

Company number: 1050006

Charity number: 265103

Cambridge House and Talbot

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

Annual Report and Accounts

Year ended 31 March 2018

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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. When we were established in 1889, our vision responded to the social problems of Victorian society – poverty, inequality, and destitution. Today, as our communities face increasing hardship, we are guided by the same vision. Some of the challenges facing our communities are new – an ageing population too often denied the right to be involved in decisions that affect their lives and left without choice or dignity. Other challenges are among those we set out to eradicate more than a century ago – absolute poverty, indecent housing, and vulnerable people deprived of their dignity and of opportunities to flourish.

It was in this challenging context that we launched our Business Plan 2017–22. Recognising the complex nature of the challenges that our society faces on a local and national level and the ongoing business challenges we face as an organisation, our strategy maintains our commitment to change and continuous improvement.

This annual report demonstrates the scope and quality of our work during our 2017 – 2018 financial year. We identify areas in which we have achieved measurable results and illustrate how we have continued to improve our financial sustainability.

Notable highlights of the year include:

- We completed our 3-year Business Plan for 2014–2017 and reflected on the progress we have made, expanding our reach and amplifying our impact while seeking to imbed financial sustainability into every aspect of our business.
- Our new Safer Renting service, providing access to justice for victims of criminal landlords, transformed from an innovative

pilot to a thriving service, securing four partner boroughs and reaching more than 150 households.

- Our Advocacy Service launched a pioneering Single Point of Access Service in LB Richmond, one of only two in the country, and managing more than 500 cases in 10 months.
- Our SENsational Sports programme was awarded the London Youth Sports Development Award 2017.

Working in an environment that remains financially constrained, we recognise that we need to operate efficiently and effectively to deliver on our commitments to the people we serve and to our funders and supporters. We do this by assessing our impact, offering excellent social return on investment and ensuring we operate transparently, ethically and inclusively. We are proud of our internal financial controls and performance measures. We use these proactively to ensure that our supporters and funders are confident that we deliver quality alongside financial prudence and resilience.

All our work is made possible by our generous, enthusiastic, and dedicated funders and supporters. Our thanks go to them and, as ever, to our fantastic team of staff and volunteers for their continued commitment to the people we serve.

This year, we wish to give special thanks to the extraordinary contribution of several long-serving members of the staff team and Council of Management who have left us. After more than fifteen years of combined service, we were sad to say goodbye to our Advocacy Manager, Selma Harman, and Deputy Chief Executive, Charlotte Gilsenan. Selma joined Cambridge House as an advocate, before stepping into a leading role in our Advocacy Service, helping us expand to more than ten boroughs and setting the high standard of client service to which we aspire. Charlotte, over her nine years with us,

brought her warmth, expertise, and determination to a variety of leadership roles and was instrumental to our successes and achievements over this time. We wish them continuing success and thank them for their enormous contribution to Cambridge House.

We also wish to thank several members of our Council of Management, who have also left us:

- Tessa Smith, who brought her considerable expertise to our corporate governance and strategy from her experience as a Senior Civil Servant.
- Paul Yiannouzis who, after more than a decade, left us having made an enormous contribution to our financial sustainability, property development and management, and unswerving commitment to the people we serve.
- Graham Moss who, having served as Company Treasurer between 2011 and 2014, brought an eye for detail and the benefit of his wide experience to both the financial and wider aspects of governance of Cambridge House, always with a warmth and constructive approach.

David Coleman, Chair

Karin Woodley, Chief Executive

Charity information

President

HRH The Duke of Gloucester

Patrons

Dr Rowan Williams

Charles Arthur

Robert Park

Jeremiah Emmanuel (Youth Patron)

Board of Trustees and Directors

David Coleman – Interim Chair (from Dec 2017)

Julie Myers – Chair (to Dec 2017)

Tessa Smith – Vice Chair (Retired May 2017)

Fran Sanderson – Treasurer to Sep 2018

David Goode – Treasurer from October 2018

(Appointed May 2017)

Nicholas Page – Company Secretary (Retired Dec 2017)

Clarissa Lyons – Company Secretary (Appointed March 2018)

Andy Carr (Retired August 2018)

Nikki Dawson

Peter Jenkins (Vice-Chair from Jun 2017 to May 2018)

Simon Latham (Appointed May 2017, Vice-Chair from May 2018)

Dan Metcalfe

Graham Moss (Retired Dec 2017)

Clarisse Simonek (Appointed May 2017)

Lorna Stabler (Appointed May 2017)

Shveta Shah

Stephanie Tidball (Appointed March 2018)

Paul Yiannouzis (Retired Dec 2017))

Chief Executive

Karin Woodley

Director of Corporate Services

Jan O'Day

Financial Advisers

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

Aims and Objectives

Cambridge House

Founded 129 years ago, Cambridge House is a social action centre tackling poverty and social injustice. We deliver intensive frontline services to people facing multiple disadvantage from our community building in Camberwell, Southwark. While working regionally and nationally, we remain firmly rooted in our local neighbourhood as a community asset and hub. We use experience gained by working with people forced to the margins of society to challenge public perception and stigma, shape research and knowledge exchange activities, and promote systems change.

Our Work

Frontline services

Objective: To support people to stabilise their lives and progress

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

A people's social action centre

Objective: To support active citizenship

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

Research and knowledge exchange projects

Objective: To support the development of social policy and practice

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

Operational Aims and Objectives

During the year, we launched our five-year business plan 2017 – 2022, supported by our stakeholders and business advisers. We recognise fully that we had depleted our cash reserves in previous years while weathering the impact of austerity measures on our income streams. This continued to present challenges to the organisation.

The plan's key strategic objectives are to:

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

Our commitment to quality and impact

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

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

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

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

Evidencing quality and impact

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

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

Legal services

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

Advocacy services

Our independent advocacy services Advocacy QPM accreditation is being renewed in 2018. The QPM works in conjunction with the Advocacy Code of Practice, enabling providers to demonstrate how they are meeting the different standards set out in the code.

Youth Empowerment services

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

Disabled People's Empowerment services

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

Governance

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

Our fundraising ethos

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

All our fundraising activity is carried out in accordance with our Data Protection Policy, which reflects current legal and regulatory requirements. We have been cognisant that important changes come into effect with the implementation of General Data Protection Regulation (GDPR) in May 2018. We therefore reviewed our policies and procedures during 2017–18 and updated them by May 2018.

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

We are an organisational member of the Institute of Fundraising and have a published fundraising pledge to donors. Our ethical fundraising policy governs our interactions with third parties, including, but not limited to, corporate and individual donors, local and national governments, other charities and public–sector agencies.

During the year our primary fundraisers were the Chief Executive a Fundraising and Development Coordinator and a Development Officer recruited through our paid internship programme.

Our relationship with supporters

1. We respect the rights of our supporters to clear, truthful information on the work of Cambridge House, therefore we:
 - Openly report how we spend donated and statutory monies.
 - Are transparent and honest.
 - Do what we say we are going to do.
 - Answer all reasonable questions about our fundraising activities and costs.
 - Abide by the conditions attached to the donations and grants we receive.
 - Respect the privacy and contact preferences of all donors.
 - Respond promptly to requests to cease contact.
2. We respond promptly to complaints and act as best we can to address their causes.
3. We never accept a donation from someone we believe to be vulnerable and not in an informed position to decide about their donation.
4. We never sell donor information to third parties and will do our best to keep contact details up to date and accurate.
5. We do not use techniques such as telemarketing or door–to–door collections.
6. Paid fundraisers, whether staff or consultants, are compensated by a salary, retainer or fee, and are not paid finders' fees, commissions or other payments based on either the number of gifts received, or the value of funds raised.

Serious Incident Reporting

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

Safeguarding

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

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

1. Internal alerts concerning the conduct of members of the Cambridge House team

Trustees confirm that there was one allegation made against an employee by a user in the financial year. This allegation was investigated by the police who determined it was unfounded and confirmed that they had no record of previous investigations into, or allegations against our employee.

2. External alerts concerning the treatment of Cambridge House clients by external agencies

3. During the financial year:

- The advocacy team raised alerts in respect of Safeguarding and 21A Deprivation of Liberty Safeguards (DoLS) and supported several clients to access the Court of Protection.
- The education and inclusion team raised alerts which resulted in several clients being referred to social, GP and mental health services.

Wider networks and partnerships

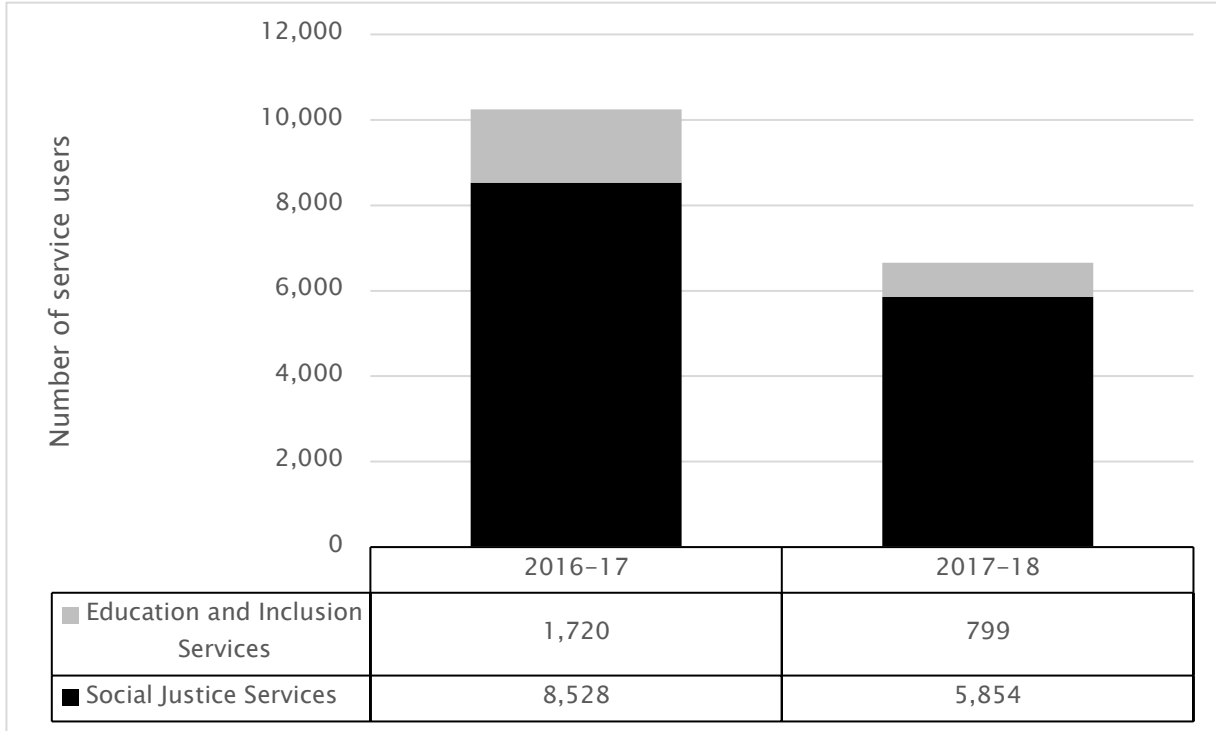
1. We are firmly 'outward looking', as befits our vision of a society without poverty where all people are valued, treated equally and lead fulfilling and productive lives. We work collaboratively with a diversity of voluntary, community, private and public-sector partners to deliver services and exchange knowledge and information. Co-location with, and acting as a landlord to 14 other social welfare organisations and agencies in Cambridge House is another important element of this stance and we are members of:
 - **Community Southwark**, the umbrella body for the voluntary and community sector, volunteers and social action in Southwark.
 - Our Chief Executive is Vice Chair of Community Southwark's' Board of Trustees.
 - **Global Social Economy Forum (GSEF)**, an international association that brings together local governments and civil society stakeholders committed to supporting the development of the social and solidarity economy (SSE).
 - Our Chief Executive is a member of the Forum's Steering Committee.
 - **Healthwatch Southwark**, a consumer network established because of the health and social care reforms of 2012 to champion the views of local people who use health and social care services in Southwark.

- Our Chief Executive is a member of its Advisory Group.
 - **Institute of Fundraising**, the professional membership body for UK fundraising.
 - **The International Federation of Settlements and Neighbourhood Centres (IFS)**, an association of national, regional and local organisations working to strengthen communities around the world. Its mission is to build an inclusive global community by empowering, inspiring and connecting people who are working locally for social justice.
 - **London Youth**, a network of diverse community youth organisations serving young people of all backgrounds right across the capital.
 - **Locality**, whose stated objective is to develop a network of ambitious and enterprising community-led organisations with a strong, collective voice and to inspire community action so that every neighbourhood thrives.
 - Our Chief Executive is a member of Locality’s Board of Trustees.
 - **National Council for Voluntary Organisations (NCVO)**, which champions the voluntary sector by connecting, representing and supporting voluntary organisations.
 - **Play International (formerly Sports without Borders)**, an international sports organisation which uses sports for education and social change.
 - Cambridge House is the organisation’s UK partner.
 - Our Chief Executive is a member of its Research and Action Committee.
 - **Southwark Legal Advice Network (SLAN)**, which aims to improve access to quality assured advice services and self-help information in Southwark for people in greatest need.
2. We are also very grateful for the support we receive through the following partnerships:
- **Macfarlanes LLP**, a London-based law firm, has been a corporate partner for over 30 years. In addition to providing us with legal services on a pro bono basis:
 - Nicholas Page, our former company secretary and trustee to December 2017, is a solicitor at Macfarlanes.
 - Clarissa Lyons, our company secretary and trustee from March 2018, is a senior charity law solicitor at Macfarlanes.
 - Stephanie Tidball, one of our trustees, is Macfarlanes’ Head of Learning and Development.
 - David Coleman, our Chair is a former partner of Macfarlanes.
 - **Haysmacintyre**, a firm of chartered accountants and tax advisers in central London, made a charitable donation during the year.
 - David Goode, a trustee since May 2017 and our treasurer from October 2018, is an Assistant Manager at Haysmacintyre.

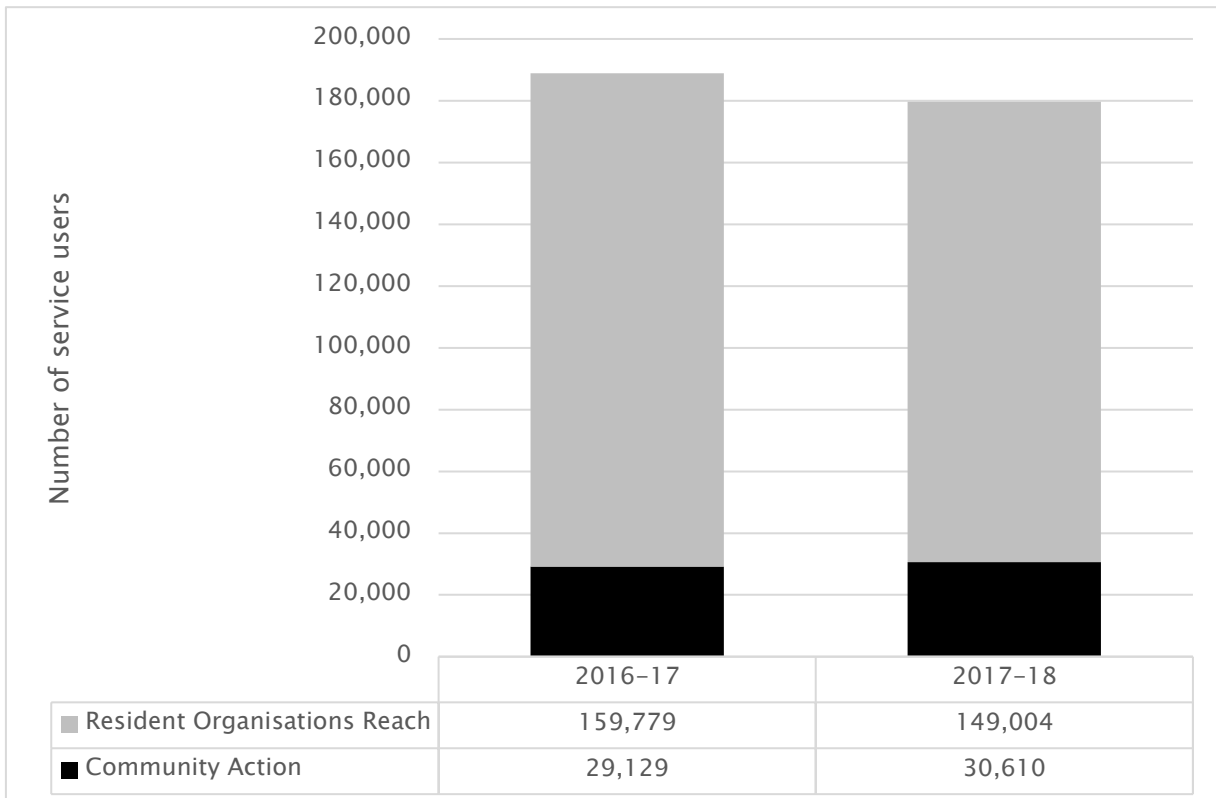
Key achievements

We reached a total of 186,267 people in 2017-18

Our specialist services for individuals and families



Our community anchor and social innovation services



We calculate our reach by:

- Recording the numbers of individual people and families who accessed each Cambridge House front line service and project during the year: 6,653 beneficiaries.
- Recording the numbers of individual people and families who accessed services provided by organisations that Cambridge House provided with work, delivery and events spaces (our resident organisations). This saw a significant increase this year due to the activities of new residents; for example, Improving Health Ltd, a health and social care organisation, which works with more than 100,000 people every year: 149,004 beneficiaries.
- Recording the numbers of attendees at community action events at Cambridge House organised primarily by local voluntary and community sector organisation and statutory agencies: 30,610 beneficiaries.

Strategic Objective 1

To enhance organisational capacity, resilience and sustainability

Our key achievements in relation to business development targets included:

1. Completing our three-year Business Plan 2017 – 2022, improving our financial position, enhancing our resilience, and imbedding sustainability into our business:

- a) We increased our unrestricted income from £1,463,283 to £1,504,634.
- b) We reduced our expenditure from £1,893,595 to £1,875,113.
- c) We developed a positive and productive relationship with our Social Investment Business creditors, including 0% interest on loan repayments to 31 December 2019.
- d) We maintained a diversified income portfolio as follows:

Income Type	2017/18	2016/17	2015/16
Earned Income	87%	82%	76%
Charitable Income	11%	17%	9%
Public Sector Grants	2%	1%	23%

2. Improving our governance processes as follows

- In May 2017 we recruited four new trustees with expert skills in finance, government policy and children and young people
- In May 2018 we recruited two new trustees with expert skills in charity law and people development

3. Maintaining and/or securing professional accreditations as follows:

- Corporate:
 - i) Investor in People
 - ii) Positive about Disability
 - iii) Mindful Employer
 - iv) London Living Wage
- Law Centre:
 - i) Law Society's Lexcel legal practice quality mark for excellence in legal practice management and excellence in client care
 - ii) London Legal Support Trust Centre of Excellence

- Advocacy Service:
 - i) Advocacy Quality Performance Mark for the exceptional quality of independent advocacy that we provide
- Stand-Up:
 - i) Project Oracle (level 1) accreditation for monitoring and evaluation
- Playdagogy:
 - i) Continuing Professional Development Accreditation for Training from Skills Active (6 points)
 - ii) Project Oracle (level 1) accreditation for its monitoring and evaluation framework

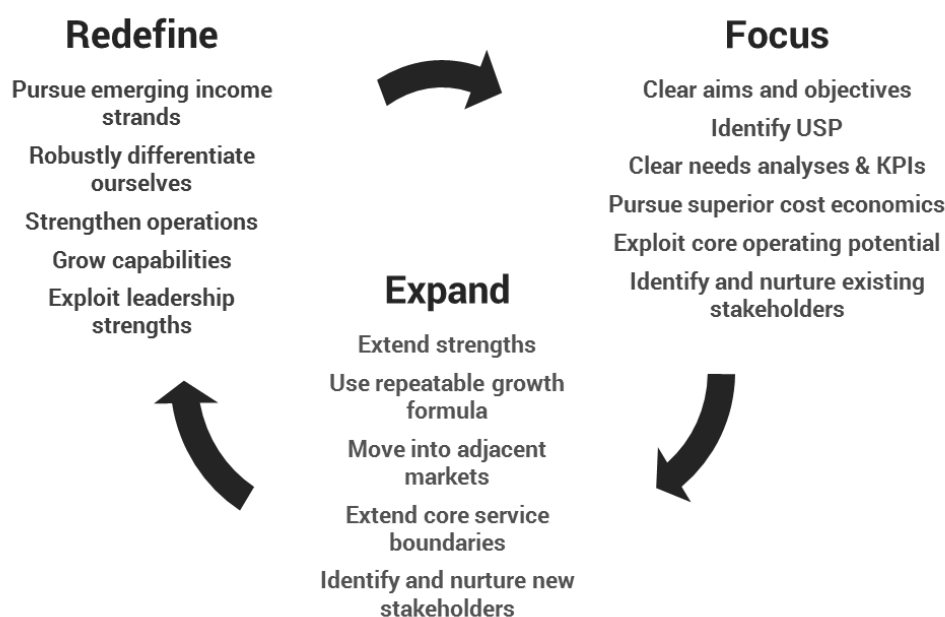
2. Commencing implementation of our five-year Business Plan 2017–2022 with the following strategic objectives:

- a) To enhance the reach and impact of our activities
- b) To enhance our organisational capacity and resilience

Recognising the complex nature of the challenges that our society faces on a neighbourhood and a national level as well as the business challenges we face as an organisation, our strategy maintains our commitment to change and continuous improvement by:

- a) Focusing on activities that contribute in a positive way to the wellbeing, productivity and resilience of the people and communities we serve.
- b) Gathering local level insights and evidence-based practice to support the development of best practice models, influence national policy debates, and deliver social transformation.
- c) Working collaboratively with our service users and stakeholders to agree a shared vision of desired outcomes and models of change.
- d) Recognising that we continue to operate in an environment that is financially constrained and must therefore strive to offer increasing value for money.
- e) Maximising opportunities to respond innovatively to new social needs as they emerge in the communities we serve.

To prepare this strategy we have considered the following business requirements and business development approaches:



Strategic Objective 2

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

Social Justice Services

Cambridge House Law Centre

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

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

- Users were:
 - 67% female and 33% male
 - 73% Black and Minority Ethnic and 27% British White and White Other
 - 81% In social housing
 - 4% Homeless
 - 15% Privately renting
 - 36% Lone parents with children
 - 4% Couples with children
 - 40% Unemployed
 - 31% In work [full-time and/or part-time]
 - 29% Unfit for work/Not Seeking Work
- Housing and homelessness:
 - 78 new housing cases opened
 - 80 specialist one-off advice sessions
 - 86 clients represented at Court
 - 136 possession/eviction proceedings successfully defended, enabling clients to keep their homes
 - 10 successful homelessness challenges
 - 18 disrepair claims concluded resulting in repairs being carried out by the landlord and clients receiving compensation
- Welfare Benefits:
 - 23 new welfare benefits cases opened
 - 14 specialist one-off advice sessions
 - 68 clients given welfare benefits advice at outreach sites
 - 6 clients successfully represented at Appeals Tribunals
 - 10 successful Employment and Support Allowance (which replaced incapacity benefit) and / Personal Independence Payment appeals
 - 2 successful Tax Credit appeals
- Employment:
 - 19 clients given specialist advice
- Community Care
 - 1 case opened
- Public Law
 - 4 cases opened

Law Centre Administrator and Cambridge House stalwart Beryl Peckham was honoured at the Southwark Civic Awards 2017 with the Liberty of the Old Metropolitan Borough of Camberwell. The award recognises Beryl's exceptional contribution to Southwark over her 29 years at Cambridge House Law Centre where she has worked tirelessly to support the provision of free, expert legal advice and representation.

Independent Advocacy Services

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

Our key achievements in relation to advocacy included the following:

- 2,574 individuals provided with specialist independent advocacy across 5 boroughs where we are a primary advocacy provider
- 94% of advocacy issues were successfully resolved
- 19 boroughs served, including extension of services to 6 new boroughs
- Launched a pioneering Single Point of Access Advocacy Service in LB Richmond managing more than 500 cases in 10 months.
- 1,855 cases of Care Act Advocacy support provided in the London Borough of Southwark, a 271% increase on 2016/17
- 8,516 hours of Independent Mental Capacity Advocacy supporting and protecting the rights of people who were declared unable, for medical reasons, to make key decisions about their lives in Southwark and Waltham Forest, a 135% increase on 2016/17
- 42% increase in hours of advocacy provided in Barking and Dagenham with a 35% increase in referrals through awareness-raising activities

Safer Renting Service

Designing pathways out of bottom-end private rented housing, providing advice and advocacy and influencing policy to improve conditions for renters and drive criminal landlords out of business

In 2017–18, Safer Renting entered its second year of tackling the needs of a growing cohort of medium to low income individuals and families driven into inadequate housing and poverty by sharp private rental price increases, low wages, and Local Housing Allowance insufficiencies.

The service provides access to justice for migrants and refugees who make up a significant proportion of victims of criminal landlords, along with tenants who experience social isolation, poor health, mental health conditions and illegal employment conditions that their housing circumstances exacerbate. Often landlords are trying to conceal the fact they have been letting unlawfully and fear prosecution. Landlords often bully tenants into giving up any rights of occupation or they are illegally evicted by force. Homelessness prevention makes up the bulk of our casework.

The service, by the end of this second year, had shown 'proof of concept' as a successful pathfinder, providing specialist outreach advice and advocacy to referrals from local authority PRS enforcement teams and working to encourage effective multi-agency interventions for tenants of criminal landlords.

Over the year the service worked with:

- 170 client households
- 4 local authorities (Waltham Forest, Enfield, Hounslow and Croydon)

Our users were:

- 43% families with dependent children
- 45% of clients were black or minority ethnic origin
- 38% were white migrants, predominantly from the EU
- 57% of clients were single or adult only households
- 16% only were white British
- 50% of the client group would have been eligible for homelessness assistance under 'in priority need'
- 78% were under threat of homelessness and needed support to sustain their tenancy

Our outcomes include:

- 75% of clients achieved their desired outcome of tenancy sustainment
- 24% were supported to relocate on their own terms

Our other achievements through the year included:

- **Collaboration and Partnering:**
 - Joint working with Waltham Forest, Enfield and Hounslow boroughs to secure the Department for Communities and Local Government-awarded grant funding under the 'Controlling Migration Fund' for regulating the private rented sector. This has led to us being invited to develop new initiatives including a scheme to provide loans for rent deposits in Hounslow and a fund for Third Party Litigation in Waltham Forest.
 - Completed the Young Foundation's social impact accelerator "Reimagining Rent" programme. The programme enabled us to reappraise our funding model, growth plan and how we promote ourselves and raise our profile. The programme led to participation at the end of the year at an event at which several high value funders, investors and other opinion shapers.
- **Policy and research:** We have contributed to a rich mix of policy and research forums on the private rented sector, particularly those led by London School of Economics, and have delivered talks to conferences and workshops including
 - Crisis
 - The Chartered Institute of Environmental Health Birmingham conference
 - Central Government Briefing on the private rented sector
 - National Practitioners Support Service conference on homelessness
 - Landlord Law Conference
 - Housing Law Practitioners Association AGM
 - London Borough of Waltham Forest Landlord Forum
 - Cambridge City Council Landlord's forum
 - National Landlord's Association event
 - Z2K conference for housing advisers
- **Capacity building and skills development:** Following a successful pilot, we secured support from the Legal Education Foundation to establish a new apprenticeship for private sector housing rights advice and advocacy. We have developed the scheme, taking advice from City Law School (ULU) using the new Government Apprenticeship levy, which will provide substantial funding for delivery of the training product when approved. We have also partnered with the Chartered Institute of Housing and Chartered Institute of Legal Executives to arrange for our apprenticeship to qualify for credits in professional qualifications and promotion of the scheme when launched.

Education and Inclusion Services

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

Youth People's Empowerment Project

The Cambridge House Youth Empowerment Project (YEP) has delivered weekly group workshops and 1:1 mentoring and life coaching to 25 vulnerable young people aged 16–25 years old. Between October 2017 and March 2018:

- 90 hours of group workshops were delivered, with a focus on life skills, breaking down barriers to employment, building resilience and increasing confidence. Workshops were tailored and responsive to ensure they addressed the needs and interests of the young people, and included:
 - Identity and perception
 - Challenging unhelpful belief systems
 - Behaviour and impulse control
 - Sexual health and relationships
 - Substance misuse awareness
 - Confidence, communication and assertiveness
 - Money management
 - Employment training and work readiness
 - Cooking, food shopping and healthy eating
- Sessions were delivered both in-house and through specialist training providers including:
 - Creation Trust (employment training)
 - HYP Southwark (sexual health and drug awareness)
 - Community Southwark (volunteering)
 - LEAP Confronting Conflict (anger management)
 - Blue Elephant Theatre (confidence and communication)
 - MyBnk (finance management)
 - NHS Talking Therapies (mental health and wellbeing)
 - Southwark Council Communities Division (community, identity and perception)
- 180 one-to-one sessions were carried out with the young people, helping them to put the learning from the group workshops into practice. Through these more intensive one-to-one sessions, young people were supported to identify their barriers, create personalised SMART goals and to take tangible steps towards their desired outcomes.
- Group trips were undertaken to provide participants with opportunities and experiences they wouldn't usually have access to. These included:
 - Apollo Victoria Theatre
 - Blue Elephant Theatre
 - Unicorn Theatre
 - Escape Rooms – teambuilding event

- YEP's 'hand-holding' approach supported the young people in accessing specialist services and appointments, including GP appointments; housing appointments; mental health assessments; and mediation meetings with schools, colleges, social workers and family members.
- YEP's young people took part in volunteering with our Disabled People's Empowerment projects, helping with events and supporting the various programmes' staff and participants.
- YEP's hand-holding approach and evidence-based Youth Outcome Star allows us to apply a holistic and strength-based monitoring approach when evaluating participants' personal development. Monitoring the achievements that matter most to the young people, our outcomes include:
 - The proportion of participants not in education, employment or training (NEET) has fallen from 75% at the start of the programme to 17% at the current stage of our programme.
 - Of the participants that were in education at the start of the programme, but 'at risk' of dropping out, 100% have retained their place in college.
 - Of those who were NEET but are now not:
 - 43% have returned to education
 - 57% have found employment
 - Of the 17% who remain NEET, all have volunteered for charities and are actively searching for work.
 - 3 young people volunteered with the Cambridge House Disabled People's Empowerment Programmes.
 - 2 young people have been given new foster care placements after troublesome initial placements and intensive support from the Youth Empowerment Coordinator to facilitate meetings between family, school and social services.
 - 3 young people have been given more independent living/secure housing where their previous living situations were untenable.
 - 1 young person has been given a mental health diagnosis and a care plan.
 - Having struggled with her gender dysphoria for many years, 1 young person now publicly identifies as a woman, has informed and been accepted by her parents, and is currently on a waiting list for the Gender Identity Clinic.
- We were also awarded the London Youth Quality Mark accreditation in August 2017.
- Quotes from young people on our programme:
 - "Coming to Cambridge House has really helped me. My approach has changed. I feel like I'm nearly changing my mind. Instead of saying 'I can't do it', just try to do it - and if you can't do it, then you can say for definite that you can't. but I want to start trying." (Male, 19; living in supported education; NEET; limited family support; self-identified anger management issues)
 - "If it wasn't for this charity I'd be at a standstill. I'd think everything would just stay the same. But now I have a different mind-set. I feel hope." (Female, 19; living in supported accommodation; limited family support; long term serious physical condition requiring surgeries; learning disabilities)

- “You’re only the second person I’ve told about my transgender issues. Since telling you everything’s got easier. I’ve been to the doctors and told my parents. Today is the first day I’ve asked people to call me ‘she’ and [new female name]. I just needed someone to listen without judgement. Thank you so much for your support” (Transgender female, 22; anorexia; dyspraxia; autism; severe depression and anxiety; NEET)

Diversity Analysis of the Cambridge House Youth Programme:

Risk Driver	% of Participants Affected
Mental health concerns	79%
Lack of confidence	79%
NEET	63%
Lack of formal qualifications	58%
Black, Asian and Minority Ethnic	58%
Homeless/unstable accommodation	47%
No/little family support/destructive relationships	47%
Victim of physical/emotional abuse	42%
Involved in criminal activity	42%
Substance abuse	37%
Autism	21%
Gang activity	21%
Victim of sexual assault	16%
Sexuality concerns	16%
Single young parent	5%
Gender dysphoria	5%

Disabled People’s Empowerment Programmes

Our Disabled People’s Empowerment Programmes work to promote equality and diversity and build the skills and resilience of children and adults with disabilities and mental health conditions. This year our efforts were composed of Playdagogy; SENsational Sports; the Camberwell Incredibles and Arts Clubs for children and adults (the Wednesday and Saturday Arts Clubs).

1. **Playdagogy/Gamechangers** – Our ‘Sports for Social Justice’ programme was this year funded by the Laureus Sport for Good Foundation to deliver solely in schools across Greater London in partnership with PLAY International. Using our train-the-trainer approach, we continued to upskill and empower teachers and school support staff to run engaging sports and games sessions that raise awareness about disability discrimination and inclusion, increasing dialogue and challenging social injustice.
 - 43 teachers and school support staff were trained to deliver ‘Disability Awareness and Inclusion’ sessions to the children they work with, facilitating the direct involvement of over 600 children.
 - 12 schools took part in the programme, incorporating Playdagogy sessions into their PE, PSHE and extra-curricular activities on a regular basis.

- Alongside the Disability Awareness and Inclusion programme, 5 'Mental Health and Wellbeing' sessions were developed and piloted in schools, illustrating the programme's adaptability and feeding into the potential for this approach to be used to address emerging social issues.
- In October 2017 we attended PLAY International's global forum in Paris, where we worked with practitioners from Burundi, Kosovo, France and the UK to co-create and test new sessions and approaches to challenge issues of social injustice.

Outcomes:

- 95% of teachers rated themselves as confident in their knowledge and understanding of disability after attending the Playdagogy training
- 82% of children completing the post-session survey expressed positive attitudes toward disabled children/people
- 100% of teacher feedback stated an improvement of positive behaviour towards disabled children after receiving Playdagogy training
- 100% of teacher feedback reported an improvement in the participation, interaction and inclusion of disabled children.

Quotes from teachers whose classes took part in Playdagogy:

- 'Overall, the class demonstrated a great improvement in their sense of fairness and were always thinking of new ways to amend a game to make it fairer, and often pointed out when I was being unfair! For instance, one child SA said, "but this wouldn't be fair if we had someone who couldn't walk!" (Teacher, Peckham Park Primary School)
 - 'I have noticed a difference with a particular child, who has both hearing and eye impairments. She is now more confident while taking part in physical activity, she interacts more with the other children. And the others are more mindful of her needs.' (Teacher, St James the Great Primary)
2. Our **SENsational Sports** programme continues to deliver weekly swimming (hydrotherapy) and trampolining (rebound therapy) sessions to disabled children and young people in Southwark, also providing an essential respite service for parents and carers.
- 17 young people aged 11–25 years old with profound learning disabilities and complex needs took part in regular, structured physical and social activity throughout the year.
 - 117 hours of weekly swimming and trampolining sessions were delivered.
 - Sessions focused on teamwork, communication, social interaction, wellbeing, physical health, ability and coordination.
 - Our SENsational Sports service won the 'Sports Development Award 2018' at this year's London Youth Awards.

Monitoring tools for this service were developed in partnership with BBC Children in Need and allowed us to measure progress against three key outcome areas: 1) increased confidence, 2) improved behaviour and 3) improved communication/relationships. Through staff observations, feedback and surveys, it was found that:

- 100% of participants increased in confidence at SENsational Sports sessions during the year.
- 94% showed improved behaviour at sessions throughout the year.
- 94% of participants improved their communication and relationships at sessions throughout the year.
- Increased structure and group games have helped to focus the children and have notably encouraged positive interaction and teamwork between participants.

- As participants have gained confidence at sessions, peer-to-peer learning has been encouraged and certain children have taken on more responsibility by leading some of the activities and warm-ups for the others.
 - Parent feedback highlights the 'respite' element of SENSational Sports as essential to the parents and carers of participants and provides respite for the children themselves who have time away from parents where they can interact with their peers and take part in non-formal activities.
3. Our **Camberwell Incredibles** (formerly 19Plus) service is going from strength to strength, providing innovative and engaging activities for disabled adults. Through a range of creative and artistic approaches we build and develop the independent living skills of our service users. This increases and enhances their social interaction, communication and self-expression. Our emphasis is on ensuring that the adults we work with are encouraged to see themselves and are seen by the public as a positive vital force in the community. This year's activities and outcomes include:
- 13 participants attended our Camberwell Incredibles group sessions, taking part in meaningful social, creative and developmental activities two days per week.
 - 390 hours of Camberwell Incredibles sessions were delivered this year.
 - Staff regularly attended meetings with social workers, parents and carers, providing valuable professional feedback and information exchange relating to the progress and challenges of each service user and ensuring that efforts to support everyone are consistent, collaborative and remain person-centred.
 - Friends, family, staff, partners and members of the public attended the end of year 'Posh Tea Party' that was created and performed by the group to acknowledge their achievements throughout the year and to thank supporters of the programme through speeches that were written and delivered by the group members. Guests also included the Mayor of Southwark, who joined in the final dance of the evening, which was choreographed by the group.
 - This year saw the development of an exciting new partnership with the Hart Club, a local art gallery in Waterloo, who work with artists of all abilities to recognise and promote neurodiversity. The Hart Club have hosted exhibitions of our group's work and facilitated new collaborations between our group members and external artists.
 - Other activities included: dance sessions and choreography; Cycling at Herne Hill velodrome; Gardening at our allotment on Caspian Street; Day trips to the Imperial War and Horniman museums, and regular 'Walk-and-talk' and 'Move-and-grove' sessions to facilitate exercise and active discussion among the group.
4. Our **Art Clubs** for children and adults (Wednesday and Saturday Arts) continue to provide valuable services for people with learning disabilities and complex needs. Through weekly sessions run by artists, art therapists and highly experienced support staff, we provide opportunities for our participants to engage in creative activities, away from the formal structures of school. Here they can build relationships, socialise and express themselves. This year's activities and outcomes include:
- 24 children and adults with profound and multiple learning disabilities attended our weekly Wednesday Arts after school sessions and Saturday Arts club.
 - 97.5 hours of creative activities for 11-25-year olds with learning disabilities were delivered.
 - 175.5 hours of activities for adults with learning disabilities were delivered.
 - 273 hours of respite were provided for parents and carers, giving them much-needed time away from their caring roles and increasing autonomy in the participants.

- Wednesday Arts participants had their artwork displayed at the London Youth 'Young Culture Makers' Exhibition in March 2018, winning 1st, 2nd and 3rd prize in their age category.

Social Innovation and Enterprise Services

Promoting systemic, structural and cultural change in the United Kingdom

Knowledge Exchange and Research

Our key achievements in relation to knowledge exchange and research were as follows:

1. We developed our capacity to share evidence-based practice that develops and improves the way society tackles poverty and escalating levels of severe and multiple disadvantage. During the year:
 - Our Chief Executive led activities strengthening collaboration and partnership-working between research institutions and civil society, contributing to a paper 'Barriers to Co-Production with Civil Society' to *Convivial Tools for Research and Practice* to be published by University College London in 2019.
 - Our Safer Renting Team were contributors to a range of private rented housing policy and practice seminars, conferences and policy events, including presenting at events at the Chartered Institute for Housing, the London School of Economics and Crisis.
2. We promoted systemic change by nurturing opportunities for government, businesses and civil society organisations to share information, experiences, skills and expertise by:
 - a) 30,000 individuals using our building this year for a range of community-oriented services, activities and events including:
 - Social Care events, engaging users, practitioners, and strategic partners
 - Southwark forum for local VCS organisations and local authority commissioners
 - Public health and patient experience consultations and drop-in sessions co-delivered with Southwark Council
 - Support, solidarity, and awareness raising groups and events
 - Victim support sessions
 - 1:1 counselling, debt advice and generalist legal support sessions
 - b) Contributing to a range of community empowerment networks including:
 - Chief Executive: member of Southwark's Learning Disabilities Partnership Board; Chair, Learning Disabilities Provider Forum; member of the Southwark Giving Steering Group; Vice Chair, Community Southwark; member of Healthwatch Southwark's Advisory Group; member of the Council/VCS Liaison Group; member of the Council's Social Value -Task and Finish Group.
 - Law Centre Manager: member of Southwark Legal Advice Network; member of the Law Centre Network.

- Education and Inclusion Services Manager: member of the Southwark Provider-Led Groups for Learning Disability; Mental Health; Children, Families and Young People, and Southwark Adult Social Care; member of London Youth Inclusion Network, Everyone Active, and Kings College Hospital NHS Foundation Trust
- c) Delivering sector training including:
 - Chief Executive: leading a change management debate for the Better Way Network event; two training seminars for the School for Social Entrepreneurs 'Business Trade Up' programme attended by recipients of Power to Change social investment awards.

Work and event spaces for civil society organisations

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

1. Over 40 community groups were provided with meeting, event and service delivery spaces, for 30,610 beneficiaries during the year at an annual venue hire fee per beneficiary of £3.95.
2. 18 resident charities and social enterprises providing services to 149,004 beneficiaries, occupied workspaces during the year at an annual license fee cost of £1.80 per beneficiary.
3. The services of resident organisations divide into six main categories:
 - Employment / employability skills
 - Childcare
 - Disabilities (physical / learning)
 - Mental health
 - Advocacy
 - Health and wellbeing
4. Some of the key demographic groups who attend these services include:
 - people with a disability
 - people with a low income
 - culturally and linguistically diverse
 - newly arrived migrants
 - vulnerable families
 - people with low levels of formal education
 - people experiencing drug/alcohol issues
 - people at risk of social isolation
 - people experiencing mental health issues (including children and BAME people)
 - children below school age (0-5 years) attending children's programmes
 - young people
5. Resident organisations over the year included:
 - **1st Place Children and Play Centre** - Providing high-quality, early learning experiences, family support and training to local families
 - **Brook** - Providing free and confidential sexual health services to young people under 25.
 - **Community Southwark** - Supporting volunteering and community action in Southwark
 - **Change Grow Live** - Providing help and support over a wide variety of areas including health and wellbeing, substance use, mental health, criminal justice, domestic abuse and homelessness.

- **Grandparents Plus** – A national charity working for all families where grandparents play a vital role in the development of their grandchildren.
- **Improving Health Ltd. (NHS)** – Improving the health and wellbeing of the residents of Southwark, by delivering service innovation and ensuring equality of provision
- **Lambeth and Southwark Mind** – Promoting the well-being of people in Lambeth and Southwark experiencing mental distress
- **Leap Confronting Conflict** – An award-winning national youth charity that provides inspirational conflict management training and support to young people and the professionals that support them
- **Maintaining Health Partners** – Providing therapies to improve the quality of life of people experiencing mental health difficulties and the wider community
- **Place2Be** – Providing school-based mental health support, unlocking children’s potential in the classroom and beyond
- **Southwark Association for Mental Health** – Campaigning for better mental health services across Southwark
- **Working Families** – Helping working parents and carers and their employers find a better balance between responsibilities at home and work

Achieving Our Priorities

Our performance against our priorities for 2017–18

Cambridge House Priorities 2017–18	Evaluation
1. Enhance organisational capacity, resilience and sustainability by:	
a) Recruitment of trustees with specialist skills in finance, policy, charity law, education and inclusion	Successful
b) Maintaining our overhead costs at less than 20%	Successful
c) Continuing to diversify our unrestricted earned income profile	Successful
d) Securing continuation of 0% SIB interest on loan repayments to 31 December 2019	Successful
e) Beginning to build cash reserves	Unsuccessful
f) Extending the Advocacy Service to a minimum of one new London Borough	Unsuccessful
2. Design and provide services that deliver positive impact for individuals, families and communities facing severe and multiple disadvantage by:	
a) Contributing to regional and national policy and practice forums using our insight into effective intervention in complex and imbedded challenges of poverty and social exclusion	Successful
b) Securing four partner local authorities to imbed Safer Renting as a fully established service and complete the transition from pilot to full delivery	Successful
c) Enhancing and amplifying delivery of our Youth Empowerment Programme to respond to rising risk in the local area and declining availability of youth services	Successful

Acknowledgements

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

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

Alan and Babette Sainsbury

Allen and Overy Charitable Trust

Broadgate Estates

Cabinet Office Big Lottery

Cambridge House Ride London Team

Cambridge University Fashion Show

Charterhouse-in-Southwark

Children in Need

City of London Academy

City of London Corporation

Communitybuilders Fund

Credit Suisse Securities

Croydon Relief in Need Charities

DWF Foundation

Elizabeth and Prince Zaiger Trust

Emmanuel College Cambridge

Essex County Council

George Bairstow Charitable Trust

H I McMorran Charitable Foundation

Haysmacintyre

Jack Petchey Foundation

Kent County Council

Laureus Foundation 2

Legal Education Foundation

Locality

London Borough of Barking and Dagenham

London Borough of Bexley

London Borough of Croydon

London Borough of Haringey

London Borough of Hounslow

London Borough of Islington

London Borough of Lambeth

London Borough of Lewisham

London Borough of Newham

London Borough of Richmond

London Borough of Southwark

London Borough of Tower Hamlets

London Borough of Waltham Forest
London Housing Foundation

London Legal Support Trust

London PE School Sports Network

Merchant Taylors Company

More London

Office of Civil Society

Orchard Hill College

Postcode Community Trust

Rix-Thompson Rothenberg Foundation

Robert Holman Memorial Trust

Shanly Foundation

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

1st Place Nursery

Arsenal Football Club

Bite the Ballot

Blackfriars Settlement

Blue Elephant Theatre

Brook

Cambridge City Council Landlord's forum

Centre for Disability Studies – Leeds University

Centre for London

Change Grow Live

Chartered Institute for Housing

City University

Community Southwark

Contact a Family

Crisis

Crystal Palace Football Club

Esprima

Fulham Football Club

Get Outta The Gang

Global Social Economy Forum

Grandparents Plus

Hart Club

Health Watch Southwark

Housing Law Practitioners Association

Improving Health Ltd. (NHS)

InSpire

International Federation of Settlements

Kathryn Oliver & Iain Carroll

Ladies of Virtue Community Outreach

Lambeth and Southwark Mind

Landlord Law Conference

Leap CC

Leyton Orient FC

Lives Not Knives

London Borough of Waltham Forest Landlord Forum

London Legal Support Trust

London Live

London School of Economics and Political Science

London South Bank University Student Union

London Youth

LSE Housing and Communities

Macfarlanes LLP

Maintaining Health Partners National Landlord's Association event
Peckham Pulse

Place2Be

Salmon Centre

School for Social Entrepreneurs

Southwark News

The Young Foundation

University College London

Working Families

Z2K conference for Housing Advisers

Governance and Management

Cambridge House and Talbot is a registered charity (registration number 265103) and is constituted as a company registered in England and Wales and limited by guarantee (registration number 1050006). The company does not have share capital and is limited by the guarantee of the members to a maximum of £1 each. The total number of such guarantees at the year-end was 61 (2016 – 61). 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 the nearest in number to one third of the elected members of the Council stand down at the annual general meeting and are eligible for re-election.

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

- Finance (Graham Moss (retired Dec 2017), Fran Sanderson, Paul Yiannouzis (retired Dec 2017, David Goode (from May 2017), Clarisse Simonek (from May 2017)
- Governance and Trustee Development (Clarissa Lyons (from Mar 2018), David Coleman, Julie Myers, Shveta Shah)
- Fundraising Working Group (Andy Carr, Peter Jenkins)

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

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

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

Trustee Recruitment and Training

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

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

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

To ensure continued development, the trustees are offered the opportunity to attend training on key areas, such as 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 considered the guidance contained in the Charity Commission's general guidance on public benefit where applicable.

Staffing and Remuneration

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

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

Performance Management

We have a performance management and appraisal policy that:

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

Staff Remuneration

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

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

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

Salaries

We have a staff team of 20 full-time and 37 part-time staff (50.05 FTE). For Cambridge House to run successfully, a large range of skills and disciplines are required, and we need to pay appropriately to ensure that we can recruit people with the right skills. We also need to retain them in a competitive market for the long-term, developing them and benefiting from their growing knowledge. This is in preference to the disruption and expense of recruitment, especially as many staff have detailed knowledge that is unique to them in the organisation and could not be quickly replaced. Our staff pay scales are set with this in mind.

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

The Chief Executive’s salary is reviewed to benchmark it against other charities in London relative to size, budgets, responsibilities and the competitiveness of the employment market. At the same time, we seek to keep salary costs under control. The Chief Executive’s salary was last benchmarked in 2013–14.

Chief Executive Pay

Name	Title	2017–18	2016–17
Karin Woodley	Chief Executive	£77,250	£77,250

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

Pay Awards

The annual pay increase for the Chief Executive, management team and staff was 3% in 2015–16, 0% in 2016/17 and 0% in 2017/18 except for staff being paid the London Living Wage who received a cost of living increase of 4.6% in 2017/18.

Pay ratio

The ratio of our highest salary (£77,250) to our median salary (£35,000) is 2.15:1.

Volunteering and Employability Projects

Volunteering

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

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

30 volunteers were recruited and trained in 2017–2018 to provide support in the following areas:

- Communications
- Law Centre
- Reception and administration
- Youth mentoring and coaching
- Education and arts projects
- Advocacy

Risk Management

The trustees regularly review and assess the risks faced by Cambridge House in all areas of its work, and plan for the management of those risks. The management ensure that all plans and decisions consider the possibility of negative outcomes. There is a Risk Register which is supervised and monitored monthly by the Finance Subcommittee, reported on quarterly at meetings of the Council and reviewed annually by the Council 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 Subcommittee.

Principal Risks and Uncertainties

Our risk assessment and mitigation strategy approach is proactive and:

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

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

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

Financial Review

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

- During the year our total incoming resources decreased from £1,751,396 (in 2017) to £1,693,098 and our total expenditure decreased from £1,893,595 (in 2017) to £1,875,113. Our gross deficit for the year was £182,015 (£142,199 in 2017). As a result, we implemented a programme of cost reductions from 1 April 2018.
- We maintained a healthy ratio of 89% unrestricted (84% in 2017) to 11 % restricted income (16% in 2017).
- Funds generated by earned income from venue hire, legal, advocacy and personal budget fees and office workspace licenses remained our largest source of income. We are fortunate that resident churn remains extremely low and income from workspace licenses has been consistent for several years.
- Our income diversification strategy continues to successfully ensure that our reliance on income from the London Borough of Southwark has remained 20% of total incoming resources (20% in 2017, 26% in 2016 and 36% in 2015), and our reliance on statutory grants remains very low at 1% (1 % in 2017 and 2% in 2016).
- A new corporate strategy and business and deficit recovery plan and has provided trustees with the confidence that future business improvement and restructure activities will build the charity's sustainability and resilience.

Going Concern

The trustees are of the view that the charity remains a going concern, and that it will have adequate resources available to meet its obligations for at least twelve months from the date of approving these accounts.

Short-term cash flow, including frequent reliance on overdraft borrowing, and longer-term debt financing continues to be a challenge for Cambridge House. This has resulted from the continued increase in the number of public sector contracts and charitable grants that are paid in arrears, and the decline in contributions to central costs in some of our core activity.

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

- The charity has neither the intention nor the immediate need to liquidate, and the trustees are actively reviewing its operations and exploring available options to ensure that this continues for the foreseeable future, whilst continuing to deliver high quality services to its beneficiaries. This has included commissioning social value assessments and asset optimisation reports in respect of the freehold property and we continue to explore this area. The latest available fair value assessment, carried out by Colliers International in March 2016, valued our Community Hub freehold property at £7.5m. This asset provides great opportunity for delivery as well as for releasing capital with beneficial short-term cash flow and long-term strategic impact.

- We continue to work in close partnership with Social Investment Business (SIB) who administer the Communitybuilders and Futurebuilders Investment Funds secured to finance the building refurbishment and extension project. This has included securing capital and interest repayment holidays to 31 December 2019. We continue to work together to ensure the loan repayment terms are integrated in business planning processes with the intention of improving our long-term sustainability.
- Overdraft facilities, variations to our loan conditions, and internal financial and risk management processes, including cost saving exercises, continue to enable us to manage short-term cash flow needs.
- Our fundraising success rate (44% in 2017/18) outperforms the sector average benchmark, and we have already secured 80% of our target funding for 2018/19 at the date of approving these accounts.
- Our diversified income portfolio continues to reduce reliability on any one source of income, and over 89% of annual income is unrestricted. The unrestricted general reserves at the year-end totalled £1.1m
- At the date of approving these accounts we have secured:
 - 63% of the income required for 2019/20.
 - 53% of the income we required for 2020/21.

Reserves

In August 2018 the trustees updated the reserves policy to ensure that it is aligned to Cambridge House's strategic plan, and set a reserves policy that requires reserves in a readily realisable form be built to a level that:

Continuity Planning:

- a) Protects the continuity of the organisation's services for beneficiaries in the event of a large variation of income
- b) Bridges cash flow problems
- c) Provides a buffer to allow contingency actions to be affected
- d) Addresses spending commitments and potential liabilities in the event of a winding up

Asset Planning:

- a) Provides the funds needed to replace capital assets
- b) Addresses risks associated with emergency building repairs

Innovation and Service Development Planning:

- a) Provides the capital needed to finance expansion of the charity including enabling the organisation to progress with grant-funded projects which require a funding match, before the match had been secured
- b) Provide funds to enable the organisation to respond to new beneficiaries and/or needs as quickly as possible
- c) Enables the organisation to take advantage of opportunities

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

- Restructuring the organisation to reduce costs and improve cashflow
- 89% of total annual income being unrestricted
- A diversified income portfolio which reduces reliability on any one source of income
- An increase in income sources that, though variable, are more reliable than in the past
- Overdraft facilities and variations to our loan conditions that enable us to manage short-term cash flow needs
- Established collegiate management processes and increased levels of internal knowledge and skills exchange having increased the ability of our staff team to respond flexibly and quickly to urgent needs and changes in direction
- The freehold asset value of the building exceeds our current liabilities

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

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

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

Budgeting

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

Future Plans

Our future plans are to:

1. Design and provide services that deliver positive impact for individuals, families and communities facing severe and multiple disadvantage by:
 - a) Contributing to civil society policy, research and knowledge exchange forums.
 - b) Extending the geographic reach of the Safer Renting and Advocacy services.
 - c) Establish Safer Renting academic research partnerships.
 - d) Expanding the Law Centre's welfare law resources.
2. Enhance organisational capacity, resilience and sustainability by:
 - a) Implementing our 2017–2022 business and deficit recovery plan.
 - b) Beginning to rebuild our reserves.
 - c) Reviewing internal structures.
 - d) Improving audio visual facilities for community anchor amenities.
 - e) Developing asset optimisation proposals.

Statement of trustees' responsibilities

The trustees (who are also the directors of Cambridge House for 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.

Auditors

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

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

Signed on behalf of the trustees/directors

David Coleman
Chair

Date 22 November 2018

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 2018 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 2018 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 indicates that there is some uncertainty around the timing of payments to creditors and the impact of this on the charity's cash flow. As stated in note 1d, these events or conditions, 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.

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: 27 November 2018

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 2018

	Note	Unrestricted £	Restricted £	2018 Total £	Unrestricted £	Restricted £	2017 Total £
Income from:							
Donations and legacies	2	29,716	-	29,716	22,974	75,279	98,253
Charitable activities	3						
Advocacy		545,277	-	545,277	478,636	-	478,636
Education and Inclusion Services		83,284	125,844	209,128	81,440	149,690	231,130
Law Centre		332,188	10,000	342,188	412,816	12,000	424,816
Safer Renting		45,431	55,970	101,401	14,316	51,144	65,460
Rental income		465,385	-	465,385	453,089	-	453,089
Investments	3		-	3	12	-	12
Total income		1,501,284	191,814	1,693,098	1,463,283	288,113	1,751,396
Expenditure on:							
Raising funds	4	3,661	-	3,661	1,997	-	1,997
Charitable activities	4						
Advocacy		659,002	-	659,002	537,402	22,283	559,685
Education and Inclusion Services		94,602	112,076	206,678	37,196	204,681	241,877
Law Centre		307,246	10,000	317,246	342,325	26,679	369,004
Safer Renting		39,805	39,970	79,775	10,810	53,703	64,513
Enterprise services		608,751	-	608,751	630,397	26,122	656,519
Total expenditure		1,713,067	162,046	1,875,113	1,560,127	333,468	1,893,595
Net (expenditure)/income for the year	5	(211,783)	29,768	(182,015)	(96,844)	(45,355)	(142,199)
Reconciliation of funds:							
Total funds brought forward		3,547,594	-	3,547,594	3,644,438	45,355	3,689,793
Total funds carried forward		3,335,811	29,768	3,365,579	3,547,594	-	3,547,594

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 2018

	Note	£	2018 £	£	2017 £
Fixed assets:					
Tangible assets	10		<u>7,254,815</u>		<u>7,417,836</u>
			7,254,815		7,417,836
Current assets:					
Debtors	11	145,139		180,213	
Cash at bank and in hand		<u>2,209</u>		<u>4,084</u>	
		147,348		184,297	
Liabilities:					
Creditors: amounts falling due within one year	12	<u>(411,318)</u>		<u>(459,273)</u>	
Net current liabilities			(263,970)		(274,976)
Total assets less current liabilities			6,990,845		7,142,860
Creditors: amounts falling due after one year	14		<u>(3,625,266)</u>		<u>(3,595,266)</u>
Total net assets			<u>3,365,579</u>		<u>3,547,594</u>
The funds of the charity:	17a				
Restricted income funds			29,768		-
Unrestricted income funds:					
Revaluation reserve		2,230,346		2,263,626	
General funds		<u>1,105,465</u>		<u>1,283,968</u>	
Total unrestricted funds			<u>3,335,811</u>		<u>3,547,594</u>
Total charity funds			<u>3,365,579</u>		<u>3,547,594</u>

Approved by the trustees on 22 November 2018 and signed on their behalf by

David Coleman
Chair

Cambridge House and Talbot

Statement of cash flows

For the year ended 31 March 2018

	Note	2018 £	£	2017 £	£
Cash flows from operating activities	18				
Net cash provided by operating activities			88,122		91,262
Cash flows from investing activities:					
Interest earned on investments		3		12	
Purchase of fixed assets		-		(4,750)	
Net cash provided by / (used in) investing activities			3		(4,738)
Cash flows from financing activities:					
Repayments of borrowing		(90,000)		(112,975)	
Net cash used in financing activities			(90,000)		(112,975)
Change in cash and cash equivalents in the year			(1,875)		(26,451)
Cash and cash equivalents at the beginning of the year			4,084		30,535
Cash and cash equivalents at the end of the year	19		2,209		4,084

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 principal place of business, if different from the registered office) is Cambridge House, 1 Addington Square, London SE5 0HF.

b) Basis of preparation

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

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

c) Public benefit entity

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

d) Going concern

The trustees recognise that there is a low liquidity at the year-end, with net liabilities of £263,970, that includes cash balances of only £2,209 and an overdraft of £91,671. There is a degree of uncertainty around the timing of payments to creditors which may cast doubt over the charitable company's ability to continue as a going concern. The uncertainties around this conclusion, together with the steps being taken to improve the financial position, are disclosed in more detail in the "financial review" section of the Council of Management's annual report. Based on these considerations, the trustees consider it remains appropriate to prepare the accounts on a going concern basis.

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.

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

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

j) Allocation of support costs

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

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

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

● Advocacy	29.6%
● Education and Inclusion Services	12.8%
● Law Centre	19.5%
● Safer Renting	3.4%
● Enterprise Services	34.7%
● Costs of generating funds	0.0%

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

k) Operating leases

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

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.

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 donations and legacies

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Gifts	11,314	-	11,314	22,974
Core grants	18,402	-	18,402	75,279
	<u>29,716</u>	<u>-</u>	<u>29,716</u>	<u>98,253</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
London Borough of Southwark	168,185	-	168,185	175,802
London Borough of Waltham Forest	70,393	-	70,393	53,608
London Borough of Barking & Dagenham	99,132	-	99,132	100,862
London Borough of Richmond	102,250	-	102,250	-
London Borough of Newham	80,000	-	80,000	80,000
Other services	25,317	-	25,317	68,364
Sub-total Advocacy	<u>545,277</u>	<u>-</u>	<u>545,277</u>	<u>478,636</u>
London Borough of Southwark	-	18,347	18,347	18,321
Children in Need	-	31,980	31,980	21,827
Grant making trusts	-	75,517	75,517	109,542
Other Services	83,284	-	83,284	81,440
Sub-total Education and Inclusion Services	<u>83,284</u>	<u>125,844</u>	<u>209,128</u>	<u>231,130</u>
London Borough of Southwark	140,864	-	140,864	149,151
Legal Aid Agency	-	-	-	100,000
Other services	191,324	-	191,324	163,665
Grant making trusts	-	10,000	10,000	12,000
Sub-total Law Centre	<u>332,188</u>	<u>10,000</u>	<u>342,188</u>	<u>424,816</u>
London Borough of Croydon	-	10,000	10,000	2,994
London Housing Foundation	-	30,000	30,000	-
London Borough of Enfield	-	-	-	-
London Borough of Waltham Forest	41,944	-	41,944	-
Other services	3,487	-	3,487	21,966
Grant making trusts	-	15,970	15,970	40,500
Sub-total Safer Renting	<u>45,431</u>	<u>55,970</u>	<u>101,401</u>	<u>65,460</u>
Total income from charitable activities	<u>1,006,180</u>	<u>191,814</u>	<u>1,197,994</u>	<u>1,200,042</u>

4 Analysis of expenditure

	Charitable activities								2018 Total £	2017	Total £
	Raising funds £	Advocacy £	Education and Inclusion Services £	Law Centre £	Safer Renting £	Enterprise services	Governance costs £	Support costs £			
Staff costs (note 6)	-	477,063	135,005	246,434	-	164,644	-	235,924	1,259,070	1,226,548	
Other staff costs (note 6)	-	72,658	1,570	1,930	44,370	20	-	2,832	123,380	33,824	
Activity cost	-	21,191	32,011	10,850	25,287	177,797	-	-	267,136	384,121	
Premises cost	-	-	-	-	-	-	-	17,270	17,270	17,728	
Office cost	3,661	-	-	-	-	-	1,587	17,805	23,053	23,643	
Depreciation	-	-	-	-	-	163,021	-	-	163,021	173,842	
Audit & accountancy	-	-	-	-	-	-	15,159	-	15,159	14,351	
Legal & professional	-	-	-	-	-	-	-	6,150	6,150	1,803	
Irrecoverable VAT	-	-	-	-	-	-	-	874	874	17,735	
	3,661	570,912	168,586	259,214	69,657	505,482	16,746	280,855	1,875,113	1,893,595	
Support costs	-	83,133	35,949	54,767	9,549	97,457	-	(280,855)	-	-	
Governance costs	-	4,957	2,143	3,265	569	5,812	(16,746)	-	-	-	
Total expenditure 2018	3,661	659,002	206,678	317,246	79,775	608,751	-	-	1,875,113		
Total expenditure 2017	1,997	559,685	241,877	369,004	64,513	656,519	-	-		1,893,595	

Of the total expenditure, £1,716,417 was unrestricted (2017: £1,560,127) and £158,696 was restricted (2017: £333,468).

5 Net expenditure for the year

This is stated after charging:

	2018 £	2017 £
Depreciation	163,021	173,842
Interest payable	4,066	2,780
Auditor's remuneration (excluding VAT):		
Audit	8,750	8,500
Other services	3,000	2,900
	<u>178,837</u>	<u>188,022</u>

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

Staff costs were as follows:

	2018 £	2017 £
Salaries and wages	1,141,491	1,111,276
Social security costs	100,061	96,237
Employer's contribution to defined contribution pension schemes	17,518	19,036
Agency staff costs	87,059	3,617
Training, expenses and recruitment	36,321	30,206
	<u>1,382,450</u>	<u>1,260,372</u>

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

	2018 No.	2017 No.
£70,000 – £79,999	<u>1</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £122,265 (2017: £152,377).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2017: £nil). No charity trustee received payment for professional or other services supplied to the charity (2017: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2017: £nil) relating to attendance at meetings of the trustees.

7 Staff numbers

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

	2018 No.	2017 No.
Advocacy	24.0	20.0
Children & adults	13.0	16.0
Law Centre	7.0	7.0
Enterprise Services	7.0	7.0
Safer Renting	–	–
Support	6.0	7.0
	57.0	57.0
	57.0	57.0

8 Related party transactions

C Lyons, trustee, is an employee of Macfarlanes LLP and the firm's representative on the board of trustees (2017: £17,500). During the year Cambridge House & Talbot received pro bono advice and legal services from Macfarlanes LLP worth an estimated £17,500. This has not been included in the statement of financial activities on grounds of materiality.

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

9 Taxation

The charitable company is exempt from corporation tax as all 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	342,434	7,892,434
Additions in year	–	–	–
At the end of the year	7,550,000	342,434	7,892,434
Depreciation			
At the start of the year	151,000	323,598	474,598
Charge for the year	151,000	12,021	163,021
At the end of the year	302,000	335,619	637,619
Net book value			
At the end of the year	7,248,000	6,815	7,254,815
At the start of the year	7,399,000	18,836	7,417,836

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

On an historical cost basis the cost of the building is £5,885,975 and the net book value is £5,135,374. The accounts include the cost of improvements to freehold premises but not the original cost, since the land and buildings were given to the Company many years ago.

All of the above assets are used for charitable purposes.

11 Debtors

	2018 £	2017 £
Trade debtors	21,792	27,371
Prepayments	4,349	4,759
Accrued income	113,630	141,088
Other debtors	5,368	6,995
	<u>145,139</u>	<u>180,213</u>

12 Creditors: amounts falling due within one year

	2018 £	2017 £
Overdraft	91,671	60,301
Loan from Futurebuilders/Communitybuilders	–	120,000
Trade creditors	89,161	55,991
Taxation and social security	153,772	106,356
Accruals	26,312	16,200
Deferred income	17,055	69,454
Other creditors	33,347	30,971
	<u>411,318</u>	<u>459,273</u>

13 Deferred income

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

	2018 £	2017 £
Balance at the beginning of the year	69,454	65,540
Amount released to income in the year	(69,454)	(65,540)
Amount deferred in the year	17,055	69,454
	<u>17,055</u>	<u>69,454</u>

14 Creditors: amounts falling due after one year

	2018 £	2017 £
Bank loans	<u>3,625,266</u>	<u>3,595,266</u>

The terms of the loans have been renegotiated previously, resulting in capital repayments commencing from 1 April 2015 equal to £120,000 per year. However, agreement has been reached with SIB that the current full capital and interest repayment holiday will continue to at least 31 December 2019. Thereafter, the repayment holidays will be subject to review. As a result, the full balance of the Futurebuilders and Communitybuilders loans have been disclosed as falling due after more than one year.

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

15 Pension scheme

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

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

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

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

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

Deficit contributions – total from all participating employers

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

Deficit contributions – total from all participating employers

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

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

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

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

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

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

	Revaluation reserve £	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	2,263,626	5,154,210	–	7,417,836
Net current assets	–	(274,976)	–	(274,976)
Long term liabilities	–	(3,595,266)	–	(3,595,266)
Net assets at 31 March 2017	2,263,626	1,283,968	–	3,547,594

17a Movements in funds (current year)

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

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

17b Movements in funds (prior year)

	At 31 March 2016 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2017 £
Restricted funds:					
<i>Education and Inclusion Services</i>					
BBC Children in Need	-	21,827	(21,827)	-	-
Jack Petchey Award	-	2,000	(2,000)	-	-
London Borough of Southwark	-	18,321	(18,321)	-	-
Tudor Trust	-	30,000	(30,000)	-	-
Walcott Foundation	-	7,500	(7,500)	-	-
Magdalene College Youth Trust	45,355	-	(45,355)	-	-
Peter Harrison Foundation	-	18,554	(18,554)	-	-
Laureus Foundation	-	19,638	(19,638)	-	-
Peter Minet Trust	-	3,000	(3,000)	-	-
Sir Jules Thorn Charitable Trust – Ann Rylands Donation Programme	-	600	(600)	-	-
North Southwark Environment Trust	-	2,000	(2,000)	-	-
Bermondsey Square	-	2,250	(2,250)	-	-
Grow Wild	-	4,000	(4,000)	-	-
Drapers' Fund	-	20,000	(20,000)	-	-
<i>Law Centre</i>					
London Legal Support Trust	-	12,000	(12,000)	-	-
<i>Safer Renting</i>					
London Catalyst	-	5,000	(5,000)	-	-
Matrix Causes Fund	-	5,000	(5,000)	-	-
The Law Society Charity	-	7,500	(7,500)	-	-
London Borough of Hounslow	-	2,994	(2,994)	-	-
London Borough of Croydon	-	5,000	(5,000)	-	-
London Borough of Enfield	-	2,650	(2,650)	-	-
London Housing Foundation	-	18,000	(18,000)	-	-
London Legal Support Trust	-	5,000	(5,000)	-	-
<i>Core services</i>					
Local Sustainability Fund	-	75,279	(75,279)	-	-
Total restricted funds	45,355	288,113	(333,468)	-	-
Unrestricted funds:					
Revaluation reserve	2,296,906	-	-	(33,280)	2,263,626
General funds	1,347,532	1,463,283	(1,560,127)	33,280	1,283,968
Total unrestricted funds	3,644,438	1,463,283	(1,560,127)	-	3,547,594
Total funds	3,689,793	1,751,396	(1,893,595)	-	3,547,594

Revaluation reserve

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

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

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

Law Centre

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

Safer Renting

These funds are to deliver the work of the Safer Renting Project, subject to restrictions agreed with the funder.

Core Services

These funds were to develop long term business strategy, subject to restrictions agreed with the funder.

18 Reconciliation of net expenditure to net cash flow from operating activities

	2018 £	2017 £
Net expenditure for the reporting period (as per the statement of financial activities)	(182,015)	(142,199)
Depreciation charges	163,021	173,842
Dividends, interest and rent from investments	(3)	(12)
Decrease in debtors	35,074	57,344
Increase in creditors	72,045	2,287
Net cash provided by operating activities	88,122	91,262

19 Analysis of cash and cash equivalents

	At 1 April 2017 £	Cash flows £	Other changes £	At 31 March 2018 £
Cash at bank and in hand	4,084	(1,875)	–	2,209
Overdraft facility repayable on demand	(60,301)	(31,370)	–	(91,671)
Total cash and cash equivalents	(56,217)	(33,245)	–	(89,462)

20 Trading subsidiary

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

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

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

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

	2018 £	2017 £
Assets	243	243
Liabilities	(2,306)	(2,306)
Total funds	(2,063)	(2,063)

21 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.