to ensure our human resources policies:

- Are underpinned by a rigorous assessment methodology and a framework which reflects best workplace practice.
- Promote increased awareness of mental health and disability at work and provide ongoing support for the organisation in the recruitment and retention of staff.
- Promote equality, diversity and inclusion and ensure that our workforce reflects the communities we serve.

### 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 and paid interns.

### 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 London Living Wage. The London Living Wage is an hourly rate set independently by the Living Wage Foundation and updated annually, based on the real cost of living in London.

Cambridge House is committed to ensuring that we pay our staff fairly and in a way which ensures we achieve the greatest impact in delivering our charitable objectives. In deciding on levels of pay the following factors are considered:

- The mission, aims, objectives and values of Cambridge House.
- The need to recruit, retain, motivate and, where relevant, promote suitably qualified people to exercise their different responsibilities and meet the organisation's needs.
- How any decision might impact on the overall pay policy for all staff.
- A significant increase in responsibilities or major change in job description.
- Our current Strategic 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 29 full-time and 21 part-time staff (36.3 full time equivalent). 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 benefitting 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 based on recommendations from its Finance Subcommittee. 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.

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 2013–14.

#### Chief Executive pay

Name	Title	2018–19	2017–18	2016–17
Karin Woodley	Chief Executive	£61,800	£77,250	£77,250

All other staff salaries are set by our Chief Executive and/or management team, using comparisons with charities of our size in London and considering factors including inflation and Cambridge House's financial position, as well as the other factors mentioned above. Salaries are openly stated in job adverts. 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 3% in 2015/16, 0% in 2016/17, 0% in 2017/18 and 0% in 2018/19 except for staff being paid the London Living Wage who received a cost of living increase of 4.6% in 2017/18 and 3% in 2018/19.

During the year we embarked on a cost reduction exercise which included the restructure of staff and associated divestment actions. To support this business turnaround activity our Chief Executive took a voluntary 20% reduction in salary and our Director of Corporate Services took a voluntary 11% reduction in salary.

#### Pay ratio

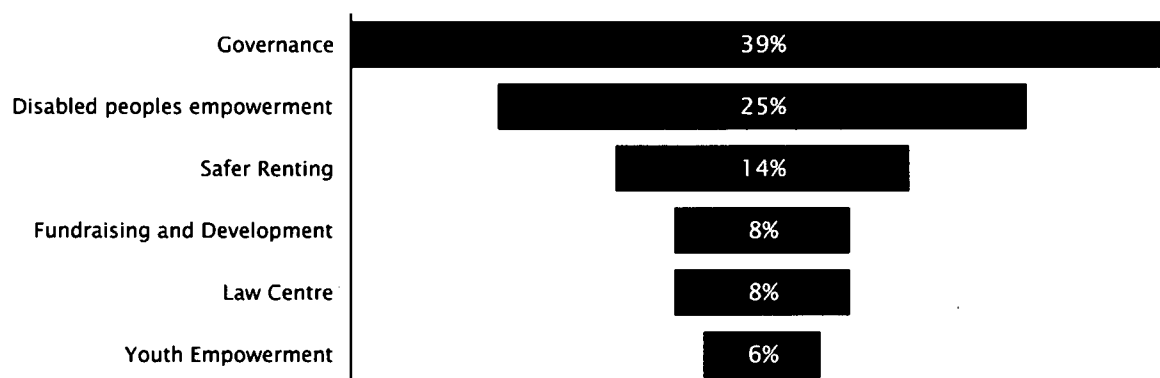
The ratio of our highest salary (£61,800) to our median salary (£30,500) is 2.03:1.

#### Volunteering and employability

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 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.

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

During the year 36 volunteers contributed approximately 1,734 hours of their time which based on the London Living Wage has a value of £18,294. The percentage of volunteer time contributed to specific activities during the year is shown in the table below.



## Risk management

The trustees regularly review and assess the risks faced by Cambridge House in all areas of our work and plan for the management of those risks. The management team ensure that all plans and decisions consider the possibility of negative outcomes. Our Risk Register is supervised and monitored monthly by the trustees' Finance Subcommittee, reported on quarterly at meetings of the Council and reviewed annually by the Council to ensure that the material risks to which we are 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 our objectives, the nature of some of our 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 importance of rebuilding and maintaining of reserves and the review of key systems and processes by the Finance Subcommittee.

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 service teams.
- Integrates scenario planning and disaster recovery into the deliberations of trustees.
- Reviews, and updates where required, our risk assessment methodology every 2 years.

### Principal Risks and Uncertainties

The highest risk areas, ranked for likelihood and impact, have been identified as follows:

- Failure to generate enough income.
- Failure to manage budget and liquidity effectively.
- Failure to invest in asset renewal, leading to inadequate buildings and declining asset values and income.
- Major unforeseen expenditure, which creates significant overspend or a need to make significant and unplanned reductions in expenditure.
- Partial or total loss of resources such as staff, equipment, systems, information and premises, which could result in reduced levels of service quality, availability and continuity of service and additional cost, shortfalls to service users and stakeholders and lost impact.
- Competition from other providers across all sectors resulting in the organisation being unable to sustain its current service portfolio.

## Auditors

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**

A handwritten signature in black ink, appearing to read 'David Coleman', with a horizontal line underneath it.

**David Coleman Chair**

**Date 21 November 2019**

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

### **Opinion**

We have audited the financial statements of Cambridge House and Talbot (the 'charitable company') for the year ended 31 March 2019 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2019 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

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Material uncertainty related to going concern**

We draw attention to note 1d in the financial statements which sets out that there is a low level of liquidity at the year end. This indicates that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. The trustees note that they meet regularly to review the financial position and cash flow to ensure the needs of service users and stakeholders continue to be met.

Our opinion is not modified in respect of this matter.

### **Other information**

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required



to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

### **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 including the strategic 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

### **Responsibilities of trustees**

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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,

as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Use of our report

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

**Noelia Serrano (Senior statutory auditor)**

**27 November 2019**

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 2019

	Note	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
<b>Income from:</b>							
Charitable donations	2	32,285	-	32,285	29,716	-	29,716
Charitable activities							
Advocacy	3	475,637	-	475,637	545,277	-	545,277
Education and Inclusion Services	3	86,188	61,150	147,338	83,284	125,844	209,128
Law Centre	3	435,981	10,000	445,981	332,188	10,000	342,188
Safer Renting	3	52,521	103,265	155,786	45,431	55,970	101,401
Rental and venue hire income		441,062	-	441,062	465,385	-	465,385
Investments		4	-	4	3	-	3
<b>Total income</b>		<b>1,523,678</b>	<b>174,415</b>	<b>1,698,093</b>	<b>1,501,284</b>	<b>191,814</b>	<b>1,693,098</b>
<b>Expenditure on:</b>							
Raising funds	4	-	-	-	3,661	-	3,661
Charitable activities							
Advocacy	4	594,301	-	594,301	659,002	-	659,002
Education and Inclusion Services	4	110,439	74,918	185,357	94,602	112,076	206,678
Law Centre	4	316,275	10,000	326,275	307,246	10,000	317,246
Safer Renting	4	22,836	119,265	142,101	39,805	39,970	79,775
Community Hub Services	4	532,990	-	532,990	608,751	-	608,751
<b>Total expenditure</b>		<b>1,576,841</b>	<b>204,183</b>	<b>1,781,024</b>	<b>1,713,067</b>	<b>162,046</b>	<b>1,875,113</b>
<b>Net movement in funds</b>	5	<b>(53,163)</b>	<b>(29,768)</b>	<b>(82,931)</b>	<b>(211,783)</b>	<b>29,768</b>	<b>(182,015)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		3,335,811	29,768	3,365,579	3,547,594	-	3,547,594
<b>Total funds carried forward</b>		<b>3,282,648</b>	<b>-</b>	<b>3,282,648</b>	<b>3,335,811</b>	<b>29,768</b>	<b>3,365,579</b>

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 17a to the financial statements.

## Balance sheet

Company no. 1050006

As at 31 March 2019

	Note	£	2019 £	£	2018 £
<b>Fixed assets:</b>					
Tangible assets	10		7,099,343		7,254,815
<b>Current assets:</b>					
Debtors	11	137,442		145,139	
Cash at bank and in hand		2,431		2,209	
		<u>139,873</u>		<u>147,348</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	12	(331,302)		(411,318)	
<b>Net current liabilities</b>			<u>(191,429)</u>		<u>(263,970)</u>
<b>Total assets less current liabilities</b>			<b>6,907,914</b>		<b>6,990,845</b>
Creditors: amounts falling due after one year	14		(3,625,266)		(3,625,266)
<b>Total net assets</b>			<u><b>3,282,648</b></u>		<u><b>3,365,579</b></u>
<b>The funds of the charity:</b>	17a				
Restricted income funds			-		29,768
Unrestricted income funds:					
Revaluation reserve		2,197,066		2,230,346	
General funds		<u>1,085,582</u>		<u>1,105,465</u>	
<b>Total unrestricted funds</b>			<u><b>3,282,648</b></u>		<u><b>3,335,811</b></u>
<b>Total charity funds</b>			<u><b>3,282,648</b></u>		<u><b>3,365,579</b></u>

Approved by the trustees on 21 November 2019 and signed on their behalf by


David Coleman  
Chair

Cambridge House and Talbot

Statement of cash flows

For the year ended 31 March 2019

	Note	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Net expenditure for the reporting period (as per the statement of financial activities)		(82,931)		(182,015)	
Depreciation charges		155,852		163,021	
(Gains)/losses on investments		-		-	
Dividends, interest and rent from investments		(4)		(3)	
Decrease in debtors		7,697		35,074	
Decrease/(increase) in creditors		(80,016)		72,045	
<b>Net cash provided by operating activities</b>			<b>598</b>		<b>88,122</b>
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments		4		3	
Purchase of fixed assets		(380)		-	
<b>Net cash used in investing activities</b>			<b>(376)</b>		<b>3</b>
<b>Cash flows from financing activities:</b>					
Repayments of borrowing		-		(90,000)	
<b>Net cash used in financing activities</b>			<b>-</b>		<b>(90,000)</b>
<b>Change in cash and cash equivalents in the year</b>			<b>222</b>		<b>(1,875)</b>
Cash and cash equivalents at the beginning of the year			2,209		4,084
<b>Cash and cash equivalents at the end of the year</b>			<b>2,431</b>		<b>2,209</b>

Analysis of cash and cash equivalents and of net debt

	At 1 April 2018 £	Cash flows £	Other non- cash changes £	At 31 March 2019 £
Cash at bank and in hand	2,209	222		2,431
Overdraft facility repayable on demand	(91,671)	40,227		(51,444)
<b>Total cash and cash equivalents</b>	<b>(89,462)</b>	<b>40,449</b>		<b>(49,013)</b>
Loans falling due after more than one year	(3,625,266)	-	-	(3,625,266)
<b>Total</b>	<b>(3,714,728)</b>	<b>40,449</b>	<b>-</b>	<b>(3,674,279)</b>

**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 and principle place of business 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 charity meets the definition of a public benefit entity under FRS 102.

**d) Going concern**

The trustees consider that the organisation remains a going concern and have prepared the financial statements on a going concern basis. The trustees recognise that, due to low liquidity at year end, a degree of uncertainty exists around the organisation's ability to continue as a going concern. The trustees meet regularly to review the financial position and cashflow to ensure that the needs of service users and stakeholders continue to be met for the foreseeable future. The Going Concern Statement on page 20 of the Strategic Report's Financial Review sets out the risks and mitigating steps being taken, and further notes that a significant improvement to the cash flow has been achieved in 2019/20 following a surplus to date generated ahead of budget.

**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.

**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.

**1 Accounting policies (continued)**

**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 charity 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.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

● Advocacy	35%
● Education and Inclusion Services	10%
● Law Centre	22%
● Safer Renting	8%
● Community Hub Services	25%

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. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

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)****m) 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.

**n) 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.

**o) 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.

**p) 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 charitable donations**

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Gifts	14,383	–	14,383	11,314	–	11,314
Core grants	17,902	–	17,902	18,402	–	18,402
	<u>32,285</u>	<u>–</u>	<u>32,285</u>	<u>29,716</u>	<u>–</u>	<u>29,716</u>



## 3 Income from charitable activities

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
London Borough of Southwark	123,494	-	123,494	168,185	-	168,185
London Borough of Waltham Forest	70,561	-	70,561	70,393	-	70,393
London Borough of Barking & Dagenham	126,479	-	126,479	99,132	-	99,132
London Borough of Richmond upon Thames	138,624	-	138,624	102,250	-	102,250
London Borough of Newham	-	-	-	80,000	-	80,000
Other services	16,479	-	16,479	25,317	-	25,317
Sub-total for Advocacy	475,637	-	475,637	545,277	-	545,277
London Borough of Southwark	-	18,347	18,347	-	18,347	18,347
Children in Need	-	16,134	16,134	-	31,980	31,980
Grant making trusts	-	26,670	26,670	-	75,517	75,517
Other Services	86,188	-	86,188	83,284	-	83,284
Sub-total for Education and Inclusion Services	86,188	61,150	147,338	83,284	125,844	209,128
London Borough of Southwark	140,864	-	140,864	140,864	-	140,864
Legal Aid Agency	20,670	-	20,670	-	-	-
Other services	274,447	-	274,447	191,324	-	191,324
Grant making trusts	-	10,000	10,000	-	10,000	10,000
Sub-total for Law Centre	435,981	10,000	445,981	332,188	10,000	342,188
London Borough of Croydon	-	-	-	-	10,000	10,000
London Housing Foundation	-	30,000	30,000	-	30,000	30,000
London Borough of Waltham Forest	44,866	-	44,866	41,944	-	41,944
Other services	7,655	-	7,655	3,487	-	3,487
Grant making trusts	-	73,265	73,265	-	15,970	15,970
Sub-total for Safer Renting	52,521	103,265	155,786	45,431	55,970	101,401
Total income from charitable activities	1,050,327	174,415	1,224,742	1,006,180	191,814	1,197,994

## Cambridge House and Talbot

## Notes to the financial statements

For the year ended 31 March 2019

## 4a Analysis of expenditure (current year)

	Charitable activities								2019 Total £	2018 Total £
	Raising funds £	Advocacy £	Education and Inclusion Services £	Law Centre £	Safer Renting £	Community Hub Services £	Governance costs £	Support costs £		
Staff costs (note 6)	-	442,859	130,105	242,313	80,363	133,255	-	194,477	1,223,372	1,259,070
Other staff costs (note 6)	-	21,482	231	4,149	22,686	99	-	3,138	51,785	123,380
Activity cost	-	17,877	22,996	9,360	13,433	162,810	-	-	226,476	267,136
Premises cost	-	-	-	-	-	914	-	15,929	16,843	17,270
Office cost	-	-	-	-	-	-	5,630	33,276	38,906	23,053
Depreciation	-	-	-	-	-	155,852	-	-	155,852	163,021
Audit & accountancy	-	-	-	-	-	-	15,245	-	15,245	15,159
Legal & professional	-	-	-	-	-	-	-	21,037	21,037	6,150
Irrecoverable VAT	-	-	-	-	-	-	-	30,812	30,812	874
Bad debts written off	-	-	-	-	-	-	-	696	696	-
	-	482,218	153,332	255,822	116,482	452,930	20,875	299,365	1,781,024	1,875,113
Support costs	-	104,778	29,937	65,860	23,949	74,841	-	(299,365)	-	-
Governance costs	-	7,305	2,088	4,593	1,670	5,219	(20,875)	-	-	-
<b>Total expenditure 2019</b>	-	<b>594,301</b>	<b>185,357</b>	<b>326,275</b>	<b>142,101</b>	<b>532,990</b>	-	-	<b>1,781,024</b>	
<b>Total expenditure 2018</b>	<b>3,661</b>	<b>659,002</b>	<b>206,678</b>	<b>317,246</b>	<b>79,775</b>	<b>608,751</b>	-	-		<b>1,875,113</b>

Cambridge House and Talbot

Notes to the financial statements

For the year ended 31 March 2019

4b Analysis of expenditure (prior year)

	Charitable activities								2018 Total £
	Raising funds £	Advocacy £	Education and Inclusion £	Law Centre £	Safer Renting £	Community Hub Services £	Governance costs £	Support costs £	
Staff costs (note 6)	-	477,063	135,005	246,434	-	164,644	-	235,924	1,259,070
Other staff costs (note 6)	-	72,658	1,570	1,930	44,370	20	-	2,832	123,380
Activity cost	-	21,191	32,011	10,850	25,287	177,797	-	-	267,136
Premises cost	-	-	-	-	-	-	-	17,270	17,270
Office cost	3,661	-	-	-	-	-	1,587	17,805	23,053
Depreciation	-	-	-	-	-	163,021	-	-	163,021
Audit & accountancy	-	-	-	-	-	-	15,159	-	15,159
Legal & professional	-	-	-	-	-	-	-	6,150	6,150
Irrecoverable VAT	-	-	-	-	-	-	-	874	874
	3,661	570,912	168,586	259,214	69,657	505,482	16,746	280,855	1,875,113
Support costs	-	83,133	35,949	54,767	9,549	97,457	-	(280,855)	-
Governance costs	-	4,957	2,143	3,265	569	5,812	(16,746)	-	-
<b>Total expenditure 2018</b>	<b>3,661</b>	<b>659,002</b>	<b>206,678</b>	<b>317,246</b>	<b>79,775</b>	<b>608,751</b>	<b>-</b>	<b>-</b>	<b>1,875,113</b>

**5 Net movement in funds**

This is stated after charging:

	2019 £	2018 £
Depreciation	155,852	163,021
Interest payable	3,896	4,066
Auditor's remuneration (excluding VAT):		
Audit	9,000	8,750
Other services	3,100	3,000
	<u>171,848</u>	<u>178,843</u>

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

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	1,106,204	1,141,491
Social security costs	94,147	100,061
Employer's contribution to defined contribution pension schemes	23,021	17,518
Agency staff costs	30,876	87,059
Training, expenses and recruitment	20,909	36,321
	<u>1,275,157</u>	<u>1,382,450</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2019 No.	2018 No.
£60,000 – £69,999	1	–
£70,000 – £79,999	–	1
	<u>1</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £114,759 (2018: £122,265).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

No trustees were reimbursed expenses (2018: £nil)

**7 Staff numbers**

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

	2019 No.	2018 No.
Advocacy	18	24
Education & Inclusion Services	13	13
Law Centre	6	7
Community Hub Services	5	7
Safer Renting	3	0
Support	5	6
	<u>50</u>	<u>57</u>

**8 Related party transactions**

C Lyons (trustee and Company Secretary) and S Tidball (trustee) are employees of Macfarlanes LLP. During the year Cambridge House and Talbot received pro bono advice and legal services from Macfarlanes LLP worth an estimated £25,000 (£17,500 in 2018). This has not been included in the statement of financial activities on grounds of materiality. There are no donations from related parties which are outside the normal course of

K Woodley (Chief Executive) is a trustee of:

- Locality who provided consultancy support to Cambridge House and Talbot through their Life Boat Fund worth an estimated £6,000 (£4,000 in 2018). This has not been included in the statement of financial activities on grounds of materiality.
- Community Southwark who rented office and venue space from Cambridge House and Talbot at a cost of £52,781 (£62,731 in 2018). This fee income has been included in 'Rental and venue hire income' in the statement of financial activities.

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

**9 Taxation**

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

**10 Tangible fixed assets**

	Freehold property £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At the start of the year	7,550,000	342,434	7,892,434
Additions in year	-	380	380
At the end of the year	7,550,000	342,814	7,892,814
<b>Depreciation</b>			
At the start of the year	302,000	335,619	637,619
Charge for the year	151,000	4,852	155,852
At the end of the year	453,000	340,471	793,471
<b>Net book value</b>			
At the end of the year	7,097,000	2,343	7,099,343
At the start of the year	7,248,000	6,815	7,254,815

The freehold property has been assessed at the year end for impairment. The trustees have calculated that, based on discounted cash in-flows generated from the building and applying recognised valuation techniques of service delivery impact, the property's value-in-use exceeds that of the book value and so no impairment is required. The current book value results from a revaluation at 31 March 2016 to £7.55m, being the market value of the freehold interest with full vacant possession as at that date, depreciated on a straight line basis over 50 years.

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 many years ago.

All of the above assets are used for charitable purposes.

**11 Debtors**

	2019 £	2018 £
Trade debtors	65,865	21,792
Prepayments	3,671	4,349
Accrued income	63,162	113,630
Other debtors	4,744	5,368
	<u>137,442</u>	<u>145,139</u>

**12 Creditors: amounts falling due within one year**

	2019 £	2018 £
Overdraft	51,444	91,671
Trade creditors	84,716	89,161
Taxation and social security	77,713	153,772
Accruals	35,106	26,312
Deferred income	53,703	17,055
Other creditors	28,620	33,347
	<u>331,302</u>	<u>411,318</u>

**13 Deferred income**

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

	2019 £	2018 £
Balance at the beginning of the year	17,055	69,454
Amount released to income in the year	(17,055)	(69,454)
Amount deferred in the year	53,703	17,055
	<u>53,703</u>	<u>17,055</u>
Balance at the end of the year	<u>53,703</u>	<u>17,055</u>

**14 Creditors: amounts falling due after one year**

	2019 £	2018 £
Bank loans	3,625,266	3,625,266
	<u>3,625,266</u>	<u>3,625,266</u>

The latest loan terms stipulate capital repayments of £120,000 per year, and an agreement has been reached with SIB that the current full capital and interest repayment holiday will continue to at least 31 December 2020. Thereafter, the repayment holiday will be subject to review. As a result, the full balance of the loans have been disclosed as falling due after more than one year.

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

**15 Pension scheme**

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 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 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. 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 2019 to 31 January 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)
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Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. 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:	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1st 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 amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

**16a Analysis of net assets between funds (current year)**

	Revaluation reserve	General unrestricted	Restricted	Total funds
	£	£	£	£
Tangible fixed assets	2,197,066	4,902,277	-	7,099,343
Net current liabilities	-	(191,429)	-	(191,429)
Long term liabilities	-	(3,625,266)	-	(3,625,266)
<b>Net assets at 31 March 2019</b>	<b>2,197,066</b>	<b>1,085,582</b>	<b>-</b>	<b>3,282,648</b>

**16b Analysis of net assets between funds (prior year)**

	Revaluation reserve	General unrestricted	Restricted	Total funds
	£	£	£	£
Tangible fixed assets	2,230,346	5,024,469	-	7,254,815
Net current (liabilities)/assets	-	(293,738)	29,768	(263,970)
Long term liabilities	-	(3,625,266)	-	(3,625,266)
<b>Net assets at 31 March 2018</b>	<b>2,230,346</b>	<b>1,105,465</b>	<b>29,768</b>	<b>3,365,579</b>



## 17a Movements in funds (current year)

	At 1 April 2018	Income & gains	Expenditure & losses	Transfers	At 31 March 2019
	£	£	£	£	£
<b>Restricted funds:</b>					
<i><b>Education and Inclusion Services</b></i>					
Charterhouse-in-Southwark	-	2,152	(2,152)	-	-
BBC Children in Need	13,768	16,134	(29,902)	-	-
St Olave's & St Saviour's Schools Foundation	-	3,000	(3,000)	-	-
London Youth	-	5,000	(5,000)	-	-
Young Londoners Fund	-	11,232	(11,232)	-	-
Newcomen Collet Foundation	-	936	(936)	-	-
Better Community Business Network	-	2,850	(2,850)	-	-
Sir Jules Thorn Charitable Trust	-	750	(750)	-	-
Jack Petchey Foundation	-	750	(750)	-	-
London Borough of Southwark	-	18,347	(18,347)	-	-
<i><b>Law Centre</b></i>					
London Legal Support Trust	-	10,000	(10,000)	-	-
<i><b>Safer Renting</b></i>					
Legal Education Foundation	6,000	33,265	(39,265)	-	-
Allen & Overy	-	10,000	(10,000)	-	-
Trust for London	-	55,000	(55,000)	-	-
The Austin Hope Pilkington Trust	-	5,000	(5,000)	-	-
Croydon Relief in Need Charities	10,000	-	(10,000)	-	-
<b>Total restricted funds</b>	<b>29,768</b>	<b>174,415</b>	<b>(204,183)</b>	<b>-</b>	<b>-</b>
<b>Unrestricted funds:</b>					
<b>Revaluation reserve</b>	<b>2,230,346</b>	<b>-</b>	<b>-</b>	<b>(33,280)</b>	<b>2,197,066</b>
<b>General funds</b>	<b>1,105,465</b>	<b>1,523,678</b>	<b>(1,576,841)</b>	<b>33,280</b>	<b>1,085,582</b>
<b>Total unrestricted funds</b>	<b>3,335,811</b>	<b>1,523,678</b>	<b>(1,576,841)</b>	<b>-</b>	<b>3,282,648</b>
<b>Total funds</b>	<b>3,365,579</b>	<b>1,698,093</b>	<b>(1,781,024)</b>	<b>-</b>	<b>3,282,648</b>

The narrative to explain the purpose of each fund is given at the foot of the note below.

## 17b Movements in funds (prior year)

	At 1 April 2017 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2018 £
<b>Restricted funds:</b>					
<i><b>Education and Inclusion Services</b></i>					
Charterhouse-in-Southwark	-	12,000	(12,000)	-	-
Alan and Babette Sainsbury	-	10,000	(10,000)	-	-
Laureus Foundation	-	12,710	(12,710)	-	-
BBC Children in Need	-	31,980	(18,212)	-	13,768
Team London Bridge – Building	-	2,210	(2,210)	-	-
Merchant Taylors Company	-	15,000	(15,000)	-	-
Shanly Foundation	-	2,500	(2,500)	-	-
Sobell Foundation	-	5,000	(5,000)	-	-
Rix-Thompson-Rothenberg	-	4,862	(4,862)	-	-
DWF Foundation	-	2,000	(2,000)	-	-
Postcode Community Trust	-	5,580	(5,580)	-	-
Jack Petchey Foundation	-	2,055	(2,055)	-	-
George Bairstow Charitable Trust	-	1,600	(1,600)	-	-
London Borough of Southwark	-	18,347	(18,347)	-	-
<i><b>Law Centre</b></i>					
London Legal Support Trust	-	10,000	(10,000)	-	-
<i><b>Safer Renting</b></i>					
Legal Education Foundation	-	10,989	(4,989)	-	6,000
London Borough of Hounslow	-	2,981	(2,981)	-	-
London Borough of Croydon	-	-	-	-	-
London Legal Support Trust	-	2,000	(2,000)	-	-
London Housing Foundation	-	30,000	(30,000)	-	-
Croydon Relief in Need Charities	-	10,000	-	-	10,000
<b>Total restricted funds</b>	-	191,814	(162,046)	-	29,768
<b>Unrestricted funds:</b>					
<b>Revaluation reserve</b>	2,263,626	-	-	(33,280)	2,230,346
<b>General funds</b>	1,283,968	1,501,284	(1,713,067)	33,280	1,105,465
<b>Total unrestricted funds</b>	3,547,594	1,501,284	(1,713,067)	-	3,335,811
<b>Total funds</b>	3,547,594	1,693,098	(1,875,113)	-	3,365,579

**Purposes of restricted funds****Education and Inclusion Services**

These funds are to deliver specific youth and disabled people's empowerment services in accordance with restrictions agreed with the funder.

**Law Centre**

These funds are to deliver specific legal services in accordance with restrictions agreed with the funder

**Safer Renting**

These funds are to deliver specific private rented sector tenants services in accordance with restrictions agreed with the funder.

**Purposes of 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.

**18 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:

	2019 £	2018 £
Assets	243	243
Liabilities	<u>(2,306)</u>	<u>(2,306)</u>
Total funds	<u><u>(2,063)</u></u>	<u><u>(2,063)</u></u>

**19 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.