



Annual Report and Financial Statements

31 March 2011

Company Number 04333875
Registered Charity Number 1090836

**Cardinal Hume Centre
Annual Report and Financial Statements
For the year ended 31 March 2011**

Contents

Trustees' Report	1
Independent auditor's report	10
Financial statements	
Statement of financial activities	11
Balance sheet	12
Cash flow statement	13
Notes to the financial statements	14
Trustees, senior staff and advisers	21

Trustees' Report

"Each person matters; no human life is redundant. Every individual must be given the opportunity to live a life in which his or her basic needs are provided for and in which, so far as is reasonably possible, their full potential is realised."

Cardinal Basil Hume OSB

Principal Activities

The Cardinal Hume Centre works with homeless young people, badly housed families, and local people with little or no income helping them to develop the skills they need to break out of poverty and build better lives.

The objects of the Centre, set out in the Memorandum and Articles of Association, in particular are:

- to advise, assist and counsel young persons who are in need and their families in order to promote their mental, spiritual and physical welfare;
- and for that purpose to run the Cardinal Hume Centre and such other centre or organisation as the Trustees think fit.

The Centre focuses on 4 major categories of need.

Lack of Income: we offer pathways to employment, money management, debt advice and advocacy, and benefits advice.

Lack of Housing: we offer a 32-bed hostel for 16–21 year olds, an 8-bed hostel for people in recovery from substance misuse, and a housing advice and advocacy service.

Lack of Education and Skills: we offer English classes, IT training, adult literacy, parenting and life skills, and work experience.

Lack of Formal Immigration Status: we offer immigration advice and advocacy to help regularise status and ensure people know their rights under the law.

In addition, a medical surgery together with specialist drug and alcohol services, and a family centre are available on site, as is spiritual and pastoral support.

The Centre aims to ensure each client can engage in a journey of development and follow a pathway to employment. Each potential new client enters the Centre through the Gateway where the first step is to undertake an assessment of need. This is the beginning of the pathway, either to access internally delivered services or to be referred to another organisation, which is better placed to

respond to the primary presenting need. There are three teams of front line staff dedicated to helping clients: Assessment and Client Engagement (ACE) team; Learning, Development and Employment (LDE); and Housing and Residential Services (HRST). In recent months, the Gateway has also become a service in its own right. Active partnerships have also been developed with a range of organisations and agencies, which support and complement the internally delivered services.

Public Benefit Statement

The Trustees confirm that they have complied with their duty under section 4 of the Charities Act 2006 and considered the public benefit guidance published by the Charity Commission, *Charities and Public Benefit*. The annual report gives a detailed description of the activities undertaken by the Centre during the year in furtherance of its charitable purposes, and the Trustees are satisfied that all such activities provide a public benefit.

Review of the Year's Activities

The Gateway Service

During the year, 1,350 people (2010: 1,321) came through the Gateway to use the Centre's services, of whom 754 (2010: 815) were registered as new clients. The Centre remained open throughout the Christmas period welcoming 120 (2010: 65) people on Christmas Day including 20 children and 19 people on Boxing Day.

Our two major overall objectives in terms of client engagement in 2010/11 was first to **agree a common assessment framework** for the client to measure his or her own progress indicating what support they need to continue on their development journey and enable us to monitor outcomes better. The second was to **recruit volunteer mentors to work on a one to one basis** with as many clients as possible for whom this additional support would be beneficial.

Following an external review of the client assessment and referral system in December 2010, we re-organised and strengthened the Gateway team and decided on an appropriate outcomes framework. Work is now progressing to ensure all staff, including volunteer mentors, are appropriately trained and our client database systems updated.

As a result of the same review, we revised our approach to matching clients with mentors reducing the targets of the number of clients who would benefit from having a mentor. However we still substantially increased the numbers of mentors during the year. 76 clients were mentored during in 2010/11 and at 31 March 2011 we had 50 trained volunteer mentors.

Residential Services

Young Persons Hostel

There was a 97% occupancy rate (2010: 98%) in the 32-bed Hostel for 16 to 21 year olds and 23,623 hours of contracted support were provided. 93% of residents left the service in a planned way (2010: 80%).

We submitted a self assessment review at Level A (2010: A) under the local authority's Supporting People Quality Assessment Framework.

Lisa's story

Lisa Smith arrived at the Centre just over a year ago. A breakdown in her relationship with her family left her with nowhere to live when she was just 18.

"I was sleeping in parks and on the streets; it was awful and so draining. Not having anywhere to go to the toilet or have a shower or anything to call your own is just terrible. You cannot imagine what it is like until it has happened to you. I don't take these things for granted any more. When you have them you don't realise what it would be like to live without them."

Since moving into the hostel, Lisa has had the security and stability to start thinking about the future. Employment advisors worked closely with her, helping her to think about her future and what jobs she would like to do. They worked with her to put together a CV and helped her practise for job interviews.

"The Centre really helped me out. It's like your own place and you are able to be happy and relaxed here. It has so much to offer – much more than other places – you are given help with dealing with your problems, finding a job and housing. I was very low and really didn't want to do anything when I first came here, but everyone has given me personal time and been very kind and supportive." said Lisa.

Lisa is now doing an apprenticeship in a nursery while studying for National Vocational Qualifications in childcare. With help from staff at the Centre, she is hoping to move to a Housing Association flat in the near future.

It is clear that given the right opportunities, people like

Lisa can turn their lives around. As Lisa added, "The Centre has changed my life and made me stronger."

Horseferry Road Hostel

There was a 84% occupancy rate (2010: 95%) in the 8-bed Hostel for people in recovery from substance misuse and 4,270 support hours (2010: 4,011) were provided. 86% of residents left the service in a planned way (2010: 75%)

In 2010/11, **our key objective** for this service was to develop a business case for the different options for the physical development of the Horseferry Road Hostel, ranging from a complete redevelopment to suit different client profiles and needs, to a straightforward refurbishment and retaining the current client group. We have drawn up plans and are applying for planning permission; however, having agreed a client group in principle with Westminster, following their budget cuts and the merger of their social services with two other boroughs, we have not yet been able to proceed.

The drug and alcohol service at the Centre continued to work in partnership with the on-site surgery and partners. 81 clients in the year self-assessed as having a drug or alcohol problem and were provided with advice and support.

Housing Advice Service

Housing advice was provided to 450 clients (2010: 480) with 140 (2010: 120) people successfully re-housed via other agencies and providers.

The Centre has strengthened partnerships with private landlords. This enabled 32% of the people we successfully re-housed to go into private rented accommodation.

In 2011/12 the Centre will explore joint partnership bids with Westminster City Council and other voluntary agencies in providing access to the private rented sector. This will be targeted at those people for whom there is no statutory duty to provide housing.

Employment Service

This year has seen a significant increase in demand for the services provided by the Centre's employment team. In response to this demand, we have re-assessed our delivery priorities and strategy to ensure we focus appropriately on those in greatest need. 500 people (2010: 143) received support and advice directly related to gaining employment; this considerable increase was achieved through offering more targeted individual support on job searches, the introduction of four volunteer job coaches, and larger numbers using our job club. There were

also more direct referrals from the local Jobcentre Plus. Despite the difficult economic circumstances and the multiple disadvantages often faced by the Centre's clients, 32 clients obtained jobs which they have sustained (2010: 19) and 20 clients took up unpaid or voluntary work placements.

Family Services

The Family Services provide childcare support to disadvantaged families during daily sessions, which run from 9-12 and 1-3 Monday to Friday with the space being used for a mixture of crèche and less formal drop-in. The aim of the service is to allow parents to engage with the Centre's employability services while their children are safely looked after and are prepared for starting school.

In total 195 children and 165 parents came to the Family Centre in 2010/11. Of these, 48 children were part of the crèche, and attended regularly for over 6 months. Daily crèche sessions had, on average, 10 children, while the number attending the drop-in varied from 5 to 20 per session.

Five parents completed childcare training, so that they could move into employment once their children were ready for school. Six parents completed food hygiene courses taught at the Centre and received certificates, whilst six families attended intergenerational money-management courses during the school holidays. Parents were encouraged to access our education services and to develop their own literacy and numeracy skills (through our book club, for example), which in turn enhanced the learning opportunities for children at home. Parents who took part in career development activities in the Centre showed improved confidence in their own parenting abilities. We also ran 10 sessions based on the "positive parenting programme" (PPP), as part of our partnership with Westminster Council.

In partnership with Westminster City Council, we carried out a review of the Family Services. Most low-income families are unable to access any of the free day-care provision for 3 to 5 year olds to which they have a statutory right. We have decided to develop a specific service for those families, whilst continuing to offer learning and development activities for other local families.

English lessons

We increased the number of weekly lessons of English for Speakers of Other Languages (ESOL) to 34 (2010: 29) supporting each week about 115 clients who typically attend lessons three times a week.

Adult learning

82 adult literacy assessments took place (2010: 87) and 82 clients were helped to develop their literacy skills. This was primarily through one-to-one engagement but we also ran seven new group work sessions.

IT

Approximately 250 clients used the Centre's IT suite during the year with an average daily attendance of fourteen. One day a week is now used for the job club where users are supported in searching for opportunities and writing applications. 12 clients (2010: 7) obtained formal computer literacy and information technology ('CLAIT') qualifications. 19 clients have been supported by the recruitment of IT coaches to provide entry level one to one tuition to new users.

Immigration Advice

The Immigration Advice and Support services continued to develop: Level 3 advice was given to 58 clients (2010: 40), Level 2 to 35 clients (2010: 22) and Level 1 to 36 clients (2010: 25).

The **major objective** in the year was to carry out an independent review of the service which confirmed the quality of work being carried out and the need for expansion.

Entsar's Story

Entsar Marthy came to the Centre when her whole life was falling apart; she was in a strange country, with no friends or family, couldn't speak English and was in a tiny flat with two small children.

When her eldest child went to school she met a mother at the school gates who told her about the Centre.

"I started coming to the Centre every day at first and the people were so kind and helpful. They helped me to learn to speak English by gently advising me at first. I was shy and they didn't laugh at me when I said things the wrong way. I started having English lessons at the Centre and made a friend in the lessons – the teacher was strict and sometimes told us off for talking but she was right to do so – we learned so much! I went on to do exams which included doing a poster and presentation on life in Kuwait and it really built my confidence," said Entsar

While she attended classes at the Centre, Entsar's children, were looked after in the Centre's crèche and also made great progress in speaking English.

"I see that my youngest son will not have the problems

in school that my older child had because he has been able to come to the Centre since he was three months old and I am very grateful for this," she added.

Entsar's husband and children are all British citizens but she struggled to understand the legal system and was told she had to return to Kuwait. This was where the Centre's Immigration advisor stepped in. He helped her to fill in the correct forms, represented her case, and ensured she obtained her leave to remain.

"The immigration advisors here helped me so much – I now feel safe. I couldn't sleep for worrying about who would look after my children if I had to go back to Kuwait," added Entsar.

With support and her own hard work and determination, Entsar has turned her life around. She can now speak excellent English, has several childcare qualifications and is hoping to find work in a primary school.

Service Development

We had **three major objectives** for 2010/11:

The first was to **extend our service provision** through more use of evening hours and weekends, to enable us to support clients unable to attend during weekdays and to maximize the use of the restricted space at the Centre.

City of Westminster College provided ESOL classes on two evenings a week to clients who had work or child care commitments during the week. The Migrants Resource Centre also provided a women's only ESOL class on Saturday mornings.

The extension of opening hours also made it possible for several mentoring pairs to meet at a more convenient time for both parties.

From September 2011, the Centre will be opening the Gateway service and also providing job club facilities on Saturday mornings. The Centre will also be running a job club one evening a week.

The second major objective was to identify resources to run a pilot scheme for a **new money management service** to help clients to become financially capable thereby underpinning progress made in other areas of their lives through increased financial stability. During the year, a new partnership was formed with Toynbee Hall, with one of their staff members seconded to the Centre for 6 months in 2010. This led to a series of workshops for both staff and clients and the development of various educational tools.

During 2010/11, 431 clients were helped to obtain or receive advice on their bank account. 50 clients received specialist debt advice through our on-site partner, Capitalise, and 57 clients have attended workshops on financial planning and budgeting delivered by our Money Guides Partners.

The third objective was to establish a **regular framework for stakeholder and client engagement** to feed-in to the annual review of the Business Plan. A fourth annual survey of client need was carried out in February 2011 with the support of volunteers from HMRC and the Home Office.

Organisational Changes

As a result of external reviews and internal consultation, we introduced **four major changes** within the operational teams during the year: we reconfigured the Gateway Team through internal redeployment of skilled and experienced staff; a new post of Service Development Manager was established to take forward key objectives; the Assessment and Client Engagement team has become the Coaching Team and the Family Services Team has been reshaped with a new Manager post in order to implement an Early Learning programme for 3-5 year olds.

Future Plans for 2011/12

Our **overall objective** during the year is to prepare for responding to greater need and increased numbers of people seeking to access our services as the cumulative impact of the government spending cuts is realised.

1) Client engagement and deepening impact
Having established a new database and common assessment framework, we will now fully integrate this into our work providing increased support for clients and better monitoring of outcomes. We will put **extra resources into the Gateway** to ensure more focused and specific help is given to clients at the point of first entering the Centre. We will introduce **better exit planning** for clients to ensure our interventions are time bound and therefore more clearly focused, and that we can continually offer support to those in most need, especially in the local area, whilst maintaining our ability to respond to emergencies. We will widen our parameters for recruitment of volunteer mentors to provide **one to one support**, with special emphasis on IT coaches and conversational English.

2) Meeting the needs of our local community

2i) Improvement and development of specific services

The **Immigration Advice** service will be expanded both because of need and to operate more effectively. We need to secure additional funding to do this and in the interim will seek to employ a second legal practitioner on a temporary basis.

The new **Early Learning programme** for 32 three and four year-olds from local families in need will be introduced at the beginning of September in Family Services; after which a new programme of engaging and supporting families with low income will be implemented.

We will agree on a plan to develop **our 8-bed hostel for people in recovery from substance misuse**, despite Westminster's current inability to agree on a priority client group and/or capital and revenue funding.

The pilot scheme undertaken with Toynbee Hall on financial capability highlighted the need to embed **money management** advice in every stage of our engagement with clients. The Gateway service will identify need at the point of entry to enable objectives to be set on money management and other services will further develop the delivery of money management issues within their normal practice.

2ii) Extension of service provision

The establishment of the new post of **Service Development Manager** will help to further extend service provision into evening hours and weekends; reaching clients unable to access services during daytime hours and maximising the use of restricted space. He is also charged with helping to identify new partnerships, and strengthening existing ones, particularly those that complement our overarching objective of employability.

2iii) Stakeholder and client engagement:

As well as our annual survey of client need, we will develop further ways for the clients to engage with the development of the services on a regular basis.

2iv) Access criteria

We will employ new access indicators and market our services accordingly to ensure we are reaching people on the lowest income/in most need in the catchment area contingent with the Centre, whilst retaining our ability to respond to homelessness and emergencies.

3) Financial sustainability

To maintain our level of services, at a time of increasing need and reducing government support, requires an increase in voluntary income. Specific fundraising activities and targets have been built into the celebration of the Centre's 25th Anniversary in 2011, specifically the new website and use of social media, and a series of events to engage new donors/increase donations/encourage regular giving.

4) Staff and Volunteer Team

The coaching model of client engagement will be embedded across the Centre involving all client-facing staff and volunteers. We will continue to recruit and support volunteer mentors so that 60 clients will be supported by a mentor coach appropriate to his or her needs. We will continue to develop our management training and development programmes including an emphasis on performance management, appraisals and recruitment.

Raising Support

The Centre is fortunate in being able to complement its statutory income with funding from a wide range of donors including individuals, trusts, parishes, schools and religious organisations.

The major statutory funder of the charitable activities is Westminster City Council which provides funds for our Residential Services (through its Supporting People funding).

Major trusts included Anderson Charitable Trust, Ashden Trust, Bernard Sunley Charitable Foundation, BBC Children In Need, Doughty Hanson Charitable Foundation, E B M Charitable Trust, Garfield Weston Foundation, Henry Smith (Estates Charities), Holbeck Charitable Trust, Maurice and Hilda Laing Foundation, Peter De Haan Charitable Trust, Peter Stebbings Memorial Trust, Sandra Trust, Sir Harold Hood's Charitable Trust, St John Southworth Fund, Street Smart and Westminster Amalgamated Charity.

The Centre would also like to record its appreciation for the financial and operational support offered by the Catholic community and its endorsement of the Centre's work.

We had **three major fundraising objectives** for 2010/11.

The first was to **increase voluntary income** (excluding legacies) to £925,000 with specific new fundraising activities and targets to be built into the celebration of the Centre's 25th Anniversary in

2011. In fact voluntary income (excluding legacies) was below this at £752,000. The new fundraising activity planned for the anniversary was re-scheduled for 2011/12 (the anniversary year actually running from June 2011 to June 2012) so we did not benefit from the originally planned uplift. In addition, several significant one-off donations received in 2009/10 were not repeated in 2010/11. The second was to **develop a new website** with a particular focus on making it user friendly to potential clients, as well as compatible with using social media for fundraising and profile purposes. The new website was duly launched at Easter 2011. The third was to **undertake an external review** of the Fundraising function which took place in November 2010. This led to the development of a revitalised fundraising strategy and a re-structuring of the fundraising team.

Major plans for 2011/12 include the development of a regular giving initiative, implementation of the 25th anniversary campaign from June 2011 through to June 2012, and the development of more initiatives to promote the Centre to potential local donors. This will be supported by a designated budget to buy in short term expertise and skills in communications and major donor fundraising.

Governance and Management

The major objective in governance was to continue the implementation of the **recommendations of the governance review** undertaken in 2009. To this end, three of the four new Trustees recruited in early 2010 joined the various Board sub-committees which both strengthened those committees and served to deepen Trustees' engagement in the work of the Centre. The Charity intends to recruit **3 to 4 new Trustees** in the latter part of 2011 to continue to refresh the pool of Trustees.

The **management development programme** for senior and middle managers continued to be a high priority with individual managers taking up the offer of six sessions with a personal coach to help them achieve their work objectives and to advise on tackling any barriers encountered en route.

Financial Review

Results for the year

The Centre's income for the year was £2,135,000 (2010: £2,251,000). Voluntary income excluding legacies reduced to £752,000 (2010: £858,000). Several significant one-off donations received in

2009/10 were not repeated in 2010/11. The new fundraising activity planned for the Centre's 25th anniversary, originally planned to start in 2009/10, was re-scheduled to 2011/12 (the anniversary year running from June 2011 to June 2012) so we did not benefit from the planned uplift from this activity during the year. Legacy income at £444,000 was lower than last year (2010: £495,000) but ahead of budget. Incoming resources from charitable activities increased to £873,000 (2010: £832,000), with a new grant from Westminster Council for basic skills work.

Expenditure for the year was £2,330,000 (2010: £2,229,000). This included additional fundraising expenditure directed towards increasing income in 2011/12 for the Centre's 25th anniversary.

The Centre had a deficit for the year of £195,000 (2010: surplus £22,000). The Centre is looking to address this shortfall by investing in increasing voluntary income whilst maintaining and developing services in this time of increasing client need.

Reserves

The Board of Trustees reviews the Centre's reserves policy annually.

The current economic and funding environment remains challenging whilst the needs of our client groups continue to grow. The overall aim of the reserves policy is to ensure that the Centre is using an appropriate level of resources in responding to need whilst maintaining sufficient reserves to ensure stability and flexibility.

In considering these factors, the Trustees have established designated funds and a general reserve fund. The target level for the general reserve fund is that it should represent between two and four months expenditure. At the year-end, the balance on the general fund was £431,000 (2010: £580,000) which represented 2.2 months' expenditure.

The Centre currently depends on high levels of legacy income to maintain core expenditure. The financial plan for the next three years looks at reducing that reliance through increasing other income sources. However the Centre will still need high levels of legacy income which can fluctuate considerably from year to year. To protect against potential shortfalls, the Trustees have established a legacy reserve of £700,000 (2010: £700,000) so that services can be maintained if actual legacy income comes in less than planned.

The Trustees have also established a reserve for property maintenance and refurbishment of £150,000 (2010: £150,000). Property maintenance and refurbishment can fall very unevenly from year to year. So this reserve enables the Centre to maintain appropriate amounts to meet maintenance and refurbishment needs.

A fixed assets fund is also maintained representing the net book value of tangible fixed assets after long-term financing to indicate these resources are not available for other purposes. At the end of the year this stood at £1,781,000 (2010: £1,821,000).

Investment Policy and Performance

The Centre's investment policy covers the investment of all monies held by the Centre that are surplus to the amounts needed to run the Centre on a day-to-day basis. The investment policy seeks to balance return with security, liquidity, and ethical integrity and is reviewed regularly so as to respond to any changes in the Centre's needs and the economic environment. At 31 March 2011, invested monies were held in the form of cash deposits with several financial institutions. The Centre does not invest its funds in a way that might be inconsistent with its aims and objectives, in particular its commitment to address the causes and effects of homelessness and poverty.

During the year interest received totalled £17,000 (2010 - £13,000) which represented an average return of 1.2% p.a. (2010: 1.0%) against an average base rate of 0.5% p.a.

Structure, Governance and Management

Organisational Structure

The Centre is governed by the Board of Trustees, who are also the Directors for the purposes of Company Law. The Board meet five times annually. The Archbishop of Westminster approves the appointment of one Trustee and the remaining Trustees are elected by the Members at the Annual General Meeting. The Board may also appoint a Trustee to serve until the next Annual General Meeting, at which time he or she would cease to hold office but would be eligible for election.

The Board of Trustees' current composition and changes in the year is set out on page 20. Vacancies for Trustees are advertised in the local

and national press. On appointment, Trustees are encouraged to participate in an all Centre induction to become familiar with the activities of the Centre. They also receive relevant information relating to the Centre and their responsibilities as Trustees. They are invited to attend relevant training to keep abreast of changes in charity governance that may affect the Centre. They are encouraged to form a working relationship with members of the Senior Management Team and as far as feasible they are welcomed to assign time to any service or area of operation that corresponds either to their expertise or personal interest.

The following Committees now meet regularly to monitor the following areas:

- Service Development
- Finance
- Risk and Compliance
- Buildings
- Fundraising and Communications
- Personnel and Staffing.

Members include Trustees, external consultants and senior staff.

The day-to-day management of the Centre is delegated to the Chief Executive and Senior Management.

Partnerships

In pursuing its aims and objectives, the Centre is guided by local and regional partnerships with Westminster City Council, Children's Centres and Primary Care Trust, SITRA and Homeless Link.

At the service level, the Centre has close connections with other like-minded organisations that provide services relating to homelessness and poverty, and has benefited from partnership working with Capitalise (Broadway), Crisis, City of Westminster College, Home Start, House of St Barnabas, ICA, Migrants Resource Centre, Next Step, Poppy Project, Praxis, South Westminster Renewal Partnership, Solace Women's Aid, Tate Britain, Toynbee Hall, Voluntary Action Westminster, Westminster Adult Education Service, Wigmore Hall, Vital Regeneration, Volunteer Centre Westminster (Time and Talents) and Women Like Us.

The Centre also enjoys good working partnerships with American Express, Bregal Investments, Channel 4, the John Lewis Partnership and the Junior League of London.

Internal Control and Risk Management

The Trustees have overall responsibility for the Centre's systems of internal control. There is a clear delegation of the Trustees' authority through the Chief Executive to the rest of the organization. The Centre operates a three-year planning and budgeting system with an annual budget approved by the Trustees. Significant changes to budget are subject to specific approval. A financial reporting system compares results with the budget on a monthly basis together with forecasts of the expected results.

A register of the risks faced by the Centre is maintained. This register identifies the major strategic and operational risks faced and how they are being managed. The Trustees are satisfied that systems are in place to monitor, manage and mitigate the Centre's exposure to major risks. As part of the annual planning process the key risks the Centre faces are re-assessed and evaluated by the Trustees and the Senior Management Team.

During the year, the trustees re-tendered the provision of Audit Services and, after interviewing several firms, decided to re-appoint Buzzacott LLP.

Staff and Volunteers

The Centre is an equal opportunities employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, disability, marital status or sexual orientation.

Selection criteria and procedures are reviewed to ensure that individuals are selected, promoted and treated equally on the basis of their relevant merits and abilities. All employees receive equal treatment and, where appropriate and possible, special training to enable them to progress both within and outside the organisation. The Centre is committed to a staff training and development programme to take this forward.

We had a major objective for 2010/11 to **increase the number of volunteers, particularly mentors** working one to one with clients. The recruitment programme for mentors started in early 2010 and at 31 March 2011 there were 50 mentors. In addition there are 77 general volunteers (2010: 27): twelve are one to one IT coaches, 25 English language volunteers, four job club volunteers and fourteen charity shop volunteers. Overall the Centre has benefited

from an average of **478 volunteering hours per week** of invaluable and professional expertise.

Support from corporate volunteers has increased in the last year. John Lewis have recently named the Centre one of their 'charities of the year'; HMRC and Home Office staff designed, conducted and evaluated our client survey; a partnership has been set up with the Department for Transport to provide the Centre with mentors; a team of Home Office staff have volunteered to be IT coaches to our clients, and the Corinthia Hotel group are supporting us in our 25th anniversary year and hope to offer work placements and job opportunities to clients.

The Trustees would like to take this opportunity to thank the staff and volunteers, including mentors, of the Centre for their commitment, dedication and professionalism during this period. They have all made a critical contribution to the Centre's continuing development. Without this valuable support, and the wealth of skills they bring, the Centre could not offer such a breadth of services to its clients.

Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees to ensure financial statements are prepared which give a true and fair view of the state of affairs of the Centre as at the balance sheet date and of its incoming resources and application of resources, including its income and expenditure, for the financial year then ended. In preparing financial statements giving a true and fair view, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards have been followed subject to any material departures being disclosed and explained in the financial statements;
- observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities);
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Centre will continue in operation.

*"Each person matters; no human life is redundant."
Cardinal Basil Hume 1923 - 1999*

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Centre, and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the Centre and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of audited information published on the Charity's website or by other electronic means.

Each of the Trustees, in his or her capacity as a Director of the Centre confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the Centre's auditors are unaware; and
- the Trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the

Centre's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Trustees
and signed on their behalf by:



John Butterworth
Chairman of the Trustees

13 July 2011

Independent auditor's report to the Members of Cardinal Hume Centre

We have audited the financial statements of Cardinal Hume Centre for the year ended 31 March 2011 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies 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 charity'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 charity's Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and the auditor

The Trustees are also the directors of the charitable company for the purposes of Company Law. As explained more fully in the Trustees' Responsibilities Statement set out in the Trustees' Report, the Trustees 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity'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' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material 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 charity's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' 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
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Edward Finch, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street, London EC2V 6DL

18 July 2011

Statement of financial activities for the year ended 31 March 2011 (Incorporating an Income and Expenditure Account)

	Notes	Unrestricted Funds £'000s	Restricted Funds £'000s	Total funds 2011 £'000s	Total funds 2010 £'000s
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary Income					
Donations	2	665	87	752	858
Legacies	2	444	-	444	495
Total voluntary income	2	1,109	87	1,196	1,353
Activities for generating funds					
Sales of donated goods		22	-	22	27
Interest receivable		17	-	17	13
Incoming resources from charitable activities	3	259	614	873	832
Other incoming resources		27	-	27	26
Total incoming resources		1,434	701	2,135	2,251
RESOURCES EXPENDED					
Cost of generating funds					
Voluntary income	4	267	-	267	230
Fundraising trading	4	10	-	10	-
		277	-	277	230
Charitable activities					
Housing and residential services	4	157	537	694	640
Assessment and client engagement	4	601	13	614	614
Learning and development	4	544	147	691	695
Total charitable activities	4	1,302	697	1,999	1,949
Governance costs	4	54	-	54	50
Total resources expended	4	1,633	697	2,330	2,229
Net (outgoing)/incoming resources for the year before transfers	5	(199)	4	(195)	22
Transfers between funds	11	10	(10)	-	-
Net movement in funds		(189)	(6)	(195)	22
Fund balances brought forward at 1 April		3,251	8	3,259	3,237
Fund balances carried forward at 31 March		3,062	2	3,064	3,259

The result for the year for Companies Act purposes is represented by the net movement in funds in the statement of financial activities. There are no recognised gains or losses in the current or preceding year other than those shown in the statement of financial activities above. All amounts derive from continuing operations.

Balance Sheet as at 31 March 2011

	Notes	2011 £'000s	2011 £'000s	2010 £'000s	2010 £'000s
Fixed assets					
Tangible assets	7		2,120		2,160
Current assets					
Debtors	8	222		87	
Short-term deposits		1,176		1,352	
Cash at bank		85		139	
		<u>1,483</u>		<u>1,578</u>	
Creditors: amounts falling due within one year	9	<u>(200)</u>		<u>(140)</u>	
Net current assets			<u>1,283</u>		<u>1,438</u>
Total assets less current liabilities			<u>3,403</u>		<u>3,598</u>
Creditors: amounts falling due after one year	10		<u>(339)</u>		<u>(339)</u>
Total net assets			<u><u>3,064</u></u>		<u><u>3,259</u></u>
Represented by:					
Funds and reserves					
Unrestricted funds					
General fund	11	431		580	
Designated funds	11	<u>2,631</u>		<u>2,671</u>	
			<u>3,062</u>		<u>3,251</u>
Restricted funds	11		2		8
			<u>3,064</u>		<u>3,259</u>

Approved by the Trustees
and signed on their behalf by:



John Butterworth
Chairman of the Trustees
13 July 2011

Charity registration no. 1090836
Company registration no. 04333875

Cashflow Statement for the year ended 31 March 2011

	Notes	2011 £'000s	2010 £'000s
Cash (outflow)/inflow from operating activities	A	(200)	329
Returns on investments and servicing of finance			
Interest received		18	8
Capital expenditure and financing investments			
Payments to acquire tangible fixed assets		(48)	(9)
(Decrease)Increase in cash and short-term deposits	B	(230)	328

Notes to the cash flow statement for the year to 31 March 2011.

A Adjustment of net (outgoing)/incoming resources before transfers to net cash (outflow)/inflow from operating activities

	2011 £'000s	2010 £'000s
Net (outgoing)/incoming resources	(195)	22
Depreciation charge	72	79
Interest receivable	(17)	(13)
(Increase)/decrease in debtors excluding accrued interest receivable	(136)	258
Increase/(decrease) in creditors	76	(17)
Net cash (outflow)/inflow from operating activities	(200)	329

B Analysis of changes in cash and short-term deposits

	At 1 April 2010 £'000s	Cash flows £'000s	At 31 March 2011 £'000s
Short-term deposits	1,352	(176)	1,176
Cash at bank	139	(54)	85
Cash at bank and short-term deposits	1,491	(230)	1,261

Notes to the Financial Statements

I. Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the requirements of the Companies Act 2006, applicable United Kingdom Accounting Standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005).

Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the Centre.

Designated funds comprise unrestricted funds that have been put aside at the discretion of the Trustees for particular purposes (see note 11).

Restricted funds are funds subject to specific restrictions imposed by donors or by the purposes of the appeal.

Where funds are received to enable the Charity to acquire fixed assets for use in the delivery of its services, the funds are held as restricted income until the assets are acquired. When assets are purchased from such funds, the restriction is regarded as discharged and the funds are transferred to the designated fund representing tangible fixed assets.

Incoming resources

Incoming resources are recognised in the period in which the Charity is entitled to receipt and the amount can be measured with reasonable certainty.

Grants from government have been included as income from charitable activities where these are under contracts for services and similar arrangements.

Legacies are included in the statement of financial activities when the Charity is advised by the personal representative of an estate that payment

will be made or property transferred and the amount involved can be quantified.

Items donated to the Charity for resale, and sold through the shop, are included within incoming resources when sold and no value is placed on stock of such items at the period end.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of resources.

The costs of generating funds include the salaries, direct costs and overheads associated with generating voluntary income.

Support costs include functions such as general management, financial management, human resources and the costs of premises and facilities. They are allocated across the categories of charitable expenditure, governance costs and the costs of generating funds on the basis set out in note 4 to the financial statements.

Governance costs are the costs associated with governance arrangements including the costs of strategic as opposed to day-to-day management of the Charity.

Tangible fixed assets

Assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

Depreciation is provided, once the asset has been brought into use, in order to write off the cost of each asset over its estimated useful life, on a straight-line basis, as follows:

- ◆ Freehold property 50 years
- ◆ Equipment and furniture 3 years

Pensions

Contributions made to employees' personal pension plans are debited to the statement of financial activities in the year to which they relate.

2. Voluntary income

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2011 £'000s	Total 2010 £'000s
Donations				
Trusts	275	87	362	412
Individuals	331	-	331	366
Schools & parishes	40	-	40	59
Other	19	-	19	21
	665	87	752	858
Legacies	444	-	444	495
Total voluntary income	1,109	87	1,196	1,353

At 31 March 2011, in addition to the legacy income which has been included in the accounts, the Centre had entitlement to a number of legacies from estates for which the administration had yet to be finalised. The Centre's future income from these legacies is estimated at £30,000 (2010: £224,000).

3. Incoming resources from charitable activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2011 £'000s	Total 2010 £'000s
Rent and service charges	259	-	259	267
Grants				
City of Westminster Council				
Supporting People	-	468	468	468
Other grants	-	127	127	78
Client related grants	-	19	19	19
	259	614	873	832

4. Total resources expended

	Direct costs £'000s	Support costs £'000s	Total 2011 £'000s	Total 2010 £'000s
Cost of generating funds				
Voluntary income	230	37	267	230
Fundraising trading	8	2	10	-
	<u>238</u>	<u>39</u>	<u>277</u>	<u>230</u>
Charitable activities				
Housing and residential services	359	335	694	640
Assessment and client engagement	467	147	614	614
Learning and development	488	203	691	695
Total charitable activities	<u>1,314</u>	<u>685</u>	<u>1,999</u>	<u>1,949</u>
Governance costs	50	4	54	50
Total resources expended	<u>1,602</u>	<u>728</u>	<u>2,330</u>	<u>2,229</u>

Many programmes achieve benefits in a number of different areas and their costs are allocated on the basis of their principal aims. Cost allocation includes an element of judgement and the charity has had to consider the cost benefit of detailed calculations and record-keeping. The allocations shown are therefore a best estimate of attributable cost.

Support costs and the basis of their allocation are as follows:

	Principal basis of allocation to activities	Total 2011 £'000s	Total 2010 £'000s
Executive management and communications	Pro-rata to direct expenditure	140	114
Financial management	Pro-rata to direct expenditure	92	117
Human resources	Pro-rata to direct expenditure	72	72
Premises and facilities	Pro-rata to area used	424	398
		<u>728</u>	<u>701</u>

Governance costs are made up as follows:

	Total 2011 £'000s	Total 2010 £'000s
Management & Administrative Staff	37	33
Other costs	6	6
Audit	11	11
	<u>54</u>	<u>50</u>

5. Net (outgoing)/incoming resources for the year before transfers

This is stated after charging:

	2011 £'000s	2010 £'000s
Auditors' remuneration		
Statutory audit services		
Current year	9	9
Irrecoverable VAT	2	2
	<u>11</u>	<u>11</u>
Depreciation	72	79

6. Employees and Trustees

Employee Costs

	2011 £'000s	2010 £'000s
Staff costs during the period were as follows:		
Wages and salaries	1,247	1,210
Social security costs	128	125
Pension costs	19	17
	<u>1,394</u>	<u>1,352</u>
Locums, temporary staff and other staff costs	361	341
	<u>1,755</u>	<u>1,693</u>

Pension costs comprise employer's contributions to the personal pension schemes of individual employees. Included within creditors falling due within one year is £4,000 (2010: £2,000) in respect of outstanding pension contributions.

The average number of employees analysed by function and expressed as full-time equivalents was:

	2011	2010
Housing and Residential Services	5	5
Assessment and Client Engagement	9	10
Learning, Development and Employment	11	11
Fundraising	4	4
Central Services	9	8
	<u>38</u>	<u>38</u>

The number of employees whose emoluments (including benefits in kind but excluding any employer's pension or redundancy payments) in the year amounted to over £60,000 were as follows

	2011	2010
£60,000 - £70,000	1	-

Pension payments of £4,000 (2009: £4,000) were made for this employee.

No Trustee received any remuneration in respect of their services as Trustee during the period (2010: none). Trustee expenses were £82 (2010: £53) for one Trustee (2010: one) in respect of travel costs.

7. Tangible fixed assets

	Freehold Property £'000s	Equipment and Furniture £'000s	Total £'000s
Cost			
At 1 April 2010	2,471	309	2,780
Additions	-	48	48
Disposals	(16)	-	(16)
At 31 March 2011	2,455	357	2,812
Depreciation			
At 1 April 2010	345	275	620
Charge for period	48	24	72
Disposals	-	-	-
At 31 March 2011	393	299	692
Net book value			
At 31 March 2011	2,062	58	2,120
At 31 March 2010	2,126	34	2,160

The freehold property is subject to a charge (see Note 10).

In order to expand the Centre's work, part of its freehold building was leased to Servite Houses, a registered housing association, at a peppercorn rent for a period of thirty years. Servite Houses developed the property into 32 individual residential units financed by a grant of £1.89 million from the Housing Corporation with the balance provided from the Centre's own resources. The Centre manages the property and receives income from licences granted in respect of the accommodation. The management is regulated by an agreement between the charity and Servite Houses.

8. Debtors

	2011 £'000s	2010 £'000s
Rent and grants receivable	56	34
Tax recoverable	23	9
Legacies	91	10
Other debtors	27	9
Prepayments	25	25
	222	87

9. Creditors: amounts falling due within one year

	2011 £'000s	2010 £'000s
Expense creditors	105	37
Other creditors	25	13
Tax and social security	39	43
Accruals	31	47
	200	140

10. Creditors: amounts falling due after more than one year

	2011 £'000s	2010 £'000s
Loan from Westminster Roman Catholic Diocesan Trust	339	339

Westminster Roman Catholic Diocesan Trust has agreed that this loan, which is secured on the Charity's freehold property, should remain outstanding (indefinitely and interest-free) unless the property is sold, when 50% of the net proceeds from the sale of the property will be repayable to the Trust.

11. Funds

	At 1 April 2010 £'000s	Incoming resources £'000s	Expenditure £'000s	Transfers £'000s	At 31 March 2011 £'000s
UNRESTRICTED FUNDS					
General Fund	580	1,434	(1,633)	50	431
Designated funds					
Fixed assets fund	1,821	-	-	(40)	1,781
Legacy fund	700	-	-	-	700
Property maintenance fund	150	-	-	-	150
	2,671	-	-	(40)	2,631
Total unrestricted funds	3,251	1,434	(1,633)	10	3,062
RESTRICTED FUNDS					
Assessment and client engagement	-	16	(14)	-	2
Housing and residential services	-	536	(536)	-	-
Learning and development	8	139	(147)	-	-
Other	-	10	-	(10)	-
Total restricted funds	8	701	(697)	(10)	2
Total funds	3,259	2,135	(2,330)	-	3,064

Designated funds are established for the following purposes:

- The fixed assets fund represents the net book value of tangible fixed assets, net of the loan from Westminster Roman Catholic Diocesan Trust secured on the freehold property.
- The legacy fund represents amounts designated to cover potential future shortfalls in legacy income.
- The property maintenance fund represents amounts designated to meet future property maintenance needs of the Centre.

Restricted funds represents those amounts received from donors for specific purposes and are shown under the principal business areas for which they were given.

12. Analysis of net assets between funds

Fund balances at 31 March 2011 are represented by:

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2011 £'000s
Tangible fixed assets	2,120	-	2,120
Net current assets	1,281	2	1,283
Creditors: amounts falling due after one year	(339)	-	(339)
Total net assets	3,062	2	3,064

13. Taxation

The company is a registered charity and is therefore not liable for corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

14. Company status

The Charity is constituted as a company limited by guarantee. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

15. Related party transactions

The Charity has a loan from the Westminster Roman Catholic Diocesan Trust, which is secured on the Charity's freehold property (see Note 10).

TRUSTEES, SENIOR STAFF AND ADVISERS

Trustees

John Butterworth (Chairman)
Veronica Fulton (Vice-Chair)
Michael Walton (Treasurer)
Bishop John Arnold
Charmaine De Souza
Rev. Neville Dyckhoff OBE (*retired November 2011*)
Caroline Hattersley
Richard Hopper
Caitlin Kennedy
Cyril Kinsky QC
Simon O'Toole
Terry Philpot

Company Secretary

Malcolm Twigger-Ross FCA

Senior Management Team

Cathy Corcoran OBE (*Chief Executive*)
Maureen Boughton (*Human Resources*)
Tracey Harrington (*Operations*)
Kate Pitt (*Executive Assistant*)
Anne Shewring (*Fundraising*)
Malcolm Twigger-Ross FCA (*Finance and Central Services*)

Registered office

3-7 Arneway Street
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Info@cardinalhumecentre.org.uk
Website: cardinalhumecentre.org.uk

Charity registration no. 1090836

Company registration no. 04333875

Auditors

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers

The Royal Bank of Scotland
119/121 Victoria Street
London
SW1E 6RA

Solicitors

Stone King LLP
13 Queen Square
Bath
BA1 2HJ