

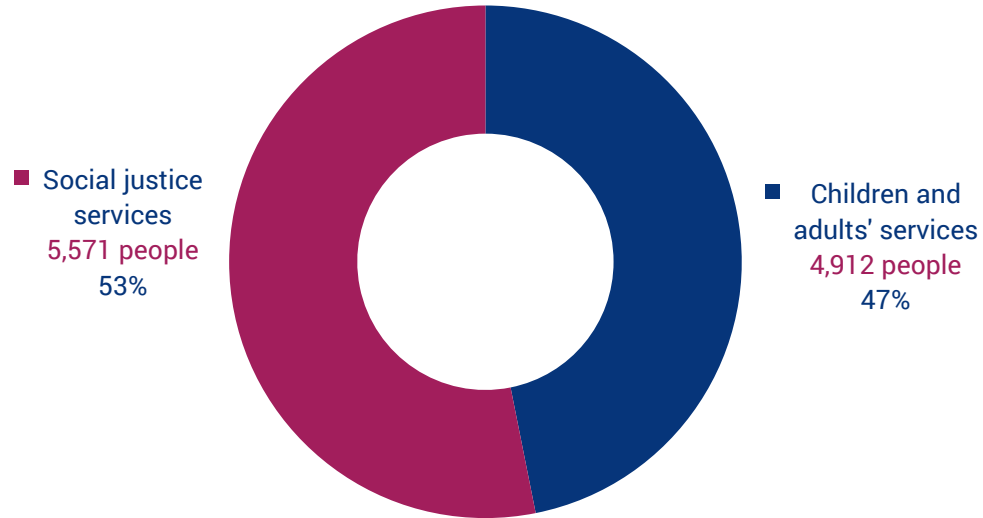
Cambridge House

A people's centre - working innovatively to achieve social justice for all
Annual Report and Accounts 2013 – 2014



79,135 people supported in 2013 - 2014

Specialist services for individuals and families



Social Innovation Services



Contents

Trustees' Annual Report

Welcome to our annual report	4
Corporate information	4
Cambridge House	5

2013-2014 Strategic Report

Highlights	7
Social Justice Services	8
Children and Adults' Services	11
Social Innovation Services	24

Future Plans

Business strategy 2014-2017	27
Principle risks and uncertainties	27

Financial Report

Governance and management	29
Risk management	30
Statement of trustees responsibilities	30
Financial review	31
Acknowledgements	32
Independent auditor's report	33
Statement of financial activities	34
Balance sheet	35
Cash flow statement	36
Notes on financial statements	37

All the case studies included in this Annual Report are based on work with real clients but have purposely been anonymised to protect privacy. In addition, images that have been used are not related to the case studies directly.



Welcome to our annual report

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

As our society continues to face unprecedented economic, environmental, social and cultural challenges, we believe that we need to be innovative to turn these challenges into opportunities to reshape society so that it is more effective, efficient, sustainable and just.

This annual report demonstrates the scope and breadth of our work during our 2013- 2014 financial year. We identify areas in which we have achieved measurable results, and illustrate how we laid new groundwork. Our brand and communications platforms, mission and values were reviewed. We allocated some of our reserves to enable us to pilot new projects and improve our business development capacity.

We remain practice-led and participative so that agency and power is transferred to the most vulnerable members of our society. We developed our impact evaluation methods with the support of external research partners to improve our ability to influence national policy dialogues and deliver social transformation. New user-involvement activities led to the appointment of youth patrons and the establishment of a Youth Management Committee to oversee our successor generation project, One Big Community.

Looking ahead, our Business Plan for the next three years remains committed to change and prioritises activities that contribute in a positive way to the wellbeing, productivity and resilience of the communities we serve in London.

In an environment that continues to be financially constrained, we recognise that we need to be leaner and provide greater value for money by continuing to see savings and efficiencies.

Our strength lies in the delivery of specialist services that tackle people's severe vulnerabilities and entrenched disadvantages. In addition, we have a high quality building with facilities, plus excellent staff and management. These advantages provide a powerful platform for innovation and a more commercial approach. We are determined to take bold measures to improve our financial strength, amplify our impact, and open up opportunities for future growth.

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

David Coleman, Chair and Karin Woodley, Chief Executive

Corporate information

Cambridge House Patrons

HRH The Duke of Gloucester
Jeremiah Emmanuel (Youth Patron)

One Big Community Patrons

Baroness Lane-Fox of Soho, CBE
Christine Ohuruogu, MBE
Thusha Kamaleswaran (Youth Patron)

Board of Trustees and Directors

David Coleman – Chair
Graham Moss – Treasurer
Alex Crockford - Company Secretary
Nikki Mellor
Dan Metcalfe
Robert Park
Shveta Shah
Mike Thornton (retired October 2013)
Paul Yiannouzis

Chief Executive

Karin Woodley

2013 *Altaf Hussain Award for services to Cambridge House*

Beatriz Dominguez, Children and Adults' Services Manager

Inaugural *Chief Executive's Award for excellence*

Beryl Peckham, Law Centre Administrator

Youth Management Committee - One Big Community

Yara Shaikh
Precious Oyelade
Jahanara Chaudhry
Kenny Imafidon
Eli-Rose Sanford
Alexander Garlitos
Chante Joseph
Erika Lopez
Darwin Bernardo
Khalid O'Beirne
Ashley Pitter
Eliza Rebeiro
Temi Mwale
Emanuel Candengue

Financial Advisers

MHA MacIntyre Hudson
Neal Howard Ltd

Bankers

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

Auditors

Haines Watts, Chartered Accountants
Old Station House, Station Approach, Newport Street,
Swindon
Wiltshire SN1 3DU

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

Cambridge House

We are a people's centre that promotes social justice and works to tackle the root causes of poverty. For the past 125 years we have delivered services out of our flagship building in Southwark, London.

Our work

- We deliver intensive and specialist social justice and empowerment services to vulnerable people with multiple disadvantages.
- We provide social enterprise and community development resources to civil society organisations which include charities, social enterprises and voluntary and community groups.



Our social innovation

We have a local to national ethos that means that to affect long-term social change and impact we work with our service users, partners and commissioners to:

- Develop and pilot services in our local area including Southwark and the adjoining Boroughs of Lambeth and Lewisham.
- Use our experience of delivering innovative outcome-based projects to offer best practice initiatives across London.
- Promote systemic change by sharing our work, evidence base, rich history and experiences with government, businesses and civil society organisations across the country.

Our method of change

- We tackle social injustice and poverty by:
 - i) Improving the financial and social resilience and self-sufficiency of people who are vulnerable, under-served and marginalised.
 - ii) Empowering excluded people to become active participants and contributors to civil society.
- We drive change and social innovation by:
 - i) Developing new anti-poverty solutions that improve existing practices and tackle entrenched social challenges.
 - ii) Supporting other civil society organisations to work collaboratively, share resources and improve the impact and reach of their activities.

Our challenge

As austerity measures and far-reaching welfare reforms come into full effect, we see poverty and exclusion in our communities increase drastically as a result of complex, cumulative and varied combinations of need. We meet this challenge by offering:

1. **Specialist services for individuals and families** that exploit our track record of successfully engaging difficult to reach, excluded or disaffected groups. We also support statutory agencies where they do not have the skills, experience and expertise necessary to meet the needs of particular client groups. Our specialist activities include Social Justice and Children and Adults' Services that are:
 - Comprehensive and require in-depth expert knowledge of a specific subject or topic.
 - Person-centred or case-based and determined by each beneficiary's particular circumstances and needs.
 - Bespoke and provide expertise in understanding and addressing the problems, queries or 'barriers' experienced by each beneficiary.
 - Capable of dealing with high levels of complexity.
2. **Social innovation services** that support the development of civil society organisations, and government agencies including:
 - Infrastructure support and partnership activities.
 - Knowledge sharing and training projects.

Our local need

Poverty

- 30.7% of children live in poverty in Southwark, compared to England's average of 20.6%.¹
- 35% of Southwark live in the most deprived electoral wards in England.¹
- 72% of Southwark's homeless have dependent children.¹
- Southwark is 2 times more densely populated than London and 25 times more densely populated than England & Wales.¹

Crime

- Southwark ranks in the worst 6 of London's 33 boroughs for crime offences.²

Education

- Over 46% of 19 year olds in Southwark lack basic qualifications.¹

Worklessness

- Southwark saw a 60% rise in unemployment between 2008 and 2011, with long term unemployment rising by over 100% in the same period.¹
- There were nearly twice as many working age adults per 1,000 of the population who were unemployed in Southwark as there were in the whole of England.³
- 20% of local households in work are in low-paid employment, earning less than the London Living Wage: no other Borough in South London has such a high proportion of low paid employment.⁴
- Southwark has London's highest claim rate for health related out of work claims.¹

Disability

- One third of disabled people have difficulty accessing pension and benefit payments, especially over the phone.⁵
- People with a mental health condition are significantly more likely to report problems accessing health services.⁵
- Disabled people are twice as likely to be not in education, training or employment.⁵
- People with a mental health condition only have a 1 in 8 chance of being in work.⁵
- Disabled People earn 8% less on average than non-disabled people.⁵
- Only 15% of people with learning disabilities in Southwark are in employment.¹
- By 2020 Southwark is projected to have the third largest number of adults with learning disabilities in London.¹

¹ Southwark Joint Strategic Needs Assessment 2013

² Metropolitan Police Crime Mapping: Data tables 2013-2014

³ NEPHO Southwark Community Mental Health Profile 2013

⁴ New Policy Institute London Poverty Profile 2012

⁵ DWP - Fulfilling Potential- Building a deeper understanding of disability in the UK today 2013

Our beneficiaries

We work to increase people's ability to face internal or external crisis - and not only to effectively resolve it but also learn from it, be strengthened by it and emerge transformed by it, both individually and as a group

We work with people of all ages and deliver specialist projects to support:

- Young people aged 14 to 25 years.
- Children and adults with disabilities, poor mental health and profound and multiple learning difficulties.
- Young people and adults at risk of homelessness.
- Excluded families.



2013- 2014 Strategic Report

Tackling the injustice of poverty

The trustees' report for 2012-2013 set out the following objectives for 2013-2014:

1. **Be competitive:** demonstrate the impact of existing services; generate new services; improve our branding and marketing; align the allocation of resources to the new needs of actual and potential beneficiaries.
2. **Be innovative:** boost performance and resilience by taking every opportunity to maintain and grow our activities and to continue to provide high quality, effective and integrated support to actual and potential beneficiaries.
3. **Be prudent:** diversify our sources of income, measure our successes and risks, be adaptable, and use our assets carefully.

The trustees present their Strategic Report for 2013-2014 to report back on our achievements, impact and performance, outline our plans for future periods and the principle risks and uncertainties that the trustees consider Cambridge House faces. A financial review of the year is presented in the Financial Report that follows.



Highlights

- We launched major youth empowerment projects to build the capacity and resilience of successor generations by tackling:
 - Alcohol and drug abuse.
 - High rates of crime.
 - Limited ambitions and expectations.
 - High rates of family breakdown and homelessness.
 - Low level mental health issues and unemployment.

Our new user-led projects created positive and constructive communication amongst young people across London, and between young people, the police and government.

- An enhanced portfolio of social, sports, arts, events and publishing projects. These are user led to empower disabled children and adults to become more active and resilient by building their life skills.
- Our social justice activities provided legal and advocacy services to prevent homelessness, keep people in employment, and ensure some of the most vulnerable in our community have access to the support they need to lead productive and fulfilling lives. We extended the impact of this work by developing our training programme across the UK to build the capacity of our partners to navigate welfare reforms and improve the quality of their provision.
- With Dr Rowan Williams, Master of Magdalene College, Cambridge and the Magdalene College Youth Trust we began to rebuild our relationship with Cambridge University. Dr Williams visited us twice to meet staff and users and to begin to scope ways to enhance the college's inclusion strategy and maximise opportunities for research and undergraduate volunteering.
- We enhanced our ability to tackle the isolated and sub-standard working facilities of many of our partners by increasing the use of our serviced office, meeting, co-working and hot-desking spaces. By reducing the cost of administration and improving their physical working and delivery conditions, we enabled 18 local and national organisations to focus on their mission, accelerate their success and amplify their impact.
- We invested in our future sustainability by:
 - Delivering advanced staff training in finance and fundraising.
 - Improving our external communications activity through a *soft* rebranding exercise and the launch of a new website.
 - Increasing building occupancy by improving facilities management.
 - Engaging advisers to support the preparation of a strategic business plan for the period 2014 to 2017.
- We increased user involvement in governance and service development by:
 - Establishing a youth management committee.
 - Appointing youth patrons.
 - Holding a variety of user-led focus groups.

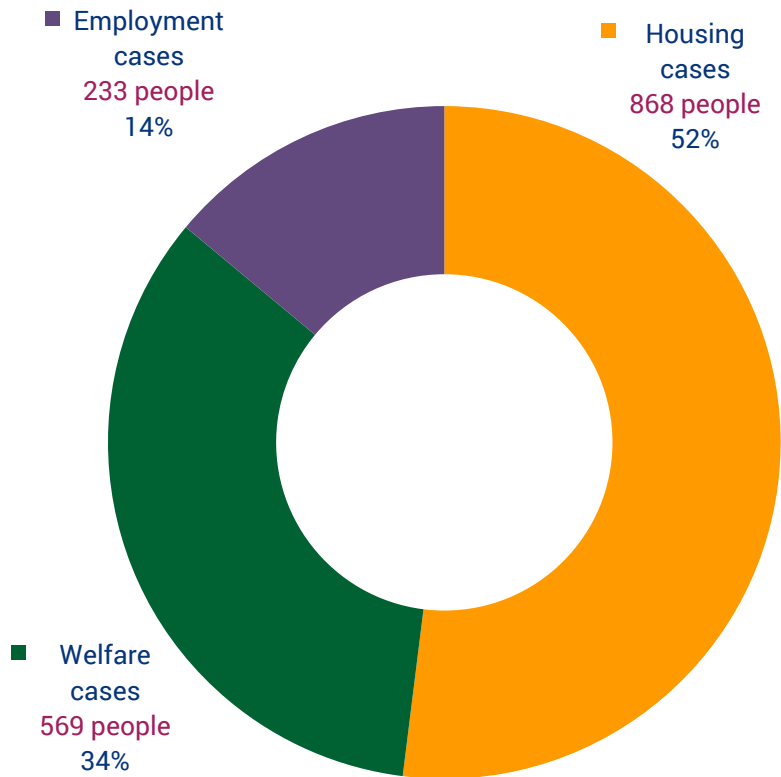
Social Justice Services



Cambridge House Law Centre

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

Number of case work beneficiaries



- 3,080 hours of free, independent and expert legal services were provided. We responded to enormously increased levels of demand which caused us to exceed our 2014 target by 80%.
- 402 specialist cases were handled during the year.
- 95 court hearings were attended.
- 3,591 people were served:
 - 1,670 through case work.
 - 1,921 through information and signposting.
- 100% of clients at risk of eviction remained in their own home.
- £902,000 of government welfare costs saved by preventing homelessness. (http://data.gov.uk/sib_knowledge_box)

Jane, a young mother with six children, lost her job a year ago. Overwhelmed by her circumstances and the welfare of her children, Jane found herself severely depressed and unable to work. Consequently, she accrued over £6000 on her rent account, which resulted in an immediate possession claim.

We were able to agree an adjournment of the possession claim, and successfully helped Jane to apply for Housing benefits. The outstanding balance was repaid, bringing her account into credit. We then agreed with the landlord to discontinue the possession claim with no order as to costs.

Jane has acknowledged that our service provided a sense of security, and helped her to better cope with life. She has since found full-time employment, and relocated with her children to a new residence.

Independent Advocacy Services

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

- 3,014 hours of free, independent and qualified care and support were provided in Southwark, Lewisham, Islington and Waltham Forest.
- 310 cases were handled during the year, including a 29% increase in referrals from Waltham Forest.
- 1,806 hours of Independent Mental Capacity Advocacy (IMCA), supporting and protecting the rights of people who were declared unable, for medical reasons, to make key decisions about their lives.
- 669 hours of Independent Mental Health Advocacy (IMHA), supporting people who were detained or sectioned in hospital under the Mental Health Act, or had their liberty restricted by Community Treatment Orders.
- 312 hours of specialist advocacy for children and young people with learning difficulties or mental health conditions, to ensure their rights were protected and their views respected.
- 227 hours of specialist advocacy for adults with physical, sensory or learning disabilities to help them understand their rights and choices, and give voice to their wishes.
- 81% of advocacy issues were resolved.
- 19% of clients were trained to self-advocate.

Diana, a socially-isolated and vulnerable pensioner, was admitted to hospital after falling over at home. She was diagnosed with a potentially fatal condition and her medical team advised social services that she should be discharged into residential care, despite her wish to return home.

We worked with Diana and her social worker to ensure that she was provided with the support she needed to return home. With a care package specifically prepared to meet her needs, Diana was able to maintain her wish for dignity and independence. A month later, Diana passed away at home as she wished – our advocate had ensured that Diana's wishes were upheld.

Lydia, an inpatient at a mental health hospital, was very anxious after being told she could not close the door to her room because she was under 24 hour observation. Supported by her advocate, Lydia arranged a meeting with her treatment team to discuss her concerns. During the meeting, it was explained to Lydia this policy was put in place as a preventative measure due to her history of suicide and self-harm.

We then helped Lydia to reach an agreement for maintaining her rights to close the bathroom door. Having the chance to express her feelings and negotiate modifications to the observation process gave Lydia much needed comfort. Afterwards she told her advocate that she now feels less distressed, and also sees that the observation process was meant to protect her.



Children and Adults' Services



*"I feel safe at Cambridge House because it's full of people I trust.
I'm not used to trusting adults, I feel better about myself because they care about me."*

Hubert Campbell (aged 20 years)



Stand-Up Southwark

Supporting socially excluded young people to develop the skills they need to become successful contributing members of society



Brandon had been involved in gang violence and drug production. He had witnessed and been involved in shootings, and was constantly afraid for his life.

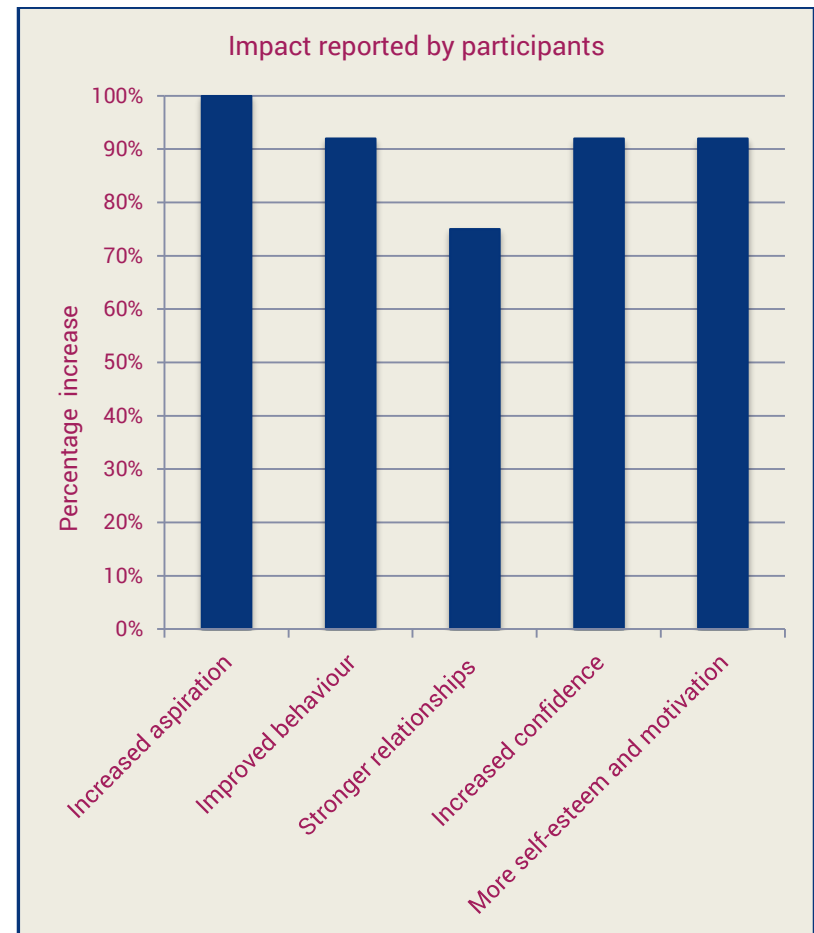
During the course of the project, Brandon developed the confidence to share these experiences for the very first time with staff and his peers. Supported by his life coach and Stand Up Southwark's group activities, Brandon tackled his homelessness and learnt how to engage and communicate with people he saw as different to himself.

By the end of the project Brandon had applied to Kingston University where he dazzled the head of the careers and employability service.

An intensive project that we piloted to empower young people with extremely complex needs aged 16 to 19 years to build a better future. Activities included personal development projects, 1-1 life-coaching and community enterprise assignments.

Stand-Up Southwark was assessed by our external evaluation partner New Philanthropy Capital and demonstrated that:

- 83% progressed into employment, education or training by the end of the project.
- 88% made progress towards identified goals.



Stand-Up Southwark Award Winners

Lillian Nwaezenna
(aged 19 years)

Jack Petchey Outstanding Achievement Award for Commitment and Participation



Hikmet Anadol
(aged 21 years)

Jack Petchey Outstanding Achievement Award for Living Up to Your Word
and
Youth at Risk Award for Leadership and Contribution

One Big Community

Creating a safer society by supporting young people to develop evidence-based projects that influence social policy

In response to requests from our young people, we established One Big Community (1BC), a **successor generation project** by young people for young people.



As a peer leadership network, 1BC supports and inspires young Londoners to speak up about the devastating effects of youth violence and provides them with an opportunity to participate in government decision-making processes, propose solutions and hold decision-makers to account. By launching its London-wide coalition of young leaders and youth organisations, 1BC embarked on a pan-London consultation process to enable young people to seek solutions to violence in their communities.

- 4,600 young people were directly involved in consultation and debating activities.
- 25 young people became members of the inaugural project management team.
- 59 young people worked as event staff volunteers.
- 50 youth organisations joined 1BC's pan-London coalition.
- 7 consultation meetings were held with the Mayor for London's Office for Policing and Crime (MOPAC) and the Metropolitan Police Association.
- A 1BC Management Team member was appointed as MOPAC's first youth adviser.



"Our One Big Debate on-line consultation is going to lead to London being a fairer, more caring and importantly safer place for young people to grow and thrive in."

Jahanara Chaudhry (aged 19 years)

“1BC is playing a key role in shaping the future for London.”

Boris Johnson, Mayor of London

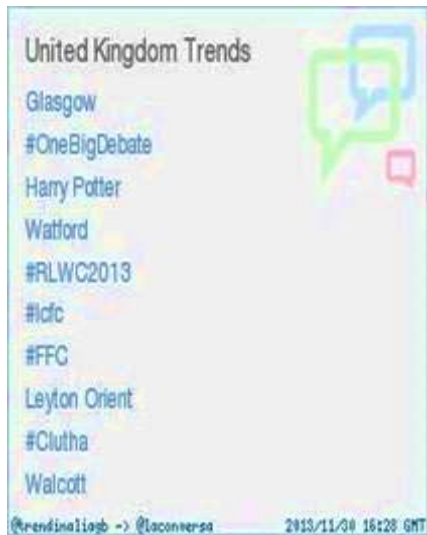


“By working in partnership, young people and the police will find ways to stop young people being killed on London’s streets.”

1BC Founder, Jeremiah Emmanuel (aged 15 years)

The 1BC team delivered 4 high profile events during the year:

One Big Debate, an on-line debate about the root causes of youth violence led by **140 young people** over 5 hours **registering 3,600 participants** using Twitter and Your Forum, our open data on-line digital application partner.



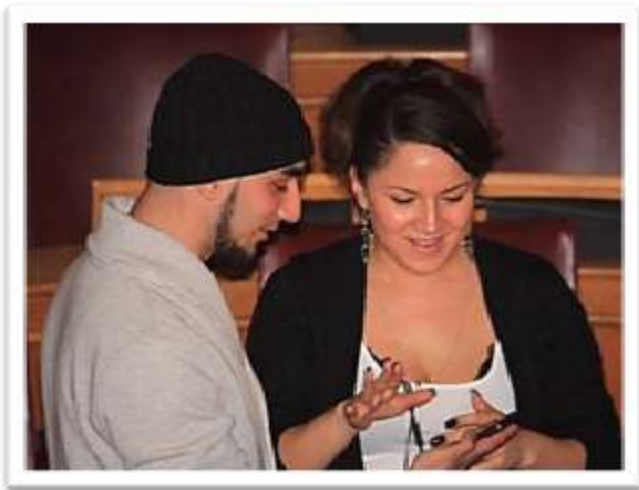
Sounding-Out Southwark, attended by **50 young people** and 12 adult representatives from Southwark organisations (including the police and the NHS) to discuss and explore in more depth the issues raised during One Big Debate.

Wall of Silence, held at City Hall and attended by **850 young people** and 50 adult representatives from the 1BC network. Using a *Question Time* format, a panel (comprising Shaun Bailey – Central Government Youth Adviser; David Cohen – Evening Standard; Kevin Southworth - Trident, MPA.; Polly Courtney – Author of *Feral Youth*; Tim Campbell MBE –CEO of Bright Ideas Trust; and Duwayne Brooks – MOPAC Advisor on Stop and Search) answered questions from young people on policing, gangs, violence against women, education, the media, health and employment. Audience views were recorded using “instant voting” touch pad technology in partnership with Bite the Ballot.

Sounding-Out London, a 3-day residential in Kent attended by **93 young people** from across London and involving team-building activities and debates on ways to stop youth violence.

“This residential was the chance for me to share my opinions on youth violence and the policing system, meet new people and most importantly to have fun. By the end of the residential I felt like I had become a part of the future change for young people and a part of 1BC.”

Peace Sogunrox (aged 14 years)



One Big Community Award Winners



Chelsey Trowsdale

(aged 20 years)

NP Training Leadership Award



Jeremiah Emmanuel

(aged 15 years)

BBC Radio 1's
Teen Hero Award

Presented by Wretch 32



Jahanara Chaudhry

(aged 19 years)

Jack Petchey Achievement Award

Sensational Sports

Sports activities to improve the psychological, emotional and physical health and well-being of young people with profound and multiple learning difficulties

22 young people aged 14 to 25 years participated with 1:1 support in trampolining (rebound therapy) and swimming (hydrotherapy). The activities improve participants' movement, communication, and fitness and exercise tolerance, as well as promote relaxation and sensory integration, balance, and an increase or decrease in muscle tone.



19 Plus

Friendship and skills projects to enable adults with moderate to severe learning disabilities to fulfil their potential and live the lives they choose

16 young adults focused on 'Healthy Living' and community events to combat loneliness, build positive relationships, and mitigate the effects of cognitive decline and depression.



"Alex has severe learning disabilities, autism and limited verbal communication - since coming to 19Plus his social skills have improved immensely, he is now integrating and socialising a lot more with his peers and other service users. He looks forward to going to 19Plus every day – it has so improved the quality of his life."

Alex's carer

Arts Clubs

Supporting children and adults with profound and multiple learning difficulties to become artists so that they feel valued, develop social skills, and understand and manage their emotions better



"Graham loves seeing his work on display at Cambridge House and at home. He's so much happier now. The club is excellent."

Graham's parent

20 children and adults with profound needs were referred to our practical after school club for children and a weekend club for adults, led by practising artists, to experience and develop skills in musical instrument-making, audio visual activities, painting and drawing. In addition, the adult members held 2 exhibitions of their work for friends, families and the local community.

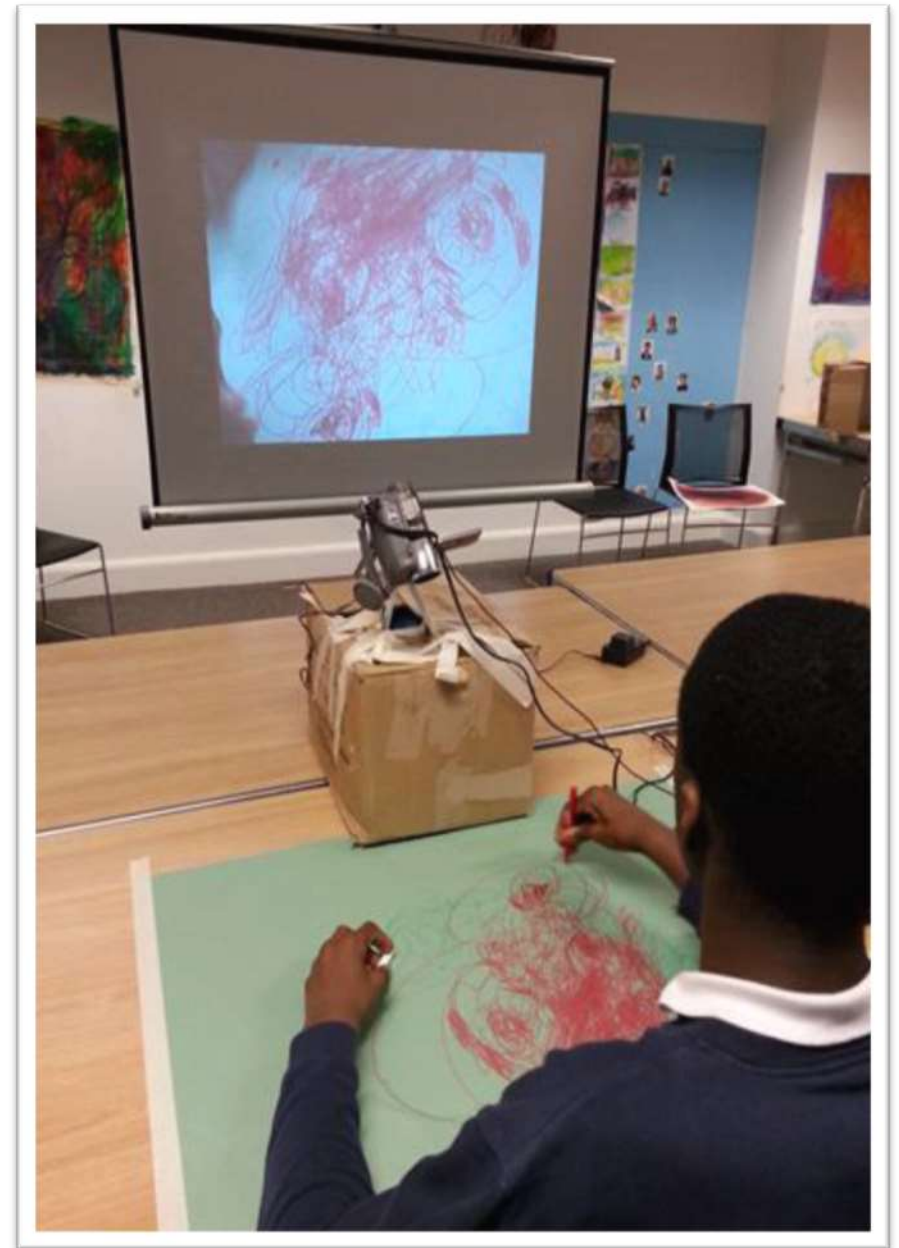




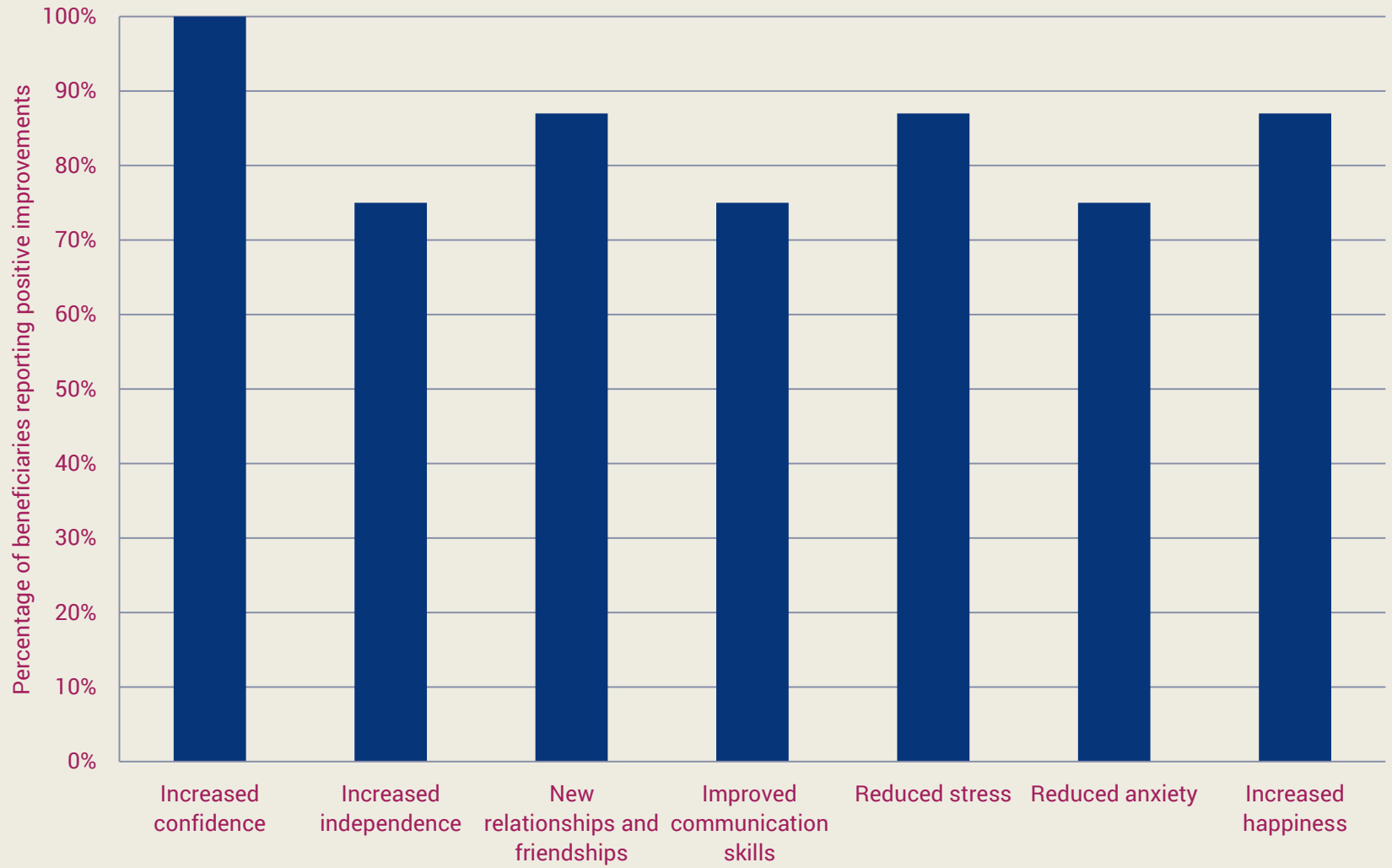
This is Walworth

Enabling young people to celebrate their neighbourhood's heritage and places of special interest

15 young people aged 13 to 19 years worked together with local residents to design a map celebrating the history and special places in Walworth during our six-week summer project.



Quality of life improvements reported by our arts and sports projects' beneficiaries with profound and multiple learning difficulties



Employability and Volunteering

Tackling worklessness by investing in personalised and structured work-based learning

- 79 volunteers provided with opportunities to acquire new skills: 81% progression into education, employment or training.
- 1 accredited apprenticeship and 3 internships: 100% progression into full-time employment.



*“My experience has been amazing and fulfilling because it helped me develop the skill set I needed to find a job.
My confidence has improved and I feel empowered –
Cambridge House has made me realise my full potential by pushing me to go the extra mile.”*

Adeel



Support Planning

Empowering people with disabilities to use their personal budgets to get the lives they choose

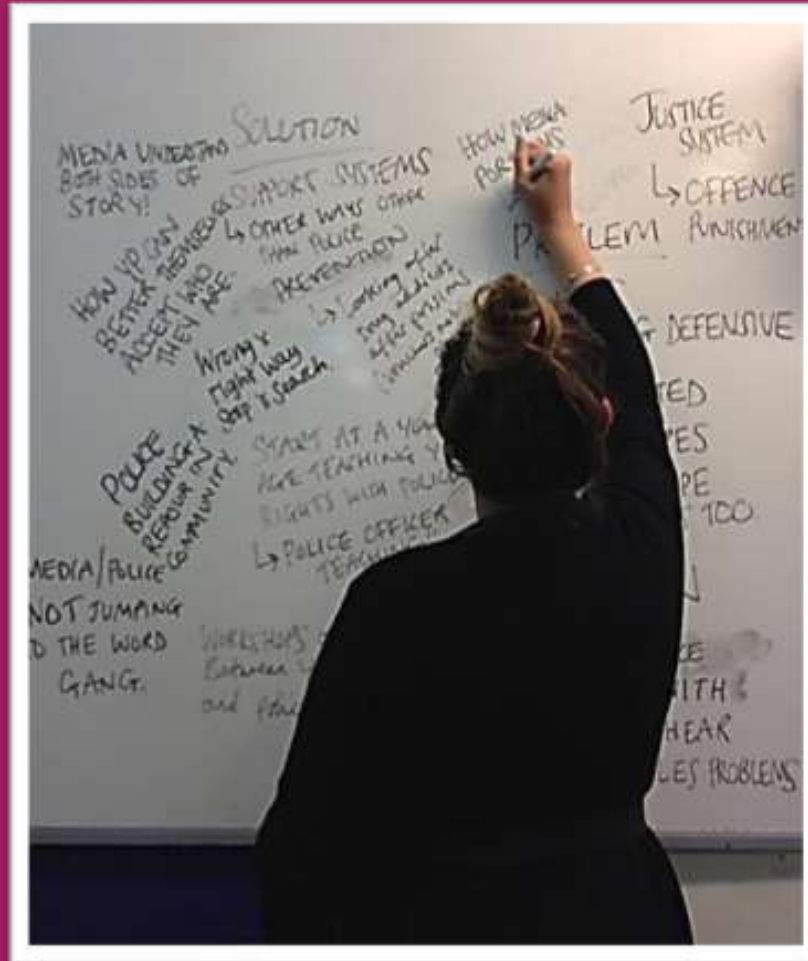
- 118 people attended workshops to increase their understanding of the support planning process and complete the individualised support plans required to access their personal budgets.
- 82 hours of peer support were facilitated.
- 40 hours of support planning advice and guidance were provided.
- 100% of attendees increased their knowledge of support planning over the course of the programme.
- 100% of attendees would recommend the programme to others.



*“Sometimes you think you are all alone but when you meet with a group of people in the same situation we give each other strength...
Just having someone to talk to helps.
Keep up the good work you are doing.”*

Parent of young person with Special Educational Needs

Social Innovation Services



Workspaces for civil society organisations

Offering workspaces that improve the working conditions of charities and social enterprises so that they can focus on their mission, accelerate their success, and amplify their impact



- 1,517 visitors each week.
- Open 51 weeks a year, 7 days per week.
- 18 local and national charities, social action projects and social enterprises provided with office, hot-desking and co-working spaces.
- 22,000 beneficiaries served by resident organisations.
- 3,861 room bookings for meetings, conferences and seminars attended by 27,058 visitors.



"Cambridge House is the voluntary sector's community hub in Southwark - it is inconceivable for Community Action Southwark to be based anywhere else!"

Gordon McCullough, Chief Executive, Community Action Southwark

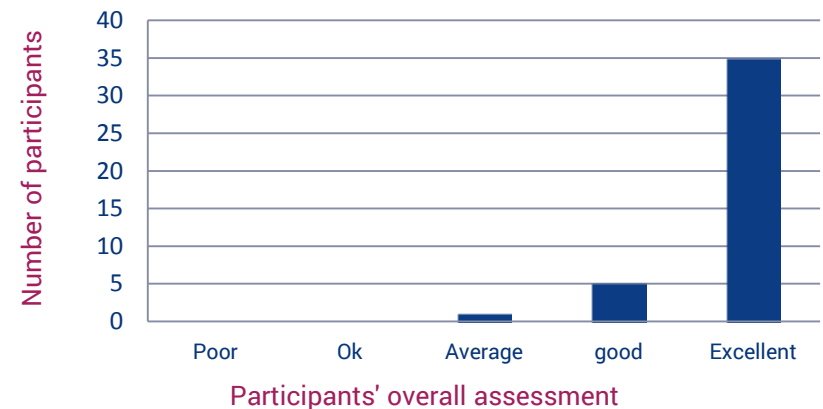
Knowledge sharing and training

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

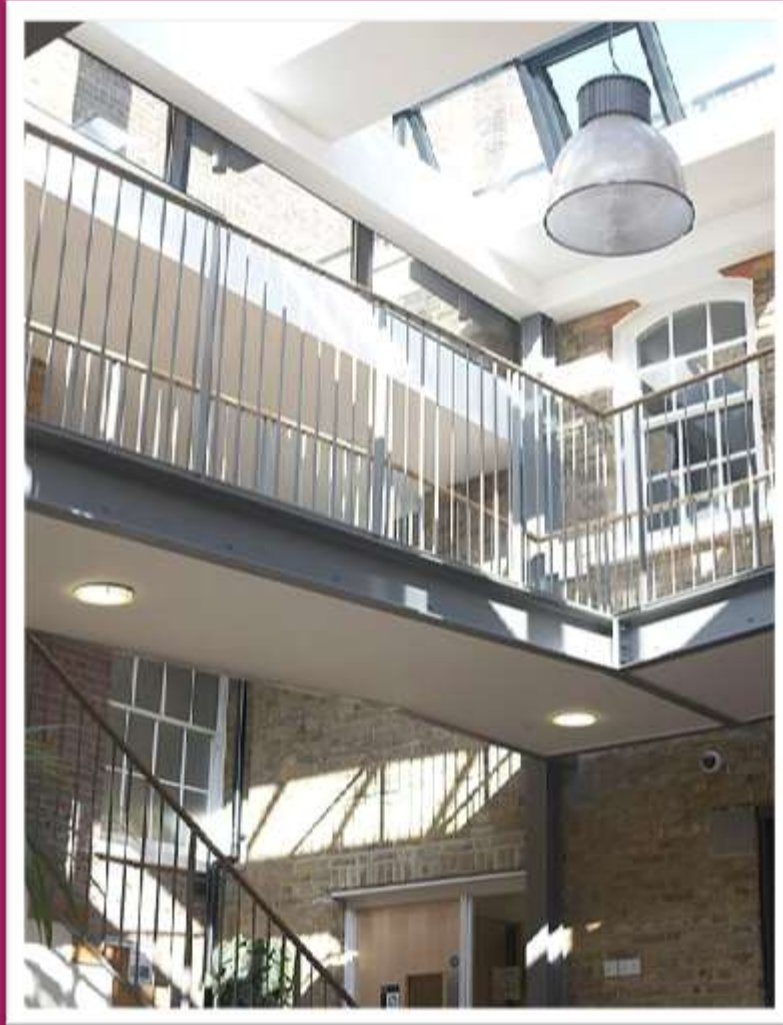
- 13,594 people benefited from our on-line consultations and debates, conference and seminar contributions, participation in specialist policy networks, and our provision of formal and informal training. We hosted international policy roundtables for civil servants and not-for-profit organisations in France, Italy, Sweden and Germany.



The Baring Foundation's independent evaluation of our training course for law centre solicitors: Running a Housing Civil Legal Aid Contract



Future Plans



Business Strategy 2014-2017

Returning financial underperformance to normal in terms of acceptable levels of reserves, liquidity and cash flow

Recognising that we had reduced our reserves by investing in business development activities and weathering the negative impact of austerity measures on our traditional income streams; we have worked intensively with our stakeholders and business advisers to prepare a three-year business plan for the period 1 April 2014 to 31 March 2017.

The plan's key strategic objectives are to:

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

As a result of our intensive business planning activities in 2014 we have:

- Reduced overhead costs, including the numbers of non-delivery staff.
- Improved our cash flow resilience by renegotiating the terms of our loans with Futurebuilders and Communitybuilders.
- Attracted significant new funding for services piloted during 2013.
- Forged new business and delivery relationships with commissioners and other charities and research agencies.
- Continued to develop our theory of change model.
- Recruited six new trustees with the specialist skills required to support us achieve our business plan objectives.

Principle risks and uncertainties



The key risks the trustees have identified in delivering these plans relate to the complexities of:

- Reaching our challenging income targets.
- Managing the life cycle of our building and operating assets through strategic investment in upgrades and renewals.
- Managing major unforeseen expenditure.

There is a strong degree of confidence that these risks are being managed effectively, using the framework outlined on page 30 (under the heading 'Risk management'), and do not pose a significant threat to the operation of the charity.

Financial Report 2013-2014



Governance and management

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

Cambridge House owns the whole of the issued ordinary share capital of Enterprise at Cambridge House Limited, a company registered in England and Wales. The subsidiary was used for non-primary purpose trading activities. The results of the undertaking have not been consolidated; under FRS 2 the undertaking was being held with a view to disposal or resale. The undertaking ceased to trade during 2013-2014.

Trustees

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

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

- Finance (Graham Moss, Paul Yiannouzis and Robert Park)
- Governance (David Coleman, Shveta Shah and Alex Crockford)
- Succession Working Group (David Coleman and Shveta Shah)

The delegated responsibilities and accountabilities of the Chief Executive, directors and other managers are currently set out in the organisation's Governance Manual and in individual job descriptions.

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

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

Trustee recruitment and training

The Council completes skills audits in order to assess the skills of the existing trustees, identify any 'skills gaps' and assess any skills being lost by the retirement of a trustee.

This year, once the ideal skill/experience profile had been identified, a recruitment plan was formulated. This identified the most appropriate resources from which applicants might be found. Preference was given to advertising in the media, volunteer bureau, and direct approaches to professional bodies and other voluntary organisations over approaches to personal contacts, as the intention was to promote diversity and to avoid conflicts of interest.

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

- Meetings with the existing trustees and others involved with the charity such as the CEO, members of staff, beneficiaries and stakeholders.
- One-to-one meetings with the Chair and the CEO after the first few trustees' meetings, in order to discuss any questions or issues that may have arisen.
- In order to ensure continued development, the trustees are offered the opportunity to attend training on key areas, such as risk and accountability.

Public benefit

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

- They are clear about what benefits are generated by the activities of the charity. This report sets out the activities carried out by Cambridge House to further its mission.
- The benefits must be related to the objects of the charity: all activities are intended to further Cambridge House's charitable objects, as detailed in the Articles of Association.
- The people who receive support are entitled to do so according to criteria set out in the charity's objects: wherever possible, the views and opinions of beneficiaries are sought in the design and implementation of Cambridge House's activities. This approach helps to ensure that projects are targeted at people in need, and that beneficial changes to the lives of people from disadvantaged and excluded communities can be evaluated and assessed.

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

Risk management

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

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

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

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

Statement of trustees' responsibilities

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

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

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

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

Signed on behalf of the trustees/directors



David Coleman
Chair

Financial Review

During the year the charity's total incoming resources decreased by 15% to £1,448,964 (2013 - £1,694,453); this decrease is largely due to the implementation of government austerity measures which reduced levels of income for all services. The London Borough of Southwark remained the largest single source of income to the charity at 56% of total incoming resources for service delivery (2013 - 57%). Funds generated by earned income for enterprise services increased by 28% to £402,167 (2013 - £313,939) representing 27% of total incoming resources (2013 - 18%).

Total expenditure was 6% lower than the previous year (2013 - 15% higher). Significant cuts were made in management overhead costs while maintaining services to beneficiaries; on the other hand some necessary additional costs were incurred to ensure that high quality workplaces are available in the building to provide the facilities needed by local organisations.

The net result for the year was a deficit of £571,915 (2013 - surplus £624,248). Special attention should also be paid to the impact of trustees agreeing to draw down reserves for the costs of new services and business development activities including fundraising, financial review, business planning and external communications.

Reserves

The Council's reserves policy is to maintain total free reserves, excluding the element which relates to tangible fixed assets, at a level which is no less than approximately three month's operating costs. This policy provides the ability to cope with unforeseen expenditure of both a capital and an expenditure nature, and with interruptions in income flows. The reserves policy is reviewed and amended annually by the trustees.

The buildings project which commenced in 2011 always anticipated making use of reserves and then rebuilding them once the newly refurbished space in Addington Square was fully deployed. The impact of austerity measures which has affected our income in recent years has meant utilising reserves faster and harder than we had anticipated. We have also found it more challenging than we had anticipated to fill the building with reliable tenants in order to achieve our income targets.

Based on 2013-2014's expenditure, the monthly operating costs amount to circa £169,000 without the capital loan repayment. The charity's total free reserves, excluding tangible fixed assets, at 31st March 2014 amounted to £3,131 (2013 £448,233). This represents a level considerably below the desired amount. The trustees are closely monitoring the reserves situation, ensuring that redoubled efforts are put in place including restructuring the way in which we develop our business activities.

Designated funds relating to Cambridge House's programmes and building development are funds earmarked for use by programmes and or capital projects. The trustees annually review the level of such funds carried forward by each programme. As a result of the latest revision of these, we have decided to discontinue two organisational designated reserves in the financial year 2013/14. These were the Staff Cost Reserve and the Development Reserve which stood at £92,708 and £27,771 respectively at 31st March 2013. These amounts are therefore included in General Reserves as at 31 March 2014. None of the funds held by the charity is materially in deficit.

No Restricted funds were held at the financial year end. The reserves policy is reviewed and amended annually by the trustees.

Investments

The trustees took the decision during the year to liquidate the investment portfolio held. The investments realised £103,017 resulting in a gain on disposal of £8,829.

Budgeting

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

Financial position

The trustees consider that there is a reasonable expectation that Cambridge House has adequate resources to continue in operational existence for the foreseeable future and, for this reason, they continue to adopt the 'going concern' basis in preparing the accounts.

This report was approved by the Council on 29 October 2014 and signed on its behalf by:



David Coleman
Chair

Acknowledgements

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

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

Aiming High Fund

Asda Peckham Supermarket

Belmont Production Ltd

Boots London Walworth

Broadgate Estates

Broadgate Estates *Royal Parks Half Marathon:*

- Rob Stickland

Broadgate Estates *morelondon London Marathon:*

- Mark Guy

Cambridge House *Ride London Team*

- Steven Baker
- Bella Campbell
- Andy Carr
- Ben Harding
- Katrina Humphreys
- Rosie Humphreys

City of London Academy

City of London Corporation

Communitybuilders Fund

Credit Suisse Securities

DCV Limited

Dr Anne Wilson

Emmanuel College, Cambridge University

Esprima Ltd

Eurotech Monitoring

Friends of Cambridge House

Futurebuilders England Fund

Gow's Restaurant

Head to Toe, Camberwell

Incentive Lynx Security

Jack Petchey Foundation

Joey Toller

Knightsbridge Guarding Ltd

Legal Aid Agency

Locality

London and Quadrant

London Borough Southwark

London Borough Waltham Forest

London PE School Sports Network

Macfarlanes LLP

Magdalene College Youth Trust

Merchant Taylor's Company

More London

Morrisons Peckham

Newcomen Colett Foundation

Noodles City, Camberwell

Office Concierge

Office of Civil Society

Orchard Hill College

Peckham Pulse

Peter Minet Foundation

Quality & Service Ltd

Ross & Craig

St John's College, Cambridge University

Sure Start Capital Grant Scheme

Tallow Chandlers Company

Tesco Extra Surrey Quays

The Baring Foundation

The Batchworth Trust

The City Bridge Trust

The Creation Trust

The Elizabeth and Prince Zaiger Trust

The Tudor Trust

United St. Saviour's Charity

Vault IT

Vehyster Ltd

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

1st Place Children and Parents' Centre

Amy Winehouse Foundation

Bacon's College

Bite the Ballot

Blackfriars Settlement

Blackfriars Advice Centre

Black Police Association Charitable Trust

British Youth Council

Brixton Topcats

Camberwell Youth Centre

Centre for Disability Studies – Leeds University

Charles Russell LLP

Citizens UK

City Action

City Gateway

Community Action Southwark

Contact a Family

Creative Innovations

Electric Elephant Café Ltd

Empower Change

Endz 2 Endz

Gala Bingo Surrey Quays

Get Outta The Gang

Health Watch Southwark

Heart of the City

InSpire

International Federation of Settlements

ITV

Laureus Sport for Good Foundation

Lambeth and Southwark Mind

Latin American Women's Rights Service

Lilian Baylis Technology School

Lives Not Knives

Livity London

London Live

London South Bank University Student Union

London Youth

Media Trust

Metropolitan Police Service

Millwall Football Club

Myla and Davis

New Philanthropy Capital

NP Training

Oxford House

Place 2 Be

Queens Park Rangers Football Club

Rhammified Media

Royal Bank of Scotland

SE5 Forum for Camberwell

Sports san Frontières

Social Action for Health

South London Press

Southwark Association for Mental Health

Southwark Citizens Advice Bureau

Southwark Disability Forum

Southwark Law Centre

Southwark Legal Advice Network

Spirit of London Awards

Sported

Success Talks

Tate Modern

The Borough Market (Southwark)

The Challenge Network

The GLA Peer Outreach team

The Institute of Mad Science

The New Aylesbury Trust – Creation

UpRising

University of East London

vInspired

Vodafone World of Difference

Volunteer Police Cadets

Wide Horizons

Young Southwark Works

Your Forum

Youth at Risk

Independent auditors' report to the members of Cambridge House and Talbot

We have audited the financial statements of Cambridge House and Talbot for the year ended 31 March 2014 which comprise the Statement of Financial Activities (incorporating the summary income and expenditure account), the Balance Sheet, Cash Flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 30, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2014, 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; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

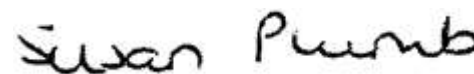
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Susan Plumb
Senior Statutory Auditor

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

Dated: 29 October 2014

Statement of financial activities for the year ended 31 March 2014

		Unrestricted General Fund £	Restricted Funds £	Total 2014 £	Total 2013 £
Incoming resources					
Income resources from generated funds					
	Voluntary income	12,260	2,500	14,760	24,826
	Activities for generating funds	(note 2) 402,167	-	402,167	313,939
	Investment income	(note 3) 2,566	-	2,566	52,498
		416,993	2,500	419,493	391,263
	Incoming resources from charitable activities	(note 4) 584,764	444,707	1,029,471	1,303,190
Total incoming resources		1,001,757	447,207	1,448,964	1,694,453
Resources expended					
Cost of generating funds					
	Cost of fundraising	88,554	-	88,554	51,439
	Charitable activities costs	(note 7) 1,462,818	447,207	1,910,025	2,066,966
	Governance costs	(note 5) 31,129	-	31,129	42,420
Total resources expended		1,582,501	447,207	2,029,708	2,160,825
Net (outgoing) resources before transfers					
		(580,744)	-	(580,744)	(466,372)
Transfers between funds					
		(note 13) -	-	-	-
Net (outgoing)/incoming resources before other recognised gains and losses					
		(580,744)	-	(580,744)	(466,372)
	Unrealised gains on investment assets	(note 9) -	-	-	14,702
	Realised gains on investment assets	(note 9) 8,829	-	8,829	-
	Unrealised gains on assets for charity use	-	-	-	1,075,918
Total gains and losses recognised since 31 March 2013		8,829	-	8,829	1,090,620
Net movement in funds		(571,915)		(571,915)	624,248
Reconciliation of funds					
Total funds brought forward		3,339,290	-	3,339,290	2,715,042
Total funds carried forward		(note 13) 2,767,375		2,767,375	3,339,290

All the above accounts relate to continuing activities. The notes on pages 37-46 form part of these financial statements. All gains and losses are shown above; hence no statement of total recognised gains and losses have been presented.

Balance sheet for the year ended 31 March 2014

		2014	2013
		£	£
FIXED ASSETS			
Tangible assets	(note 8)	6,712,484	6,654,289
Investments	(note 9)	-	94,188
		6,712,484	6,748,477
CURRENT ASSETS			
Debtors and prepayments	(note 10)	74,800	82,654
Bank balances and cash		191,268	641,432
		266,068	724,186
LESS:			
Creditors: falling due within one year	(note 11)	(262,937)	(282,754)
NET CURRENT ASSETS		3,131	441,432
Creditors: falling due after one year	(note 12)	(3,948,240)	(3,850,619)
NET ASSETS	(note 13)	2,767,375	3,339,290
FUNDS			
Unrestricted general funds (including revaluation reserve of £1,075,918)	(note 13)	2,767,375	3,218,811
Unrestricted designated funds	(note 13)	-	120,479
		2,767,375	3,339,290
Restricted Funds		-	-
TOTAL CHARITY FUNDS		2,767,375	3,339,290

Approved by the Council and authorised for issue on 29 October 2014 and signed on its behalf by:



David Coleman
Chair

The notes on pages 37-46 form part of these financial statements

Cash Flow Statement for the year ended 31 March 2014

		2014	2013
		£	£
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	(Note 16)	(237,534)	76,209
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(Note 16)	(160,437)	(222,025)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(Note 16)	(22,534)	(348,601)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(420,505)	(494,417)
FINANCING	(Note 16)	(29,659)	(101,624)
DECREASE IN CASH		(450,164)	(596,041)

1. ACCOUNTING POLICIES

Basis of Accounting

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

The financial statements do not consolidate the results of the subsidiary undertaking on the grounds it was being held with a view to disposal (see note 14). The financial statements therefore only refer to the parent undertaking.

Income and Expenditure Account

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

Fund Accounting

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

Incoming Resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Resources Expended

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

Tangible Fixed Assets

Tangible fixed assets costing more than £500 are capitalised and included at Cost. Freehold property is held at revalued amount. Depreciation is calculated to write off the cost of tangible fixed assets by equal annual instalments over their expected useful lives as follows:

Freehold property	2% p.a.
Computer and office equipment	25% p.a.

Investments

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

Pension Contributions

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

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

The other section, The 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. ACTIVITIES FOR GENERATING FUNDS

	2014	2013
	£	£
Rental income	402,167	313,939

3. INVESTMENT INCOME

	2014	2013
	£	£
Bank interest	2,566	6,582
Gift aid from group undertaking	-	45,159
Other	-	757
	2,566	52,498

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

a) Total income analysis by activity:-

	Advocacy	Children & Adult Services	Law Centre	Enterprise Services	Overheads	Total 2014	Total 2013
	£	£	£	£	£	£	£
London Borough of Southwark	100,964	285,373	120,933	-	-	507,270	741,351
Southwark Primary Care Trust	-	-	-	-	-	-	94,844
Legal Aid Agency	-	-	114,630	-	-	114,630	143,121
Grant making trusts / similar organisations	-	113,300	77,550	-	-	190,850	135,528
Other services	62,313	65,754	70,114	-	-	198,181	170,968
Other government / public bodies	1,162	-	-	-	17,378	18,540	17,378
	164,439	464,427	383,227	-	17,378	1,029,471	1,303,190
2013	269,937	540,628	476,002	31	16,592	1,303,190	

b) Restricted income analysis by activity:-

	Advocacy	Children & Adult Services	Law Centre	Enterprise Services	Overheads	Total 2014	Total 2013
	£	£	£	£	£	£	£
London Borough of Southwark	-	310,427	-	-	-	310,427	315
Southwark Primary Care Trust	-	-	-	-	-	-	-
Legal Aid Agency	-	-	-	-	-	-	-
Grant making trusts / similar organisations	-	28,304	11,950	-	-	40,254	127,714
Other services	-	94,026	-	-	-	94,026	11,250
Other government / public bodies	-	-	-	-	-	-	-
	-	432,757	11,950	-	-	444,707	139,279
2013	-	53,729	85,550	-	-	139,279	

5. RESOURCES EXPENDED

Resources expended include:

	2014	2013
	£	£
Audit fees	4,500	4,500
Depreciation	184,229	171,540
Governance Costs	2014	2013
	£	£
Audit fee	4,500	4,500
Legal costs	250	250
Trustee insurance	4,015	2,570
Annual Review	-	1,400
Salary costs	21,337	33,700
Other	1,027	-
	31,129	42,420

6. EMPLOYEE INFORMATION

The average number of employees during the year was:

	2014	2013
Full time employees	28	25
Part time employees and sessional workers (not expressed as full time equivalents)	27	30
	55	55

No remuneration or expenses were paid to any member of the Council during the year (2013 - £nil). Professional indemnity insurance including trustee indemnity insurance has been taken out in order to protect the charity against loss arising from claims of neglect by and defaults of its employees, volunteers, directors and officers.

Staff costs:

	2014	2013
	£	£
Wages and salary costs	1,012,190	948,067
Social security costs	90,054	83,761
Pension costs	17,237	23,138
Training and Expenses	22,858	14,445
	1,142,339	1,069,411

One employee earned more than £60,000 pa. The remuneration fell into the following bracket £70,000 - £75,000 (2013 - £nil)

7. CHARITABLE ACTIVITIES COSTS

	Advocacy	Children & Adult Services	Law Centre	Enterprise Services	Overheads	Total 2014	Total 2013
	£	£	£	£	£	£	£
Staff Cost	139,149	255,118	285,161	128,985	228,002	1,036,415	1,069,411
Activity Cost	2,577	50,314	1,975	1,007	5,519	61,392	259,128
Occupancy Cost	3,169	40,289	11,069	647,128	1,762	703,417	798,949
Support Costs	3,592	2,592	3,453	88,992	10,172	108,801	(60,522)
	148,487	348,313	301,658	866,112	245,455	1,910,025	2,066,966
2013	297,519	578,884	384,968	731,574	74,021	2,066,966	

8. TANGIBLE ASSETS

	Freehold Premises	Computer & Office Equipment	Total
	£	£	£
Cost			
At 1 st April 2013	6,782,163	255,661	7,037,824
Additions	179,731	62,693	242,424
At 31st March 2014	<u>6,961,894</u>	<u>318,354</u>	<u>7,280,248</u>
Depreciation			
At 1 st April 2013	282,163	101,372	383,535
Charge for the year	114,919	69,310	184,229
Disposals	-	-	-
At 31st March 2014	<u>397,082</u>	<u>170,682</u>	<u>567,764</u>
NBV at 31st March 2014	<u>6,564,812</u>	<u>147,672</u>	<u>6,712,484</u>
NBV at 31st March 2013	<u>6,500,000</u>	<u>154,289</u>	<u>6,654,289</u>

All the fixed assets are used for direct charitable purposes.

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

The freehold property was re-valued at 31 March 2013 by Chris Rodericks BSc (Hons) MRICS from Colliers International Property Consultants Limited. The Market Value of the freehold interest in subject property assuming full vacant possession throughout as at 31 March 2013 is £ 6,500,000. The historical cost of the building is £5,885,975

9. INVESTMENTS

	2014	2013
	£	£
The movements on investments in the year were:		
Market value brought forward (cost £85,138)	94,188	79,486
Disposals proceeds	(103,017)	-
Gain on disposals	8,829	-
Net gain/ (loss) on revaluation	-	14,702
Market value carried forward (cost £85,138)	<u>-</u>	<u>94,188</u>
Investments comprised:	£	£
Unlisted investment	-	83
Conversion stock	-	55
Ethically branded unit trusts	-	94,050

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

Investments held by the charity also include an additional £1 (2013: £1) investment in a subsidiary company at cost (see note 14).

10. DEBTORS AND PREPAYMENTS

	2014	2013
	£	£
Other debtors	57,962	31,589
Prepayments and accrued income	16,838	5,906
Amount due from group undertakings	-	45,159
	<u>74,800</u>	<u>82,654</u>

11. CREDITORS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Loan from Futurebuilders/Communitybuilders	-	127,280
Creditors and accruals	122,530	69,768
Taxes and social security costs	93,964	27,814
Deferred income	46,443	57,892
	<u>262,937</u>	<u>282,754</u>

All deferred income is released in the following year.

12. CREDITORS FALLING DUE AFTER ONE YEAR

	2014	2013
	£	£
Loan from Futurebuilders	2,777,517	2,713,456
Loan from Communitybuilders	1,170,723	1,137,163
	<u>3,948,240</u>	<u>3,850,619</u>

The terms of the loans were renegotiated during the year resulting in capital repayments now commencing 1 April 2015. Interest in the meantime is capped at £10k per month (split pro-rata between the two loans). These terms are subject to an annual review in April 2015.

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

13. FUNDS

	Balance at 1st April 2013	Incoming resources	Resources expended	Balance at 31st March 2014
	£	£	£	£
Restricted Funds				
Community Empowerment Services	-	435,257	(435,257)	-
Law Centre	-	11,950	(11,950)	-
Total	<u>-</u>	<u>447,207</u>	<u>(447,207)</u>	<u>-</u>

13. FUNDS (continued)

General Funds

	Balance at 1st April 2013 £	Net movements excluding transfers £	Transfers (to)/from other Funds £	Balance at 31st March 2014 £
General fund	3,218,811	(571,915)	120,479	2,767,375
Designated Funds				
Staff Cost Reserve	92,708	-	(92,708)	-
Development Reserve	27,771	-	(27,771)	-
Sub-total	3,339,290	(571,915)	-	2,767,375
Restricted Reserves	-	-	-	-
Total	3,339,290	(571,915)	-	2,767,375

Analysis of net assets between funds

	Unrestricted general funds £	Restricted funds £	31 March 2014 Total funds £
Tangible fixed assets	6,712,484	-	6,712,484
Investments	-	-	-
Current assets	266,068	-	266,068
Current liabilities	(262,937)	-	(262,937)
Long-term liabilities	(3,948,240)	-	(3,948,240)
	2,767,375	-	2,767,375

14. SUBSIDIARY COMPANY

The charity owns the whole of the issued ordinary share capital of Enterprise at Cambridge House Limited, a company registered in England and Wales. The subsidiary was used for non-primary purpose trading activities. The results of the undertaking have not been consolidated; under FRS 2 the undertaking was being held with a view to disposal or resale. The company ceased to trade in September 2013. A summary of the results of the subsidiary is shown below:

	Total 2014 £	Total 2013 £
Turnover	32,425	107,859
Cost of Sales	31,951	61,606
Gross Profit	474	46,253
Administrative Expenses	1,647	46,256
Net profit / (loss)	(1,173)	-

The aggregate of the assets, liabilities and funds was;

Assets	1,134	55,399
Liabilities	(2,305)	55,398
Funds (representing 1 ordinary share of £1)	(1,172)	1

The Parent company is the ultimate controlling party.

15. PENSION

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

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity. The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions. If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them. The Charity paid contributions at the rate of 5% during the accounting period. Members paid contributions at the rate of 5.2% during the accounting period.

As at the balance sheet date there were 1 active members of the Plan employed by the Charity. The Charity has closed the Plan to new entrants.

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

The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% p.a.
Rate of return pre retirement	4.9
Rate of return post retirement:	
Active/Deferred	4.2
Pensioners	4.2
Bonuses on accrued benefits	0.0
Inflation: Retail Prices Index (RPI)	2.9
Inflation: Consumer Prices Index (CPI)	2.4

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

The Scheme Actuary has prepared a funding position update as at 30 September 2012. The market value of the Plan's assets at that date was £790 million and the Plan's Technical Provisions (i.e. past service liabilities) was £984 million. The update, therefore, revealed a shortfall of assets compared with the value of liabilities of £194 million, equivalent to a funding level of 80%.

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, as is required by legislation.

15. PENSION (continued)

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). The calculation basis that applies to the Growth Plan was amended due to a change in the definition of money purchase contained in the Pensions Act 2011 but the regulations that will determine exactly how the change will apply in practice are still awaited. As the law stands, it is not yet clear whether the statutory calculation should include or exclude Series 3 liabilities. However, based upon current advice, the most likely interpretation is that Series 3 liabilities will have to be included in the calculation of an employer's debt on withdrawal.

If an employer withdraws from the Growth Plan prior to the implementation of the regulations, the debt will be calculated on both bases and we would request payment of the higher amount with any adjustment being made when the regulations are implemented.

The Charity has been notified by The Pensions Trust of the estimated employer debt, if the charity were to withdraw from the Plan. Based on the financial position of the Plan as at 30 September 2013, the estimated employer debt for the Charity was £63,080.

16. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING DEFICIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2014	2013
	£	£
Operating deficit	(580,744)	(466,372)
Interest paid	163,003	228,607
Interest received	(2,566)	(6,582)
Depreciation	184,229	171,540
Increase in debtors	7,954	119,525
Decrease/Increase in creditors	<u>(9,410)</u>	<u>29,491</u>
Net cash outflow from operating activities	(237,534)	(76,209)

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2014	2013
	£	£
Interest received	2,566	6,582
Interest paid	<u>(163,003)</u>	<u>(228,607)</u>
Net cash outflow from returns on investments and servicing of finance	(160,437)	(222,025)

CAPITAL EXPENDITURE

	2014	2013
	£	£
Payments to acquire tangible fixed assets	(125,551)	(348,601)
Receipts from disposal of fixed assets	<u>103,017</u>	
	(22,534)	(348,601)

16. NOTES TO THE CASH FLOW STATEMENT (continued)

FINANCING

	2014	2013
	£	£
Repayment of loans	(29,659)	(101,624)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2014		2013
	£	£	£
Decrease in cash in the period	(450,164)		(596,042)
Net cash outflow from loans	29,659		101,624
		(420,505)	(494,418)
Change in net debt		(420,505)	(494,418)
Net debt at 1 April 2013		(3,336,467)	(2,842,049)
Net debt at 31 March 2014		(3,756,972)	(3,336,467)

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2013	Cash flows	At 31 Mar 2014
	£	£	£
Net cash:			
Cash in hand and at bank	641,432	(450,164)	191,268
Debt:			
Debt due within 1 year	(127,280)	127,280	-
Debt due after 1 year	(3,850,619)	(97,621)	(3,948,240)
	(3,977,899)	(29,659)	(3,948,240)
Net debt	(3,336,467)	(420,505)	(3,756,972)

17. RELATED PARTY TRANSACTIONS

During the year the company used the services of Macfarlanes LLP, a law firm in which Mr D Coleman was a partner and Alex Crockford a solicitor, and Broadgate Estates Limited, a property management company in which Mr M Thornton is a director.

Services provided by Macfarlanes LLP included legal advice on property related contracts, outsourcing disputes and employment law, administrative and IT advice and individual donations. Services provided by Broadgate Estates Limited helped the charity to evaluate and procure a new IT system for Cambridge House, improve and reduce the costs of HR management by sharing their Cascade HR software and employ a Head of Facilities and provide training and mentoring to the appointee. All services provided by both were on a pro-bono basis.