



Annual Report and Financial Statements

31 March 2018

Company Number 04333875  
Registered Charity Number 1090836

# Cardinal Hume Centre

## Annual Report and Financial Statements For the year ended 31 March 2018

### Contents

Trustees' report	3
Independent auditor's report	20
Financial statements	
Statement of financial activities	23
Balance sheet	24
Statement of cash flows	25
Notes to the financial statements	26
Organisational Details	36
Major supporters, trusts companies and partners	37

## TRUSTEES' REPORT

### FOUNDING ETHOS and PUBLIC BENEFIT

Cardinal Basil Hume founded the Centre in 1986. The Centre draws particularly on Benedictine teaching, looking to welcome 'as Christ' each person who comes to the Centre, providing sanctuary and hospitality to people from all backgrounds. Inspired by Catholic Social Teaching, we believe that each person is created in the image of God with the right to the fullness of life.

*"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*

The Cardinal Hume Centre meets its public benefit obligation by reaching out to and giving practical help to those in greatest personal, social and economic need. In providing access to its services, the Centre does not discriminate on the basis of religion, or any other protected characteristic. We are committed to equality of access to all our services and there is no faith bias towards the people whom we welcome and support. We do, however, enjoy close relationships with key figures in the Catholic Church and receive financial and material support from the Catholic donor community. In making this statement, the Trustees have had regard to the Charity Commission guidance on public benefit. The Centre is an independent charity as well as a company limited by guarantee.

### Our Vision

The Cardinal Hume Centre strives towards a society where every individual will have a safe place to live and where their right to develop is respected and supported.

### Our Mission: Turning Lives Around

The Centre enables people to gain the skills and access the support they need to overcome poverty and homelessness.

### Our Values

**Integrity:** we strive to be true to our founding ethos and to live out our vision and mission; we are accountable to all our stakeholders.

**Respect:** we seek to be non-judgemental, to listen and acknowledge each other's worth and to put people at the centre of our work.

**Inclusiveness:** we promote equality of access to our services and support each client to access the same life opportunities as everyone else.

**Compassion:** we demonstrate our care for each individual who comes to the Centre in the quality and consistency of the services we offer to them.

**Empowerment:** we provide holistic support to our clients in helping them to identify their needs and in making informed choices about their lives.

**Collaboration:** we work together with others who share our values, seeking partnerships to augment and complement our service offer.

## Our Approach

The Centre celebrates that everyone who comes over our threshold is a unique human being. We acknowledge that human need is complex and therefore our response should be multi-layered. We know that one size does not fit all and so our approach is to work with each client on a one-to-one basis wherever possible.



### **Annie's Story**

*In December 2017, after her relationship with her mum broke down, Annie moved into the Centre. Her mum was unwell and as her primary care giver, Annie was under a huge amount of pressure and she dropped out of school. Living in a one bedroom flat, they were on top of each other all the time with no real respite and Annie and her mum began to argue. As things deteriorated Annie took the difficult decision to leave. When she arrived at the Centre, her confidence was really low and she was too nervous to use any of the facilities. She was too scared to go into the kitchen, choosing to eat sandwiches and pot noodles instead. Her key worker encouraged her to go along to the Centre's Life Skills classes to learn how to cook for herself. It took a few weeks for Annie to build up the courage, but when she did she was made to feel so welcome and comfortable by Gaia Segal, our Life Skills Co-ordinator, that she has attended every session since. As her confidence grew week by week and she learned how to cook affordable and healthy meals Annie discovered a passion for cooking. Her experiences with Gaia have really allowed Annie to open up and access the other services which the Centre provides. After meeting with Sarah Roper, one of our Employment Advisors, Annie decided to try to turn her love of cooking into a career. After an initial IT assessment with our Digital Inclusion Team, Annie realised that she had the skills to be able to complete an online food hygiene course. She passed the course and has now just secured a ten-week placement at 'Hotel School' where she will receive training and work experience in the hospitality industry with a job offer at the end of the course. Annie still visits home regularly to look after her mum and the distance away from each other has meant that they now get along better than ever.*

*(Please note the stories we have included are all 'real' people and using the client's own words.)*

### **What people gained from the Centre during the year**

During the year, 1,190 (2017: 1,370) new clients registered with the Centre and received an initial assessment. Early in the year we brought in some changes to our assessment system largely due to the increasing number of clients being referred to us for immigration advice. This led to a reduction in the overall number of clients being registered. We tried to ensure that we referred the people we couldn't accept to other organisations. Sadly this wasn't always possible due to the lack of provision for immigration advice.

Some of the key outcomes during the year included:

- 37 young people moved on positively (2017: 46). We are housing more Unaccompanied Asylum Seeking Children (UASCs) which has led to a reduction in the number of residents moving on, while giving us the opportunity to provide more support for this more vulnerable group.
- 74% of the residents were in education, employment or training at any one time (2017: 78%).
- 51 persons/families were prevented from facing eviction proceedings or from being evicted from their homes (2017: 50).
- 48 people obtained employment (2017: 36)
- 34 clients per month on average attended the Job Club (2017: 45)
- An average of 68 individual people visited the IT suite every month with one-to-one support on offer when required; (2017: 80): numbers decreased marginally due to a renewed focus on longer term learning with one to one support.
- 162 people were taught ESOL - English for Speakers of Other Languages (2017: 152).

- 315 new immigration advice cases were opened (2017: 268): successful partnership work with 9 other organisations improved referral routes.
- 87 people secured or extended their right to remain in the UK (2017: 56).
- 138 individual children and parents attended the Homework Clubs (2017: 45 children and parents). The significant increase is due to a strategic review of the service and an increase in the number of dedicated volunteers.
- 107 children and families attended Family Fridays (equivalent to Stay and Play in 2017 which had 51 families with 92 children participating). In addition 93 children and parents attended Saturday morning activities, 68 children attended holiday programmes and 39 individuals accessed Wellbeing Wednesdays.

## **Business Plan 2017 - 20**

In April 2017 we introduced our new Plan in which our five three year objectives are contained; in addition we introduced a sixth time bound objective of developing our lower ground floor to improve client access and to enhance our ethos of welcome. The following points represent progress against our stated goals in achieving those objectives in 2017/18:

### **I. The voices of the people we work with are being heard**

#### **Achieved:**

- We contributed evidence to the Department for Work and Pensions (DWP) consultation on the closure of our local Jobcentre and the impact the closure would have on vulnerable claimants; we also lobbied at local level for mitigating measures to be put in place.
- We hosted several visits to the Centre for parliamentarians, including the Shadow Secretary of State for Housing, and the Conservative MP whose Private Member's Bill led to the introduction of the Homelessness Reduction Act.
- Our Head of Partnerships and Public Affairs was elected Chair of the Westminster Community Network increasing our ability to work collectively with other voluntary sector organisations to place client issues on the local agenda.
- We appointed a part time Head of Communications which has greatly enhanced our print and social media presence, producing communications materials to help inform and influence stakeholders.
- We took advantage of opportunities which arose to raise public awareness of the causes and impact of homelessness and poverty by sourcing articles and comments on topical issues, based on client experience and stories.
- We ran a week-long consultation with clients to gather their views on the Centre and its redevelopment, resulting in the completion of 76 informative questionnaires. (See Objective 6)

#### **Not achieved/partly achieved:**

- Implementing a client inclusion policy which ensures representation in key areas of decision making and which is embedded in all our work (re-prioritisation due to the building development taking precedence). (See Objective 6)
- Shaping a policy influencing strategy based on client and staff experience and identifying key partners and players in a proactive manner (work in progress).

## **2. The needs of homeless young people are met in an effective and proactive manner enabling them to take more control of their lives going forward**

### **Achieved:**

- We commissioned an external review of our residential services for young people which provided an agenda for reshaping and adapting our service offer, focussing more clearly on activities to help the residents achieve their goals.
- We further developed our integrated package of support for all residents, engaging other on-site services particularly employment, learning, and immigration advice.
- We successfully re-tendered for the Westminster City Council (WCC) Supporting People contract for the next 3 years (with the potential of a further 2 years) securing substantial funding for our residential services, and the confidence to implement our service development plans.
- We enhanced the support package we offer to the UASCs living at the Centre, expanding the English language and life skills programme, together with offering on-site immigration advice and widening the initiative to include those living in foster care in Westminster.

### **Not achieved/partly achieved:**

- Identifying the best use of the five unit Basil Hume House (BHH) and which client group this kind of accommodation would best suit in the future, and how to ensure its sustainability.

### **Marc's story**

*When Marc came to the Cardinal Hume Centre, he had almost lost hope. He and his wife work as nurses in the NHS and were living in a homely, though cramped one-bedroom flat (at night the living room became a bedroom for their teenage son). But Marc had recently been diagnosed with kidney failure, and his doctor said he had two alternatives: either to travel three times a week to a dialysis clinic for four-hour-long sessions, or to have dialysis at home at night while he slept. However there was no space in the flat for dialysis equipment. He would have to travel to the clinic for dialysis, which, coupled with the nausea and fatigue associated with the treatment, were likely to mean that he would no longer be able to work. Though Marc had approached his housing association and the local council to see whether he might be eligible for a larger flat, both organisations said they were unable to help. In September 2017, Marc heard about the Centre's weekly drop-in surgery in the Pimlico Hub (St Gabriel's, SW1), and decided to make one more try to resolve the problem. He spoke to Gemma Silke, our Manager of Advice Services, who told him that because his home was unsuitable for his health needs, he should make a homelessness application. When Marc said he was worried about the possible repercussions, Gemma explained that the family would be entitled to stay in the flat while their case was processed and that such an application would emphasise the urgency of his situation. The Council agreed to prioritise their application and three months later Marc and his family moved into a two-bedroom flat, with the space to store the dialysis equipment as well as for his son to have his own bedroom. So now, when the time comes, Marc can keep his job in the NHS, have dialysis at home, continue to live independently, and support his family.*

### **3. More people are prevented from becoming homeless through the provision of services which focus on early intervention**

#### **Achieved:**

- We ran a successful trial family learning session at the Pimlico Hub (at St Gabriel's in Churchill Gardens, SW1) where we have been delivering housing advice for over 2 years. This followed a successful pilot in introducing immigration advice sessions there.
- Two of our committed Assessment Team volunteers joined the Advice Team which enhanced their capacity to support more clients more quickly and efficiently, and freeing up specialist staff to take on more complex cases.
- The Housing Advice Team had 302 new client housing advice appointments (of which 29 were at City West Homes Offices – in Pimlico) which were in addition to 355 existing client appointments: there were 140 successful outcomes.
- We appointed a second Welfare Rights Specialist as the demand for advice and advocacy increased across the Centre's services and in preparation for the advent of Universal Credit in June 2018.
- We successfully bid to renew the legal aid contract for our immigration advice work and increased the number of partner organisations we are working with to 9 to develop a more robust referral system for the most vulnerable people.
- Following an intensive cross-Centre initiative our 'In-Form' system of recording client data and service impact was thoroughly overhauled and is now 'fit for purpose' with the changed model ready for launch in July 2018.

#### **Not achieved:**

- Building on the expertise and specialism achieved by the Housing Advice Team, we wish to achieve accreditation across all the advice services because we want to combine achieving this with our application for the SQM (Specialist Quality Mark)) for our Immigration Advice Service.

### **4. More people are enabled to gain the skills and experience which make them better equipped to overcome the barriers they face**

#### **Achieved:**

- We refreshed our Employment Support Service to focus more clearly and tangibly on helping people get into sustainable employment, targeting those we are in the best position to help: each of the three officers now has an active caseload of 25 clients.
- We redeveloped the Family Service offer to address gaps in local service provision and to fit with Local Authority aims, researching both existing clients' needs and what provision is already available to ensure our service is positioned appropriately to make activities more structured and focused on improved outcomes.
- New initiatives in the Family Service included: recruiting a Family Practitioner who is a speech and language therapist; introducing a new learning evaluation tool (MyStar) for children; and promoting a new parental engagement tool for the homework club to ensure that parents are learning to support their children's homework independently.
- We widened our life skills programme to include families as well as our residents: and included gardening for the first time.
- We reshaped our ESOL (English for Speakers of Other Languages) programme to include accredited courses, and for example, preparation for the BI level for British citizenship, alongside literacy and reading.

- The learning hub for digital inclusion focussed more on longer term learning with increased one-to-one support to achieve learning objectives: new initiatives included providing an online safety course for parents accessing the Family Services.

**Not achieved:**

- We were not able to develop a more comprehensive response to mental health issues in particular for our residents.

**5. A sustainable organisation which is able to measure its impact, and respond flexibly to a changing and demanding environment**

**Achieved:**

- In terms of our goal of achieving an annual income of £2.8 million by 2020 founded on a sustainable cost base, we achieved this in both years ending 31st March 2017 and 31st March 2018.
- We commissioned a review of our data collection and retention in preparation for the introduction of the General Data Protection Regulation (GDPR) Bill in May 2018; we established an active cross-Centre group of ‘data champions’ working on ensuring compliance across Finance, Fundraising, HR, Volunteers and Client Services.
- We have now embedded our new Key Performance Indicators (KPIs) into our everyday working practice, identifying trends and implementing learning to further improve and develop services.
- We introduced an effective manager programme to ensure consistent good practice in managing and supporting staff and volunteers; this will be a rolling programme over the next two years.
- We commissioned a review of our professional support systems to identify ‘pinch points’ and how we might increase capacity through ‘working smarter’.
- We introduced a staff support package providing health and wellbeing advice.
- As part of a continuing programme of developing Board effectiveness and refreshing the Trustee profile, we introduced a new strategy for Trustee recruitment and, through an open process, recruited two new Trustees in December 2017.
- We invested in a phased development of having a robust IT infrastructure to match the organisation’s needs; during the year we upgraded the client server and have now migrated to Office 365.
- We began the development of the lower ground floor space which will give clients better access and bring service delivery teams together geographically (see Objective 6), ensuring we are maximizing the full potential of the Centre’s building and site to the advantage of clients.
- We commissioned a reflection on the Benedictine concept of ‘sanctuary’ and offering welcome to all, which lies at the core of the Centre’s ethos.

**Not achieved/partly achieved:**

- Seeking expertise in helping us understand the ‘digital agenda’ and how this can enhance our efficiency in responding to client need and scope what this means for the organisation over the three years of the Business Plan.
- Investing in a substantive staff training package to support staff development, building an agile and flexible team, and ensuring a healthy level of staff retention.
- Undertaking a second staff survey.

**6. New Objective: the physical re-development of the lower ground floor to improve client access, to bring frontline staff together for a more effective and efficient response and to provide space for training and learning activities**

**Achieved:**

- Architects plans were drawn up and a professional project team was engaged with a substantive amount of pro bono advice and support.
- A week long client engagement and consultation exercise was undertaken.
- A diverse financing strategy to cover the overall cost of £1 million was put in place including the employment of a part time capital fundraiser to identify and source additional funds which would not have an adverse effect on revenue income, an allocation from the reserves, and a bank loan to be drawn down at need.
- All donors, supporters and stakeholders including neighbours were informed and given the opportunity to understand the need for and the positive impact of the redevelopment.
- In February 2018 the contractor was appointed following an open tender process.
- Several staff and services were relocated internally and externally (Residential Services were unaffected).
- The build began exactly on target on April 9th 2018.

**In 2018/19 our plans include:**

- Ensuring the new CEO who starts in July 2018 is fully embedded in the life and culture of the Centre.
- Developing a closer partnership relationship with sister agencies in the Caritas Social Action Network (CSAN) to share expertise and developing joint work.
- Creating a public affairs strategy that addresses the key issues facing the Centre's clients and identifying key influencers.
- Developing and delivering effective, integrated and creative strategies for four key communications projects, ensuring that SMART objectives are outlined and met in each one.
- Identifying the best use of the five unit Basil Hume House (BHH) and which client group would most benefit from this kind of accommodation, and how to ensure its financial sustainability.
- Building on the expertise and specialism achieved by the Housing Advice Team, achieving accreditation across all the advice services as part of our application for the SQM (Specialist Quality Mark) for our Immigration Advice Service.
- Developing a more comprehensive response to mental health issues particularly for our residents.
- Ensuring our advice and support services are geared up to help clients access Universal Credit which will be introduced in June 2018 in Westminster.
- Reviewing whether St Gabriel's (the Pimlico Hub) is the optimum location to reach people in need who will not access the Centre's services otherwise and explore the feasibility of providing family services and immigration advice there on a regular basis.
- Increasing activities which encourage a consistent approach to parenting; giving a renewed focus on the emotional health and wellbeing of parents and families; and delivering a 4 weekly 'talking tables' programme for children who are identified as needing support in literacy.

- Reviewing the overwhelming demand for our Immigration Advice Services and how we can best respond without detriment to other service delivery.
- Achieving our income target of £2.15 million from all voluntary income streams.
- Commissioning an analysis of our donor data to identify giving trends and opportunities.
- Organising a successful Sleepout at the Royal Academy on November 6th 2018.
- Ensuring continuing cross-Centre compliance with the demands of the GDPR Bill which comes into force in May 2018.
- Undertaking a second staff survey on the following topics: People Management, the Organisation and Communications, Morale and Work Life Balance, and Personal Development and Reward.
- Refreshing our staff training package in the light of the results of the staff survey (see above) alongside implementing our effective manager programme.
- Taking forward the agreed recommendations from the review of capacity in the areas of IT, Facilities, HR and Volunteering.
- Completing the redevelopment of the lower ground floor, relocating staff and services, and ensuring we use the refreshed and extended space to improve integrated working to the maximum benefit of clients; we also expect an increase in the number of clients we can work with.

### **Hanan's Story**

*From the moment Hanan came to live at the Centre, she had dreamed of finding a job in the finance industry. Bright and determined, Hanan was interviewed several times, but each time the job went to another candidate. After months and months of preparation and disappointment, she lost confidence and began to feel despondent. "I felt so demotivated by the end of it that I stopped the job-hunting for a while," she recalls. When she came to the Centre, our Employment Team were on-hand to give Hanan the extra support she needed. Following in-depth coaching from one of our employment advisors, along with trips to an employability event and jobs fair to help restore her confidence, Hanan was eventually offered a role as an apprentice cashier for MetroBank.*

*"As a business they've got really good values," explains Hanan. "They invest everything into who they employ and they are careful about taking on the right person for the job." As well as passing her assessments and managing her assignments, she has settled well into her team. "We see each other every day and so we all get on. I was told the other day that I've been a great addition to the team," she explains. And of course, being a wage-earner has given her added freedom: "It's nice to be able to treat myself when I've been paid," she says. Above all, Hanan is now looking forward to a bright future: "When I go to work it's the greatest time. To me it's not just a job; this is my career."*

## Fundraising

At the Cardinal Hume Centre we are committed to raising the income we need to fulfil our founding mission in ways that are transparent, cost-effective and appropriate to our Benedictine ethos. We are registered with the Fundraising Regulator and adhere to the Fundraising Code of Practice in all our income generation activities.

The Cardinal Hume Centre raises funds to do our work from individuals, schools, parishes, companies, grant-making trusts and statutory agencies. Four times a year we write to people who are already supporting us or who have expressed interest in our work. We do not call or write to people who are not connected to our work. For cost-efficiency in 2017-18 we used two trusted agencies to print our magazines and when sending out a large quantity of letters. All such agencies have complied with our data privacy requirements. We only email people who ask to receive marketing emails from us.

At the Centre, we have staff and volunteers working in-house on fundraising activities and in 2017-18 we employed a freelance fundraiser to help us raise capital income for the rebuild. All this work is supervised by the Director of Fundraising. We do not employ third parties to fundraise on our behalf. Our online fundraising activity uses recognised web-based platforms: Just Giving and Big Give. We do not canvas face to face on the street, but we hold bucket collections and awareness raising events in public places, with the help of volunteers.

We internally regulate the amount of contact with donors to protect vulnerable people and the general public from unreasonable behaviour. We especially monitor fundraisers who have been former beneficiaries. We do not mail out to former beneficiaries regarding fundraising activity without them requesting to hear about the work.

In 2017-18 we received seven complaints from supporters who were concerned about some aspect of work we are undertaking at the Centre, the frequency of our communication to them, or the high quality of the Centre's magazine.

Recently, in line with the new Data Protection Act 2018, we reviewed how we collect and look after personal information related to our supporters. You can read about how we collect, use and retain information about supporters in our Donor Privacy Notice: [www.cardinalhumecentre.org.uk/wp-content/uploads/2018/05/PRIVACY-NOTICE-FINALC.pdf](http://www.cardinalhumecentre.org.uk/wp-content/uploads/2018/05/PRIVACY-NOTICE-FINALC.pdf)

In summary, this notice outlines for supporters how they can contact us to do any of the following:

- Access the information we have about a supporter
- Add information or amend a supporter's contact details
- Advise us if their name or address changes
- Tell us they only want certain things from us
- Ask to receive newsletters by email from us
- Say they do not want to be contacted by post or phone
- Permanently delete their personally identifiable information.

### Financial Strategy

The Centre's financial strategy and reserves policy over the period of the 2017-2020 Business Plan is to ensure that there are sufficient resources in place to support the development of the services to respond to need.

We will implement this strategy by ensuring strong steady growth in voluntary income streams which we have been successful in achieving to date with significant investment in fundraising. Although there are still significant risks and challenges in the current environment, we are confident that we will continue to manage our financial sustainability through continual monitoring of expenditure, impact measurement and control over resource allocations through the life of the Business Plan.

### Results for the Year

	<b>2018</b>	<b>2017</b>
	<b>£'000s</b>	<b>£'000s</b>
<i>Voluntary income (excluding legacies)</i>	1,952	1,840
<i>Total income</i>	2,886	2,857
<i>Total expenditure</i>	2,904	2,661
<i>Net (deficit)/surplus</i>	(18)	196

2017/2018 has been another successful year for the Centre, whereby we have continued to benefit from our investment in fundraising initiatives, and while keeping a tight control on costs we have at the same time extended the reach of our services. Voluntary income exceeded its targets in most areas.

The major statutory funder of the charitable activities is Westminster City Council (WCC) which provides funds for our Residential Services and Family Services through its Supporting People funding. We have negotiated a three year contract with WCC commencing from 1st April 2018 with an option to extend for a further two years.

In 2017/2018 we started to plan for a capital project which will develop our lower ground floor to improve the welcome and access for our clients to the Centre's services. We started a capital campaign to support us with this project. In 2017/2018 we raised £100,000 towards the build.

Total expenditure increased to £2,904,000 (2017: £2,661,000). The Centre was fully resourced in 2017/2018 so there was an increase in activity with the clients due to this increased capacity to work with clients. We also invested in fundraising activities, including some funding to raise capital funds.

The Centre reported a deficit of £18,000 (2017: surplus of £196,000). The Centre continues to keep a tight control of its costs but we are mindful that the funding environment has become harsher and more competitive. The Centre has managed to generate surpluses 3 years in a row before 2017/2018 as it has consciously diversified its funding stream and ensured that expenditure is targeted in the most effective way possible.

We are grateful to the many trusts and companies who supported the Centre during the year. These are set out on page 37 and 38. The Centre would like to record its appreciation for the financial and operational support offered by the Catholic community in particular and its endorsement of the Centre's work.

## **Reserves**

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

The Board seeks to retain adequate reserves determining what level they should be by reviewing (i) the sustainability of current and projected income as compared with (ii) projected expenditure required to enable the Centre to meet client need and (iii) to meet any contingent costs associated with a forced reduction in activity. Overall the Board seeks to maintain sufficient reserves to provide stability and flexibility as the economic and funding environment changes.

We have successfully managed stabilising statutory income for the duration of the Business Plan and our voluntary income continues to hold at planned levels. The Centre regularly reviews its contingency plans for how expenditure would be reduced in the event of significant shortfalls in projected income and any associated one-off costs.

At the year-end, funds backed by net current assets were £635,000 (2017: £962,000) representing 2.4 months (2017: 4.3 months) of budgeted expenditure for next year.

Included within unrestricted funds are the following designated funds which were created to address specific risks:

The fixed assets fund represents 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 £1,891,000 (2017: £1,878,000).

A fund of £250,000 (2017: £50,000) has been set aside to meet some of the costs of the development of the lower ground floor. It is expected that this fund will be used by 31 March 2019.

The general fund represents the balance of unrestricted funds. At the year-end the balance on the general fund was £629,000 (2017: £935,000) which represented 3.3 months (2017: 4.0 months) of budgeted unrestricted expenditure for next year. The Trustees' target has been to have between two and four months' expenditure in the general fund. The Trustees are satisfied with the current levels of reserves given the requirement to respond to beneficiaries' needs and invest in developing the organisation to deliver long-term sustainability.

## **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 potential return with security, liquidity and ethical integrity. At 31 March 2018, invested monies were held in the form of cash deposits with several financial institutions.

The Centre's policy is not to hold equity investments.

## Structure, Governance and Management

### Organisational Structure

The company is a charitable company limited by guarantee established under a Memorandum and Articles of Association. At the year-end there were nine members (2017: 10), set out on page 36 who were each liable to contribute £1 in the event of the company being wound up.

The Centre is governed by the Board of Trustees who are also the Directors for the purposes of Company Law. The Board meets up to five times annually. The Archbishop of Westminster approves the appointment of one Trustee and the remaining Trustees are elected by the Company 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 during the year are set out on page 36.

Vacancies for Trustees are normally advertised. 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 training to keep abreast of changes in charity governance that may affect the Centre. They serve on one or more of the sub-committees listed below. They are invited to form a working relationship with members of the Senior Management Team and as far as feasible they are encouraged to assign time to any service or area of operation that corresponds either to their expertise or personal interest.

The following sub-committees meet regularly to monitor the following areas:

Service Development;

Finance;

Risk and Compliance;

Fundraising and Communications;

Personnel and Staffing; and

Board Development.

Committee membership includes Trustees, Company Members, external consultants and senior staff.

The day-to-day management of the Centre is delegated to the Chief Executive and Senior Management Team which consists of the Director of Services, the Finance Director, the Fundraising Director and the HR Director. The pay range for the Senior Management Team (excluding the Chief Executive) is from £53,000 to £57,054 (FTE). (Please see page 32 for the CEO's remuneration). Pay grades and scales are reviewed by the Personnel and Staffing sub-committee and ultimately the Board of Trustees.

### Partnerships

In pursuing its aims and objectives, the Centre seeks to have collaborative relationships with local and national organisations and networks. Particularly at the service delivery level it has close connections with other like-minded organisations that provide services relating to

tackling homelessness and poverty. Significant partnerships over the year are set out on page 37 and 38.

### **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 organisation.

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. Our 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 more regularly by the Senior Management Team.

The major risks at March 2018 were identified as risk to income, risk to business continuity and the risk of engaging on a major capital project. These risks are further discussed below.

#### ***Risk to income***

The risk to income is that the Centre relies on voluntary income which has grown year on year but can be unpredictable as to when it comes in. A key element of managing the income risk is that the Centre has a robust reserves policy and financial sustainability plan which is reviewed annually by the Board. There are regular financial reports that are monitored by both the Finance sub-committee and the Board. There is a continuous development of services and continuing investigation as to how to align the development of services with sources of funding which are monitored by both the Service Development and the Fundraising sub-committees.

The Centre has successfully mitigated the risk to statutory income by negotiating a 3 year contract with Westminster City Council from 1st April 2018.

#### ***Risk to business continuity***

In December 2017 the CEO of the Centre, Cathy Corcoran, who has been in post since 2002, announced her intention to retire in 2018. Following a successful recruitment process George O'Neill was appointed and takes up his post in July 2018. The outgoing CEO has been particularly effective in the areas of fundraising, networking, relationship building and profile: the Centre is confident that these competencies will be continued with the new CEO.

#### ***Capital project risk***

The Centre is developing its lower ground floor in 2018/2019 so that it can improve how it delivers its services to clients in a more streamlined and accessible way. The planning for the project was supported by expertise from our partners Land Aid and Grosvenor Estates who helped us to implement a robust project framework, with appropriate professional support.

The sums involved are large compared with the Centre’s operating expenditure, and there is inevitably a risk involved in delivering material infrastructure projects to time and budget. For this reason the project and its financing is overseen by the Finance Committee and key items of expenditure have to be authorised by the Chair and Treasurer.

### 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.

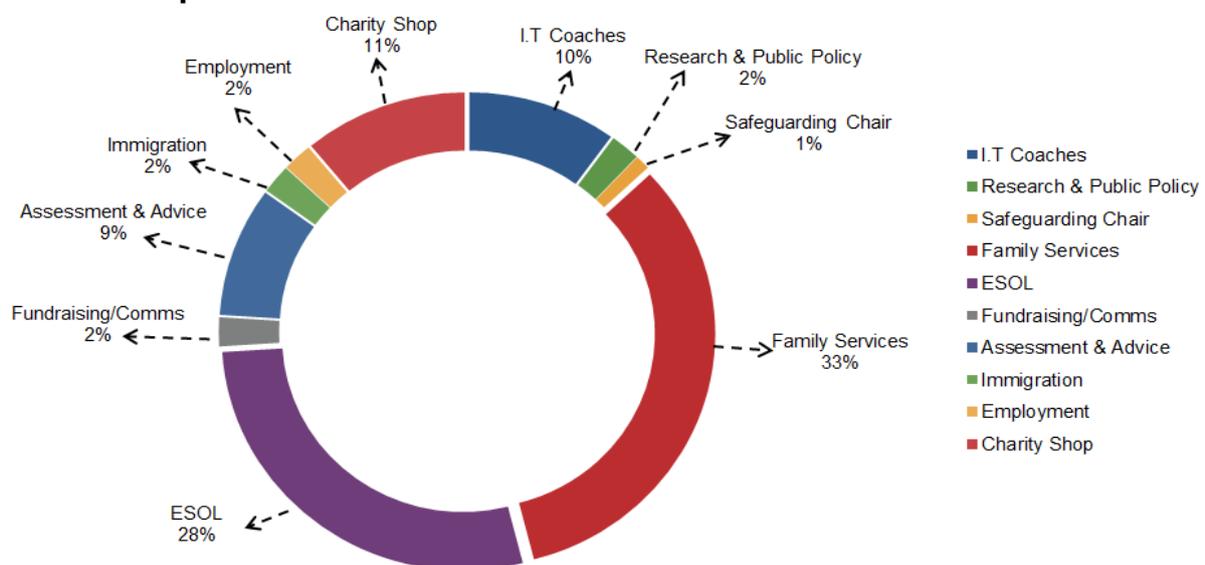
Selection criteria and procedures are reviewed to ensure that individuals are selected, promoted and treated equally on the basis of their relevant merits and abilities. All employees receive equal treatment and, where appropriate and possible, special training to enable them to progress both within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

The Trustees would like to take this opportunity to thank the Centre’s staff team for their professionalism and commitment to working with the clients to achieve their goals and to ensuring the Centre has the resources it needs to work effectively and efficiently in response to need.

### Volunteers

The Centre benefits from the support of over a hundred volunteers who are a crucially important way in augmenting the capacity, reach and quality of service provision in particular. At 31 March 2018 there were 110 regular volunteers (2017: 107), including 20 one-to-one coaches in IT, reading and English language (2017: 25). Therefore the Centre benefited from an average of 297 volunteering hours per week of invaluable and professional expertise (2017: 369 hours) during the year. In addition, last year corporate partnerships provided 141 volunteers (2017:173) contributing 752 hours over the year (2017:701 hours). Our community supporters provided 42 volunteers (2017:43) who contributed 184 hours in the same period (2017: 257 hours).

### Volunteers per Service Area



### **Yevhen's story**

*In 2006, when he was seven years old, Yevhen came here with his mother from Ukraine. She had remarried an English man and they had had a daughter together. The relationship had broken down and a custody battle over Yevhen's half-sister had ensued. His step-father had fled to England with his daughter so Yevhen's mother had followed him. Following court proceedings, Yevhen and his mother were granted limited leave to remain and built lives for themselves in the UK. However, leave to remain has to be reapplied for every two years and is also an expensive process; this combined with ongoing legal fees meant the family's finances were stretched to their limits. When Yevhen applied to study mathematics at university he was confident he could achieve the grades required but despite having lived and being educated in the UK for eleven years, he was still regarded as an 'international student' and would have to pay an extra £9,000 a year on top of the usual tuition fees, which was something his family could never afford. Desperate at the thought of her son not being able to go to university, Yevhen's mother turned to the Centre's immigration advice team for help. After a very long time of getting no resolution, Yevhen and his mother were astonished at how quickly the Centre was able to turn their situation around. Since Yevhen was under 18 at the time they were advised they could make a family application for leave to remain. After just six months they were granted indefinite leave to remain. This means that Yevhen now qualifies for 'home fees' and can now afford to attend university. He has been accepted on to a four-year master's course studying mathematics.*

### **Statement of Trustees' responsibilities**

The Trustees (who are also Directors of Cardinal Hume Centre for the purposes of company law) are responsible for preparing the Trustees' report and 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 Centre and of the income and expenditure of the Centre for that period.

In preparing these financial statements, the Trustees are required to:

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

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

Each of the Trustees confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the Centre's auditor is 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 auditor is aware of that information.

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

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

**Approved by the Trustees  
and signed on their behalf by:**



**Robert Arnott**

**Chair of the Trustees**

[ 12 July ] 2018

## **Independent auditor's report to the members of Cardinal Hume Centre**

### **Opinion**

We have audited the financial statements of Cardinal Hume Centre (the 'charitable company') for the year ended 31 March 2018 which comprise the statement of financial activities, the balance sheet, statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31<sup>st</sup> March 2018 and of 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to

continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



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

16/7/18

**Statement of Financial Activities for the year ended 31 March 2018**  
**(Incorporating an Income and Expenditure Account)**

	Notes	Unrestricted Funds £'000s	Restricted Funds £'000s	Lower Ground Build £000s	Total funds 2018 £'000s	Total funds 2017 £'000s
<b>Income from:</b>						
Donations and legacies						
Donations	2a	1,255	597	100	1,952	1,840
Legacies	2b	118	—	—	118	165
Total donations and legacies		1,373	597	100	2,070	2,005
Charitable activities	3	322	388	—	710	772
Other trading activities						
Sales of donated goods		46	—	—	46	47
Investments: interest receivable		2	—	—	2	2
Other		58	—	—	58	31
<b>Total income</b>		<b>1,801</b>	<b>985</b>	<b>100</b>	<b>2,886</b>	<b>2,857</b>
<b>Expenditure on:</b>						
Raising funds						
Donations and legacies	4a	451	—	22	473	401
Fundraising trading	4a	43	—	—	43	41
		494	—	22	516	442
Charitable activities						
Housing and residential services	4b	643	371	—	1,014	1,017
Advice and assessment	4b	493	296	—	789	713
Learning, employment and family services	4b	264	321	—	585	489
		1,400	988	—	2,388	2,219
<b>Total expenditure</b>		<b>1,894</b>	<b>988</b>	<b>22</b>	<b>2,904</b>	<b>2,661</b>
<b>Net (expenditure) income and net movement in funds</b>	6	<b>(93)</b>	<b>(3)</b>	<b>78</b>	<b>(18)</b>	<b>196</b>
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 April 2017		2,863	15	—	2,878	2,682
Total funds carried forward at 31 March 2018		2,770	12	78	2,860	2,878

Income from other trading activities, investments, and other income were wholly unrestricted in both the current and previous financial year. The analysis of other items of income and expenditure for the year ended 31 March 2017 (comparative period) between unrestricted and restricted sources are provided within the notes to the financial statements.

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 reported derive from continuing operations.

## Balance Sheet as at 31 March 2018

	Notes	2018 £'000s	2018 £'000s	2017 £'000s	2017 £'000s
<b>Fixed assets</b>					
Tangible assets	8		2,230		2,217
<b>Current assets</b>					
Debtors	9	199		195	
Short-term deposits		515		464	
Cash at bank		510		504	
		<u>1,224</u>		<u>1,163</u>	
<b>Creditors:</b> amounts falling due within one year	10	<u>(249)</u>		<u>(151)</u>	
<b>Net current assets</b>			<u>975</u>		<u>1,012</u>
<b>Total assets less current liabilities</b>			<u>3,205</u>		<u>3,229</u>
<b>Creditors:</b> amounts falling due after one year	11		(345)		(351)
<b>Total net assets</b>			<u>2,860</u>		<u>2,878</u>
<b>Represented by:</b>					
<b>Funds and reserves</b>					
Unrestricted funds					
General fund	12	629		935	
Designated funds	12	<u>2,141</u>		<u>1,928</u>	
			2,770		2,863
Restricted funds	12		90		15
			<u>2,860</u>		<u>2,878</u>

Approved by the Trustees  
and signed on their behalf by:



Robert Arnott  
Chair of the Trustees  
[ 12 July ] 2018

Charity registration no. 1090836  
Company registration no. 04333875

## Statement of cash flows for the year ended 31 March 2018

	Notes	2018 £'000s	2017 £'000s
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	170	273
<b>Cash flows from investing activities:</b>			
Bank interest received		2	2
Purchase of tangible fixed assets		(107)	(25)
<b>Net cash used in investing activities</b>		<b>(105)</b>	<b>(23)</b>
<b>Cash flow from financing activities</b>			
Payments towards finance lease		(8)	(6)
<b>Change in cash and cash equivalents in the year</b>		<b>57</b>	<b>244</b>
<b>Cash and cash equivalents at 1 April 2017</b>	B	<b>968</b>	<b>724</b>
<b>Cash and cash equivalents at 31 March 2018</b>	B	<b>1,025</b>	<b>968</b>

## Notes to the statement of cash flows for the year to 31 March 2018

### A Reconciliation of net (expenditure) income for the year to net cash provided by operating activities

	2018 £'000s	2017 £'000s
<b>Net (expenditure) income (as per the statement of financial activities)</b>	(18)	196
<b>Adjustments for:</b>		
Depreciation charge	94	93
Bank interest receivable	(2)	(2)
Lease interest payable	2	2
(Increase) decrease in debtors	(4)	7
Increase (decrease) in creditors	98	(23)
<b>Net cash provided by operating activities</b>	<b>170</b>	<b>273</b>

### B Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	510	504
Short term deposits (less than three months)	515	464
<b>Total cash and cash equivalents</b>	<b>1,025</b>	<b>968</b>

## Notes to the Financial Statements

### I. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

#### Basis of preparation

These financial statements have been prepared for the year to 31 March 2018 with comparative information provided in respect of the year to 31<sup>st</sup> March 2017.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest thousand pounds.

#### Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ the estimates of the useful economic lives of tangible fixed assets used to determine the annual depreciation charge;
- ◆ The basis on which support costs have been allocated across the various expenditure headings; and

- ◆ The assumptions adopted by the trustees and management in determining the value of any designations required from the charity's general unrestricted funds.

#### Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. In particular, they note satisfaction with the reserves level at the end of the reporting period. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

#### Income

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the charity.

Grants and fee income from government and other agencies have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

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

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.

### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is stated inclusive of irrecoverable VAT.

All expenditure is accounted for on an accruals basis.

Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes staff costs associated with fundraising, direct costs associated with the operation of the charity's shop, and an allocation of support costs.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs in respect to the provision of housing and residential services, advice and assessment, and learning and development services.

### **Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of a finance function, human resources function, premise, communication and information systems support, and the contribution of the Chief Executive and Senior Management Team.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs (including governance costs) are allocated to the above expenditure heading on a reasonable basis. This is further detailed within note 5 to the financial statements.

### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

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 economic life, on a straight-line basis, as follows:

### Tangible fixed assets cont'd

• Freehold property	50 years
• Fixtures, equipment and furniture	3 to 10 years

### Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

### Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

### Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

The long term loan repayable to the Westminster Roman Catholic Diocesan Trust is not discounted in accordance with the provisions set out in section 34 of FRS 102. Interest charges does not accrue on this balance and the loan is available indefinitely and not repayable on demand. The loan has not been restated to reflect the amount which would be repayable in the event of a sale of the property. As there is no intention to sell this property at any foreseeable time, neither the amount which may be realisable, nor any discount factor can be reliably determined.

### Fund accounting

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

Restricted funds represent donations received for which the donor has prescribed how these donations may be used, and these monies are only used for those specified charitable purposes.

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, and the asset is available for general charitable use, the restriction is regarded as discharged and the funds are transferred to the designated fund representing tangible fixed assets.

### Pensions

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

### Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the charity. Assets held under finance leases are recognised initially at the fair value of the leased assets (or the present value of minimum lease payments if lower) at the inception of the lease. The corresponding liability to the lessor is recognised as a finance lease obligation. Lease payments are apportioned between finance charges and the reduction of the lease obligation in order to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the statement of financial activities. Assets held under finance leases are capitalised and depreciated and assessed for impairment losses in the same way as owned assets.

## 2a. Income from donations

	Unrestricted funds £'000s	Restricted funds £'000s	Lower Ground Build £'000s	Total 2018 £'000s	Total 2017 £'000s
Donations					
Trusts	137	433	23	593	627
Individuals	887	123	49	1,059	929
Schools , parishes and religious orders	123	—	28	151	76
Corporates	102	41	—	143	205
Other	6	—	—	6	3
<b>2018 Total funds</b>	<b>1,255</b>	<b>597</b>	<b>100</b>	<b>1,952</b>	<b>1,840</b>
2017 Total funds	1,331	509	—	1,840	

## 2b. Income from legacies

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2018 £'000s	Total 2017 £'000s
Legacies	118	—	118	165
<b>2018 Total funds</b>	<b>118</b>	<b>—</b>	<b>118</b>	<b>165</b>
2017 Total funds	165	—	165	

## 3. Income from charitable activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2018 £'000s	Total 2017 £'000s
Rent and service charges	304	—	304	331
City of Westminster Council				
Supporting People	—	310	310	310
Other grants	—	50	50	50
Department for Work & Pensions	—	—	—	22
Other	18	25	43	57
Client related grants	—	3	3	2
<b>2018 Total funds</b>	<b>322</b>	<b>388</b>	<b>710</b>	<b>772</b>
2017 Total funds	408	364	772	

#### 4a. Expenditure on raising funds

	Direct costs £'000s	Support costs £'000s	Lower Ground Build £'000s	Total 2018 £'000s	Total 2017 £'000s
Raising funds					
Donations and legacies	388	63	22	473	401
Fundraising trading	30	13	—	43	41
<b>2018 Total</b>	<b>418</b>	<b>76</b>	<b>22</b>	<b>516</b>	<b>442</b>
2017 Total	373	69	—	442	

For the year ended 31 March 2017 (comparative information), expenditure on raising funds included:

- Unrestricted expenditure of £401,000 on generating donations and legacies; and
- Unrestricted expenditure of £41,000 on fundraising trading.

#### 4b. Expenditure on charitable activities

	Direct costs £'000s	Support costs £'000s	Total 2018 £'000s	Total 2017 £'000s
Charitable activities				
Housing and residential services	509	505	1,014	1,017
Advice and assessment	543	246	789	713
Learning, employment and family services	354	231	585	489
<b>2018 Total funds</b>	<b>1,406</b>	<b>982</b>	<b>2,388</b>	<b>2,219</b>
2017 Total funds	1,271	948	2,219	

For the year ended 31 March 2017 (comparative information), expenditure from charitable activities included:

- Expenditure of £1,017,000 in relation to housing and residential services of which £518,000 was unrestricted and £499,000 was restricted.
- Expenditure of £713,000 Advice in relation to advice and assessment of which £521,000 was unrestricted and £192,000 was restricted.

Expenditure of £489,000 on learning, employment and family services of which £322,000 was unrestricted and £167,000 was restricted.

## 5. Support costs

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 2018 £'000s	Total 2017 £'000s
Executive management and communications	Pro-rata to staffing costs	182	162
Financial management	Pro-rata to staffing costs	119	108
Human resources	Pro-rata to staffing costs	122	104
Information Systems	Pro-rata to staffing costs	107	97
Premises and facilities	Pro-rata to area used	498	513
Governance costs (see below)	Same ratio as all other support costs	30	33
		<u>1,058</u>	<u>1,017</u>

Governance costs are made up as follows:

	Total 2018 £'000s	Total 2017 £'000s
Management and administrative staff	16	19
Audit	14	14
	<u>30</u>	<u>33</u>

## 6. Net (expenditure) income and net movement in funds

This is stated after charging:

	2018 £'000s	2017 £'000s
Auditor's remuneration		
Statutory audit services		
Current year	12	12
Irrecoverable VAT	2	2
	<u>14</u>	<u>14</u>
Depreciation	94	94
Lease interest payable	2	2
	<u>2</u>	<u>2</u>

## 7. Employees and key management personnel

	2018 £'000s	2017 £'000s
Staff costs during the period were as follows:		
Wages and salaries	1,780	1,654
Social security costs	174	159
Pension costs	53	49
	<hr/> 2,007	<hr/> 1,862
Locums, temporary staff and other staff costs	127	111
	<hr/> 2,134	<hr/> 1,973

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees, the Chief Executive and the Senior Management Team.

No trustee received any remuneration in respect of their services as trustee (or for any other services to the charity) during the period (2017: none). Trustee expenses reimbursed during the year were £258 (2017: £158) for trustees in respect of travel costs and subsistence.

The Chief Executive's remuneration was £64,356 (2017: £63,566) excluding employer's pension contributions of £3,862 (2017: £3,814). No other employees emoluments (including benefits in kind but excluding any employer's pension contributions) in the year amounted to over £60,000 (2017: none). The Chief Executive's salary in proportion to the lowest salary band in the Centre is 3:1.

The total remuneration (including taxable benefits) plus National Insurance contributions (but excluding employer's pension contributions) of the remaining members of the charity's key management personnel for the year was £219,047 (2017: £195,739). This was for an average of 4 staff (2017: 4 staff).

## 8. Tangible fixed assets

	Freehold property £'000s	IT equipment £'000s	Fixtures, equipment and furniture £'000s	Assets under construction £'000s	Total £'000s
<b>Cost</b>					
At 1 April 2017	2,716	28	507	0	3,251
Additions	—	5	15	87	107
Disposals	—	—	—	—	(0)
At 31 March 2018	2,716	33	522	87	3,358
<b>Depreciation</b>					
At 1 April 2017	702	12	320	0	1,034
Charge for period	49	6	39	0	94
Disposals	—	—	—	—	(0)
At 31 March 2018	751	18	359	0	1,128
<b>Net book value</b>					
At 31 March 2018	1,965	15	163	87	2,230
At 31 March 2017	2,014	16	187	0	2,217

The freehold property is subject to a charge (see note 11).

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 from March 2004. 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 Centre and Servite Houses. This grant, together with certain other smaller grants, would become repayable should there be a significant change in use of the property. There is no intention to make any such change.

Included within fixtures, equipment and furniture is a telephone system acquired through a finance lease. The carrying value of the asset at 31 March 2018 was £11,000 (2017: £16,000).

Assets under construction relate to the rebuild of the lower ground floor of the Cardinal Hume Centre.

## 9. Debtors

	2018 £'000s	2017 £'000s
Rent and grants receivable	19	22
Tax recoverable	25	110
Other debtors	22	21
Prepayments and accrued income	133	42
	199	195

## 10. Creditors: amounts falling due within one year

	2018 £'000s	2017 £'000s
Expense creditors	100	34
Other creditors	41	20
Obligation under finance lease for telephone system (note 18)	5	5
Tax and social security	46	43
Accruals	57	49
	<u>249</u>	<u>151</u>

## 11. Creditors: amounts falling due after more than one year

	2018 £'000s	2017 £'000s
Loan from Westminster Roman Catholic Diocesan Trust	339	339
Obligation under finance lease for telephone system (note 18)	6	12
	<u>345</u>	<u>351</u>

Westminster Roman Catholic Diocesan Trust has agreed that the 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.

## 12. Funds

	At 1 April 2017 £'000s	Income £'000s	Expenditure £'000s	Transfers £'000s	At 31 March 2018 £'000s
<b>UNRESTRICTED FUNDS</b>					
<b>General fund</b>	935	1,801	(1,894)	(213)	629
<b>Designated funds</b>					
Fixed assets fund	1,878	—	—	13	1,891
Premises fund	50	—	—	200	250
<b>Total unrestricted funds</b>	<u>2,863</u>	<u>1,801</u>	<u>(1,894)</u>	<u>—</u>	<u>2,770</u>
<b>RESTRICTED FUNDS</b>					
Housing and residential services	—	371	(371)	—	—
Advice and assessment	15	293	(296)	—	12
Learning and development	—	321	(321)	—	—
Capital fund	—	100	(22)	—	78
<b>Total restricted funds</b>	<u>15</u>	<u>1,085</u>	<u>(1,010)</u>	<u>—</u>	<u>90</u>
<b>Total funds</b>	<u>2,878</u>	<u>2,886</u>	<u>(2,904)</u>	<u>—</u>	<u>2,860</u>

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 premises fund is set aside for the lower ground build project which is a rebuild of the lower ground floor to enhance our capacity to support our clients.

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

The amount of £15k is from an individual donor for an Access to Justice Fund for immigration and housing clients.

The capital fund is for restricted funds for the lower ground floor build.

### 13. Analysis of net assets between funds

Fund balances at 31 March 2018 are represented by:

	Unrestricted funds		Restricted funds £'000s	Total 2018 £'000s
	General funds £'000s	Designated funds £'000s		
Tangible fixed assets	—	2,230	—	2,230
Net current assets	635	250	90	975
Creditors: amounts falling due after one year	(6)	(339)	—	(345)
<b>2018 Total funds</b>	<b>629</b>	<b>2,141</b>	<b>90</b>	<b>2,860</b>

### 14. 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.

### 15. 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.

### 16. 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 11). Bishop Nicholas Hudson, a Trustee of the Cardinal Hume Centre, is also a Trustee of the Westminster Roman Catholic Diocesan Trust.

During the year ended 31 March 2018 donations totalling £3,000 (2017: £7,800) were made by the trustees of the charity to the charity.

### 17. Capital commitments

Bryen and Langley were identified as the building contractor for the lower ground build but a contract had not been entered into at 31<sup>st</sup> March 2018. (2017: Capital commitments: nil)

### 18. Obligation under finance lease

Minimum lease payments at 31 March 2018 in respect to finance leases representing both capital and interest are as follows:

	2018 £'000s	2017 £'000s
Telephone system		
. Within one year	5	8
. Later than one, but not later than five years	6	15
	<b>11</b>	<b>23</b>

Total interest payable of £5,000 is included within the above.

### 19. Post balance sheet event

The lower ground build refurbishment will be financed through a mixture of designated reserves, capital fundraising and a bank loan. Subsequent to the year end the Cardinal Hume Centre agreed a loan facility with Barclays Bank for a loan up to a maximum of £980k over a 25 year repayment period. The loan is secured by a floating and fixed charge, which has been agreed with the Diocese of Westminster who hold the first fixed charge on the property.

## Organisational Details

### Trustees:

Robert Arnott (Chair)  
Andrew Rose (Treasurer)  
Philomena Egan (*appointed March 2018*)  
Amelia Fitzalan Howard  
Pippa Greenslade  
Bishop Nicholas Hudson  
Caitlin Kennedy  
William van Klaveren (*appointed March 2018*)  
Patrick Milner  
Heather Petch  
Terry Philpot

### Company Members:

Cardinal Vincent Nichols  
Mick Buckley (*resigned March 2018*)  
Nicholas Coulson  
John Darley  
John Gibbs  
Catherine Hickman  
Bishop Nicholas Hudson  
Philip Marsden  
Jocelyn Ridley  
Canon Christopher Tuckwell

### Auditor:

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

### Patrons:

Cardinal Vincent Nichols  
Field Marshal the Lord Guthrie GCB LVO OBE  
DL  
Dom Christopher Jamison OSB  
Baroness Kennedy of the Shaws QC  
Jeremy Paxman  
The Marquess of Lothian PC QC DL  
Lord Browne of Ladyton

### Senior Management Team:

Cathy Corcoran OBE (Chief Executive)  
Maureen Boughton (Human Resources)  
Mark Foster (Services)  
Jane Sandeman (Finance and Central Services)  
Anne Shewring (Fundraising) (*until July 2017*)  
Margaret Tierney (Fundraising) (*July 2017 onwards*)

### Company Secretary:

Jane Sandeman FCCA

### Registered office:

3-7 Arneway Street  
Horseferry Road  
London  
SW1P 2BG

Telephone 020 7222 1602  
Facsimile 020 7233 2513  
Info@cardinalhumecentre.org.uk  
www.cardinalhumecentre.org.uk  
@CardinalHumeCHC (Twitter)  
@CardinalHumeCentre (Facebook)

Company No: 4333875  
Charity No: 109083

## Major supporters, trusts, companies and partners

### Major Supporters

*The following organisations and individuals gave significant support to the Centre during the year:*

Margaret Ainscough and Stephen Pollard  
Sir George and Lady Bull  
John and Christine Cuss  
Christ the Prince of Peace  
Church of the Holy Name Esher  
DP World  
Farm Street Church  
Alastair and Lynwen Gibbons  
John O'Connor  
Holbeck Charitable Trust  
Hutton Foundation  
Little Company of Mary  
Marsden Family Trust  
Olivetan Benedictine Sisters, Turvey Abbey  
Our Lady of Dolours  
Scherer Family Trust  
Sisters of the Holy Cross  
Sisters of Nazareth  
Society of the Sacred Heart Provincialate  
St Anthony's Preparatory School  
St Augustine's Church, High Wycombe  
St Joseph's Church, Highgate  
St Thomas More School  
Syder Foundation  
Westminster Abbey  
Westminster Cathedral  
Westminster Cathedral Choir School  
Westminster City Council  
Westminster Underschool  
Woldingham School

### Trusts

*The following trusts contributed £5,000 or more during the year:*

29th May 1961 Charity  
Big Lottery Fund  
City Bridge Trust  
E B M Charitable Trust  
French Huguenot Church of London Charitable Trust  
Hyde Park Place Estate Charity  
John Lyon's Charity  
Kerbascol Trust  
Meg Roper Trust  
Northwick Trust  
Oak Foundation  
Park House Charitable Trust  
Paul Hamlyn Foundation  
Sir Harold Hood's Charitable Trust  
Steel Charitable Trust  
Strand Parishes Trust  
StreetSmart  
Swire Charitable Trust  
The Childhood Trust  
The Sackler Trust  
Westminster Foundation  
William Allen Young Charitable Trust

## Partners and Companies

*The following are either partner organisations or companies which supported the Centre's work during the year:*

Abbey Community Centre and Association  
Barbican Insurance  
Benefacto  
Berkeley Group  
BITC  
BNP Paribas  
Briffa Law  
CAP (Christians Against Poverty)  
CSAN (Caritas Social Action Network)  
Caritas Westminster  
Catholic Bishops Conference of England and Wales  
Celtic FC Foundation  
Central University of Iowa  
Centre for Counselling and Psychotherapy  
Education  
Centrepont  
Channel 4  
CityWest Homes  
Civil Service Fast Stream  
Clean For Good  
Clement St James  
Coca Cola European Partners  
Connection Crew  
Corps Security  
Crown Estates  
Department for Work and Pensions  
Depaul UK  
Dream Arts  
Entertainment One  
Essential Living Futures  
Etcetera Choir  
Felix Project  
Good Things Foundation  
Grosvenor Estates  
Hakuna Matata Foundation  
Healthy Hearts  
Holbeck Charitable Trust  
Home Instead  
Home-Start Westminster  
Homeless Link  
House of St Barnabas  
Housing Justice  
Intuit Kings Cross Recruit  
John Lewis Partnership  
Junior League of London  
Land Securities  
LHA London  
Mary Ward Legal Centre  
Mayor's Office – Young London Working  
Metropolitan Police - Safer Neighbourhood Team  
One Westminster  
The Passage  
Peabody  
Pret a Manger  
Prince's Trust  
Principle Cleaning  
RAGU  
Redevco United Kingdom  
Ridgeway Partners  
Royal Academy of Arts  
Royal Academy of Music  
Salt Yard Group  
SASH  
Smartworks  
Springboard  
St Ermin's Hotel  
St Gabriel's Pimlico  
The Other Palace Theatre  
The Royal Household  
Turning Point  
University of East London – The Olive Project  
Victoria BID  
Westminster Adult Education Service  
Westminster Foodbank  
Westminster Gangs Unit  
Westminster Jobcentre  
Westminster Kingsway  
Westminster Libraries  
Westminster Mind  
Wigmore Hall  
Your Catholic Legacy  
Z2K