

Cambridge House

Fighting poverty, social inequity and social injustice for 131 years

Annual Report and Accounts for the year ended 31 March 2020



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Strategic Report

Welcome

Tackling poverty, social inequity and social injustice has been our mission for 131 years. This annual report reviews a year that ended with the COVID-19 pandemic and a UK lockdown – both reinforced and heightened the significant inequalities in our society. So, as the world changed around us, our work remained as vital as when we were established in 1889.

Trustees and staff responded swiftly to the pandemic and our emergency plan was in place before the March lockdown was announced. We are delighted to report that we have maintained frontline services, supported our community hub residents to maintain key services and successfully managed financial risks throughout the pandemic.

From the start of 2020 it was evident that our service users in the social care and health systems, in poor housing and in insecure employment were at particular risk. By March we witnessed our service users dying in care homes, and private rented sector criminal landlords 'ramping up' illegal evictions of tenants.

As we entered 2020–21, the pandemic's toll on people living in poverty, disabled people, people living with mental and physical health conditions, isolated young people, and the Black, Asian and minority ethnic communities, quickly became evident across all our services. The negative mental health impacts of isolation, job insecurity, family deaths and illness affected all our service users.

Need was high and growing during the pandemic, as were the risks to our sustainability. Our team responded with energy, commitment and innovative flair. Though business has not been 'as usual', we have continued to fulfil our objectives by embracing digitalisation, and adapting our services and our operations.

2019–20 has been a very successful year for us financially. Our business turnaround strategy delivered positive year-end results, including significant improvements to our liquidity. This stood us in good stead for the uncertainties ahead. We have successfully secured 'crisis funding' to mitigate losses in our earned income, which were mainly caused by COVID-19 social distancing restrictions. As 2020–21 progresses we continue to see improvements in our overall financial position and liquidity.

Some of the service highlights of 2019–20 were our Youth Empowerment Lead, Jo Hrabí, winning the London Youth 'Youth Professional of the Year' Award; Safer Renting's work with the Metropolitan Police to improve their response to illegal evictions of private rented sector tenants; our successful tender for a new statutory advocacy contract in Kingston upon Thames; and our Law Centre appointing its first Crisis Navigator and expanding its volunteer and work experience programme.

We give special tribute to James Tanner, who sadly died in July 2020. James had been a loyal and dedicated member of our Education and Inclusion team since 2013. We offer our sincere condolences to his family, colleagues, and the service users to whom he gave so much. Like many in our society, some of our staff, trustees and service users have suffered bereavements during the pandemic. We share our love and sympathy with them as well.

We also give special thanks for the contribution of several members of our Council of Management who have left us. Dan Metcalfe, who during his twelve years as a trustee made a significant impact on the development of our business and communications strategies – his critical challenges will be greatly missed. Clarisse Simonek, who supported our financial planning as a member of the trustees' Finance Subcommittee. Lorna Stabler, who helped to establish Safer Renting as a member of its advisory committee.

As the year closed, we were fortunate to recruit three new trustees, Amy Hennessy (a local resident and public servant), Anu Mensah and Fiona Shaw (both qualified accountants).

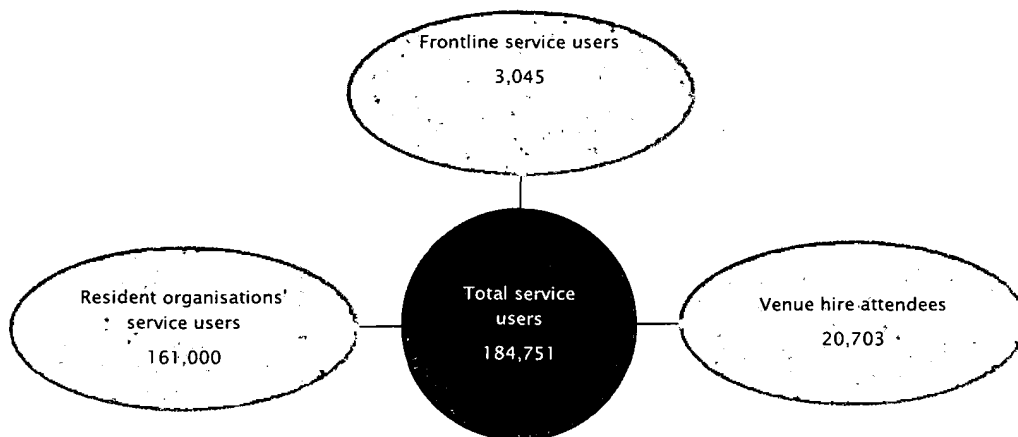
As a society we face an uncertain future, so we will continue to work hand-in-hand with our service users so that our resources are used for maximum social impact. We will also make sure Cambridge House is as agile as possible to deal with the challenges ahead.

We are extremely fortunate to have so many passionate and committed supporters, staff, volunteers and trustees. Our success is a consequence of their dedication and hard work. We say a heartfelt thank you to them all.

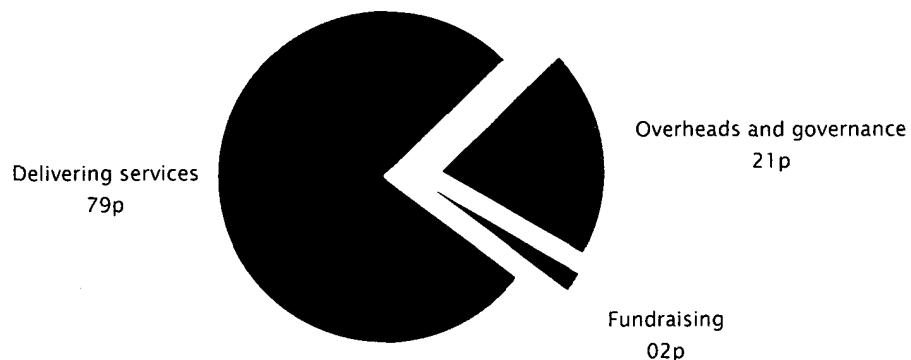
Simon Latham, Chair and Karin Woodley, Chief Executive

The year at a glance

185K service users



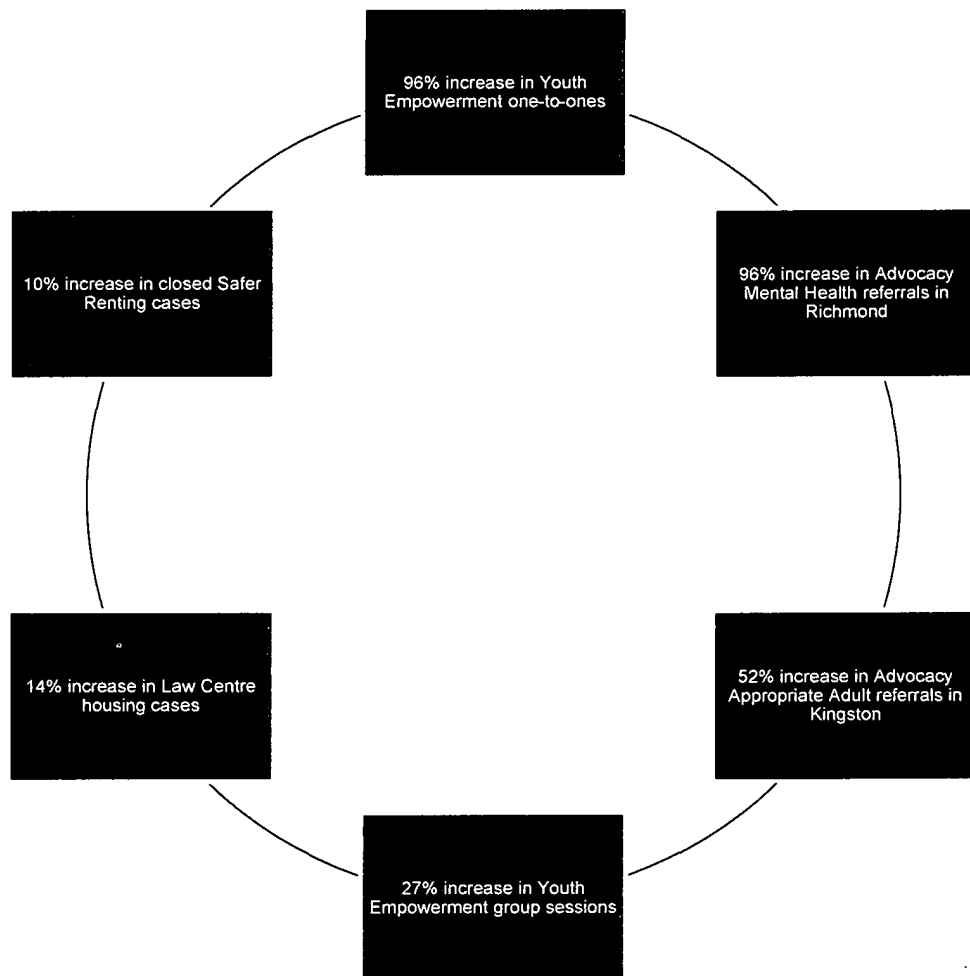
79p in every £1 spent on service delivery



£194K operating surplus



Increased service delivery in response to COVID-19



Our aims and 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 tackle poverty, social inequity and social injustice.
- 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 people to achieve autonomy and agency.
- To support active citizenship, community development and social cohesion.
- To support the development of social policy and practice.

Values

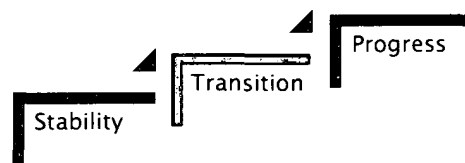
We are pioneering, inclusive, collaborative and reflective.

Activities

Frontline services

Transforming lives – one person, one family and one community at a time

We tackle poverty, social inequity, and social injustice by supporting our service users to achieve:



Law Centre

Enabling people with complex needs to save their homes, keep their jobs and protect their families
Free, independent and expert legal services in housing, employment and benefit law.

Independent Advocacy

Protecting the voices, choices and rights of vulnerable adults and children
Statutory Care Act, Mental Health Act and Mental Capacity Act advocacy for adults and children.

Safer Renting

Making private renting safe for all
Specialist advice, support and advocacy for vulnerable private rented sector tenants.

Youth Empowerment

Investing in young people so they thrive as adults
Medium to long-term, intensive and wrap-around support for excluded 16 to 25-year olds.

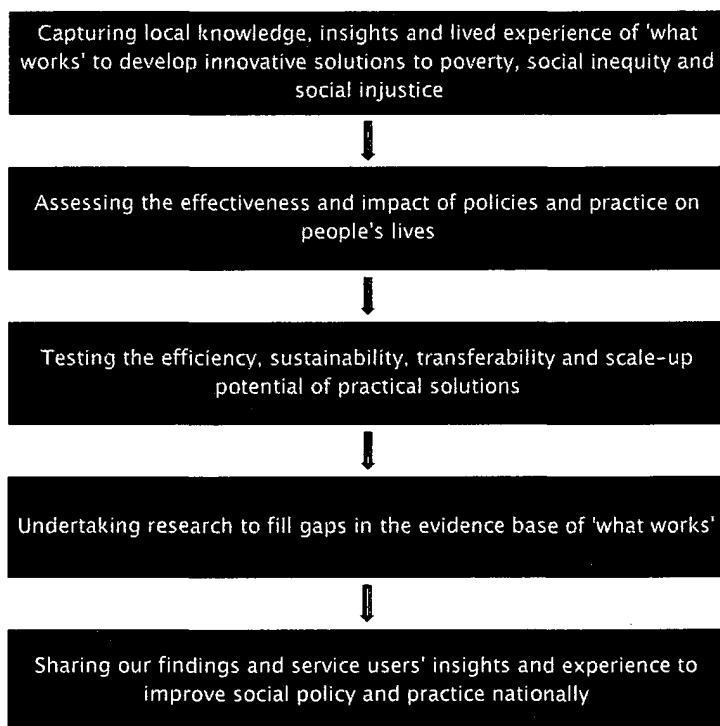
Disabled Peoples' Empowerment

Supporting disabled children and adults to take control of their own lives and futures
Arts, sports, life skills and wellbeing clubs for disabled children and adults.

Research and knowledge exchange

Transforming society – a practice-based approach to social innovation

We foster systems change by:



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 inequality and social injustice.

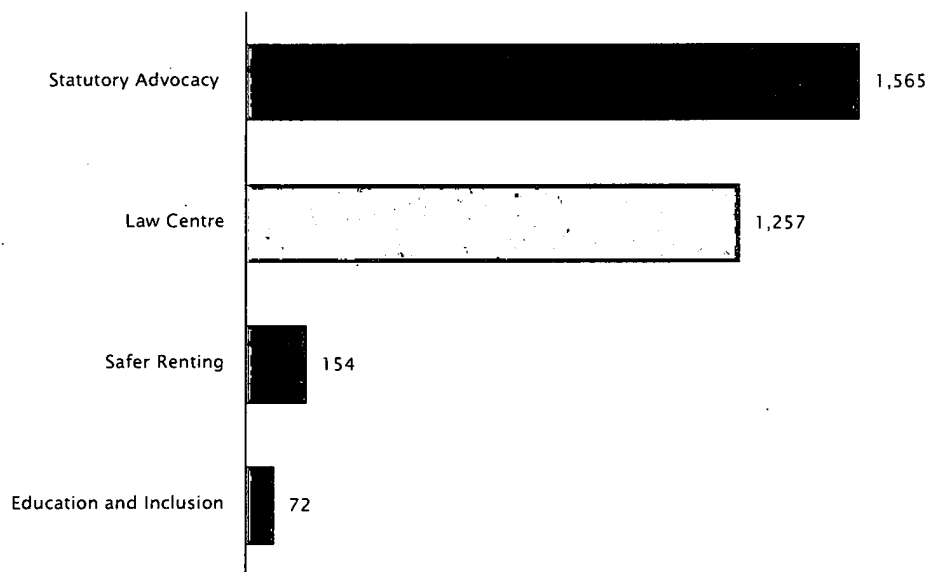
With support from local people, funders and partners, we continue to fight poverty, confront social inequality and injustice, build community resilience and challenge the status quo in Southwark and beyond.

Achievements and performance

We reached a total of 184,751 service users during the year

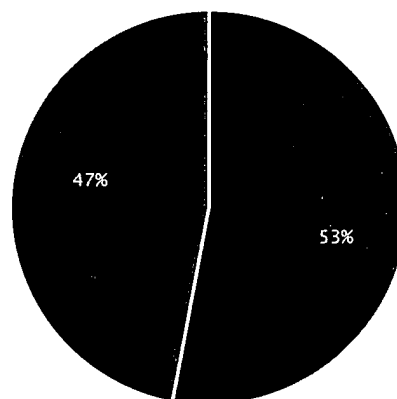
3,048 people accessed our frontline social justice and inclusion services

The number of people who accessed each of our services



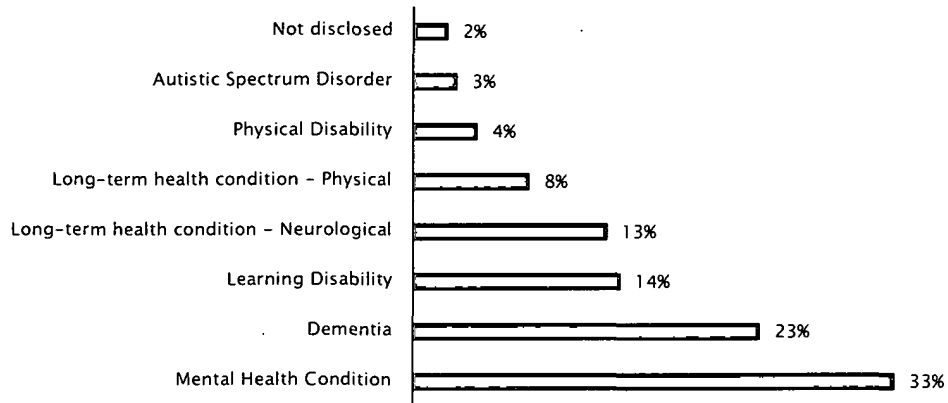
53% of our service users were from Black, Asian or minority ethnic communities

- Black, Asian and Minority Ethnic
- White British

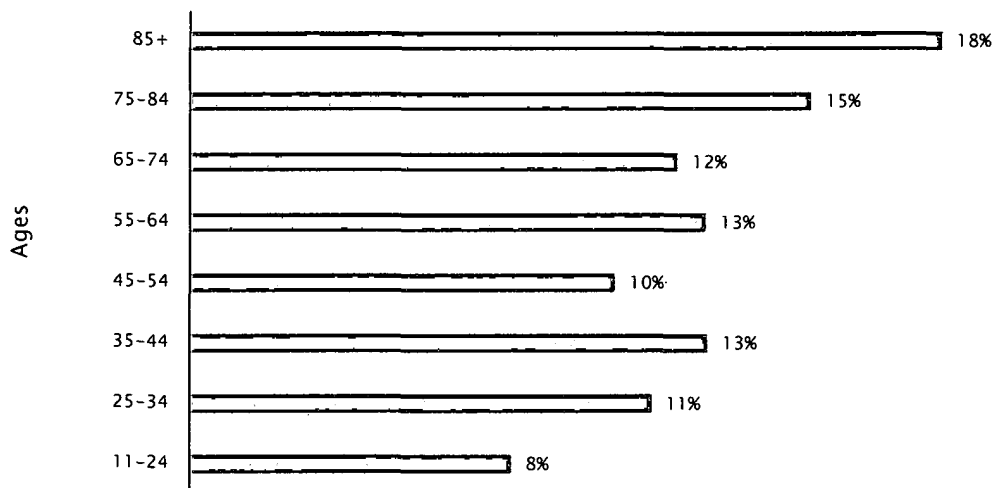


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90% of our services users were disabled, live with a mental or physical health condition, or learn differently



The ages of our service users

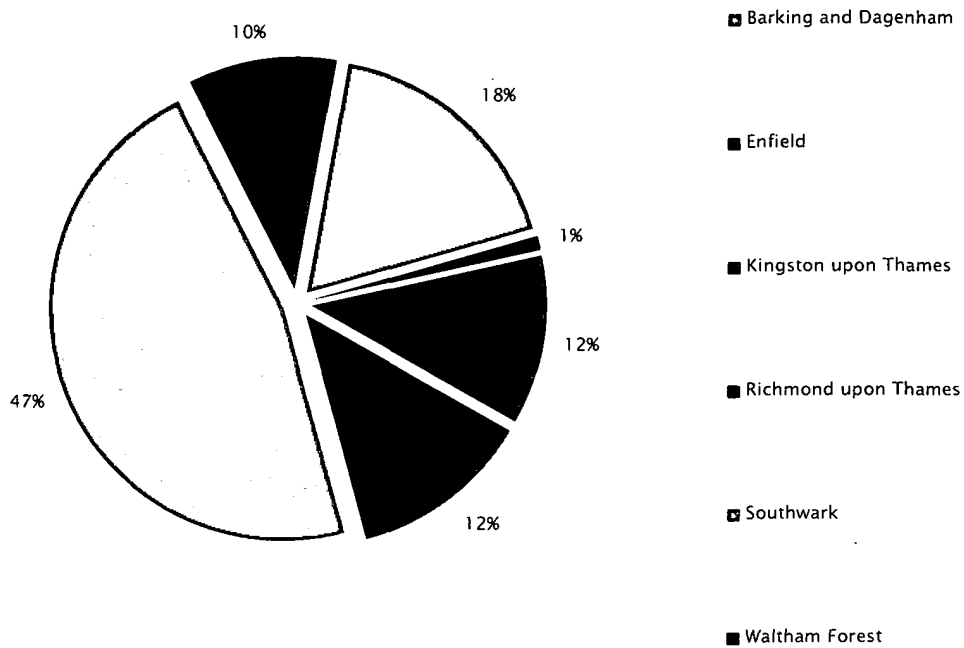


The genders, sexes and sexuality of our service users



We delivered our services in 21 local authorities

Local authority commissioned services in London



London boroughs we worked in through spot purchasing		Councils we worked in through spot purchasing
Bexley	Lewisham	Hertfordshire
Croydon	Newham	Medway
Greenwich	Tower Hamlets	Nottinghamshire
Haringey	Wandsworth	West Berkshire
Hounslow	Westminster	West Sussex

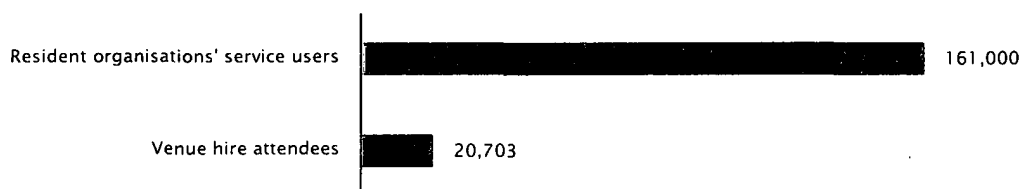
181,703 people accessed social action services in our community hub

We continued to work 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 of London 'CitySafe Haven' by providing young people in immediate danger with a place of safety.

Embedding services and social action in the heart of our neighbourhood

101 local people and organisations held meetings and events at Cambridge House, and 16 resident charities, community organisations and social enterprises occupied workspaces to deliver:

- Childcare services.
- Community action and empowerment activities.
- Employment and the development of employability skills projects.
- Health and wellbeing and mental health support.
- Knowledge exchange, training and influencing activities.
- Support for disabled people and people with reduced intellectual capacity.



Our resident organisations

1st Place Children and Play Centre	Healthy Young People Southwark
Britain Has Class	Improving Health Ltd
Brook Young People	Lambeth and Southwark Mind
Change Grow Live	Leap Confronting Conflict
Community Southwark	Maintaining Health Partners
Contact for families with disabled children	SCCD Training
Elevated Minds CIC	SDA Independent Living
Grandparents Plus	United Voices of the World

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: 3,048 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: 161,000 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 organisations and statutory agencies: 20,703 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 worked on 2,097 cases involving 1,503 service users during the year in line with the requirements of the Mental Health Act 1983, Mental Capacity Act 2005, Care Act 2014 and Deprivation of Liberty Safeguards and Community Treatment Orders.

Our team worked in 16 local authorities (12 in 2019) to provide these important legal safeguards, successfully resolving 98% of issues through the following seven advocacy specialisms:

- Appropriate Adults.
- Generic advocacy.
- Independent Mental Capacity Advocacy.
- Independent Advocacy under the Care Act.
- Independent Mental Health Advocacy.
- NHS Complaint's Advocacy.
- Relevant Person's Representative.

B's story

B came to this country from Zambia to study and fulfil her dream of becoming a lawyer. She was taken ill, and after a long stay in hospital, she was placed in a local authority care home.

She remained in the care home for over 10 years, with no money of her own, reliant on the good will of staff to provide personal items, and spending most of her time alone in her room.

During a review with our advocate, it became clear that B wanted to return to Zambia, and her step sister was willing to facilitate her travel. Our advocate supported B to voice her wishes, and worked with her GP, social worker and family to arrange safe travel.

After only a few weeks, B left the care home, and she is now happily settled back in Zambia with family and friends.

Law Centre

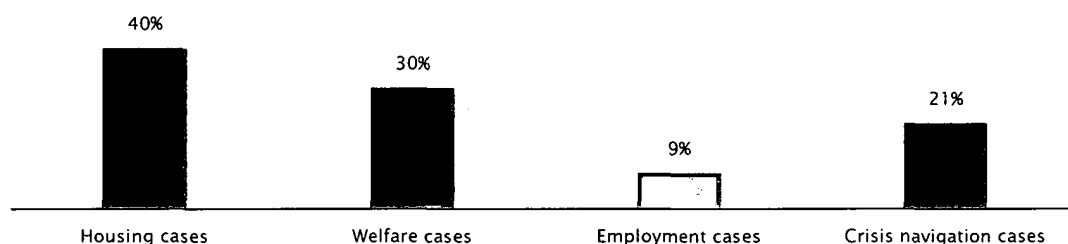
Enabling people living with complex needs to save their homes, keep their jobs and protect their families

"The extraordinary work my caseworker did on my behalf literally saved my life and I will be forever grateful. Many thanks for your wonderful support" T, a Law Centre client

This year we established a new Crisis Navigator role to support our service users to break cycles of despair and hardship. We also provided free, independent and expert legal services to 298 clients with responsibility for 959 dependents. Our team successfully:

- Defended 72 evictions.
- Challenged 4 homelessness cases.
- Concluded 16 disrepair claims.
- Concluded 26 welfare benefits appeals.
- Represented 1 client at an employment tribunal.
- Assisted 82 crisis navigation clients.

The distribution of our legal cases

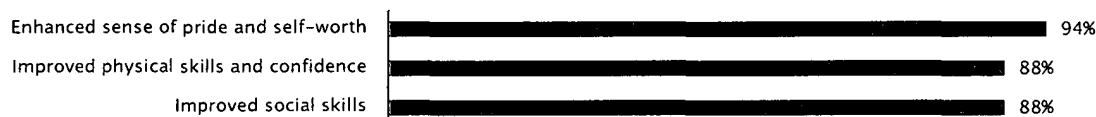


Disabled People's Empowerment services

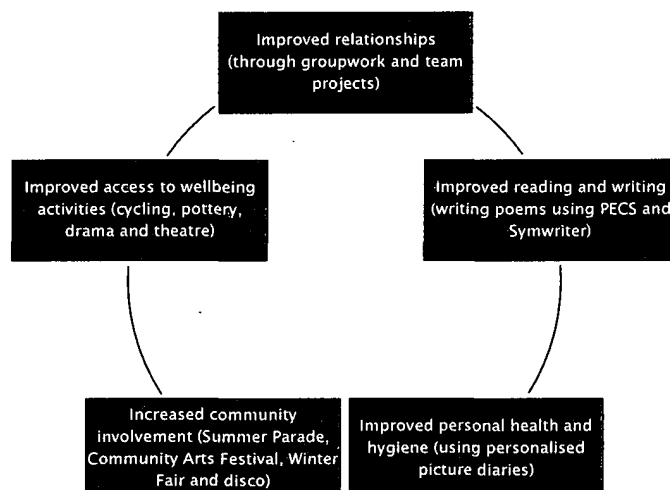
Enabling disabled children and adults to take control of their lives and futures

We build the skills and resilience of children and adults living with profound learning disabilities and complex needs through a varied portfolio of services, which also provide essential respite for their parents and carers:

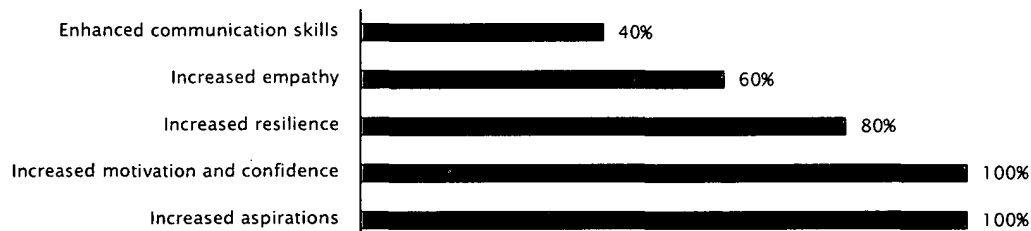
- **SENSational Sports:** 16 young people, aged 11 to 25 years, participated in 106 hours of weekly swimming (hydrotherapy) and trampolining (rebound therapy). Participants' outcomes:



- **Camberwell Incredibles and Super Saturdays Arts Clubs:** 17 participants, aged 19 to 55 years, participated in 546 hours of weekly social, creative, independent living, and personal development sessions, and enjoyed a diversity of trips and special activities. Participants' outcomes:



- **SuperTeens Arts Club:** 11 children, aged 11 to 25 years, participated in 97.5 hours of weekly after-school arts sessions, as well as special trips and a ten-week performance art project delivered in partnership with Blue Elephant Theatre. All our Club's members were shortlisted for the London Youth Visual Art Competition this year, and for the third year running one of our SuperTeens took home the winning prize. The Club also provided their parents and carers with 117 hours of essential respite. Participants' outcomes:



Youth Empowerment services

Investing in young people so they thrive as adults

23 young people, aged 16 to 24 years, participated in our 'RISE' programme including: 111 hours of group activities, 612 hours of one-to-one sessions, a variety of group trips and special activities, and guided referrals to other services i.e., GP and housing appointments, mental health assessments, and victim support. Participants' outcomes:



K's story

K, a 17-year-old female was referred in April by her school pastoral worker. Our initial contacts were very emotionally charged – she opened up about previous suicide attempts, the suicide of her brother, her mother's controlling behaviour, her problems at school and regular self-harm.

Although she was only beginning to open up to us and disclosing information, our meetings would often run to 2–3 hours since she became extremely upset and almost catatonic at times.

We made the decision to provide daily one-to-ones and to encourage her to speak with her GP and to liaise with LGBTQ+ charities.

Over time, she has:

- started to take antidepressant medication
- spoken to her GP to set up a psychiatric assessment
- started leaving the house and becoming more sociable
- limited her self-harm dramatically
- become more vocal when requesting support from her teachers; spoken more openly about her sexuality; attended group workshops with other young people and is increasing her contributions weekly
- become more assertive and less anxious overall, laughing more and looking towards the future.

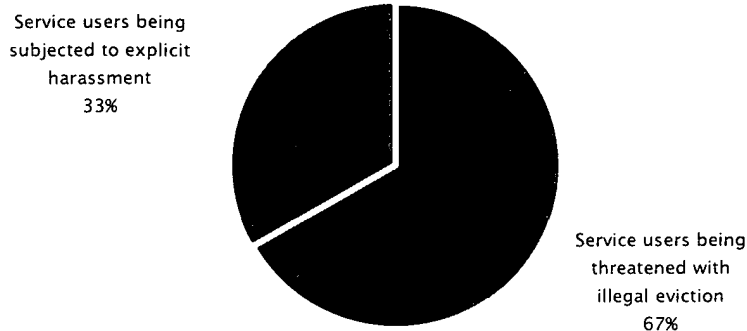
We continue to work with her and at her request will attend a psychiatric assessment with her once social distancing measures have been relaxed.

Safer Renting services

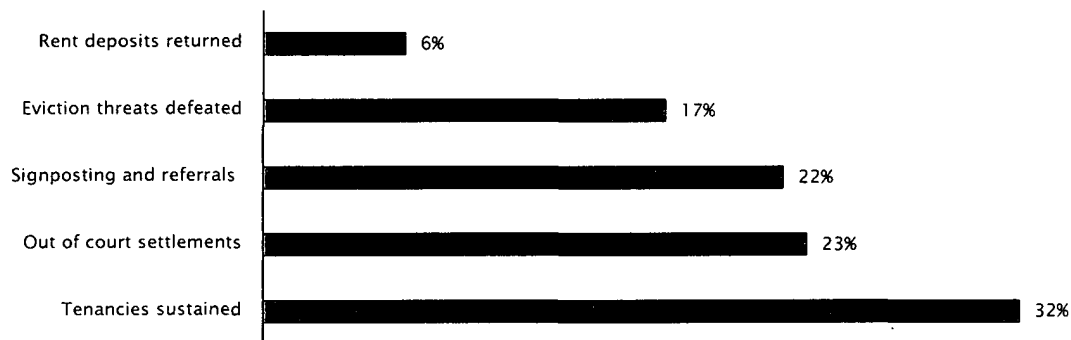
Making private renting safe for all

To deliver our direct services, we recruited five new caseworkers, provided advice and support to 184 vulnerable households and completed 115 cases in five London Boroughs.

62% of our cases tackled imminent threats of homelessness:



We achieved the following outcomes for our service users:



Client stories

"There was no heating ...and it was winter. It was really awful for me and my son, we really suffered, ...and had to boil water and bathe at night ... it was nine people living there ... sharing one toilet and one bathroom. It was too much for us ... so it wasn't easy at all ... Especially if you have a young son and he doesn't even understand what is going on." A

"I couldn't cry, I was just numb thinking about the loss that I had. I couldn't get anything back, I was devastated. It was a trauma ... seeing all my daughter's and my belonging(s) was thrown outside the house." W

Research, knowledge exchange and thought leadership

Contributing to the development of better social policy and practice

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

Our Safer Renting team completed the research phase for its report, 'Journeys in the Shadow Private Rented Sector' and worked with:

- Senior members of the Metropolitan Police and secured their agreement to a Met-wide professional development programme including new training on the use of their powers, landlords' duties, tenants' rights, and recognition of illegal evictions.
- Central, regional and local government, the private sector, civil society and academic forums including:
 - The Ministry for Housing, Communities and Local Government and Waltham Forest to develop a fund for Third Party Litigation.
 - The Greater London Authority.
 - The Mayor's new Private Rented Sector Team.
 - The Lettings Industry Council.
 - Warwick University's Homelessness Conference.
 - The Waltham Forest Landlord Forum.

Our Chief Executive, Karin Woodley:

- Spoke at a Leadership Event at the National Council for Voluntary Organisations.
- Took part in a panel presentation at Civil Society Media's State of the Sector Conference on Diversity at the QEII Centre.
- Delivered of 2 Community Business Trade-Up lectures for Power to Change and the School for Social Entrepreneurs.

Events after the year end: Our COVID-19 response

Law Centre

Despite housing possession work being stayed by the Courts from March 2020, we have responded to overwhelming 'lockdown' needs for advice and assistance on homelessness, rent arrears and overcrowding by:

- Digitally delivering our legal services.
- Responding to a 14% increase in housing cases.

Safer Renting

The team digitally delivered private rented sector tenants advice and advocacy, responded to criminal landlords 'ramping-up' the illegal eviction of tenants and:

- Delivered a 10% increase in successfully closed cases.
- Recruited two new partner boroughs.
- Published Safer Renting's research report, 'Journeys in the Shadow Private Rented Sector' in partnership with Dr Julie Rugg of the Centre for Housing Policy, University of York.
- Substantially increased their thought leadership activities.

Independent Advocacy Services

Despite significant difficulties associated with maintaining a service which is predominantly delivered in hospitals and care homes, our team responded through a blend of digital and socially distanced contact with service users and:

- Tackled an alarming drop in local authority and NHS advocacy referrals during lockdown (suggesting that Mental Health, Mental Capacity, and Care Act rights were not being protected during the pandemic) by:
 - Delivering new awareness raising activities and training for statutory care and health professionals.
 - Highlighting the safeguarding implications with commissioners, and working with them and other stakeholders to identify the reasons for the significant reduction and to improve referral rates.
- Secured a 96% increase in Independent Mental Health Advocacy cases in Richmond and a 52% increase in Appropriate Adult referrals in Kingston.

Youth Empowerment

The team successfully adapted to digital service delivery so that it was able to increase the number of one-to-one sessions by 96% and group activities by 27%. A diversity of specially designed online materials and activities also enabled new COVID-19 needs to be addressed.

Disabled People's Empowerment

Our team maintained weekly contact with parents, carers and service users by telephone, email, and online. The pandemic intensified the high levels of isolation already faced by our service users and their carers and parents.

"Digital exclusion has been a major issue for our disabled service users. This not only relates to having appropriate devices and Wi-Fi (which not all of them have), but also relies on care home staff to be trained and willing to provide practical support and guidance to enable service users to connect to people through digital platforms. We have seen a number of examples where this support is simply not provided."

Rachel Zipfel, Head of Service – Education and Inclusion

The team responded by delivering:

- Shopping support for carers and parents.
- Weekly art packs and personalised Bingo cards for online games which were also a source of support and enjoyment for many parents and carers.
- Art materials and iPads to some of our service users in care homes.
- An online workout video, which was circulated to parents and carers to encourage staying active at home, and to help our young service users to feel connected despite lockdown.
- A series of online activities with the theme 'an A-Z of Camberwell', as part of the Camberwell Arts Festival in June, providing a collective focus for some of our online group workshops.
- Face-to-face and socially distanced 'open air' activities in local parks and a velodrome.
- Cambridge House-based in-door day services from September as 'essential support services'.

Research and Knowledge exchange

As COVID-19 brought social inequity to the fore and civil society organisations came together to address this and the risks to their financial sustainability, we increased our research and knowledge exchange activities nationally:

Addressing complex challenges

- We advocated nationally for radical listening to be used to reconnect with communities, address social inequity and transform systems through conversational leadership and practice. This work has garnered significant interest and commitment from civil society and public sector leaders nationally and has included:
 - A series of published essays by our Chief Executive.
 - Thought leadership on radical listening for the Better Way Network involving presentations to roundtables of up to 75 people and leading an ongoing series of debates for up to 30 leaders at a time.
 - The delivery of a challenge seminar on radical listening for the staff of The Office for Civil Society.

"When Karin Woodley shared her experience of radical listening with the Better Way Network it was one of those revelatory moments where the reaction among our members was yes, this is exactly what is needed, this can fundamentally change how we operate, for the better. Already several organisations are starting to adopt the practice and it has become a central strand of our Call to Action, with Karin acting as a 'thought leader' for a Better Way cell on this topic." Caroline Slocock and Steve Wyler, national co-convenors, The Better Way Network

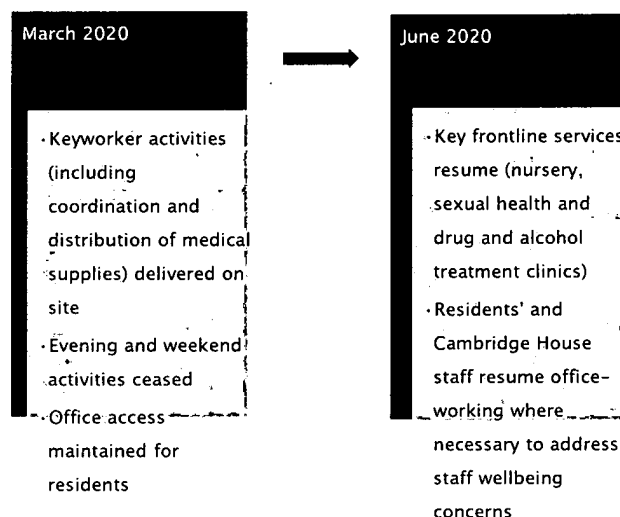
Working to reform the private rented sector

- Safer Renting's report, 'Journeys in the Shadow Private Rented Sector', made 11 recommendations to tackle obstacles to enforcement and justice; calling on the Government, local authorities, the Crown Prosecution Service and the Metropolitan Police to take coordinated enforcement action aimed at building the cases required for robust prosecution.

"This research highlights cases of major internet fraud, threats and assault, as well as evidence of organised criminal behaviour. It demonstrates that landlords and letting agents felt that they could act with impunity. Tenants were under the constant threat of landlords changing the locks to their homes illegally and with no notice. Tenants could also find themselves drawn or coerced into illegality through rent-to-rent scams." Dr Julie Rugg from the Centre for Housing Policy at the University of York

- The team's thought leadership activities included:
 - Meetings with senior civil servants in the Ministry of Housing and Local Government.
 - A webinar attended by 96 people: Keynote Speaker, Tom Copley, Deputy Mayor for Housing; Host, Karen Buck MP; Speakers: Dr Julie Rugg (University of York), Will Tanner (UK Onward), Ben Reeve-Lewis (Safer Renting, Cambridge House), James Murray MP (former Deputy Mayor for Housing), David Beach (Director of Enforcement LB Waltham Forest), Caitlin Wilkinson (Generation Rent), Chris Norris (Director of Policy and Practice, NRLA) and Roz Spencer (Safer Renting, Cambridge House).
 - Media interviews for The Observer, BBC News, The Guardian, Landlord Zone, The Negotiator, Letting Agent Today and the UK Collaborative Centre for Housing Evidence.

Our community hub remained open



Our operational response to the pandemic

- Despite earned income losses, we have managed pandemic-related threats to our liquidity by securing £300K of 'crisis grants'. These, along with the Government Retention Scheme and cost efficiencies, ensure that we will end 2020–21 in surplus.
- Remote working arrangements were in place for our staff team from the beginning of March, with all staff being provided new IT equipment by September.
- Digital internal communications activities have worked well for management and governance purposes. Staff surveys are assessing the impact of remote working on staff so that we can improve systems and capture learning for the future.
- Cambridge House remains open from 7.30am to 6pm on weekdays with an enhanced cleaning regime, social distancing measures and appointment-based public access.
- A new corporate strategy is being developed to:
 - Prepare us for the 'next normal'.
 - Pivot our services to incorporate positive crisis-response service innovations.
 - Reflect our role as civil society facilitators and thought leaders and extend our research and knowledge exchange activities.
 - Incorporate new impact and evaluation criteria to capture COVID-19 related information.
 - Respond to the heightened and disproportionate impact on our service users of:
 - Structural isolation – including digital exclusion, social and cultural inequity and institutional racism.
 - Economic recession.
 - COVID-19 deaths and COVID-19 health risks.

Operational aims and objectives

We continue to implement our 2017 – 2022 Strategic Plan objectives which are to:

- Enhance the reach and impact of our activities.
- Enhance our organisational capacity and resilience.

Achieving our priorities in 2019–20

Delivering positive impact for individuals, families and communities facing severe and complex needs by:	
Developing our research and knowledge exchange activity.	Successful
Extending the geographic reach of our Safer Renting and Independent Advocacy services.	Successful
Securing external accreditation for Safer Renting and the Youth Empowerment Programme.	Successful
Expanding the Law Centre's legal portfolio to discrimination law.	Successful
Developing the portfolio of the Disabled Peoples' and Youth Empowerment services.	Successful
Reviewing and extending our service user engagement strategy.	Successful
Enhancing organisational capacity, resilience and sustainability by:	
Implementing our 2017–2022 business and deficit recovery plan.	Successful
Implementing our reserves strategy.	Successful
Reviewing asset optimisation options.	Successful
Reviewing and extending our paid internship programme.	Successful
Upgrading our venue hire facilities.	Successful
Upgrading the CRM databases for the Statutory Advocacy Service and Safer Renting.	Successful
Increasing our investment in staff training and development.	Successful
Reviewing and enhancing our internal communications processes.	Successful
Approving a Finance and Emergency Response Plan	Successful
Reviewing our internal IT systems.	Successful

Our priorities for 2020–21

Delivering positive impact for individuals, families and communities facing severe and complex needs by:	
Digitally delivering services in response to COVID-19 social distancing restrictions.	
Participating in COVID-19 response and recovery networks and activities.	
Reviewing our service user engagement strategy to address COVID-19 recovery needs.	
Updating our feedback and complaints policy.	
Enhancing organisational capacity, resilience and sustainability by:	
Implementing a COVID-19 emergency response plan.	
Reviewing corporate strategy in response to COVID-19 recovery and other needs.	
Updating internal IT systems and equipment.	
Reviewing our staff remuneration policy.	
Agreeing a risk appetite statement to complement our risk register.	
Reviewing our trustee performance appraisal policy.	

Financial review

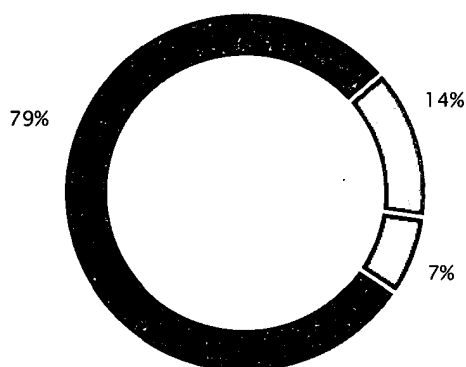
Overview

Our financial position improved significantly during the year. This is a substantial achievement in the light of the uncertain economic climate and the early impact of COVID-19, and is testament to the commitment of our staff, volunteers, trustees and supporters. We enhanced our financial resilience and sustainability by:

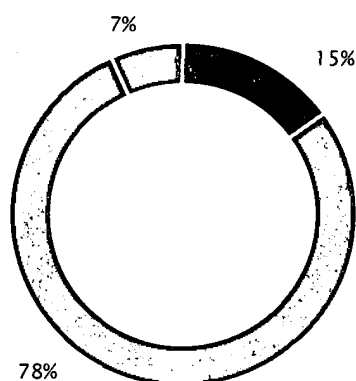
- Significantly improving our cash position and reducing the use of our bank overdraft facility.
- Generating an operating surplus of £193,799 (£72,921 surplus in 2019 and £17,841 deficit in 2018).
- Returning an overall surplus after depreciation, of £38,187 (£82,931 deficit in 2019 and £180,862 deficit in 2018).
- Reducing our total current liabilities to £14,400 (£191,429 in 2019 and £263,970 in 2018).
- Holding unrestricted general reserves at the year-end of £1,157,048 (£1,085,582 in 2019 and £1,105,465 in 2018).

Total Income £1.95m

- Earned income £1,541,215
- Charitable Income £267,988
- Public sector grants £140,946



Total Operating Expenditure £1.75m

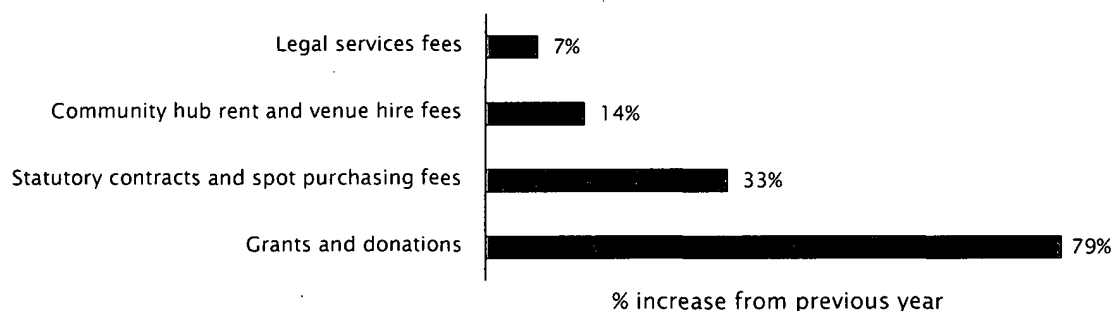


- Direct cost of services £264,030
- Delivery and governance staffing costs £1,374,165
- Overheads £118,154

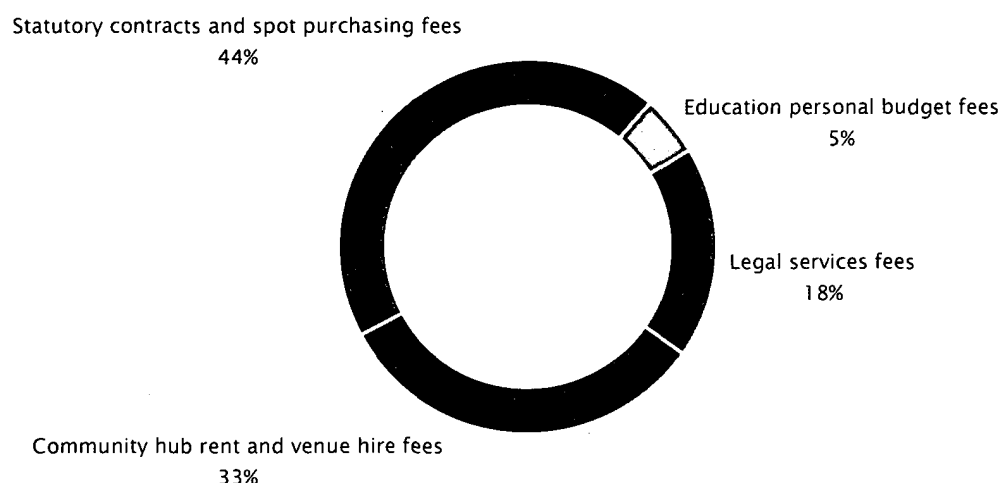
Income

During the year, our total income increased by £252,057 (15%) to £1,950,150 (£1,698,093 in 2019). A 79% rise in grants and donations to £408,934 (£228,538 in 2019) was the most significant change. However, our largest source of income remained earned income of £1,541,215 (£1,491,433 in 2019).

% Increases in income achieved during the year



The % distribution of our earned income



Expenditure

Our total expenditure for the year was £1,911,963 (£1,781,024 in 2019). It comprised operating expenditure of £1,756,351 (£1,625,172 in 2019), and non-operating expenditure (i.e., depreciation) of £155,612 (£155,852 in 2019).

New grants and local authority contracts led to an increase in activities and therefore the increase in our overall expenditure. The services receiving the largest increases in income were Safer Renting, Independent Advocacy and Youth Empowerment.

Staffing remained our largest cost at 78% of expenditure (78% 2019). This reflects the people intensive nature of our frontline services and their reliance on high service user to staff ratios.

Trustees' responsibilities

As trustees we are also the directors of Cambridge House for company law purposes. We are responsible for preparing this Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires us to prepare annual financial statements which give a true and fair view of the state of Cambridge House's affairs, including our incoming resources and their application, and net income or expenditure. In preparing our financial statements, we are required to:

- Select suitable accounting policies, and apply them consistently.
- Observe the methods and principles in the charities' statement of recommended practice (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 a going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as we are aware:

- There is no relevant audit information of which our auditor is unaware.
- 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.

Trustees are also responsible for the maintenance and integrity of the corporate and financial information included on our website.

We note that, legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislations in other jurisdictions.

Going concern statement

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, our Council have considered the following:

- We have neither the intention nor the immediate need to liquidate. Trustees continuously review our operations, including exploring options to ensure that we are financially sustainable for the foreseeable future and can continue to deliver high quality services and social impact.
- We continue to work in close partnership with Social Investment Business who administer the Communitybuilders and Futurebuilders Investment Funds secured to finance our 2009–2012 building refurbishment and extension project. This has included securing capital and interest repayment holidays to 31 December 2021, and ensuring the loan repayment terms are integrated in our business planning processes with the intention of improving our long-term sustainability.
- We have increased our operating surplus by 62% to £193,799 (£72,921 surplus in 2019 and £17,841 deficit in 2018).

- Our financial results have continued to improve in 2020–21, despite COVID-19 reductions in our earned income. At the 30 September 2020:
 - We had an operating surplus of £281,335 and an overall surplus after depreciation, of £215,790.
 - We had cash in bank and hand of £274,889.
- The significant improvements in our cashflow during the 2019–20 and the first six-months of 2020–21, has reduced 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 continue to enable us to manage our cashflow needs.
- Our income portfolio is diverse so that we are not reliant on any one source of income, and 70% of our income is unrestricted.
- Our fundraising success rate continues to exceed 44% and outperforms the sector average benchmark of 20%.
- We have successfully managed COVID-19 related threats to our liquidity by securing £300K of 'crisis grants'.
- Our cashflow forecast demonstrates that we have sufficient liquidity to manage the day-to-day fluctuations in our receipts and payments during 2021–22.
- We have collegiate management processes and high levels of internal knowledge and skills. These enable our staff team to respond flexibly and quickly to urgent needs, as well as changes in our external operating environment.

Reserves policy

In August 2019, trustees updated our reserves policy to ensure that it is aligned to Cambridge House's 2017–2022 Strategic Plan, and we build readily realisable reserves to a level that supports:

Continuity Planning

- To protect the continuity of the organisation's services for service users in the event of a large variation of income.
- To bridge cashflow problems.
- To provide a buffer to allow contingency actions to be effected.
- To address spending commitments and potential liabilities in the event of a winding-up.

Asset Management

- To provide the funds needed to upkeep and replace capital assets.
- To address risks associated with emergency building repairs.

Service Innovation and Development

- To provide funds to enable the organisation to respond to new service users and/or needs as quickly as possible.
- To enable 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, trustees recognise that the current level of reserves is considerably below the desired amount. At the end of the year, we held negative free reserves of £14,400. This is an improvement on the previous year's negative £191K and further indication of our improving overall financial position.

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, trustees have set the following liquid reserve targets based on an assessment of the risks and opportunities facing Cambridge House, and the current and future needs of our service users:

31 03 2022	£514,000	27% of annual expenditure to provide for Continuity Planning.
31 03 2024	£628,000	33% of annual expenditure to provide for Continuity Planning and Asset Management.
31 03 2026	£723,000	38% of annual expenditure, to provide for Continuity Planning, Asset Management, and Service Innovation and Development.

We 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 for sufficient liquidity to manage the day-to-day fluctuations in our receipts and payments.

Budgeting and financial decision-making

We prepare annual budgets for all activities and carefully monitor performance against these 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. We use a cloud-based accountancy package that connects to our bank accounts and facilitates real-time scrutiny by trustee bank signatories and staff with profit and loss accountabilities.

In September 2019, to complement our Business Continuity and Disaster Recovery Plan, 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 trustees consider, monitor and approve our:

- 3 or 5-year corporate strategy and business plan.
- Annual budget and associated cashflow projections, income analyses, risk register and 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 trustees can ensure we meet 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).

At least eight meetings of the Council's Finance Subcommittee each year 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.

Governance and management

Cambridge House and Talbot Limited 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. In line with the requirements of GDPR, we reviewed our company membership and the total number of such guarantees (i.e., our company members) at the year-end was 21 (2019 – 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.

Our Council meets a minimum of six times per year to manage the business of the organisation. It has appointed subcommittees to operate with delegated responsibilities:

- Finance: David Goode (Treasurer), Clarisse Simonek (retired September 2019), Simon Latham (Chair, ex officio), David Coleman (Vice-Chair, ex officio), Anu Mensah (from March 2020) and Fiona Shaw (from February 2020).
- Governance and Risk: Clarissa Lyons (Company Secretary), David Coleman (Vice-Chair), Simon Latham (Chair), Shveta Shah and Amy Hennessy (from March 2020).
- Asset Optimisation: David Coleman (Vice-Chair), Simon Latham (Chair), Clarissa Lyons (Company Secretary), David Goode (Treasurer) and Stephanie Tidball.

Our 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 trustees, the Council, and the Chief Executive. Trustees concentrate on strategic matters, setting overall direction, ensuring clear organisational objectives and holding the Chief Executive to account. This is effected through reporting, both on performance and strategic matters, and formal appraisal of the Chief Executive's performance. The delegated responsibilities and accountabilities of the Chief Executive are set out in our Governance Manual and in their job description.

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

Trustee recruitment and training

Our 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 external advertising, 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.

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

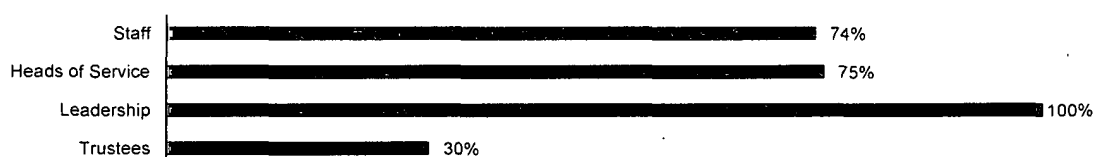
Equality, diversity and inclusion

Equality, diversity and inclusion are core values of Cambridge House and we believe that:

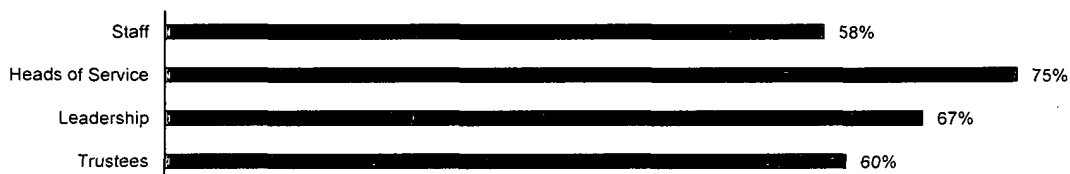
- They are essential characteristics of a just and democratic society.
- Our society is beautifully diverse but sadly unequal.
- Over and above the minimum standards required by law, it is our ethical and moral duty to:
 - Champion equality, diversity and people's rights.
 - Challenge discrimination, prejudice and intolerance.
 - Tackle barriers to social inclusion.

To this end, we establish credibility and legitimacy, and build our experiential knowledge by working to ensure our service users 'see themselves' reflected throughout our organisation:

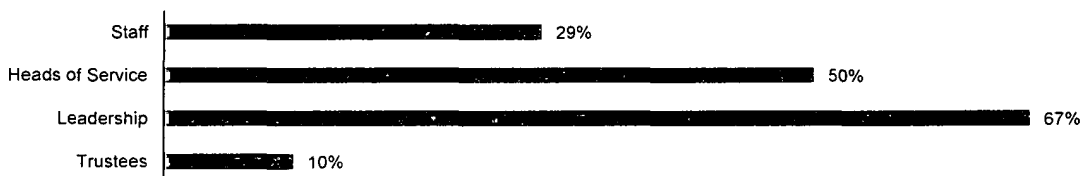
The % of our team who share lived experiences with our service users



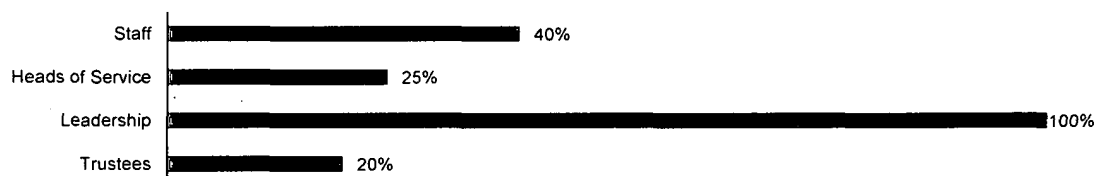
The % of women on our team



The % of our team who live with a mental or physical health condition, learn differently, or are disabled



The % of our team who are from Black, Asian or minority ethnic communities



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.
- Independent verification of our quality assurance processes.

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 help us 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. Accredited quality assurance and impact measurement schemes covering all areas of our work, ensure our impact is externally audited and verified.

Legal services

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

Advocacy services

Our independent advocacy services Advocacy Quality Performance Mark (QPM) accreditation was renewed in 2019. The QPM works in conjunction with the Advocacy Code of Practice to enable 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 2019.

Youth Empowerment and Disabled People's Empowerment services

The evaluation systems and impact measures for our empowerment activities have London Youth Quality Mark and Project Oracle accreditation. We also use accredited Outcomes Stars to monitor service users' progress towards their personal development goals.

Governance

We are organisational members of the Chartered 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.

Fundraising activity is carried out in accordance with our Ethical Fundraising and Data Protection Policies to ensure legal and regulatory compliance. They are reviewed regularly to ensure they also reflect best practice.

We are an organisational member of the Chartered 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.

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.

The Chief Executive and our Fundraising and Development Officers are our primary fundraisers. They 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 our work and:
 - 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 or 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. We do not pay finders' fees, commissions or other payments based on either the number of gifts received, or the value of funds raised.

Serious incident reporting

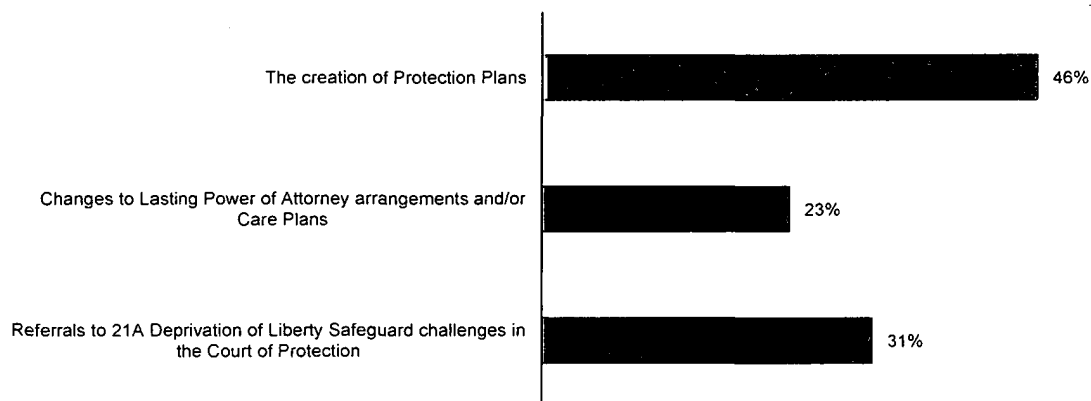
We have procedures for the reporting of serious incidents to the Charity Commission in accordance with the statutory requirement under section 169 of the Charities Act 2011. Trustees confirm that there were no serious incidents or other matters relating to Cambridge House and Talbot Limited during the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

Safeguarding

Trustees recognise that being safe and free of abuse is central to ensuring the continued promotion of a person's wellbeing. In this spirit, as outlined in the 'making safeguarding personal' initiative and the Care Act 2014, we have policies and procedures in place to enable us to respond to all concerns of abuse appropriately, operating in line with the Pan London Multi-Agency Safeguarding Policy.

Our own policies and procedures for children and vulnerable adults were reviewed and updated during the year. Our trustee safeguarding lead is Shveta Shah, and our executive leads are the Chief Executive and the Heads of Service for Independent Advocacy and Education and Inclusion.

- Internal alerts concerning the conduct of members of the Cambridge House team
Trustees confirm that there were no allegations made against a trustee, an employee, an intern, or a volunteer by a service user during 2019–20.
- Internal alerts concerning the conduct of service users
Many of our Education and Inclusion service users have profound and multiple learning disabilities and/or live with mental health conditions. At times, this can lead to behavioural issues while they participate in Cambridge House activities, and as a result we raised 10 such alerts during 2019–20. All led to the development of new support plans with them, their carers (where appropriate) and members of our team. In addition, 2 service users received one-to-one mentoring and guided referrals to mental health and medical services.
- 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 16 safeguarding alerts during the financial year.
- The 26 safeguarding alerts we raised during 2019–20 ensured our services users received additional formal support through:



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.

During the year, we remained 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 their Board of Trustees.

The 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 economy. Our Chief Executive was a member of their founding advisory committee.

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 was a member of its Advisory Group until August 2020.

The Chartered Institute of Fundraising, the professional membership body for UK fundraising.

The International Federation of Settlements and Neighbourhood Centres, an association of national, regional and local organisations working to strengthen communities around the world.

London Youth, a network of diverse community youth organisations serving young people across London.

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 was Vice Chair of their Board of Trustees until November 2019.

The National Council for Voluntary Organisations (NCVO), who champion the voluntary sector by connecting, representing and supporting voluntary organisations.

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.

The Better Way Network, a national network of leaders who want to improve services and build strong communities. Our Chief Executive is the network's thought leader on radical listening.

In addition:

Our Chief Executive, Karin Woodley, held roles as:

- A judge for the Third Sector Awards.
- A non-executive director of the Office of the Public Guardian and a member of its Audit and Risk Committee.
- A member of the Power to Change Community Business Panel.
- A member of the Better Way Network.

Our Head of Service for Education and Inclusion, Rachel Zipfel, held roles as:

- Chair of Community Southwark's Children, Families and Young People Network.
- The voluntary and community sector representative on the Southwark Children and Young People's Partnership, and the Southwark Children and Young People's Emotional Wellbeing and Mental Health Steering Group.
- A Provider Representative on the Southwark Safeguarding Adults Board.

We are also very grateful for the support we receive from Macfarlanes LLP, a London-based law firm, who has been our corporate partner for over 30 years. In addition to providing us with legal services on a pro bono basis:

- Stephanie Tidball, one of our trustees, is Macfarlanes' Head of Coaching and Partner Development.
- David Coleman, our Vice-Chair, is a former partner of Macfarlanes.
- Clarissa Lyons, our company secretary, is a former senior charity law solicitor at Macfarlanes.

Public benefit

Trustees have considered the Charity Commission's general guidance on public benefit, and taken it into account when reviewing our aims and objectives, and 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 both to make recurrence of crisis less likely and to 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, social inequity and social injustice at a local and regional level, and establishing opportunities for evidence sharing and knowledge exchange.

We 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 our 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 as set independently by the Living Wage Foundation.

Trustees are 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.
- 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 had a staff team of 39 full-time and 13 part-time staff (48 full time equivalent) at the end of March 2020. For Cambridge House to run successfully, a range of specialist skills and disciplines are required, and we need to pay appropriately to ensure that we recruit people with the right experience. It is also important that we develop and retain our staff so that our services benefit from the team's growing knowledge. Many of our team develop expertise that is unique to them in the organisation and could not be quickly replaced and 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 our 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's pay

Name	Title	2019–20	2018–19	2017–18	2016–17
Karin Woodley	Chief Executive	£77,250	£61,800*	£77,250	£77,250

* To support our business turnaround activity our Chief Executive took a voluntary 20% reduction in salary in 2018–19. At the beginning of 2019–20, their salary was returned to the 2017–18 level.

All other staff salaries are set by our Chief Executive and the management team using comparisons with charities of our size in London, and considering factors including inflation, Cambridge House's financial position, and the other factors mentioned above. Salaries are openly stated in job adverts and we don't offer performance-related pay or a bonus scheme.

Pay awards

The annual pay increase for the Chief Executive, management team and staff was 0% from 2016–17 to 2019–20, except for staff being paid the London Living Wage who received a cost-of-living increase of 1.9% (3% in 2018–19).

Pay ratio

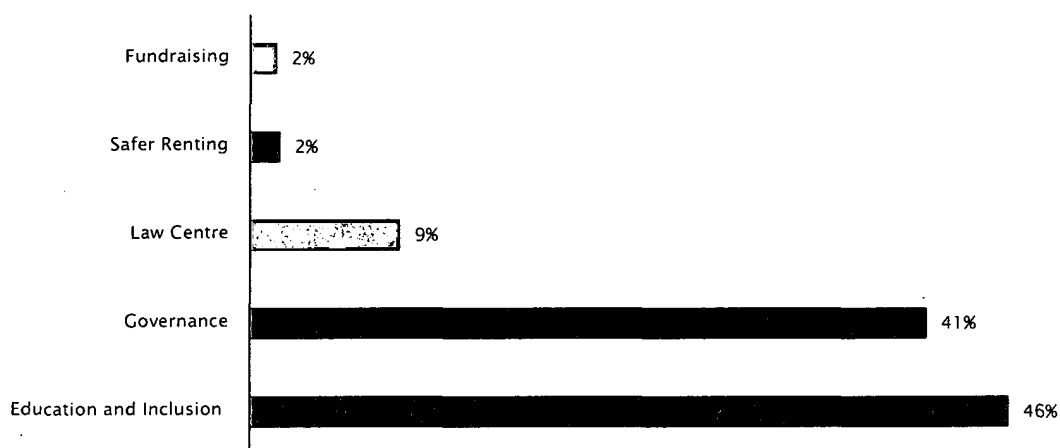
The remuneration ratio for Cambridge House is considered alongside external market conditions for the specific roles and we aspire to a pay ratio that is less than 3:5. The ratio of our highest salary (£77,250) to our median salary (£32,101) was 2:4 in 2019–20, which compares very favourably to the charity sector average of 5:1.

Volunteering and employability

Volunteers make a vital contribution to our work by bringing their time, energy and enthusiasm to a range of our activities. We strive to provide them with opportunities to acquire skills and experiences that will help them improve their quality of life, develop their professional knowledge or progress into further education, employment and training.

Most of our volunteers find out about us through online recruitment, 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. 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 35 volunteers contributed approximately 2,136 hours of their time, which (based on the London Living Wage) had a value of £22,535. The percentage of volunteer time contributed to specific activities during the year is shown in the table below.



Internships

We have a 12-month paid internship programme that offers opportunities for people to develop the skills and experience they need to develop a career. Our interns are externally recruited, receive the London Living wage, and in 2019–20 all progressed into permanent roles at Cambridge House.

We had 6 internships during the year (4 in 2019), 4 worked as trainee caseworkers in our Safer Renting team and 2 joined our Fundraising and Development team.

Risk management

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. Our Risk Register is reviewed annually by the Council to ensure that the material risks to which we are exposed are properly evaluated and managed. These risks are supervised and monitored monthly by the Council's Finance Subcommittee and reported on quarterly at Council meetings.

Our leadership and management teams ensure that all plans and decisions consider the possibility of negative outcomes and appropriate mitigating actions are implemented to address residual risks to a level trustees consider acceptable.

We recognise that, to achieve our objectives, the nature of some of our work requires acceptance of some risks which are outside of our control. These are risks which cannot be eliminated, so we ensure they are proactively and clearly monitored.

Trustees consider there to be appropriate systems and controls 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, a strategy to rebuild free reserves, and reviews of key systems and processes by our Finance Subcommittee.

Our risk assessment and mitigation approach is proactive and:

- Involves the whole organisation in the identification of 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 disaster recovery and crisis management into the deliberations of trustees.
- Reviews, and updates where required, our risk assessment methodology.

Principal Risks and Uncertainties

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

- Failure to generate sufficient income and to manage budget and liquidity effectively.
- Major unforeseen costs, which create a significant overspend or necessitate significant and unplanned increases in expenditure.
- Partial or total loss of resources such as staff, equipment, management systems, information or premises, which could reduce service quality and impact, or disrupt our continuity of service.
- Competition from other providers resulting in the organisation being unable to sustain its current services.

Auditors

Sayer Vincent LLP have indicated their willingness to continue in office and, in accordance with the provisions of the Companies Act 2006, it is proposed that they be re-appointed auditors for 2020–21. A resolution proposing their re-appointment will be submitted to the Annual General Meeting.

This Trustees' Annual Report is approved by trustees and the Strategic Report, which forms part of the Annual Report, is approved by trustees in their capacity as company directors.

Signed on behalf of the trustees/directors



Simon Latham, Chair
Date 13 January 2021

Cambridge House and Talbot – Annual Report and Accounts 2019–20

Acknowledgements

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

BBC Children in Need	St Olave's and St Saviour's Schools Foundation	Herne Hill Velodrome
Charterhouse-in-Southwark	The Austin and Hope Pilkington Trust	Housing Law Practitioners Association
Children in Need	The Boshier Hinton Foundation	InSpire
City Bridge Trust	The Charterhouse Foundation	International Federation of Settlements
Comic Relief	The Helen Isabella McMorran Charitable Foundation	James Murray MP
Elizabeth and Prince Zaiger Trust	The Matrix Causes Fund (Matrix Chambers)	Karen Buck MP
George Bairstow Charitable Trust	The Mayor's Young Londoners Fund	Kathryn Oliver & Iain Carroll
Greener City Fund (Mayor of London)	The Postcode Community Trust	Landlord Law Conference
Hertfordshire County Council	The Swimathon Foundation	Lives Not Knives
Jack Petchey Foundation	The Young Foundation	London Borough of Waltham Forest
Legal Aid Agency	Trust for London	Landlord Forum
Legal Education Foundation	Tudor Trust	London Live
Locality	University of Cambridge, Emmanuel College	London School of Economics and Political Science
London Borough of Bexley	University of Cambridge, St John's College	Love Disfigure
London Borough of Barking and Dagenham	West Berkshire Council	LSE Housing and Communities
London Borough of Croydon	West Sussex County Council	Ministry for Housing, Communities and Local Government
London Borough of Enfield	Westminster City Council	MyBnk
London Borough of Greenwich	We also wish to thank the many organisations and people who have worked in partnership with us – our success relies on collaboration	National Landlord's Association
London Borough of Hackney		National Practitioners Support Service
London Borough of Haringey	Ann Bernadt Children's Centre	Nell Gwynn Children's centre
London Borough of Hounslow	Barca Leeds	NHS Talking Therapies
London Borough of Islington	Barton Hill Settlement	Peckham Pulse
London Borough of Kingston upon Thames	Birmingham Settlement	Power to Change
London Borough of Lambeth	Blackfriars Settlement	Salmon Centre
London Borough of Lewisham	Blue Elephant Theatre	Sheila McKechnie Foundation
London Borough of Lewisham	Britain Has Class	Southwark Law Centre
London Borough of Newham	British Red Cross	Southwark News
London Borough of Richmond upon Thames	Cambridge City Council Landlord's Forum	St Giles Trust
London Borough of Southwark	Caspian Street Allotment	The Better Way Network
London Borough of Tower Hamlets	Centre for London	The Centre for Housing Policy, University of York
London Borough of Waltham Forest	Chartered Institute for Housing	The Chartered Institute of Environmental Health
London Borough of Wandsworth	Chartered Institute of Legal Executives	The Greater London Authority
London Housing Foundation Ltd	Childnet	The Grove Children's Centre
London Legal Support Trust	City Law School	The Mayor's Private Rented Sector Team
London Youth	City University	The Metropolitan Police
Macfarlanes LLP	Crawford Children's centre	The National Residential Landlords Association
Medway Council	Creation Trust	The Old Vic
Merchant Taylors Company	Crisis	The Salmon Centre
Mrs Maud van Norden's Charitable Foundation	Dr Anne Wilson	The School for Social Entrepreneurs
Newcomen Collett Foundation	Dr Julie Rugg	The Young Vic
Nicholson Search and Selection Recruitment	Dulwich Wood Children's Centre	The Law Centres Network
Nottinghamshire County Council	Esprima	Tom Copley, Deputy Mayor for Housing
Rix-Thompson-Rothenberg Foundation	Generation Rent	UK Onward
Robert Holman Memorial Trust	Get Outta The Gang	University College London
Shanly Foundation	Global Social Economy Forum	University of York
Sir Jules Thorn Charitable Trust	Hackney Law Centre	Victim Support Southwark
Social Investment Business	Hart Club	Wheels for Wellbeing
	Health Watch Southwark	Z2K conference for Housing Advisers

Charity reference and administrative information

President

HRH The Duke of Gloucester

Patrons

Dr Rowan Williams

Charles Arthur

Robert Park

Trustees and directors

Simon Latham – Chair (from December 2019)

David Coleman – Vice-Chair (from December 2019)

David Goode – Treasurer

Clarissa Lyons – Company Secretary

Nikki Dawson

Amy Hennessy (Appointed March 2020)

Anu Mensah (Appointed March 2020)

Dan Metcalfe (Retired March 2020)

Fiona Shaw (Appointed February 2020)

Clarisse Simonek (Retired September 2019)

Shveta Shah

Lorna Stabler (Retired November 2019)

Stephanie Tidball

Executive team

Leadership

Karin Woodley – Chief Executive

Eusebio Barata – Corporate Director

Karen Bayne – Finance Director

Heads of Services

Gurminder Birdi – Law Centre

Max Puzey – Independent Advocacy

Roz Spencer – Safer Renting

Rachel Zipfel – Education and Inclusion

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

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 2020 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 2020 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, along with the other matters as set forth in note 1d, indicate 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 cashflow to ensure the needs of service users and stakeholders continue to be met, and further note the improved position to date as set out in the Trustees Report on page 23.

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.

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)

Date 19 January 2021

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 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Income from:							
Charitable donations	2	35,050	-	35,050	32,285	-	32,285
Charitable activities							
Advocacy	3	446,591	-	446,591	475,637	-	475,637
Education and Inclusion Services	3	80,005	126,062	206,067	86,188	61,150	147,338
Law Centre	3	422,494	58,100	480,594	435,981	10,000	445,981
Safer Renting	3	89,445	189,723	279,168	52,521	103,265	155,786
Rental and venue hire income		501,670	-	501,670	441,062	-	441,062
Investments		10	-	10	4	-	4
Other		1,000	-	1,000	-	-	-
Total income		1,576,265	373,885	1,950,150	1,523,678	174,415	1,698,093
Expenditure on:							
Charitable activities							
Advocacy	4	502,797	-	502,797	594,301	-	594,301
Education and Inclusion Services	4	89,294	126,062	215,356	110,439	74,918	185,357
Law Centre	4	287,589	58,100	345,689	316,275	10,000	326,275
Safer Renting	4	68,948	189,723	258,671	22,836	119,265	142,101
Community Hub Services	4	589,450	-	589,450	532,990	-	532,990
Total expenditure		1,538,078	373,885	1,911,963	1,576,841	204,183	1,781,024
Net income/(expenditure)	5	38,187	-	38,187	(53,163)	(29,768)	(82,931)
Reconciliation of funds:							
Total funds brought forward		3,282,648	-	3,282,648	3,335,811	29,768	3,365,579
Total funds carried forward		3,320,834	-	3,320,834	3,282,648	-	3,282,648

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.

Cambridge House and Talbot

Balance sheet

Company no. 1050006

As at 31 March 2020

	Note	£	2020 £	2019 £
Fixed assets:				
Tangible assets	10		6,960,500	7,099,343
Current assets:				
Debtors	11	148,706	137,442	
Cash at bank and in hand		2,159	2,431	
		<u>150,865</u>	<u>139,873</u>	
Liabilities:				
Creditors: amounts falling due within one year	12	<u>(165,265)</u>	<u>(331,302)</u>	
Net current liabilities			<u>(14,400)</u>	<u>(191,429)</u>
Total assets less current liabilities			<u>6,946,100</u>	<u>6,907,914</u>
Creditors: amounts falling due after one year	14		<u>(3,625,266)</u>	<u>(3,625,266)</u>
Total net assets			<u><u>3,320,834</u></u>	<u><u>3,282,648</u></u>
The funds of the charity:	17a			
Restricted income funds			-	-
Unrestricted income funds:				
Revaluation reserve		2,163,786	2,197,066	
General funds		<u>1,157,048</u>	<u>1,085,582</u>	
Total unrestricted funds			<u>3,320,834</u>	<u>3,282,648</u>
Total charity funds			<u><u>3,320,834</u></u>	<u><u>3,282,648</u></u>

Approved by the trustees on 13 January 2021 and signed on their behalf by



Simon Latham
Chair

Cambridge House and Talbot

Statement of cash flows

For the year ended 31 March 2020

	Note	2020 £	£	2019 £	£
Cash flows from operating activities					
Net income/(expenditure) for the reporting period		38,187		(82,931)	
Depreciation charges		155,617		155,852	
Dividends, interest and rent from investments		(10)		(4)	
(Increase)/decrease in debtors		(11,264)		7,697	
(Increase) in creditors		(166,037)		(80,016)	
Net cash provided by operating activities			16,493		598
Cash flows from investing activities:					
Dividends, interest and rents from investments		10		4	
Purchase of fixed assets		(16,774)		(380)	
Net cash used in investing activities			(16,764)		(376)
Cash flows from financing activities:					
Repayments of borrowing		-		-	
Net cash used in financing activities			-		-
Change in cash and cash equivalents in the year			(271)		222
Cash and cash equivalents at the beginning of the year			2,431		2,209
Cash and cash equivalents at the end of the year			2,159		2,431
Analysis of cash and cash equivalents and of net debt					
	At 1 April 2019	Cash flows	Other non-cash changes	At 31 March 2020	
	£	£	£	£	
Cash at bank and in hand	2,431	(272)		2,159	
Overdraft facility repayable on demand	(51,444)	31,246		(20,198)	
Total cash and cash equivalents	(49,013)	30,974		(18,039)	
Loans falling due after more than one year	(3,625,266)	-	-	(3,625,266)	
Total	(3,674,279)	30,974	-	(3,643,305)	

Cambridge House and Talbot

Notes to the financial statements

For the year ended 31 March 2020

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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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 liabilities can be paid as they fall due whilst the needs of service users and stakeholders continue to be met for the foreseeable future. The Going Concern Statement on page 23 of the Strategic Report's Financial Review sets out the risks and mitigating steps being taken, and further sets out that further significant improvement to the cash flow has already been achieved in 2020/21 despite difficult pandemic circumstances, with a surplus to date generated well 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.

Cambridge House and Talbot

Notes to the financial statements

For the year ended 31 March 2020

1 Accounting policies (continued)

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.

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	29%
• Education and Inclusion Services	13%
• Law Centre	21%
• Safer Renting	14%
• Community Hub Services	23%

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.

Cambridge House and Talbot

Notes to the financial statements

For the year ended 31 March 2020

1 Accounting policies (continued)

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

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 £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Gifts	3,275	-	3,275	14,383	-	14,383
Core grants	31,775	-	31,775	17,902	-	17,902
	<u>35,050</u>	<u>-</u>	<u>35,050</u>	<u>32,285</u>	<u>-</u>	<u>32,285</u>

Cambridge House and Talbot

Notes to the financial statements

For the year ended 31 March 2020

3 Income from charitable activities

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
London Borough of Southwark	-	-	-	123,494	-	123,494
London Borough of Waltham Forest	48,256	-	48,256	70,561	-	70,561
London Borough of Barking & Dagenham	116,390	-	116,390	126,479	-	126,479
London Borough of Richmond upon Thames	154,084	-	154,084	138,624	-	138,624
London Borough of Kingston upon Thames	112,742	-	112,742	-	-	-
Other services	15,119	-	15,119	16,479	-	16,479
Sub-total for Advocacy	446,591	-	446,591	475,637	-	475,637
London Borough of Southwark	-	18,347	18,347	-	18,347	18,347
Children in Need	-	23,968	23,968	-	16,134	16,134
Grant making trusts	-	83,747	83,747	-	26,670	26,670
Other Services	80,005	-	80,005	86,188	-	86,188
Sub-total for Education and Inclusion Services	80,005	126,062	206,067	86,188	61,150	147,338
London Borough of Southwark	140,864	-	140,864	140,864	-	140,864
Legal Aid Agency	98,522	-	98,522	20,670	-	20,670
Other services	183,108	-	183,108	274,447	-	274,447
Grant making trusts	-	58,100	58,100	-	10,000	10,000
Sub-total for Law Centre	422,494	58,100	480,594	435,981	10,000	445,981
London Housing Foundation Ltd	-	-	-	-	30,000	30,000
London Borough of Enfield	10,600	-	10,600	-	-	-
London Borough of Waltham Forest	42,506	-	42,506	44,866	-	44,866
London Borough of Hounslow	19,600	-	19,600	-	-	-
Westminster City Council	15,500	-	15,500	-	-	-
Comic Relief	-	49,329	49,329	7,655	-	7,655
Trust for London	-	51,000	51,000	-	-	-
Tudor Trust	-	50,000	50,000	-	-	-
Other services	1,239	-	1,239	-	-	-
Grant making trusts	-	39,394	39,394	-	73,265	73,265
Sub-total for Safer Renting	89,445	189,723	279,168	52,521	103,265	155,786
Total income from charitable activities	1,038,534	373,885	1,412,419	1,050,327	174,415	1,224,742

Cambridge House and Talbot

Notes to the financial statements

For the year ended 31 March 2020

4a Analysis of expenditure (current year)

	Charitable activities								
	Advocacy	Education and Inclusion Services	Law Centre	Safer Renting	Community Hub Services	Governance costs	Support costs	2020 Total	2019 Total
	£	£	£	£	£	£	£	£	£
Staff costs (note 6)	368,231	140,705	255,080	192,060	148,735	-	247,085	1,351,896	1,223,372
Other staff costs (note 6)	14,785	395	1,300	2,733	-	-	3,057	22,270	51,785
Activity cost	13,645	26,677	12,451	12,640	198,618	-	-	264,031	226,476
Premises cost	-	-	-	-	1,873	-	20,490	22,363	16,843
Office cost	-	-	-	-	435	-	20,172	20,607	38,906
Depreciation	-	-	-	-	155,612	-	-	155,612	155,852
Audit & accountancy	-	-	-	-	-	9,150	5,314	14,464	15,245
Legal & professional	-	-	-	-	-	-	22,609	22,609	21,037
Irrecoverable VAT	-	-	-	-	-	-	38,111	38,111	30,812
Bad debts written off	-	-	-	-	-	-	-	-	696
	396,661	167,777	268,831	207,433	505,273	9,150	356,838	1,911,963	1,781,024
Support costs	103,483	46,389	74,936	49,957	82,073	-	(356,838)	-	-
Governance costs	2,653	1,190	1,922	1,281	2,104	(9,150)	-	-	-
Total expenditure 2020	502,797	215,356	345,689	258,671	589,450	-	-	1,911,963	
Total expenditure 2019	594,301	185,357	326,275	142,101	532,990	-	-		1,781,024

Cambridge House and Talbot

Notes to the financial statements

For the year ended 31 March 2020

4a Analysis of expenditure (Prior year)

	Charitable activities							2019 Total £
	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
Other staff costs (note 6)	21,482	231	4,149	22,686	99	-	3,138	51,785
Activity cost	17,877	22,996	9,360	13,433	162,810	-	-	226,476
Premises cost	-	-	-	-	914	-	15,929	16,843
Office cost	-	-	-	-	-	5,630	33,276	38,906
Depreciation	-	-	-	-	155,852	-	-	155,852
Audit & accountancy	-	-	-	-	-	15,245	-	15,245
Legal & professional	-	-	-	-	-	-	21,037	21,037
Irrecoverable VAT	-	-	-	-	-	-	30,812	30,812
Bad debts written off	-	-	-	-	-	-	696	696
	482,218	153,332	255,822	116,482	452,930	20,875	299,365	1,781,024
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)	-	-
Total expenditure 2019	594,301	185,357	326,275	142,101	532,990	-	-	1,781,024

Cambridge House and Talbot

Notes to the financial statements

For the year ended 31 March 2020

5 Net income/(expenditure)

This is stated after charging:

	2020 £	2019 £
Depreciation	155,617	155,852
Interest payable	2,493	3,896
Auditor's remuneration (excluding VAT):		
Audit	9,150	9,000
Other services	3,150	3,100

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

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	1,192,636	1,106,204
Social security costs	104,384	94,147
Employer's contribution to defined contribution pension schemes	31,851	23,021
Agency staff costs	17,519	30,876
Training, expenses and recruitment	27,776	20,909
	1,374,166	1,275,157

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

	2020 No.	2019 No.
£60,000 – £69,999		1
£70,000 – £79,999	1	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £148,852 (2019: £114,759).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

No trustees were reimbursed expenses (2019: £nil)

7 Staff numbers

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

	2020 No.	2019 No.
Advocacy	13	18
Education & Inclusion Services	13	13
Law Centre	7	6
Community Hub Services	7	5
Safer Renting	7	3
Support	5	5
	52	50

Cambridge House and Talbot

Notes to the financial statements

For the year ended 31 March 2020

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 £12,000 (£25,000 in 2019). This has not been included in the statement of financial activities this year on the grounds of materiality. There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

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 nil (£6,000 in 2019). 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 £60,301 (£52,781 in 2019). 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 £
Cost or valuation			
At the start of the year	7,550,000	342,814	7,892,814
Additions in year	-	16,774	16,774
At the end of the year	7,550,000	359,588	7,909,588
Depreciation			
At the start of the year	453,000	340,471	793,471
Charge for the year	151,000	4,617	155,617
At the end of the year	604,000	345,088	949,088
Net book value			
At the end of the year	6,946,000	14,500	6,960,500
At the start of the year	7,097,000	2,343	7,099,343

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 £5,017,654. 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.

Cambridge House and Talbot

Notes to the financial statements

For the year ended 31 March 2020

11 Debtors	2020	2019
	£	£
Trade debtors	65,028	65,865
Prepayments	2,907	3,671
Accrued income	77,227	63,162
Other debtors	3,544	4,744
	148,706	137,442

12 Creditors: amounts falling due within one year	2020	2019
	£	£
Overdraft	20,198	51,444
Trade creditors	76,741	84,716
Taxation and social security	880	77,713
Accruals	8,852	35,106
Deferred income	17,367	53,703
Other creditors	41,227	28,620
	165,265	331,302

13 Deferred income

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

	2020	2019
	£	£
Balance at the beginning of the year	53,703	17,055
Amount released to income in the year	(53,703)	(17,055)
Amount deferred in the year	17,367	53,703
Balance at the end of the year	17,367	53,703

14 Creditors: amounts falling due after one year

	2020	2019
	£	£
Bank loans	3,625,266	3,625,266
	3,625,266	3,625,266

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 2021. 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**Scheme: TPT Retirement Solutions – The Growth Plan**

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.

Cambridge House and Talbot

Notes to the financial statements

For the year ended 31 March 2020

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

	Revaluation reserve £	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	2,163,786	4,796,714	-	6,960,500
Net current liabilities	-	(14,400)	-	(14,400)
Long term liabilities	-	(3,625,266)	-	(3,625,266)
Net assets at 31 March 2020	2,163,786	1,157,048	-	3,320,834

16b Analysis of net assets between funds (prior 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)
Net assets at 31 March 2019	2,197,066	1,085,582	-	3,282,648

Cambridge House and Talbot

Notes to the financial statements

For the year ended 31 March 2020

17a Movements in funds (current year)

	At 1 April 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2020 £
Restricted funds:					
Education and Inclusion Services					
Charterhouse-in-Southwark	-	6,456	(6,456)	-	-
BBC Children in Need	-	23,968	(23,968)	-	-
St Olave's and St Saviour's Schools Foundation	-	3,000	(3,000)	-	-
London Youth	-	9,149	(9,149)	-	-
The Mayor's Young Londoners Fund	-	44,927	(44,927)	-	-
Jack Petchey Foundation	-	2,000	(2,000)	-	-
London Borough of Southwark	-	18,347	(18,347)	-	-
The Postcode Community Trust	-	6,953	(6,953)	-	-
George Bairstow Charitable Trust	-	1,600	(1,600)	-	-
The Swimathon Foundation	-	2,500	(2,500)	-	-
Camberwell Community Council Neighbourhoods Fund	-	2,356	(2,356)	-	-
Rix-Thompson Rothenberg Foundation	-	4,806	(4,806)	-	-
Law Centre					
London Legal Support Trust	-	10,000	(10,000)	-	-
City Bridge Trust	-	48,100	(48,100)	-	-
Safer Renting					
Legal Education Foundation	-	5,394	(5,394)	-	-
Trust for London	-	51,000	(51,000)	-	-
Tudor Trust	-	50,000	(50,000)	-	-
The Matrix Causes Fund (Matrix Chambers)	-	4,000	(4,000)	-	-
London Housing Foundation Ltd	-	30,000	(30,000)	-	-
Comic Relief	-	49,329	(49,329)	-	-
Total restricted funds	-	373,885	(373,885)	-	-
Unrestricted funds:					
Revaluation reserve	2,197,066	-	-	(33,280)	2,163,786
General funds	1,085,582	1,576,265	(1,538,078)	33,280	1,157,048
Total unrestricted funds	3,282,648	1,576,265	(1,538,078)	-	3,320,834
Total funds	3,282,648	1,950,150	(1,911,963)	-	3,320,834

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

Cambridge House and Talbot

Notes to the financial statements

For the year ended 31 March 2020

17b Movements in funds (prior year)

	At 1 April 2018 £	Income & gains £	Expenditure & losses £	Transfers £	At 1 April 2019 £
Restricted funds:					
<i>Education and Inclusion Services</i>					
Charterhouse-in-Southwark	-	2,152	(2,152)	-	-
BBC Children in Need	13,768	16,134	(29,902)	-	-
St Olave's and St Saviour's Schools Foundation	-	3,000	(3,000)	-	-
London Youth	-	5,000	(5,000)	-	-
The Mayor's 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>Law Centre</i>					
London Legal Support Trust	-	10,000	(10,000)	-	-
<i>Safer Renting</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 and Hope Pilkington Trust	-	5,000	(5,000)	-	-
Croydon Relief in Need Charities	10,000	-	(10,000)	-	-
Total restricted funds	29,768	174,415	(204,183)	-	-
Unrestricted funds:					
Revaluation reserve	2,230,346	-	-	(33,280)	2,197,066
General funds	1,105,465	1,523,678	(1,576,841)	33,280	1,085,582
Total unrestricted funds	3,335,811	1,523,678	(1,576,841)	-	3,282,648
Total funds	3,365,579	1,698,093	(1,781,024)	-	3,282,648

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.

Cambridge House and Talbot

Notes to the financial statements

For the year ended 31 March 2020

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:

	2020 £	2019 £
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.