

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 2016

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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. While working nationally and participating in a number of international collaborations, we remained firmly rooted in our local neighbourhood as a community asset and hub working one person, one family and one community at a time.

This annual report demonstrates the scope and quality of our work during our 2015– 2016 financial year. We identify areas in which we have achieved measurable results, and illustrate how we have continued to improve our financial sustainability.

We remain practice-led and participative so that agency and power is transferred to members of our society living with multiple disadvantage and complex needs.

Notable highlights of the year include:

- The establishment of our new Safer Renting Service to provide access to justice for tenants of criminal landlords;
- Our Chief Executive receiving the 2016 Excellence in Diversity Lifetime Achiever Award;
- Our Playdagogy sports for social justice project becoming externally accredited and developing a new earned income stream for the organisation;
- Our Stand-Up youth empowerment project delivering its first estate-based scheme on the Angell Estate in Lambeth; and
- Our Advocacy service continuing to expand its reach across the region.

In an environment that continues to be financially constrained, we recognise that we need to demonstrate value for money. We do this by assessing our impact, offering excellent social return on investment and ensuring we operate efficiently and ethically. 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 can achieve quality results while further improving our financial resilience. In this way we continue to amplify our reach and impact.

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

This year, we wish to record special thanks to David Coleman for his safe leadership, commitment and sheer hard work as Chair of Trustees from 2009 to December 2015; a period of significant organisational change during which our building was successfully renovated and extended. We're very pleased that David is continuing as a trustee on our Council of Management.

After eleven years' service as our Law Centre Manager, we were sad to see Stuart Hearne move on to pastures new. Stuart's singular leadership drive secured the Law Centre's reputation as one of the county's leading housing advice services. We wish Stuart continuing success and thank him for his enormous contribution to the development of Cambridge House.

Julie Myers, Chair
Karin Woodley, Chief Executive

Corporate information

President

HRH The Duke of Gloucester

Patrons

Dr Rowan Williams

Charles Arthur

Robert Park

Jeremiah Emmanuel (Youth Patron)

Board of Trustees and Directors

David Coleman – Chair (to Jan 2016)

Julie Myers – Chair (From Jan 2016)

Tessa Smith – Vice Chair

Fran Sanderson – Treasurer

Nicholas Page – Company Secretary

Andy Carr

Nikki Dawson

Peter Jenkins

Carole Macqueen (Retired Oct 2015)

Dan Metcalfe

Graham Moss

Paul Yiannouzis

One Big Community

Youth Management Committee (To Dec 2015)

Yara Shaikh

Precious Oyelade

Jahanara Chaudhry

Kenny Imafidon

Eli-Rose Sanford

Alexander Garlitos

Chante Joseph

Erika Lopez

Darwin Bernardo

Khalid O'Beirne

Ashley Pitter

Eliza Rebeiro

Temi Mwale

Emanuel Candengue

Chief Executive

Karin Woodley

Deputy Chief Executive

Charlotte Gilsean

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 127 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

We tackle social injustice and poverty by:

- Delivering intensive and specialist social justice and empowerment services to vulnerable people with multiple disadvantage
- Improving the resilience and self-sufficiency of people who are vulnerable, under-served and marginalised
- Empowering excluded people to become active participants and contributors to civil society

We drive change and social innovation by:

- Providing social enterprise and community development resources to improve the impact and reach of civil society organisations
- Developing new anti-poverty solutions that improve existing practices and tackle entrenched social challenges
- Promoting and organising knowledge exchange and research projects that enable us to share our work, evidence base, rich history and experiences with government, businesses and civil society organisations nationally and internationally

Operational Aims and Objectives

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

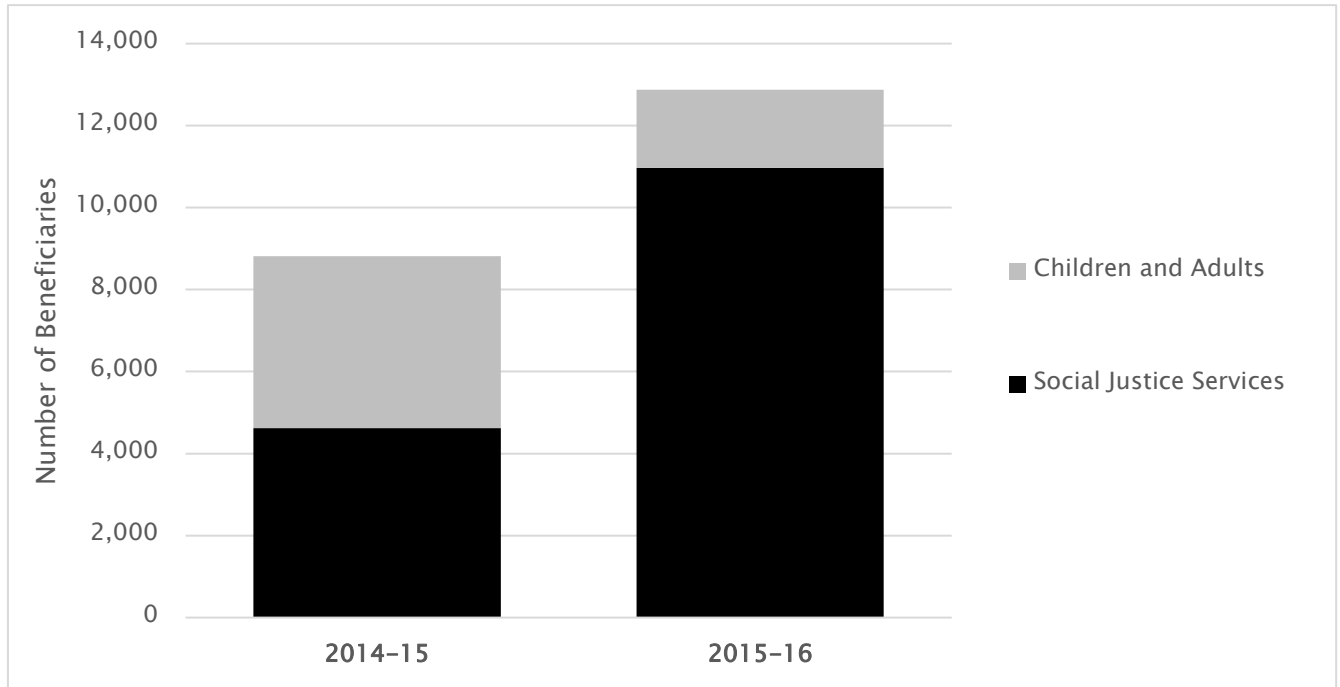
The plan's key strategic objectives are to:

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

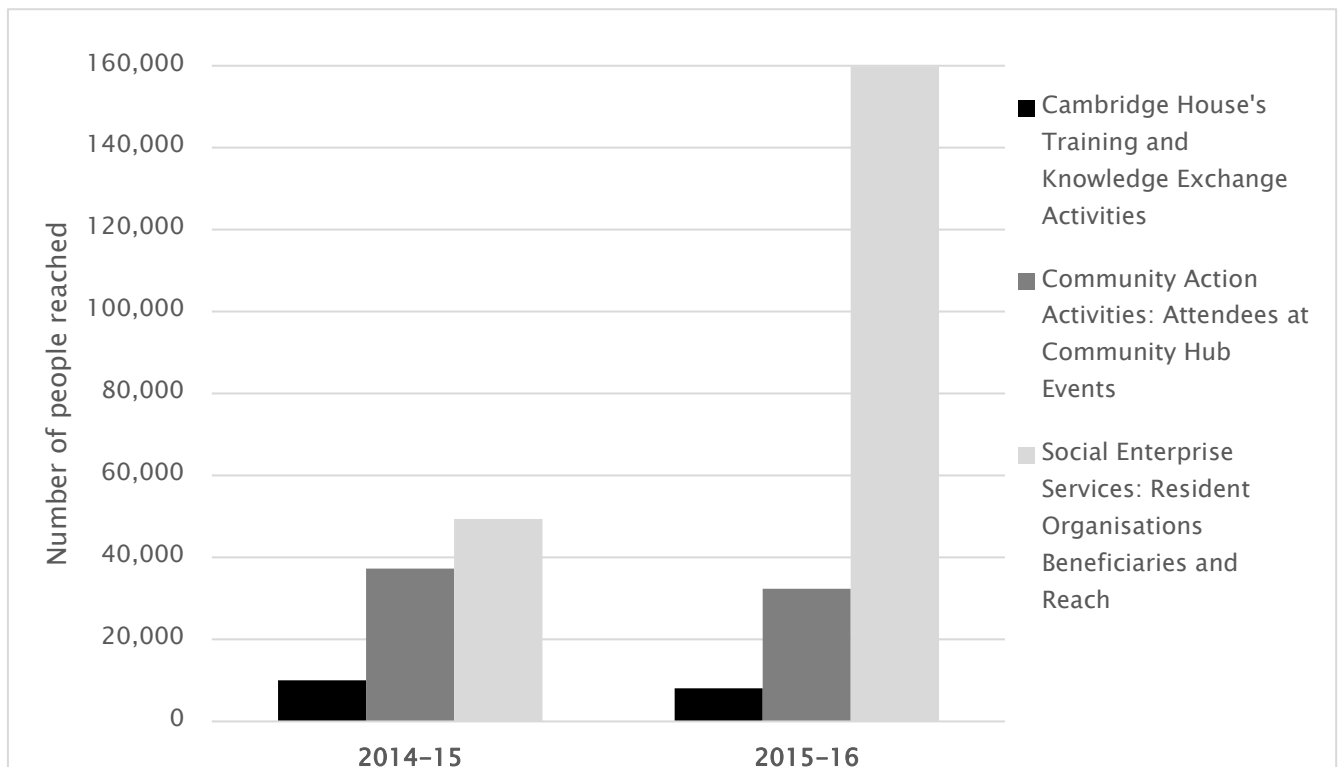
Strategic Report

Key achievements

Specialist services for individuals and families



Social innovation services



We reached a total of 213,116 people in 2015–16

Our reach this year was calculated by:

- Recording the numbers of individual people and families who accessed each Cambridge House frontline service and project during the year: 12,878 beneficiaries
- Recording the numbers of individual people and families who accessed services provided by organisations that Cambridge House provided with work, delivery and events spaces (our resident organisations). 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 works with more than 100,000 people every year: 159,753 beneficiaries
- Recording the numbers of people who participated in Cambridge House's own knowledge exchange activities delivered digitally and through meetings, seminars and training events: 8,120 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: 32,365 beneficiaries

Strategic Objective 1

To enhance organisational capacity, resilience and sustainability

Our key achievements in relation to business development targets included:

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

a) Improved our financial position as follows:

- Increased our total incoming resources by 22%
- Increased our previous year operating surplus (before depreciation and loan interest) by 350%
- Merged with the Magdalene College Youth Trust in December 2015
- Piloted a new income stream by establishing a fee-earning Playdagogy training project in schools
- Successfully sweated our building asset through 97% occupancy of office space
- Further diversified our income base as follows:

Earned Income	76%
Charitable Income	22%
Public Sector Grants	2%

- Reduced our overall reliance on public sector sources of income (which include earned income from contract fees and restricted grants) to 33%, of which 26% (of the total) is provided by the London Borough of Southwark
- Secured business transformation funding from the Local Sustainability Fund for 2016/17
- Extended the Advocacy Service to one new London Borough (Barking and Dagenham) with effect from 1 April 2016

b) Improved our governance processes as follows:

- Implemented our trustees succession plan in order to ensure an appropriate diversity of skills and background and appointed a new Chair and Vice Chair
- Established a Building Working Group to oversee an asset optimisation appraisal
- Established a Governance Working Group to review and update the Governance Manual

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

- Corporate:
 - i) Investor in People
 - ii) Positive about Disability
 - iii) Mindful Employer
 - iv) London Living Wage
- 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 Service:
 - i) Project Oracle (level 1) accreditation for monitoring and evaluation
- Playdagogy Service:
 - i) Continuing Professional Development Accreditation for Training from Skills Active (6 points)
 - ii) Project Oracle (level 1) accreditation for its monitoring and evaluation framework.

Strategic Objective 2

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

Social Justice Services

Cambridge House Law Centre

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

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

- 4,650 beneficiaries during the year comprising 2,487 direct clients and an estimated further 2,163 family members and children:
 - 93% were “Very Satisfied” with overall level of service
 - 97% rated the overall service as “Excellent” or “Very Good”
 - 93% reported increased awareness of their rights and responsibilities as a result of the advice given
- Users were:
 - 58% female and 42% male
 - 65% Black and Minority Ethnic and 25% British White and White Other
 - 48% Social housing
 - 22% Homeless
 - 13% Privately renting
 - 55% Lone parents with children
 - 32% Couples with children
 - 52% Unemployed
 - 31% Working [full-time and part-time]
- Housing and homelessness
 - 60 new housing cases opened
 - 35 specialist one-off advice sessions
 - 92 clients represented at Court
 - 123 possession/eviction proceedings successfully defended, enabling clients to keep their homes
 - 40 successful homelessness challenges
 - 15 disrepair claims concluded resulting in repairs being carried out by the landlord and clients receiving compensation
- Welfare Benefits:
 - 42 new welfare benefits cases opened
 - 105 specialist one-off advice sessions
 - 205 clients given welfare benefits advice at outreach sites
 - 7 clients successfully represented at Appeals Tribunals
 - 9 successful Employment and Support Allowance (which replaced incapacity benefit) and / Personal Independence Payment (which replaced disability living allowance for people between the ages of 16 and 64) Appeals
 - 4 successful Tax Credit appeals

Independent Advocacy Services

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

Our key achievements in relation to advocacy included the following:

- A 49% increase in the number of cases handled compared to the previous year
- The continued provision of services to the London Boroughs of Southwark, Lewisham, Islington, and Waltham Forest
- The extension of services to the London Boroughs of Camden, Enfield, Newham and Tower Hamlets
- 500 hours of Care Act Advocacy and support were provided in Southwark
- 3,622 hours of Independent Mental Capacity Advocacy (IMCA), supporting and protecting the rights of people who were declared unable, for medical reasons, to make key decisions about their lives in the following boroughs: Southwark and Waltham Forest
- 2,487 hours of Independent Mental Health Advocacy (IMHA), supporting people who were detained or sectioned in hospital under the Mental Health Act, or had their liberty restricted by Community Treatment Orders in the following boroughs: Southwark and Newham.
- 92% of advocacy issues resolved

Safer Renting Service

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

- In January 2016 we began to develop a new social justice service to tackle the needs of a rapidly growing cohort of medium to low income individuals and families driven into inadequate housing and poverty by sharp private rental price increases, low wages, and Local Housing Allowance insufficiencies.
- In accordance with our corporate focus on the needs of people facing multiple disadvantage and complex needs; the service aims to provide access to justice for migrants and refugees who make up a significant proportion of victims of criminal landlords, along with tenants who experience social isolation, poor health, mental health conditions, and illegal employment conditions that their housing circumstances exacerbate.
- Often bullied by their landlords into 'handing over' their power of attorney (so benefits are paid directly to landlords) we have found cases of modern slavery and human trafficking, including forced labour (e.g. working directly for the landlords).
- The service is developing as a pathfinder for effective multi-agency interventions for tenants of criminal landlords, providing specialist advice, support and advocacy and helping them to find alternative housing.
- Our key achievements in the year included:
 - a) Establishing a team of experts to lead the project, deliver advice services, and build relationships with local authorities across London
 - b) Securing the London Borough of Hounslow's participation in the pilot
 - c) Securing London Legal Support Trust seed-funding for 2016/17

Children and Adults' Services

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

Youth Empowerment Projects

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

1. The **Stand-Up Southwark** programme was delivered at Cambridge House and provided twice weekly workshops alongside 1:1 coaching in life skills and employment training to the 22 participants.
 - An average of 6.5 hours contact time per week to each participant through:
 - a) Twice weekly group workshops in life skills, employment training, volunteering and educational day trips, including:
 - Goal setting; Communication Skills and Body Language; Self-Reflection
 - CV workshops
 - Sexual health awareness with Southwark Healthwatch
 - Mental health awareness with NHS Southwark Clinical Commissioning Group (CCG)
 - b) Visits to *Rock against Racism* photographic exhibition at Rivington Place; the opening of the Tate Modern Switch House; and the opening of the Sky Garden at The Shard.
 - c) Daily Drop-In Support Sessions including 1:1 sessions and or to use Cambridge House facilities in order to prepare college and job applications.
 - Stand-Up Southwark self-reported outcomes:
 - a) Involvement in criminal activity, reduced to 19%
 - b) Involvement in gang activity, down from 23% to 0%
 - c) Involvement in gun and knife crime, down from 33% to 14%
 - d) Involvement in substance abuse:
 - 100% have ceased using Class A drugs
 - 100% have ceased binge drinking
 - 36% of those using marijuana have reduced their use
 - 60% of those using marijuana have sought professional support from their GP or addiction charities
 - e) Of those living with emotional and behavioural problems, or experiencing destructive personal relationships:
 - 13% have been referred to Social Services in order to receive specialist support
 - 26 % were referred for intensive NHS psychiatric support
 - 13% have been discharged by mental health professionals due to improved wellbeing
 - 43% expressed interest in an anger management course, which will be provided at Cambridge House by external professionals
 - 14% are received counselling having been referred to Faces In Focus
 - 29% self-referred themselves for psychological support through their GP or the NHS Improving Access to Psychological Therapies (IAPT) service.

2. We extended our youth empowerment activities to the London Borough of Lambeth in November 2015.
 - **Stand-Up Lambeth** worked with 13 young people living on the Angell Town Estate in Brixton and was delivered on the estate. The programme comprised:
 - a) A personal development intensive comprising 6 x 3-hour sessions
 - b) 2 'Role Model Inspire' sessions
 - c) Weekly 1:1 mentoring sessions
 - Project sessions have faced the following challenges:
 - a) Mistrust of service providers and external interventions due to previous experiences of being "let down" and sensational press coverage in the Evening Standard.
 - b) Multiple shootings in the area in early 2016, two of which occurred in close proximity to our delivery site. As a result, users were reluctant to engage or attend the community centre.
 - These issues were addressed by:
 - a) Establishing a relationship with a local youth club on a different estate where weekly drop-in and 1:1 sessions could be provided.
 - b) Offering sessions at Cambridge House.
 - c) Introducing engagement activities between Stand-Up Southwark and Stand-Up Lambeth participants to encourage positive peer support networks between sessions
 - d) Establishing partnerships with Brixton Soup Kitchen, XLP and Tackle Africa to augment provision, including:
 - Free, healthy meals
 - Access to music production facilities
 - Sports equipment
3. **Research:** 44 former Kids Company service users were consulted as part of a research project into their needs commissioned by Southwark Council.
4. **Knowledge Exchange:** In partnership with the International Federation of Settlements, we co-organised an EU funded Pan-European 'Dare: New Horizons' youth social action conference in Poitiers, France. Our delegation of 9 represented the UK and joined delegations from France, Greece and Bulgaria.
5. **One Big Community:** We successfully completed the development of One Big Community and its transfer as an independent organisation to the Spirit of London Awards in December 2016.

Education Projects

Our key achievements in relation to education services that promoted equality and diversity and built the skills and resilience of children and adults with disabilities and mental health conditions included:

1. In our capacity as the **PL4Y International** (formerly Sports San Frontières) UK partner, we continued to deliver **Playdagogy**, to harness the transformative and unifying power of sport in ways that tackle the root causes of social injustice and ensure that children and young people understand and value human rights and the dignity of all human beings. During the course of the year:
 - 1,700 young people, including 459 disabled children participated
 - 5,360 anti-discrimination sessions delivered
 - 128 educators received training across 28 organisations serving approximately 1,500 disabled children
 - 18 practitioners from France, Kosovo and Burundi at PLAY International's Global Forum 'Playground' in Lille, France attended master class sessions on inclusive sports coaching and monitoring and evaluation led by our team. 25 children also participated in a pilot session around racism developed and led by our practitioners.
 - We maintained partnerships with:
 - Arsenal FC;
 - Leyton Orient FC;
 - West Ham FC;
 - Crystal Palace FC;
 - Queens Park Rangers FC;
 - Fulham FC;
 - Hackney Wick FC;
 - Badu Sports;
 - Young Hackney;
 - London PE and School Sport Network;
 - London Youth;
 - Tower Hamlets Youth Sport Foundation
 - Piloted income generation scheme with the Harris Federation
 - Awarded Continuing Professional Development Accreditation for Training from Skills Active (6 points)
 - Awarded Project Oracle (level 1) accreditation for its monitoring and evaluation framework
 - 85% of participants rated our trainers as "Excellent", and 100% of educators rated them as "Good" or "Excellent". 100% would recommend training to a colleague.
 - 89% of those we trained found our model "Very Effective" for educating children about disabilities, 100% found it "Effective" or "Very Effective"
 - Evaluation by Leeds and Loughborough Universities was completed, having interviewed close to 50 children in focus groups and several practitioners (teachers and youth workers), analysed a sample of feedback forms, as well as interviewing Playdagogy staff.

2. We continued to deliver **Sensational Sports**. Activities and outcomes included:
 - 288 hours of hydrotherapy and rebound therapy (trampolining) sessions.
 - 14 participants with profound and multiple learning difficulties aged 14 to 25 years.
 - Weekly therapeutic rebound and weightlessness sessions to improve the psychological, emotional and physical health and well-being of participants.
 - 100% reported an improvement in their child's sports skills/physical ability as a result of attending the sessions.
 - 100% reported that their child participates in more regular sports activities than they did before SENSational Sports.
 - 100% reported that their child has gained more confidence since taking part in SENSational Sports sessions.
 - 75% strongly agreed that their child is healthier having regular access to SENSational Sports sessions.
 - 100% reported an improvement in their child's social skills and increased friendships since starting SENSational Sports sessions.
 - 1 parent recently commented that prior to the SENSational Sports project there was no sports provision available for her son outside the home.
3. We continued to deliver **19 Plus**, a friendship and skills project for adults with moderate to severe learning disabilities. Weekly activities have included participating in daytrips, sports activities, gardening and creative arts classes to combat inactivity, loneliness, build positive relationships, improve health, and mitigate the effects of cognitive decline and depression. Activities and outcomes this year included:
 - 12 Participants produced artwork for The Liberty Disability Festival at the Queen Elizabeth Olympic Park in July 2015, encouraging their creativity, self-confidence, social interaction and communication skills.
 - 100 friends, family and supporters attended the 19Plus Christmas Magic Show which improved their confidence, concentration, dexterity, self-awareness, creativity, communication skills, and interaction with others.
 - 9 weekly Yoga/Exercise sessions were delivered, welcoming partnerships with 2 external organisations and 8 new participants. Sessions focussed on core strength, relaxation, breathing, concentration, flexibility and self-discipline, while also helping to expand social networks, develop relationships and improve communication skills with new people.
 - 8 Cycling sessions at the Herne Hill Velodrome were delivered to help improve health, fitness, independence, confidence and social interaction in a fun, inclusive and welcoming environment.
 - 12 participants took part in a Gardening Project in partnership with Caspian Street Allotments and partnered with Stand-up Southwark/Lambeth service users' 'Grow Wild' garden project, working together to develop the Cambridge House garden.
 - 12 Participants produce a regular blog documenting their activities and creations which can be found here: <http://19plus.blogspot.co.uk/>.
 - Day trips to the Imperial War Museum, The British Museum, the South Bank, National Theatre, Horniman Museum, Serpentine Gallery, South London Gallery, Geffrye Museum, Museum of London and Burgess Park walks.
4. We continued to deliver our **Arts Clubs** for children and adults with profound and multiple learning difficulties so that they feel valued, develop social skills, and understand and manage their emotions better. During the course of the year:

- 21 children and adults with profound needs attended our Wednesday Arts afterschool club and Saturday Arts club to expand their experiences and develop their creative skills. Activities included: Musical instrument-making; Animation; Model making; Experimenting with tactile technology, audio samplers, live TV feedback loops and live projections; Painting; Drawing; Loom knitting; Quilting and Sewing
- 97.5 hours of activities for children aged 11–19 years old with a learning disability were delivered.
- 185 hours of activities for adults with a learning disability were delivered.
- 11 children and young people with a learning disability year produced an 18 minute film with soundtrack and animation created by the members. This included a duet between 2 service users who worked together to combine keyboard and singing parts.
- 21 Arts Club participants contributed to the Cambridge House Christmas Market in partnership with MoreLondon, making personalised bags, calendars and Christmas decorations out of recycled material. The motto for this was 'I have THIS-ability', raising public awareness of learning disabilities and focusing on the talents and capabilities of people rather than the limitations.
- 11 Wednesday Arts participants wrote a regular blog documenting their activities and creations which can be found here: <http://wedsartsgroup.blogspot.co.uk>.

Digital Inclusion Project

Working towards improving digital literacy in Southwark, Cambridge House collaborated with Southwark Council to support local residents become better included and skilled digitally:

- 14 corporate and 5 community Digital Champion volunteers were recruited and trained to share their skills with people in the community.
- 3 refurbished laptops were donated through our CSR partnership with JustGiving, significantly enhancing our capacity to deliver the project.
- 10 stakeholders from community hubs were interviewed during project impact evaluation activities undertaken by Cambridge House.
- 40 Digital Inclusion stakeholders attended presentation of impact evaluation findings presented by Cambridge House.

Cambridge House was commissioned by Southwark Council to undertake project impact evaluation due to our expertise in impact evaluation.

We are an active member of the 'Go-On Southwark' Digital Inclusion Project Steering Group, and regularly contribute to strategic discussions during quarterly meetings. The project is currently in its final development stage, and will be launched in September 2016. Our trained volunteers will hold weekly 1:1 sessions to support local residents using digital devices and the internet.

Black History Month Project

Our key achievements in relation to education services that promoted the health and wellbeing of Black and Minority adults included:

- 163 local people attending our Black Health and Vitality Fair incorporating
 - A 'Black Health in Southwark' by Dr Jonty Heaversedge, Chair of NHS Southwark Clinical Commissioning Group
 - Type II Diabetes Awareness and Health Checks
 - HIV Awareness and Health Checks
 - Fitness Training Taster Sessions
 - Blood, Stem Cell and Organ Donation Awareness
 - Information Stalls from the: African and Caribbean Leukaemia Trust, G Baldwin & Co, the Depression Alliance, Diabetes UK, Healthwatch Southwark, Positive Parenting & Children, Southwark Carers

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:
 - Co-produced and published with Leicester University a research report, 'Why We Can't Afford to Lose it: Local Authority Housing in London Protects the Poor from Homelessness', highlighting the importance of social housing in protecting the most vulnerable.
 - Submitted evidence during consultation on the Government's proposed Housing and Planning Bill.
 - 100 people attended our conference on the housing crisis co-organised with Leicester University and Professor Loretta Lees, an international expert in gentrification and urban regeneration.
 - Completed and delivered research into the needs of former Kids Company Users.
 - Our Chief Executive led national and international partnership development by:
 - Representing the UK on the Global Social Economy Forum (GSEF) steering group. This included attending steering group conference in Seoul, South Korea and hosting a meeting of the GSEF Secretariat in London to discuss the development of an international research proposal into effective civil society and local government partnership working.
 - At the request of the Cabinet Office and Big Lottery; meeting with Wojciech Kaczmarczyk (Secretary of State in the Chancellery of the Prime Minister of the Republic of Poland, Government Plenipotentiary for Civil Society and Equal treatment) to explore:
 - Business sustainability in the voluntary and community sector
 - The technical nature of our grant and contract relationships with local government
 - Our view of the Local Sustainability Fund objectives and processes

- Establishing a national 'What Works in Civil Society' partnership framework with Barton Hill Settlement (Bristol), Birmingham Settlement and Barca-Leeds.
 - Continuing to serve as a Council member of the Economic and Social Research Council and as a trustee of Locality.
2. We promoted systemic change by nurturing opportunities for government, businesses and civil society organisations to share information, experiences, skills and expertise by:
- a) 58,000 individuals used our building this year for a range of community-oriented services, activities and events including:
 - Social Care events, engaging users, practitioners, and strategic partners
 - Southwark forum for local VCS organisations and local authority commissioners
 - Public health and patient experience consultations and drop-in sessions co-delivered with Southwark Council
 - Support, solidarity, and awareness raising groups and events
 - Victim support sessions
 - 1:1 counselling, debt advice and generalist legal support sessions
 - 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.
 - Deputy Chief Executive: contributing to local consultations undertaken on Southwark Council's Voluntary Sector Strategy, South London and Maudsley NHS Foundation Mental Health Strategy, and the NHS Southwark Clinical Commissioning Group Youth Consultation; member of Interactive (Umbrella Disability Sports organisation).
 - Law Centre Manager: member of Southwark Legal Advice Network; member of the Law Centre Network.
 - c) Delivering sector training including:
 - Chief Executive: leading a seminar on sports for social justice in Paris for PL4Y International; panel member 2015 Public Sector Communications Academy 'How to work more effectively with local communities'; leading a seminar for French voluntary sector organisations and settlements for the International Federation of Settlements; chairing the Healthwatch Southwark Public Forum on Health Equality, leading a seminar for Paritätische Akademie, Berlin.

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 32,365 beneficiaries during the year at an annual venue hire fee per beneficiary of £5.25.
2. 18 resident charities and social enterprises providing services to 159,753 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. 97 people working full time and 94 people working part time in the building (total:191)
6. A total of 195 volunteers were involved in the different projects at the building, which represents an estimated:
 - 20,311 hours contributed in 2015/16
 - £190,923 volunteering contribution using the London Living Wage as reference
7. A combined income of £6.4m was raised by resident organisations to finance their services at an average value of £249.66 per beneficiary
8. 22% of resident organisations contribute to outcomes related to crisis mitigation including increased access and protection of rights, and being better informed of support networks.
9. 88% of resident organisations have health and wellbeing outcomes
 - 67% of them contribute to improved health and wellbeing
 - 16% reduce the need for care and support services
 - 16% provide respite for family members and carers
10. 60% of resident organisations promote diversity and inclusion
11. 66% of resident organisations improved access to and increased use of statutory support services
12. 55% of resident organisations work to increase community and social involvement
13. Resident organisations at the year–end included:

- **Lifeline** – Southwark's integrated drug and alcohol service
- **Community Southwark** – Supporting volunteering and community action in Southwark
- **Working Families** – Helping working parents and carers and their employers find a better balance between responsibilities at home and work
- **Contact A Family** – Offering information, advice and support to parents and carers of disabled children as well as professionals working with families
- **Depression Alliance** – supporting Southwark residents who've been affected by depression & anxiety to: connect, engage and recover.
- **Rewrite** – fighting prejudice and injustice by bringing together young people from different backgrounds through the power of drama and creative writing
- **Social Action for Health (Kindred Minds project)** – working alongside marginalised local people and their communities towards justice, equality, better health and wellbeing.
- **Place2Be** – providing school-based mental health support, unlocking children's potential in the classroom and beyond
- **Orchard Hill College** – Offered non-residential specialist educational opportunities for students over 16 years old with learning difficulties
- **1st Place Children and Play Centre** – Providing high-quality, early learning experiences, family support and training to local families
- **Lambeth and Southwark Mind** – Promoting the well-being of people in Lambeth and Southwark experiencing mental distress
- **Improving Health Ltd. (NHS)** – Improving the health and wellbeing of the residents of Southwark, by delivering service innovation and ensuring equality of provision
- **Maintaining Health Partners** – Providing therapies to improve the quality of life of people experiencing mental health difficulties and the wider community
- **Latin American Women's Rights Service** – Advocating for better provision and awareness of local services for Latin American women
- **Ladies of Virtue Community Outreach** – a community project supporting women and families in Southwark
- **Southwark Association for Mental Health** – Campaigning for better mental health services across Southwark

Achieving Our Priorities

Our performance against our priorities for 2015–16

Cambridge House Priorities 2015–16	Evaluation
1. Enhance organisational capacity, resilience and sustainability by:	
a) Completing our governance succession plan and for Julie Myers our Chair Elect to succeed David Coleman in December 2015	Successful
b) Reducing our overhead costs further to less than 20%	Successful
c) Continuing to diversify our income profile with particular regard to unrestricted earned income	Successful
d) Merging with Magdalene College Youth Trust	Successful
e) Securing continuation of 0% SIB interest on loan repayments to 2017	Successful
f) Beginning to cash build reserves	Successful
g) Generating earned income from delivering the Playdagogy training project in schools	Successful
h) Extending the Advocacy Service to a minimum of one new London Borough	Successful
2. Design and provide services that deliver positive impact for individuals, families and communities facing severe and multiple disadvantage by:	
a) Expanding our co-produced academic research projects	Successful
b) Securing funding for Pan-European social action projects	Successful
c) Developing cross-sector partnerships for the Playdagogy project	Successful
d) Participating in global social action projects	Successful
e) Extending youth empowerment activities to the London Borough of Lambeth	Successful
f) Extending the delivery of advocacy services to an increased number of London Boroughs	Successful
g) Continuing to use our experience gained by delivering frontline services to influence policy in favour of community-led solutions to multiple disadvantage and complex need	Successful
h) Supporting One Big Community by enabling it to establish itself as an independent body	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:

Broadgate Estates
Cabinet Office Big Lottery
Cambridge House Ride London Team
Cambridge University Fashion Show
City of London Academy
City of London Corporation
Communitybuilders Fund
Credit Suisse Securities
Esprima Ltd
Free Sport
Grow Wild
HI McMorram Charitable Trust
Jack Petchey Foundation
Locality
London Borough of Camden
London Borough of Enfield
London Borough of Hackney
London Borough of Islington
London Borough of Lewisham
London Borough of Newham
London Borough of Southwark
London Borough of Tower Hamlets
London Borough of Waltham Forest
London Legal Support Trust
London PE School Sports Network
More London
Office of Civil Society
Orchard Hill College
Robert Holman Memorial Trust
Shangri La Europe
Sport England
Sure Start Capital Grant Scheme
Tallow Chandlers
The Alan and Babette Sainsbury Charitable Trust

The Barings Foundation
The Batchworth Trust
The Co-Operative (Camberwell)
The Evening Standard Dispossessed Fund
The Goldsmiths' Company
The Jack Petchey Foundation
The King Baudouin Foundation
The Laureus Foundation
The Legal Aid Agency
The Magdalene College Youth Trust
The Newcomen Collett Foundation
The Peter Minet Foundation
The True Colours Trust
The Tudor Trust
The University of Leicester
The Walcot Foundation
The Zaiger Trust

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

1st Place Children and Parents' Centre
1st Place Nursery
Advising London
Amy Winehouse Foundation
Arsenal Football Club
Bacon's College
Bite the Ballot
Black Police Association Charitable Trust
Blackfriars Settlement
British Youth Council
Brixton Topcats
Camberwell Youth Centre
Centre for Analysis of Social Exclusion
Centre for Disability Studies – Leeds University
Centre for London
Charles Russell LLP
Citizens UK
City Action
City Gateway
Community Southwark

Contact a Family
Creative Innovations
Crystal Palace Football Club
Depression Alliance
Electric Elephant Café Ltd
Empower Change
Endz 2 Endz
Fédération des Centres Sociaux et Socioculturels de France
Fulham Football Club
Gala Bingo Surrey Quays
Get Outta The Gang
Global Social Economy Forum
Health Watch Southwark
Heart of the City
Improving Health Ltd. (NHS)
InSpire
International Federation of Settlements
La Brasserie
Ladies of Virtue Community Outreach
Lambeth and Southwark Mind
Latin American Women's Rights Service (LAWRS)
Leyton Orient FC
Lifeline (Southwark)
Lilian Baylis Technology School
Lives Not Knives
Livity London
London Borough of Hackney
London Legal Support Trust
London Live
London School of Economics
London South Bank University Student Union
London Youth
Maintaining Health Partners
Media Trust
Nike
Orchard Hill College
Place2Be (Southwark hub)
Rewrite
Social Action for Health
Southwark Association for Mental Health
Volunteer Centre Southwark (CAS)
Working Families

Financial Report

Governance and management

Cambridge House and Talbot is a registered charity (registration number 265103) and is constituted as a company registered in England and Wales and limited by guarantee (registration number 1050006). The company does not have share capital, and is limited by the guarantee of the members to a maximum of £1 each. The total number of such guarantees at the year-end was 61 (2015 - 55). The objects and powers are set out in the Articles of Association.

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

Trustees

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

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

- Finance (Carole Macqueen - retired October 2015, Graham Moss, Fran Sanderson, Paul Yiannouzis)
- Governance (David Coleman, Julie Myers, Shveta Shah, Tessa Smith)
- Impact (Julie Myers, Tessa Smith)
- Communications (Andy Carr, Nikki Dawson, Dan Metcalfe, Peter Jenkins)
- Building (Andy Carr, Graham Moss, Paul Yiannouzis)

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

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

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

Trustee recruitment and training

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

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

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

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

Public benefit

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

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

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

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

Staffing and Remuneration

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

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

Performance Management

We have a performance management and appraisal policy that:

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

Staff Remuneration

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

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

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

Salaries

We have a staff team of 23 full-time and 43 part-time staff (35.14 FTE). For Cambridge House to run successfully, a large range of skills and disciplines are required, and we need to pay appropriately to ensure that we can recruit people with the right skills. We also need to retain them in a competitive market for the long-term, developing them and benefiting from their growing knowledge. This is in preference to the disruption and expense of recruitment, especially as many staff have detailed knowledge that is unique to them in the organisation and could not be quickly replaced. Our staff pay scales are set with this in mind.

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

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

Chief Executive Pay

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

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

Pay Awards

The annual pay increase for the chief executive, management team and staff was 0% in 2013–14, 0% in 2014–15 and 3% in 2015–16 except for staff being paid the London Living Wage who received a cost of living increase of 3.5% in January 2015.

Pay ratio

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

Volunteering and Employability Projects

Volunteering

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

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

59 volunteers were recruited and trained in 2015–2016 to provide support in the following areas:

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

Internships and Work Experience Placements

In 2015–16, we extended our employability activities by offering permanent contracts to 3 externally recruited paid Development Interns.

Risk Management

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

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

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

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

Principal Risks and Uncertainties

Our risk assessment and mitigation strategy approach is proactive and:

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

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

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

Financial Review

▪ Successful Implementation of Our Business Turnaround Strategy

- a) During the year our total incoming resources increased by 22% to £1,682,159 (£1,374,072 in 2015); this increase is largely due to the merger with Magdalene College Youth Trust.
- b) In addition, our net operating surplus (before depreciation and loan interest) increased to £145,038 (£32,267 in 2015) enabling us to reduce our net deficit for the year by 80% to £50,664 (£312,465 in 2015)
- c) As a result of the merger with the Magdalene College Youth Trust we carried forward a restricted reserve of £45,355 for activities for children and young people.

▪ Successful Income Diversification

- a) Funds generated by earned income (from Local Authority contracts, workspace licenses, legal, advocacy and venue hire fees) became our largest source of income rising to 76% of total incoming resources (75% in 2015).
- b) As part of this increase in earned income, funds generated by fees for enterprise services increased by 1% to £450,706 (£446,310 in 2015).

▪ Reduced Reliance on Statutory Grants

Income from statutory grants reduced to 2% of total incoming resources (6% in 2015).

▪ Reduced Reliance on the London Borough of Southwark

Our reliance on income from the London Borough of Southwark reduced to 26% of total incoming resources for service delivery (36% in 2015)

Going Concern

The trustees are of the view that the charity is a going concern for at least the next twelve months from the date of signing these accounts; the charity has neither the intention nor the need to liquidate or curtail materially the scale of its operations.

In assessing whether Cambridge House will continue to have adequate resources available to fund the charity's activities for the foreseeable future, trustees have considered the following:

- The charity has unrestricted general reserves at the year-end of £1,347,000
- 62.5% of income required for 2017-18 has been secured at the date of signing these accounts
- During 2016-17, the charity is preparing a business plan for the period beginning 2017-18 that, funded by the Big Lottery's Local Sustainability Fund, is a consultant guided process.
- The turnaround strategy implemented from 2014 continues to achieve its income diversification targets with on-going increases in levels of earned income from:
 - a) Public sector contracts in local authorities across Greater London and Hertfordshire
 - b) Law Centre and Education fees
 - c) Office space licence and venue hire fees
 - d) New earned income streams are increasing for the Playdagogy and Safer Renting projects
- We maintain a fundraising success rate of 52% which is significantly above the sector norm
- The freehold asset value of the charity's property at 1 Addington Square, London SE5 0HF is sufficient to meet the charity's actual and contingent liabilities
- The Fair Market Value of the property was assessed by Colliers International £7,550,000 in March 2016

- We continue to work in close partnership with Social Investment Business who administer the Communitybuilders and Futurebuilders Investment Funds secured to finance the building refurbishment and extension project completed in 2013:
 - a) These loans (£3,828,241 as at 31 March 2016) are secured over the freehold property on a Pari-Passu charge basis between the Futurebuilders Fund and Communitybuilders Investment Funds
 - b) The charity has secured a 0% interest rate on the loans with repayments of £10,000 per month until March 2017
 - c) The charity has commissioned external consultants to prepare a social value assessment of the property to illustrate how Cambridge House is meeting the aims and objectives of the Investment Funds
 - d) The business planning process described above involves SIB to ensure that loan financing beyond March 2017 is agreed as part of the business plan projections
- The amount of cash held by the charity at the 31 March 2016 had increased on the previous year despite the charity's lack of free reserves and the fact that an increasing number of public sector contracts and charitable grants are paid in arrears. We successfully manage cash flow by ensuring:
 - a) At least 70% of total annual income is unrestricted
 - b) Our diversified income portfolio continues to reduce reliability on any one source of income
 - c) Overdraft facilities, variations to our loan conditions, and internal financial and risk management processes continue to enable us to manage short-term cash flow needs.

Reserves

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

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

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

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

31 03 2018	£340,000	19% of annual expenditure, representing 3-months operating costs
31 03 2020	£560,000	31% of annual expenditure, representing 3-months operating costs and change management/asset planning provisions
31 03 2022	£758,000	41% of annual expenditure, representing 3-months operating costs and continuity and change management, asset planning, and service innovation and development provisions

The trustees will continue to closely monitor the reserves situation, ensuring that redoubled efforts are put in place during 2016/17 including:

- a) A Business Transformation Review funded by the Local Sustainability Fund via the Big Lottery Fund on behalf of the Office for Civil Society
- b) The completion of a new Business Plan for the period 01/04/2017 to 31/03/2020

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

Restricted funds of £45,355 were held at the financial year end.

Budgeting

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

Future Plans

Our future plans are to:

1. Enhance organisational capacity, resilience and sustainability by:
 - a) Completing a business transformation process including:
 - Analysis, financial profiling and appraisal of existing products and services
 - An asset optimisation appraisal
 - The design of new products – delivery, quality assurance, benchmarking and pricing
 - The development of options for licensing of services or social franchising
 - Analysis of the potential for regional and national roll out through direct delivery, licensing, social franchising of key services
 - The scoping of markets and routes to markets through segmentation
 - The development of an engagement and influence matrix of stakeholders and strategies to engage them
 - Development of a communications strategy and plan within the existing capacity and resource envelope
 - b) Commissioning an independent social impact review of Cambridge House's building as a community hub
 - c) Reviewing and updating our trustees' Governance Manual
 - d) Completing an audit of our corporate policies framework
 - e) Preparing a new business plan for the period 2017–2020
 - f) Continuing to diversify our income profile with particular regard to unrestricted earned income
 - g) Beginning to rebuild our reserves
 - h) Establishing two new paid internships
2. Design and provide services that deliver positive impact for individuals, families and communities facing severe and multiple disadvantage by:
 - a) Increasing our national and international reach by:
 - Expanding our co-produced academic research projects and/or frontline services in partnership with Barton Hill Settlement (Bristol), Birmingham Settlement and Barca-Leeds
 - Expanding the delivery of Playdagogy nationally
 - Contributing to international civil society policy forums
 - b) Increasing our regional impact and reach by:
 - Extending the Safer Renting pilot to 4 London Boroughs
 - Extending reach of estate-based youth empowerment activities
 - Extending the delivery of advocacy services to an additional London Borough
 - Continuing to use our experience gained by delivering frontline services to influence policy in favour of community-led solutions to multiple disadvantage and complex need

Statement of trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the incoming resources

and application of resources, including the net income or expenditure, of the charitable company for the year. In preparing those financial statements, the trustees are required to:

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

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

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.
- The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislations in other jurisdictions.

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

Julie Myers

Chair

29 November 2016

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

We have audited the financial statements of Cambridge House and Talbot for the year ended 31 March 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Noelia Serrano (Senior statutory auditor)

30 September 2016

for and on behalf of Sayer Vincent LLP, Statutory Auditors

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 2016

	Note	Unrestricted £	Restricted £	2016 Total £	Unrestricted £	Restricted £	2015 Total £
Income from:							
Donations and legacies	2	23,102	-	23,102	35,196	-	35,196
Charitable activities							
Advocacy	3a	335,130	-	335,130	197,628	-	197,628
Children and adult services	3b	133,756	157,767	291,523	125,299	142,307	267,606
Law Centre	3c	380,419	36,750	417,169	381,312	14,150	395,462
Research & Knowledge Exchange	3d	-	7,000	7,000	-	-	-
Safer Renting	3e	-	1,000	1,000	-	-	-
Rental income		450,706	-	450,706	446,310	-	446,310
Investment		142	-	142	493	-	493
Transfer of funds from Magdalene College Youth Trust	4	-	156,386	156,386	-	-	-
Other		-	-	-	31,378	-	31,378
Total income		1,323,255	358,903	1,682,158	1,217,616	156,457	1,374,073
Expenditure on:							
Raising funds	5	11,656	-	11,656	8,415	-	8,415
Charitable activities							
Advocacy	5	369,308	-	369,308	265,288	-	265,288
Children and adult services	5	70,266	268,798	339,064	180,185	142,307	322,492
Law Centre	5	328,401	36,750	365,151	359,550	14,150	373,700
Research & Knowledge Exchange		-	7,000	7,000	-	-	-
Safer Renting		-	1,000	1,000	-	-	-
Enterprise services		639,643	-	639,643	716,643	-	716,643
Total expenditure		1,419,274	313,548	1,732,822	1,530,081	156,457	1,686,538
Net income / (expenditure) before other recognised gains and losses		(96,019)	45,355	(50,664)	(312,465)	-	(312,465)
Gains on revaluation of fixed assets		1,285,547	-	1,285,547	-	-	-
Net movement in funds		1,189,528	45,355	1,234,883	(312,465)	-	(312,465)
Reconciliation of funds:							
Total funds brought forward		2,454,910	-	2,454,910	2,767,375	-	2,767,375
Total funds carried forward		3,644,438	45,355	3,689,793	2,454,910	-	2,454,910

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

Cambridge House and Talbot

Balance sheet

Company no. 1050006

As at 31 March 2016

	Note	£	2016 £	£	2015 £
Fixed assets:					
Tangible assets	11		<u>7,586,928</u>		<u>6,497,081</u>
			7,586,928		6,497,081
Current assets:					
Debtors	12	235,395		146,961	
Cash at bank and in hand		<u>30,535</u>		<u>3,509</u>	
		265,930		150,470	
Liabilities:					
Creditors: amounts falling due within one year	13	<u>(454,824)</u>		<u>(364,400)</u>	
Net current assets / (liabilities)			<u>(188,894)</u>		<u>(213,930)</u>
Total assets less current liabilities			7,398,034		6,283,151
Creditors: amounts falling due after one year	15		<u>(3,708,241)</u>		<u>(3,828,241)</u>
Total net assets / (liabilities)	17		<u>3,689,793</u>		<u>2,454,910</u>
The funds of the charity:					
Restricted income funds	18		45,355		-
Unrestricted income funds:					
Revaluation reserve		2,296,906		1,032,877	
General funds		<u>1,347,532</u>		<u>1,422,033</u>	
Total unrestricted funds			<u>3,644,438</u>		<u>2,454,910</u>
Total charity funds			<u>3,689,793</u>		<u>2,454,910</u>

Approved by the trustees on 29 November 2016 and signed on their behalf by

Julie Myers
Chair

Cambridge House and Talbot

Statement of cash flows

For the year ended 31 March 2016

	Note	2016		2015	
		£	£	£	£
Cash flows from operating activities	19				
Net cash provided by / (used in) operating activities			176,710		(88,748)
Cash flows from investing activities:					
Dividends, interest and rents from investments		142		493	
Purchase of fixed assets		-		(19,330)	
Net cash provided by / (used in) investing activities			142		(18,837)
Cash flows from financing activities:					
Repayments of borrowing		(120,000)		-	
Interest paid on loan balance		-		(110,000)	
Net cash provided by / (used in) financing activities			(120,000)		(110,000)
Change in cash and cash equivalents in the year			56,852		(217,585)
Cash and cash equivalents at the beginning of the year			(26,317)		191,268
Cash and cash equivalents at the end of the year	20		<u>30,535</u>		<u>(26,317)</u>

1 Accounting policies

a) 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) (August 2014) 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.

b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 April 2014. No restatements were required.

c) Public benefit entity

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

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. The factors supporting this conclusion are disclosed in more detail in the Council of Management's annual report.

e) Income

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

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

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

f) Donations of gifts, services and facilities

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

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

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.

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

i) Expenditure and irrecoverable VAT

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

Expenditure is classified under the following activity headings:

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

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

j) Allocation of support costs

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

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

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

- | | |
|-----------------------------|-----|
| ● Advocacy | 22% |
| ● Children & Adult Services | 28% |
| ● Law Centre | 24% |
| ● Enterprise Services | 24% |
| ● Costs of generating funds | 2% |

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.

1 Accounting policies (continued)

k) Operating leases

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

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

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

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

o) Debtors

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

p) Cash at bank and in hand

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

q) Creditors and provisions

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

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

r) Pensions

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

Cambridge House and Talbot

Notes to the financial statements

For the year ended 31 March 2016

2 Income from donations and legacies

	Unrestricted £	Restricted £	2016 total Total £	2015 Total £
Gifts	23,102	-	23,102	35,196
	<u>23,102</u>	<u>-</u>	<u>23,102</u>	<u>35,196</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
London Borough of Southwark	134,165	-	134,165	102,944
Other services	200,965	-	200,965	94,684
a) Sub-total for Advocacy	335,130	-	335,130	197,628
London Borough of Southwark	75,066	10,350	85,416	87,498
Grant making trusts	6,220	147,417	153,637	118,252
Other Services	52,470	-	52,470	61,856
b) Sub-total for Children and adult services	133,756	157,767	291,523	267,606
London Borough of Southwark	204,578	10,000	214,578	284,212
Legal Aid Agency	107,121	-	107,121	74,602
Other services	68,720	-	68,720	22,498
Grant making trusts	-	26,750	26,750	14,150
c) Sub-total for Law Centre	380,419	36,750	417,169	395,462
University of Leicester	-	7,000	7,000	-
d) Sub-total for Knowledge and Research Exchange	-	7,000	7,000	-
London Borough of Hounslow	-	1,000	1,000	-
e) Sub-total for Safer Renting	-	1,000	1,000	-
Total income from charitable activities	849,305	202,517	1,051,822	860,696

4 Transfer of funds from Magdalene College Youth Trust

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

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

5 Analysis of expenditure

	Cost of raising funds £	Charitable activities							Support costs £	2016 Total £	2015 Total £
		Advocacy £	Children & Adult Services £	Law Centre £	Knowledge & Research Exchange £	Safer Renting £	Enterprise services £	Governance costs £			
Staff costs (Note 7)	-	267,401	178,402	262,481	7,000	-	133,188	-	262,453	1,110,925	998,377
Other staff costs	-	9,401	15,276	1,857	-	-	15,106	-	7,129	48,769	28,244
Activity cost	-	11,061	41,729	11,964	-	1,000	206,800	-	-	272,554	232,658
Premises cost	-	-	-	-	-	-	-	-	19,754	19,754	14,804
Office cost	4,252	-	-	-	-	-	-	1,784	13,804	19,840	18,459
Depreciation	-	-	-	-	-	-	195,700	-	-	195,700	234,733
Audit & accountancy	-	-	-	-	-	-	-	15,911	-	15,911	11,105
Legal & professional	-	-	-	-	-	-	-	-	19,839	19,839	9,108
Loan Interest	-	-	-	-	-	-	-	-	-	-	110,000
Irrecoverable VAT	-	-	-	-	-	-	-	-	29,530	29,530	29,050
	4,252	287,863	235,407	276,302	7,000	1,000	550,794	17,695	352,509	1,732,822	1,686,538
Support costs	7,050	77,552	98,703	84,602	-	-	84,602	-	(352,509)	-	-
Governance costs	354	3,893	4,954	4,247	-	-	4,247	(17,695)	-	-	-
Total expenditure 2016	11,656	369,308	339,064	365,151	7,000	1,000	639,643	-	-	1,732,822	1,686,538
Total expenditure 2015	8,160	262,485	318,925	370,642	-	-	713,585	12,741	-	-	-

Of the total expenditure, £1,419,274 was unrestricted (2015: £1,530,081) and £313,548 was restricted (2015: £156,457).

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2016 £	2015 £
Depreciation	195,700	234,733
Interest payable	-	110,000
Operating lease rentals:		
Other	-	-
Auditors' remuneration (excluding VAT):		
Audit	11,300	7,500
Under accrued for previous year	1,950	-
Other services	750	1,500
	<u>195,700</u>	<u>234,733</u>

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

Staff costs were as follows:

	2016 £	2015 £
Salaries and wages	995,080	905,427
Redundancy and termination costs	2,825	-
Social security costs	85,939	78,350
Employer's contribution to defined contribution pension schemes	19,708	14,600
Agency staff costs	29,504	5,821
Training and expenses	26,639	22,424
	<u>1,159,695</u>	<u>1,026,622</u>

One employee earned between £70,000 and £80,000 during the year (2015: one). Employer pension contributions of £515 (2015: nil) were made on behalf of this individual.

The total employee benefits including pension contributions of the key management personnel were £137,020 (2015: £122,656).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2015: £nil). No charity trustee received payment for professional or other services supplied to the charity (2015: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2015: £nil) incurred by no (2015: no) members relating to attendance at meetings of the trustees.

8 Staff numbers

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

	2016 No.	2015 No.
Advocacy	14.0	9.0
Children & adults	17.0	16.0
Law Centre	6.0	6.0
Enterprise Services	7.0	8.0
Support	7.0	7.0
	51.0	46.0
	51.0	46.0

9 Related party transactions

There are no related party transactions to disclose for 2016 (2015: none).

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

10 Taxation

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

11 Tangible fixed assets

	Freehold property £	Computer equipment £	Total £
Cost or valuation			
At the start of the year	6,961,894	337,684	7,299,578
Increase on revaluation	588,106	-	588,106
	7,550,000	337,684	7,887,684
Depreciation			
At the start of the year	558,203	244,294	802,497
Charge for the year	139,238	56,462	195,700
Eliminated on revaluation	(697,441)	-	(697,441)
	-	300,756	300,756
Net book value			
At the end of the year	7,550,000	36,928	7,586,928
At the start of the year	6,403,691	93,390	6,497,081

All of the above assets are used for charitable purposes.

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

The freehold property was re-valued at 31 March 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 is £7,550,000. On an historical cost basis the cost of the building is £5,885,975 and the net book value is £5,253,094

12 Debtors

	2016 £	2015 £
Trade debtors	66,908	41,617
Prepayments	37,069	37,037
Accrued income	131,418	68,307
	<u>235,395</u>	<u>146,961</u>

13 Creditors: amounts falling due within one year

	2016 £	2015 £
Overdraft	–	29,826
Loan from Futurebuilders/Communitybuilders	120,000	120,000
Trade creditors	135,640	60,276
Taxation and social security	102,249	117,774
Accruals	31,395	18,655
Deferred income	65,540	17,869
	<u>454,824</u>	<u>364,400</u>

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

14 Deferred income

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

	2016 £	2015 £
Balance at the beginning of the year	17,869	46,443
Amount released to income in the year	(17,869)	(46,443)
Amount deferred in the year	65,540	17,869
	<u>65,540</u>	<u>17,869</u>

15 Creditors: amounts falling due after one year

	2016 £	2015 £
Bank loans	3,708,241	3,828,241
	<u>3,708,241</u>	<u>3,828,241</u>

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

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

16 Pension scheme

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

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

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

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

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.

17 Analysis of net assets between funds

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	7,586,928	–	7,586,928
Net current assets	(234,249)	45,355	(188,894)
Long term liabilities	(3,708,241)	–	(3,708,241)
Net assets at the end of the year	3,644,438	45,355	3,689,793

18 Movements in funds

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

Revaluation reserve

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

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

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

Law Centre

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

Research and knowledge**Safer Renting**

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

	2016 £	2015 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(50,664)	(312,465)
Depreciation charges	195,700	234,733
Interest received	(142)	(493)
Interest paid	-	110,000
(Increase)/decrease in debtors	(88,434)	(72,161)
Increase/(decrease) in creditors	120,250	(48,362)
Net cash provided by / (used in) operating activities	176,710	(88,748)

20 Analysis of cash and cash equivalents

	At 1 April 2015 £	Cash flows £	Other changes £	At 31 March 2016 £
Cash at bank and in hand	3,509	27,026	-	30,535
Overdraft facility repayable on demand	(29,826)	29,826	-	-
Total cash and cash equivalents	(26,317)	56,852	-	30,535

21 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:

	2016 £	2015 £
Assets	243	701
Liabilities	(2,306)	(2,304)
Total funds	(2,063)	(1,603)

22 Contingent assets or liabilities

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

23 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.