

**centre  
point**

give homeless  
young people  
a future

# FINANCIAL STATEMENTS 2019-20



# CENTREPOINT SOHO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020



## CONTENTS

- 3** Trustees' report  
(incorporating the strategic report pages 8 to 51)
- 52** Independent auditor's report to the members of  
Centrepont Soho
- 57** Consolidated statement of financial activities  
(incorporating an income and expenditure account)
- 58** Consolidated and parent statement of financial position
- 59** Consolidated cash flow statement
- 60** Notes to the financial statements
- 80** Board, officers and advisers



# TRUSTEES' REPORT

(INCORPORATING THE STRATEGIC REPORT)

**The directors, who are also the Trustees of the charity, present their annual report and the audited financial statements for the year ended 31 March 2020.** In preparing this report, the Trustees have complied with the Statement of Recommended Practice for social housing providers: Housing SORP 2018. This report contains the Trustees' Report and Strategic Report as required by company law.

**Centrepoint Soho (Centrepoint) is both a registered charity and a registered provider and sees both of these areas represented significantly in its activities.** In addition to Housing SORP 2018 where appropriate, Centrepoint also follows the Statement of Recommended Practice applicable to charities: Charities SORP (FRS 102).

Please refer to the accounting policies, on page 60, for further information. A list of the Board, officers and advisers can be found on page 80.

# WELCOME

FROM SEYI OBAKIN OBE, CHIEF EXECUTIVE OFFICER

Thank you for taking the time to read and review Centrepoint's annual report and financial statements for 2019-20. Alongside the figures, we have included some of the life-changing activities and stories that have been delivered, transforming the lives of homeless young people.

**2019-20 was a poignant year for Centrepoint when we paused to recognise our 50th anniversary and appreciate the critical role that Centrepoint has played in supporting young people across England.**

Injury, unemployment, eviction, squats and shelters characterised the desperate situation confronted by Centrepoint 50 years ago, when it was founded.

Five decades on, we have made so much progress on these issues. Yet, it is deeply troubling and frustrating that youth homelessness remains a reality for tens of thousands of young people in this country. Alone and frightened, all too often they are forced to make desperate choices just to find a place to sleep; choices that none of us would wish on an adult, let alone on a teenager or our own children.

Whilst young people sleep rough on the streets, or spend night after night moving from sofa to sofa, Centrepoint will be there to provide security when they have nowhere else to go, and to help them turn their lives around.

But we cannot achieve our goals, of helping every young person we support into a job and a home, alone. For the past 50 years, as well as throughout 2019-20, we have had the continued support and generosity of donors, fundraisers, ambassadors, supporters, volunteers and campaigners. Some people even chose to remember Centrepoint in their will – a truly inspirational and lasting legacy. It is these remarkable people that are changing the story of youth homelessness and ensuring that young people, who often face unfathomable challenges, are lifted into brighter futures.

**At the end of our financial year, the Government introduced stringent lockdown measures to deal with the COVID19 pandemic. Our senior executive team moved swiftly to implement our business continuity plans, with our key support and housing teams continuing to provide our front line service and support staff working from home. Alongside continuing to deliver essential services to young people, we immediately**

**provided food, support and guidance to young people who faced difficulties.**

I want to thank our staff, our local authority partners, our key suppliers and our development partners for working with us to take a proactive response over that period.

From myself, the staff team and all the young people we support – thank you.

Seyi Obakin OBE,  
Chief Executive Officer



# YOUTH HOMELESSNESS:

## THE ISSUE

Centrepoint research estimates

**110,000** young people in the UK asked for help from their local council

in 2018-19 because they were homeless or at risk of homelessness.

Young people become homeless for a variety of reasons but often because it is not safe to stay at home.

Without shelter, a bed, security and stability, homelessness affects every part of a young person's life.

The physical toll and dangers of sleeping outside is one issue but sleeping on a bus, with a stranger, or on an ever-changing network of sofas and floors can be just as challenging.

Mental health issues like depression, anxiety, or anorexia are easily exacerbated under these conditions and, without access to affordable nutritious food, physical health suffers as well.

Not surprisingly, education often becomes disrupted, drastically reducing the chances of achieving qualifications. Moreover, without education or training, it is even harder to find sustainable employment in the UK, where youth unemployment is almost three times higher than in the rest of the population.

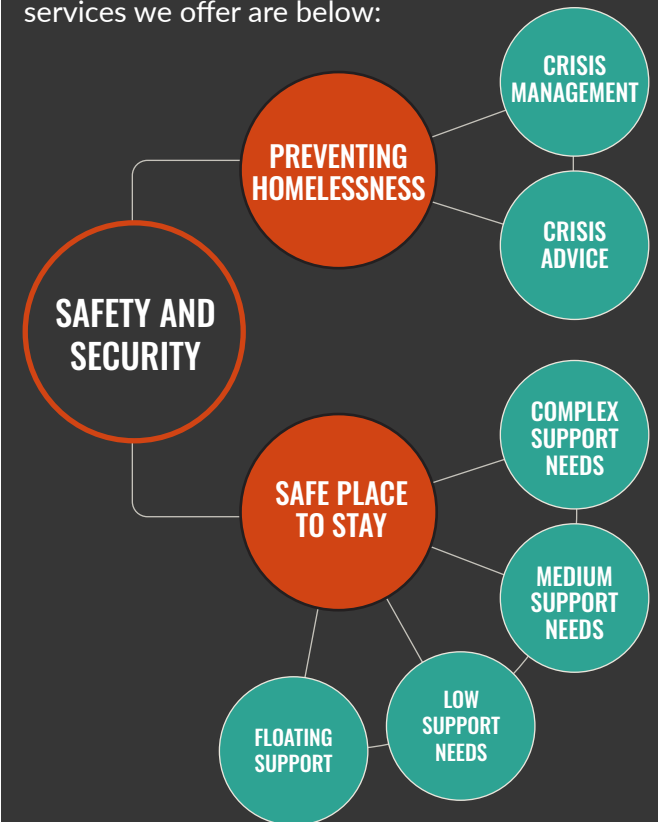
When young people somehow manage to overcome these significant challenges, they are confronted by yet another one – a lack of affordable homes they can move into.

In this bleak picture, Centrepoint is a beacon of hope. We are changing the story for homeless young people every day by offering safety and security; enabling, inspiring, and motivating young people to get well and gain skills and jobs; and helping them to move beyond homelessness into living independently.

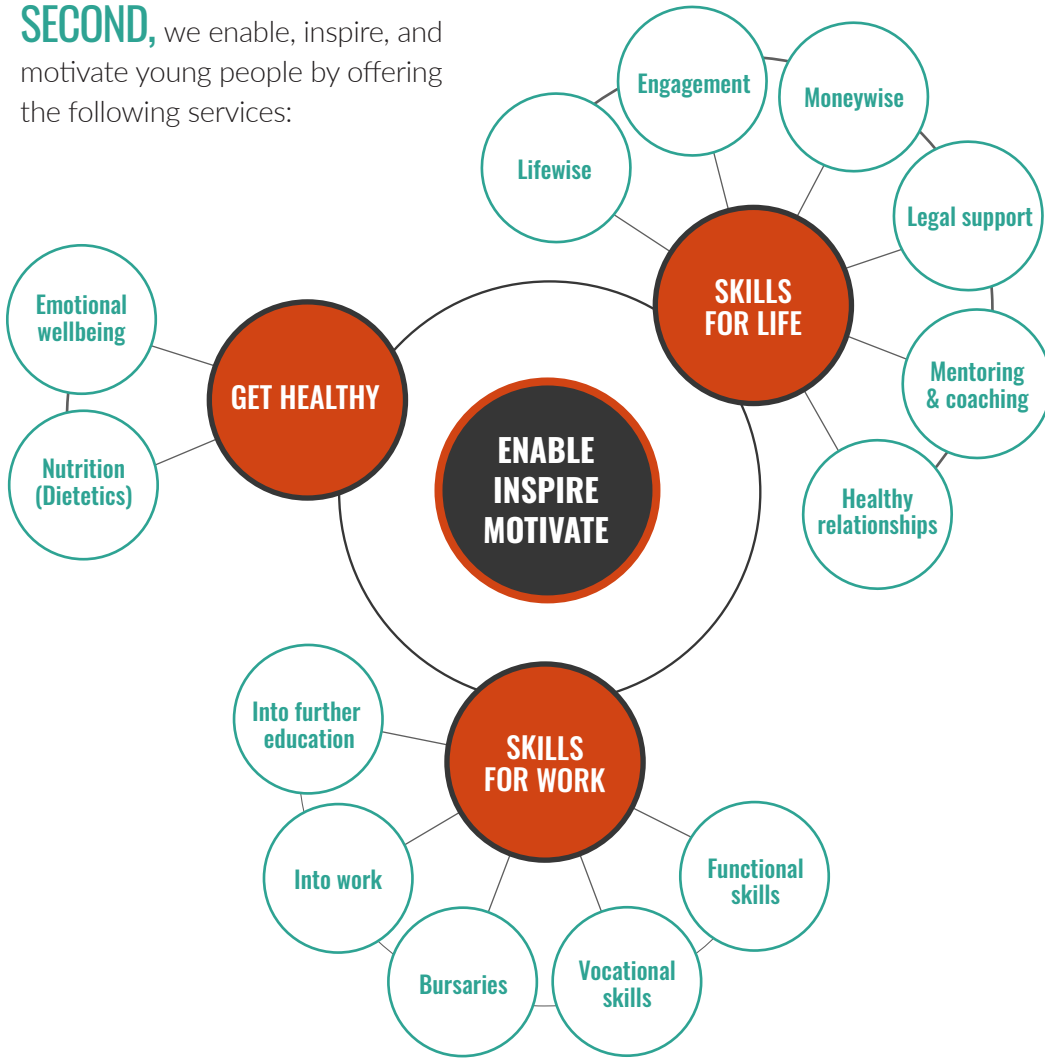
## OUR APPROACH

The Centrepoint approach is focused on three themes – safety and security; inspire, enable and motive; and live independently.

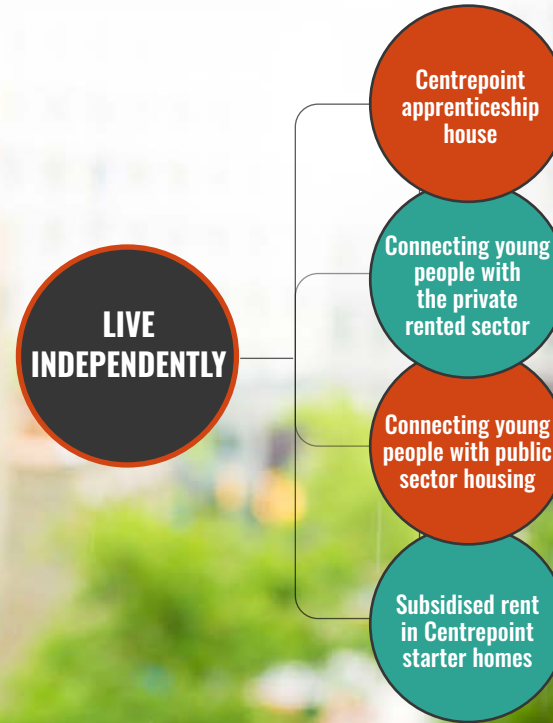
**FIRST**, we offer young people safety and security from homelessness. The range of services we offer are below:



**SECOND,** we enable, inspire, and motivate young people by offering the following services:



**FINALLY,** we support young people to live independently once they are able to do so:



# STRATEGIC REPORT



# STRATEGIC REPORT

## OBJECTIVES AND ACTIVITIES

Centrepont exists to give homeless young people a future. We believe every young person should be supported to have a home and a job, regardless of their background or start in life.

**Our 50 years of experience tell us that no young person is the same and, therefore, the path they each take to independence will be different.** With that in mind, our specialist staff work with each young person to support them to take their next step, wherever they are on their journey.

In the following pages, we highlight some of Centrepont's vital support services that have been offered to thousands of homeless young people during the course 2019-20, including the provision of a helpline, accommodation, psychotherapy, nutrition, English, maths, training and employment.



*We believe every young person should be supported to have a home and a job, regardless of their background or start in life.*



We have changed the names and used stock images of many of the young people who feature in this annual report and financial statements (\*) to protect their identity. Nevertheless, the strength and determination of the young people that Centrepont supports shines through. We hope you agree.



# ACHIEVEMENTS AND PERFORMANCE

## PREVENTION - PREVENTING YOUTH HOMELESSNESS

Centrepoint's Helpline saw their busiest year to date, fielding calls and messages from over 5,000 (2018-19 over 5,000) young people at a time of crisis and providing critical interventions to prevent youth homelessness.

Each young person who calls the Helpline has personal circumstances that put them at risk of homelessness, including domestic violence, abuse, family breakdown and poor mental health. The Helpline team are trained to take their time in listening to callers to make sure they understand their personal circumstances before providing bespoke advice to support them to take their next step in leaving homelessness behind.

“ Centrepoint would like to thank The Co-operative Bank for another year of ongoing support. This longstanding partnership has been instrumental in supporting the expansion of the national Centrepoint Helpline and the growth of our regional service in Manchester through their support for The Future Foundations refurbishment programme. ”

## DAMIEN'S\* STORY



After Damien's mother was arrested for assaulting him, he moved in with his dad. But things didn't work out and he needed to leave. Ashamed of his history and at immediate risk of homelessness, he called Centrepoint's Helpline for support and advice.

The advisor supported Damien emotionally and advised him on how to approach the council for accommodation, as someone in priority need, fleeing violence.

Centrepoint's Helpline was there for Damien, at crisis point, when he had nobody else to turn to.

Centrepoint provides legal support to young people to ensure their rights are defended. In 2019-20, through our partnership with Law Works, a charity providing welfare and benefits advocacy, we provided and supported young people with an avenue to challenge their housing benefit decisions. A successful challenge often means receiving backdated payments, thereby relieving the burden of debt for young people as well as supporting them to sustain their home, which might otherwise be at risk. One of the most successful challenges resulted in an award to a young person of around £4,000 in unpaid housing benefits.



## HOUSING & LIFESKILLS - PROVIDING A SAFE PLACE TO STAY

Centrepoint provides over 1,000 (2018-19 over 1,000) bed spaces for homeless young people - keeping them safe and providing a base for them to start rebuilding their lives.

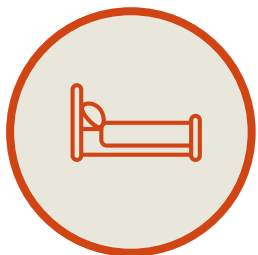
**88%** of the young people who left Centrepoint in 2019-20 moved on positively.

In 2019-20, Centrepoint's most significant innovation was being successfully commissioned as the first organisation in England to deliver Housing First for young people leaving the care system.

Housing First was initially developed as a new way to support chronic rough sleepers to try to get better results; instead of a rough sleeper needing to meet certain criteria in order to progress (eventually into a home of their own), they are given a safe and secure place to stay at the outset. The psychological benefit of having a secure home combined with a positive and meaningful relationship with a key worker has been proven to work for chronic rough sleepers.

In almost every borough across England, there is a small cohort of young people that have had such traumatic childhoods that traditional forms of support do not work. These young people become marginalised and excluded from mainstream society and the prognosis for their adult lives, should they make it, is very poor.

Centrepoint is testing and piloting Housing First for ten traumatised young people with extreme support needs in north London. If the model is successful, Centrepoint will work with other commissioners to do something similar for their most disadvantaged young people: intervening while they are still receptive to change. This pilot is still in its infancy, but early signs are extremely encouraging.



Centrepoint provides over 1,000 bed spaces for homeless young people.

## ADAM'S\* STORY: HOUSING FIRST



Adam was severely neglected by his parents who were heroin users. During episodes of domestic violence, Adam experienced physical abuse and was taken into care aged five. His experiences in foster care and children's homes were poor, with multiple placement breakdowns.

In his teens, Adam developed a highly addictive drug habit using methamphetamine (crystal meth), causing erratic angry behaviour, and he drank excessively. He lost his tenancy due to drug debt, received threats to his life from a gang and spent two years in prison.

At the point of his referral to Centrepoint, Adam was street homeless and was financing his personal drug habit through street begging and theft. Negative and suspicious of support services, his key workers 'hung out' with him on the street for the first two months, making sure he got regular food, access to facilities to wash and that he went to his appointments.

As part of Centrepoint's Housing First programme, Adam was given a secure tenancy in a council-run flat where he is making positive progress. He has stopped his use of crystal meth and takes pride in keeping his home clean and tidy. Adam has given up street begging and is claiming benefits. The team's next goal is to get him playing golf again; his only positive memory from foster care.

## ENGAGEMENT - PERSONAL DEVELOPMENT THROUGH SPORT AND ART

Every year, an inspirational week-long street football tournament brings together more than 450 players from 40+ countries around the world, all of whom have faced homelessness. 2019-20 was no exception, and Centrepoint had players in both the male and female England squads. It is a life-changing experience for those that are selected to take part.

### JACK'S\* STORY AT THE HOMELESS WORLD CUP



"I was living at my mum's until the age of 20 before moving in with my dad, who passed away three years ago. It was then I became homeless and went into a hostel.

Football is so important in helping change my life because it's the one escape that I have. It's hard to describe it, but I've always had a mad passion for the game. Any problems you have at home or at the hostel just disappear when you've got a ball at your feet.

This is my first time at any sort of tournament like this. It's a life-changing experience for me and I'm enjoying every second."

With proven success using sport as a tool for personal development, Centrepoint launched its first non-sports activity, an arts programme - 'STUDIO' - in 2019-20. During the year, young people engaged in several areas of the arts, before showcasing their work at the Saatchi Gallery during a special 'Late' event, the first of its kind.

### NIESHA'S\* STORY: ART AND MENTAL HEALTH



After leaving the care system, Niesha became a Centrepoint resident. Last year, she took part in Centrepoint's STUDIO programme and had her work exhibited at the Saatchi Gallery, giving her the confidence to continue developing her creativity.

"There's a stigma associated with being a child in care. It's hard to break free of that - of people's misconceptions. This art project is a way of showing people that care leavers can be creative and contribute. I used self-portraits and some poetry I had written from a difficult time in my life to express what I was going through. It was therapeutic.

The support I've received at Centrepoint has been amazing. I've been dealing with my mental health all my life. I used to get told I had behaviour issues all the time. Centrepoint helped me to get a formal diagnosis which has been a great help. Now, I just want to learn about the condition myself and learn how to deal with it in my own way."



Our corporate partner TOMS were instrumental in enabling Centrepoint to engage young people in Manchester in 2019-20. The STUDIO Manchester programme has been a vital drop in for young people to express their feelings through art, make friends and make use of a safe space to learn new skills. We are incredibly thankful to TOMS for believing in our vision and enabling us to expand this brilliant programme.

## THE IMPORTANCE OF A PSYCHOLOGICALLY INFORMED ENVIRONMENT (PIE)

Centrepoint is in the process of delivering and embedding a PIE across Centrepoint. For the benefit of both young people and staff, **PIEs are designed and delivered in a way that takes into account the emotional and psychological needs of those within that service.**

2019-20 was our first full year of implementation following the appointment of Centrepoint's first consultant clinical and forensic psychologist and PIE Lead.

At the start of the year, Centrepoint focused on engaging young people to ensure that our PIE approach was co-produced.

“ They [young people] were fantastic to work with, sharing their ideas about how we could improve the physical environment of our services. ” Dr Helen Miles, PIE Lead

Once the approach had been developed, Centrepoint was honoured to present the plans at the British Psychological Society National Clinical Psychology conference. The conference was a particular highlight as two young people were invited to present alongside leading national PIE experts. It was such a powerful presentation that we were selected as an editors' highlight in the British Psychological Society's Professional Practice Journal 'The Psychologist'.



“ I was inspired and humbled by our two young presenters. To have the courage to stand up and speak out about their stories and experiences (even when emotionally challenging and still ongoing), to give up their valuable time, and their “purpose and belief” that we can, together with PIE, #changethestory for homeless young people in the UK and even #endyouthhomelessness altogether was awe-inspiring. ” Dr Helen Miles, PIE Lead

## HEALTH - TRANSFORMING HEALTH

Centrepoint doubled its therapeutic and mental health support to over 1,200 (2018-19 600) young people during the course of 2019-20, **providing bespoke counselling and crisis support within two weeks against a national average of five months.**

**80%** (2018-19 75%) **of young people received support from Centrepoint's psychotherapy and mental health team** to reduce the severity of their symptoms.

### BARRY'S\* STORY



Barry's father subjected him to physical and sexual abuse as a child. When his dad was imprisoned, he faced emotional abuse from his mum, who constantly criticised and undermined him. Last year she suddenly threw him out of the family home, leaving him feeling as if his life was over.

**"One day she just threw me out. I had no time to get my stuff. All I had was my work uniform. I slept in my car for a couple of weeks. I didn't have anywhere else to go."**

Barry was unable to keep up his job and was forced to drop out of university. This really affected his mental health, and found himself feeling completely desperate, even suicidal. He was then referred to Centrepoint's mental health support service for young men.

**"Centrepoint found me somewhere to live, they got me a GP and put me in touch with a psychiatrist and, for the first time, I've been able to really talk about the abuse at home."**

Barry now lives in shared accommodation, he's back at work and is planning to return to university to complete his studies.

**"Centrepoint has been brilliant. Without them, I wouldn't be here."**

Thanks to the ASOS Foundation, our health posts based in Barnsley can continue to give hope to traumatised young people and help them build positive futures for themselves. Our work out of the Barnsley Health Hub continues to be one of the few sites offering such holistic provision of services in the area. Without this specialist support in the Barnsley area, the young people there would be struggle to move on from homelessness.

## SKILLS & EMPLOYMENT - INTO EDUCATION AND WORK

Centrepont offers young people the chance to develop their skills and education to help them get into the workplace. In 2019-20, Centrepont launched a series of short courses to meet the needs of young people who have had long gaps in their education, often due to challenging personal circumstances. To support young people through their education and training, **Centrepont offers a bursary scheme** to cover some of the additional costs of education, including those for course fees, laptops, textbooks and travel.

**63%** (2018-19 78%)  
**of Centrepont residents who took Centrepont training courses in 2019-20 finished with a qualification.**

### CYBELE'S\* STORY: EDUCATION, SKILLS, A TRAINSHIP AND BEYOND



From the age of nine, Cybele's education was severely disrupted; initially, she cared for her mum and then left college at 17 to have her first child. In a domestically violent relationship, Cybele fled to a women's refuge, where she was referred to Centrepont to support her education and entry into the workplace.

Centrepont offered Cybele a learning environment which was completely different from any that she had experienced before:

*"Before coming to you, I hated learning and couldn't fit into the typical 'classroom experience'. You have helped me to realise this isn't the only way a classroom can be, meaning I enjoy coming every week".*

Cybele's tutor remembers those classes:

*"Before we found childcare for Cybele's ten-month-old son, our sessions would be delivered with the baby on my hip or me crawling around the library floor after him so that she could complete her work".*

From the classroom, Cybele progressed onto a traineeship and a placement at the James Cook Hospital in Middlesbrough. Impressing the staff, she was offered a health care assistant apprenticeship. Cybele was absolutely thrilled.

*"Thank you so very much to everyone at Centrepont. You have all helped to make my career dreams come to life."*

**Great Portland Estates have been a vital corporate partner to Centrepont since 2018.** Supporting Centrepont services in London, Great Portland Estates have been a vital employment partner and have enabled young people to access a variety of work placement opportunities from their head office to placements within their property portfolio and with their clients/suppliers. It's with the support and consistency of partners such as Great Portland Estates that young people, supported by Centrepont, can take advantage of such a wide variety of work opportunities.

## PROGRESSING TO INDEPENDENT LIVING

Centrepoint is undertaking its most ambitious programme to date: to deliver 300 new bed spaces across London and Greater Manchester by 2021 to enable young people to move into affordable accommodation and to start living independently.

**Centrepoint opened its first Independent Living home in November 2019 for seven young people.**

Despite the COVID19 pandemic, we have made progress on a number of developments in London and Manchester. We expect to have completed the build of our flagship 33 modular home development in Southwark, London by the summer of next year. We are also working on a number of other developments (new builds and refurbishments) in London and Greater Manchester and, as of October 2020, we have around 150 new homes in the development pipeline. We are continuing our positive engagement and development proposals with local authorities and some private developers to grow this pipeline to 300 and **we are confident that we should have 300 new homes either built or committed to be built by the end of 2021.**

Young people from Centrepoint and partnership organisations who are homeless or at risk of homelessness will be referred to the Independent Living programme to continue their journey into a home and progress from entry-level or apprenticeship roles into full-time employment.

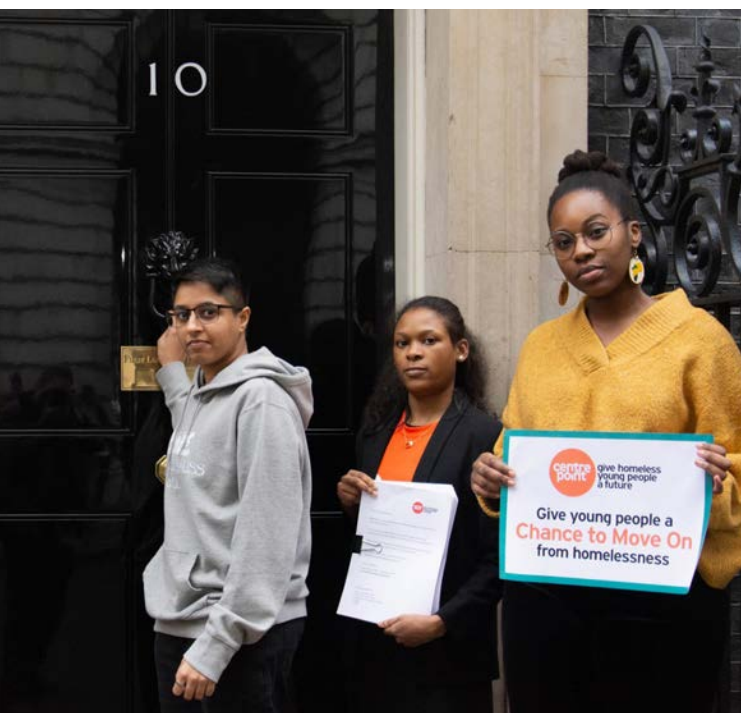
In November 2019, Centrepoint's Patron, HRH The Duke of Cambridge, officially opened the first Independent Living home: a residential community for seven young people who are enrolled in apprenticeship programmes in London.

“ Centrepoint would like to thank The Zochonis Charitable Trust for the support of the expansion of the independent living programme in Greater Manchester. The support of The Zochonis Charitable Trust has helped to provide safe homes for some of the most vulnerable young people in Greater Manchester enabling them the chance to work towards a positive future. Our independent living programme is crucial to tackling the lack of affordable homes for young people. ”

The Independent Living programme is committed to providing affordable housing where we will never charge a young person more than 1/3 of their salary in rent.



## POLICY & INFLUENCE - INFLUENCING GOVERNMENT POLICY THROUGH QUALITY RESEARCH



To mark our 50th anniversary, Centrepoint campaigned for the government to increase the rate of housing benefit for care leavers and young hostel leavers. The campaign included handing a petition in to **10 Downing Street signed by over 20,000 Centrepoint supporters**. We also received support from many MPs in parliament, including the minister responsible for welfare, and persuaded the Government that change was needed. This policy success was announced in the Government's Budget in March 2020. The campaign reaped success when the government announced, as part of the March 2020 budget, that they were allocating an additional £10m a year to extend the shared accommodation rate exemptions to include care leavers up to the age of 25, young people under 25 who have been in hostel accommodation, and victims of domestic violence and trafficking. This will mean that these **young people will be entitled to a higher rate of housing support when they transition to independent living**.

For Centrepoint to be able to campaign for change, we need to understand the scale of the youth homelessness crisis in the UK. Under the freedom of information act, Centrepoint requests and collates data from local authorities to develop the only source of data on the scale of youth homelessness in the UK.

Tragically, in 2018-19, 110,000 young people approached their local authority because they were homeless or at risk of homelessness. You can see the scale of the issue in your area, by visiting our dedicated databank website. <https://centrepoint.org.uk/databank/>

Centrepoint runs a partnering scheme that brings together organisations dedicated to supporting homeless young people. **Stretching the length and breadth of England, we have over 100 members and, collectively, reach tens of thousands of homeless young people.** This strength in numbers allows Centrepoint to deliver robust research on the issues affecting homeless young people and to develop the policy solutions needed to bring about change. By joining together, we have a stronger national policy voice to speak out on behalf of vulnerable young people.



*Tragically, in 2018-19, 110,000 young people approached their local authority because they were homeless or at risk of homelessness.*



## RESPONSE TO COVID19

The World Health Organisation classed COVID19 as a pandemic on 11 March 2020. Following that announcement, the UK Government introduced various measures to address the impact in the UK, resulting in lockdown from 23 March 2020. We adopted a number of measures to ensure the safety of the young people in our care, staff and business partners during this time.

Thankfully, **Centrepoint's housing services have remained open throughout the COVID19 pandemic.** Maintaining our staffing levels has helped to reassure and support young people through the crisis. We are supporting young people to practice social distancing and, for those who have COVID19 symptoms, to self-isolate. This restriction of movement within hostel buildings that have small rooms and limited communal spaces can be challenging. We have undertaken health and safety assessments across our properties, implementing changes such as the installation of Perspex screens and handleless doors that help prevent the spread of the virus.

**Centrepoint's health and learning teams are experiencing increased demand for their services** and they are using technology to reduce travel and restrict face-to-face sessions. We are exploring ways to provide young people with their own devices and data to connect to the internet. This technology will enable the health team to provide virtual support over the internet and our learning team to help young people access online education and training and to apply for work. These devices and data will reduce the loneliness and isolation that young people have felt during lockdown.

We are cleaning our supported housing services more frequently and to a higher standard. We have sourced masks, gloves, anti-bacterial wipes and hand sanitisers for young people. **Our staff have been issued with personal protective equipment to protect their health whilst they care for and support vulnerable homeless young people.** We have secured food donations to help the young people who are living on extremely limited budgets: improving their diet and nutrition and reducing their journeys for essential food items. Where donations have not been available, we have paid for supermarket deliveries. To provide more activities for young people during the lockdown phase, we have explored subscription and streaming services to help occupy young people and help them comply with the movement restrictions.



Centrepoint launched an emergency fundraising campaign in April 2020 to help fund the increased costs of COVID19, but also to mitigate against any anticipated shortfall of income during 2020-21. The emergency campaign raised an amazing £2m and we would like to thank all Centrepoint supporters and donors for their generosity at this challenging time.



## A huge thank you to our volunteers

Centrepoint would like to extend a massive thank you to all those people who have volunteered for us during 2019-20. Volunteers enhance so much of what we do - frontline services, fundraising, events and campaigns - by generously offering their expert knowledge and skills to support young homeless people. We are truly grateful.

“ My experience at Centrepoint was extremely positive, and I had more opportunities than I thought possible from a first social work placement. It has truly changed my perspective on my course and where I want to proceed with my career as I am considering a role in child protection now due to my experiences and my enhanced confidence. ”

Kate, a Centrepoint volunteer in Sunderland

# FUTURE PLANS

In 2020-21, despite the COVID19 crisis, Centrepont will continue to focus its efforts on supporting homeless young people in finding a home and a job. Some of our plans and activities have already been adjusted to allow for this new environment, whilst others will evolve as the world around us keeps changing.

In 2020-21, Centrepont will continue to collaborate with local authorities to deliver vital housing services to young people. With Centrepont's sector-leading expertise, we will tender for housing support contracts in new areas, and expand our offer in existing ones. This includes the provision of a universal offer for psychotherapy and mental health support so that all residents in Centrepont services will have access to in-house support as opposed to relying on the NHS and other providers with much longer waiting times.

**Given the pandemic, we will fast track a number of initiatives to ensure we can continue to support young people through digital channels. These include:**

- **the introduction of a virtual learning platform** which will allow us to deliver courses to young people remotely and also tap into the skills of specialist delivery staff around the country
- **supplying job boards** for young people to be able to search for bespoke opportunities
- **developing our online mental health offer**
- **increasing and enabling volunteering opportunities** (such as coaching and specialist volunteer roles) to be delivered online

In Manchester, we will be transforming our front line support service in Oldham Street to give thousands of homeless young people across Greater Manchester a safe, welcoming and inspirational environment in which to recover and grow, helping them to leave homelessness behind for good.

“ I am fully behind Greater Manchester Future Foundations, which will be a fantastic addition to the support we have available in the city-region. ”  
**Andy Burnham**, Mayor of Greater Manchester

In this redevelopment, and across all of Centrepont's services, we will continue to develop and embed a PIE. We will expand staff training and reflective practice, reducing burnout and turnover. We will continue to engage young people in the co-production of this programme to ensure that their voices are heard and they are involved in the future development of PIE across the organisation.

**We are preparing for a significant increase in the number of calls to our Helpline** in the course of the year, reflecting the anticipated rise in the number of homeless young people as a direct result of the pandemic, and the impact on the economy. In Manchester, we will be rolling out a volunteer programme to help respond to the increase in Helpline demand.

Our Independent Living programme is on course to make significant headway in 2020-21, subject to planning permission and other factors. In London, construction will start at Southwark to provide 33 self-contained state-of-the-art studio modules. Set over three storeys around a central communal garden and recreation space with communal facilities located at the ground floor, this development promises a positive new beginning for the young people that will live there. In Westminster, in partnership with the Lord Mayor, Centrepont hopes to create a second 'Apprenticeship House', providing employment and homes for 5-10 young people.



**Meanwhile, in Manchester, collaborating with the partner organisations, Centrepont hopes to complete the development of 8-12 Independent Living cottages.**

In our policy and research work, we will be launching the next phase of our Chance To Move On campaign – calling on the government to increase the amount of Universal Credit young people living independently receive (currently, under 25s get less Universal Credit than over 25s). Thanks to support from Trust for London, we will be training a group of peer researchers to uncover how Universal Credit impacts young people living in supported accommodation. And finally, we will continue to report on youth homelessness across the UK by monitoring the number of young people approaching their local authority for help because they face homelessness, and the support they subsequently receive.

We will continue to fight on behalf of young people to ensure that their individual rights are protected and honoured. **As part of this commitment, we will be rolling out an educational programme, to upskill young people on their rights**, launching a package of support specifically related to issues with Universal Credit, and piloting a programme to give those leaving the care system access to advocacy and specialist advice.

Much of Centrepont's work is funded by the generosity of donors and supporters. We will continue to invest in fundraising for the long-term so that we can continue to provide the very best support for homeless young people. In light of the pandemic, some activities have been paused (such as Sleep Out), whilst other new opportunities will be launched. Move in May will ask supporters to complete a physical fundraising challenge during the month and Stay Up will encourage supporters to be sponsored to stay up through the night in October. We initially paused door-to-door fundraising but have since restarted this once agreed it was safe to do so: at the same time, we will keep abreast of changes to Public Health England guidance.



*We are preparing for a significant increase in the number of calls to our Helpline as a direct result of the pandemic*

# APPROACH TO FUNDRAISING

Centrepoint works with a number of agencies and suppliers to enable us to deliver our campaigns and other activities. **The partnerships are essential to raising income to fund our vital work with young people.** We do not have the resources in-house to deliver many of these activities, so it is much more cost-effective for us to work with third parties for certain aspects of our work.

- **Campfire:** We work with Campfire on the strategic delivery of our regular giving campaigns. With their support, this financial year, our cash appeal programme raised £2 million (against a target of £1.2m).
- **All Response Media:** We work with All Response Media to plan and buy our media space. This includes television, press, inserts and digital activity.
- **REAL & One Sixty:** These agencies deliver our dialogue activity. After five years of partnership, both agencies have developed an in-depth understanding of Centrepoint, which has resulted in cost-effective campaigns for recruiting supporters who are both loyal and engaged with our work.
- **SMILE:** We have worked with SMILE for the first time this year. They delivered a door-to-door campaign for us in the North East of England.
- **Ethicall:** Ethicall manage our telemarketing campaigns. This includes thanking our new supporters and asking them for additional support, where appropriate.
- **Angel:** Angel are our fulfilment agency, processing and thanking donations from both existing and new supporters.
- **Propack:** These are digital print and direct mail specialists who support us with our direct mail production services.
- **High Rise Communications:** We work with High Rise Communications in Manchester to support us with communications and media production for our Greater Manchester Future Foundations appeal.
- **Think Consulting:** This agency prepared a feasibility study to run an appeal to raise funds for The Independent Living Programme.
- **Glimpse:** We worked with Glimpse to reimagine the Sleep Out branding for Centrepoint's 50th Anniversary and Sleep Out's 15th London Anniversary. New creative branding, including a new event logo and key messaging, were some components of the work. With the help of a fresh look and free, Sleep Out events raised £1m gross in 2019-20.
- **Creventive:** We work with Creventive to deliver our two London Sleep Out events. This includes on-site technical production, structure management, health and safety, and overall event management.
- **Capsule Comms:** Capsule Comms are a PR company that supports our Sleep Out campaign with promotion of the events.
- **Forward Action:** Forward Action are a digital mobilisation agency that supports our Sleep Out campaign through management of online advertising.
- **North East Guides:** We work with North East Guides, an outdoor activity organiser, to deliver our bespoke trekking fundraising events including the Chiltern Hills Hike, and the Hadrian's Wall and Yorkshire Three Peaks events.





## FUNDRAISING PRACTICE

Centrepoint always follows best practice and complies with all fundraising regulations. We are members of all the fundraising regulatory bodies, including the Fundraising Regulator, Institute of Fundraising, the Direct Marketing Association and the Information Commissioner's Office.

**We have never failed to comply with the Fundraising Regulator's Code of Practice.** All of our partner agencies adhere to their relevant regulations.

We have a clear set of due diligence guidelines that we monitor our agencies by on a regular basis. All of our agencies have data protection and vulnerable person and complaints policies in place.

## HOW WE MONITOR FUNDRAISING ACTIVITY

Centrepoint and its agencies' monitoring guidelines include:

- Regular meetings
- Monitoring of performance
- Training
- Mystery shopping
- Observer agency training
- Shadowing
- Call listening
- Monitoring of complaints
- Keeping senior management and trustees informed of our performance
- Regular consultation with other charities and regulatory bodies
- Due diligence clauses in contracts

## COMPLAINTS

We received 112 complaints in 2019-20, compared to 28 in 2018-19. **All complaints were resolved and none escalated beyond the first stage of our complaints procedure.** The increase between the two years is notable. However, with increased direct dialogue activity, mailing more warm supporters and a general increase in overall communication received in 2019-20 compared to 2018-19. This increase is natural and to be expected.

## PROTECTING VULNERABLE PEOPLE WHEN FUNDRAISING

All of our partner agencies that communicate with new or existing supporters have a vulnerable person policy in place. Before working with any agency, we review their policy. With face-to-face and door-to-door agencies, **we attend all fundraiser training that covers talking to vulnerable people.**

# OUR SUPPORTER PROMISE

## 1 Donations are the supporters' decision

We are committed to making a difference to the lives of homeless young people. That is why we encourage people to make a donation to Centrepunt if they are able to. But we also recognise it's their decision, and supporters need to make it in their own time.

## 2 We'll always respect privacy

Donations are completely personal to our supporters. We adhere to General Data Protection Regulation and our privacy policy is available on our website.

## 3 We'll never sell or swap details

Any information given to us will be kept confidential. We'll never pass on personal details to a third party for marketing or fundraising purposes.

## 4 We'll keep our supporters updated

We want our supporters to feel connected to the work their donations are making possible. If they want to receive updates from us, we'll regularly let our supporters know about how they are helping to change young people's lives.

## 5 We'll use all donations carefully

We make sure we are as cost-effective as possible, so donations can have the greatest impact on homeless young people.

## 6 We'll act quickly

If people acting on our behalf fail to meet our high standards, we'll always take appropriate action.

## 7 We'll check with our supporters first

Before we call our supporters, we will always ask them first to check that they are happy to speak to us.

## 8 We'll respect our supporters' wishes

If a supporter tells us they do not want to hear from us again, or wants to hear from us less, we will change the details on their record.



# FINANCIAL REVIEW

## INCOME

Income for the year ending 31 March 2020 was **£44 million, an increase from £34 million in 2018-19**. The main driver for the increase has been donations and legacies, which amounted to £23.4m, an increase of £4.9 million from 2018-19, as well as the surplus on the sale of a housing property of £4.2 million. This has enabled us to deliver more services to more young people. The surplus from the housing property sale will be reinvested to provide more young people's homes and safe spaces.

**Income from charitable activities was £16.4 million**, which was slightly more than 2018-19, at £15.2 million. **Income from rent and charges amounted to £6.6 million**, comparable to the previous year at £6.5 million. **Income from supported housing grants reached £8.2m** (2018-19 £7.2m) and **income from other grants and contracts was £1.6m** (2018-19 £1.6m).

## EXPENDITURE

Expenditure during the year ending 31 March 2020 was **£38.9 million**, an increase of £6.1 million from 2018-19.

Expenditure on charitable activities was £28 million. This is £3.9 million more than the previous year, which is due to the increased number of services offered to young people. Centrepoin't's Single Operating Model focusses on ensuring that every young person has access to the opportunities that they need to achieve a job and a home. We have continued to invest in prevention, housing, health, skills and employment, and lifeskill services to meet the needs of young people.

The cost of raising donations and legacies was £10.6 million, an increase of £2.2 million. This reflects increased fundraising activity. With the reduction of public sector grants, we have increased our investment in fundraising to ensure an uninterrupted service to young people.

Expenditure on support costs decreased to £3.4 million in 2019-20 from £3.8 million in 2018-19. In 2018-19 we invested and transformed our IT infrastructure to provide a solid foundation from which to deliver sustainable services. We will continue to strive to improve efficiency and to increase the number of young people that we can support.

## NET INCOME

The net income for the year was **£5.5 million** (2018-19 £1.2 million). £1.2 million (2018-19 £514k) of this is for restricted projects and £4.3 million (2018-19 £696k) is for unrestricted reserves. The main increase for the current year has been the profit on the sale of Gilbey's yard of £4.2 million.

## STATEMENT OF FINANCIAL POSITION AND CASH FLOW

The statement of financial position and cash flow remains strong. The working capital ratio at year-end was 4.3:1 (2018-19 2.4:1). The working capital ratio is a measure of liquidity showing Centrepoin't's ability to meet its payment obligations



# VALUE FOR MONEY



This report outlines our approach to value for money (VfM). What we have achieved over the last financial year to make sure we have achieved the outcomes required under the Regulator for Social Housing's Value for Money Standard and get the most out of our resources.

Every year the key decision taken by the Board is the approval of the business plan and budget, which sets the framework for the Group's operations.

Centrepoint has a clear framework for achieving VfM, incorporating the following:

## **Approach agreed by the Board to achieve VfM in meeting these objectives and demonstrate delivery of VfM to stakeholders**

**Our business planning, decision-making process and VfM strategy are designed to work together to obtain better outcomes for young people that ultimately lead to a job and a home.** VfM is an integral part of all of our planning, from our strategic plan, business plan, and team plans to our individual objectives. It is not just about cost savings – it is about getting the most from our money for young people.

Our approach to VfM will:

- **Support our vision**, mission and strategic objectives
- **Provide** a range of services that our stakeholders want
- **Achieve** and maintain standards of quality and costs which positions Centrepoint among the top performers in our sector
- **Adopt** recognised good practice where appropriate
- **Seek** out better ways of performing
- **Maximise** the use of our resources to provide homes for young people
- **Make the most** efficient use of internal and external resources
- **Demonstrate** sustained year-on-year improvement
- **Maximise** our social value
- **Maximise opportunities** through procurement
- **Ensure** regulatory compliance
- **Involve** our young people in decision-making
- **Deliver** excellent performance and young people satisfaction



*Our overall mission is to give homeless young people a future*

### Decisions about how we use our resources to deliver Strategic Objectives

Centrepoint's strategy to 2021 outlines our strategic choices:

- **Diversify our sources** of income so that we are more resilient
- **Increase our influence** over government policy and public awareness of youth homelessness
- **Continue to provide services** that are focussed on delivering skills, a job and an affordable home
- **Ensure that we have the right capabilities**

Our resources are aligned to achieve the objectives of our strategy, which also contributes to achieving our overall mission – to give homeless young people a future.

The Board has approved relevant strategies and oversees their implementation through relevant Board committees and the senior executive team. The strategies inform our objective and priorities for the year and we remain focused on the delivery of our overall organisational objectives.

We have outlined in this report how we have performed against our 2019-20 plans. These include:

- **Continuation of the development of Centrepoint's Single Operating Model** - which will help us to deliver our mission: a job and a home for every young person. This approach will enhance our use of resources and outcomes for young people by reducing administrative tasks, streamlining business processes, supporting finance and IT systems and improving overall efficiency.
- **Over 88% of young people had a positive move on from Centrepoint's supported accommodation;** this is comparable to 2018-19, at 88%.
- **Fundraising returns on investment** decreased from £2.21 in 2018-19 per pound invested to £2.17 in 2019-20.
- **A decrease of accommodation services** of 88 bed spaces, including 37 bed spaces in Camden and 50 general needs properties disposed of in the year. In the prior year, there was an increase of 51 properties.
- **The Helpline supported 5,205 (over 5,000) young people during 2019-20.**
- **1,193 (2018-19 2,865) people participated in Centrepoint Sport programmes** during 2019-20.
- **63% (2018-19 78%) of Centrepoint residents who took Centrepoint works training courses in 2019-20 finished with a qualification.**
- **80% (2018-19 75%) of young people receiving support from Centrepoint's psychotherapy and mental health team felt the severity of their symptoms were reduced.**
- **Increased influencing work** at both local and national level by being involved in research and lobbying, through local media coverage and actions aimed at raising public awareness.

**Through our strategic objectives, we articulate our strategy for delivering homes that meet a range of needs**

At the end of the financial year, we had the capacity for 1,465 young people in supported housing and general needs. This included **798 bed spaces in London and 667 bed spaces in regions outside of London**, including Barnsley, Bradford, Manchester and Sunderland.

We have a robust property strategy, which outlines our plan to increase bed spaces towards our goal of 300 additional independent living bed spaces by 2021 to ensure that we are using our resources to increase the supply of affordable housing for young people where it is needed the most. Our investment activity will be focused in London and Manchester, where the lack of affordable housing for young people is most acute within our operating areas. We will seek to divest ourselves of property in areas where there is an ample supply of affordable housing, and reinvest funds into these target areas. Centrepoint opened our first Independent living home in November 2019 for seven young people. Despite the COVID19 pandemic, we have made progress on several developments in London and Manchester. We expect to have completed the building of our flagship 33 modular homes development in Southwark, London by the summer of next year. We are also working on several other developments (new builds and refurbishments) in London and Greater Manchester and, as of October 2020, **we have around 150 new homes in the development pipeline.** We are

continuing our positive engagement and development proposals with local authorities and certain private developers to grow this pipeline to 300, and we are confident that we should have 300 new homes either built or committed to be built by the end of 2021.

**Ensuring that optimal benefit is derived from resources and assets and optimising economy, efficiency and effectiveness in the delivery of our strategic objectives**

**This report covers our aim to work collaboratively, harnessing the innovation and creativity of our staff, our young people and stakeholders to deliver improvements in efficiency, effectiveness and economy.**

Our VfM performance is measured by the Board against targets set under the key elements of economy, efficiency and effectiveness. The measures below are a combination of Centrepoint's measures and those required by the Regulator of Social Housing. The Regulator of Social Housing metrics are designed for social housing; however, what Centrepoint delivers is wider than this - for example, skills and employability, helpline, engagement, CP partnering and our influencing work. Those metrics in bold are the seven metrics required by the regulator.



*At the end of the financial year, we had the capacity for **1,465 young people** in supported housing*

## Economy:

- This is about minimising the cost of inputs for an activity ('doing things at the right cost'). We are therefore careful in the use of resources to save expense, time or effort. This is monitored through quarterly management accounts, procurement exercises, budget proposals and benchmarking results.

	2019-20	2019-20 Target	2018-19
Fundraising return on investment <sup>1</sup>	£2.21	£2.24	£2.19
Business support costs <sup>2</sup>	8.7%	10%	10.6%
Void loss <sup>3</sup>	9.9%	9%	11.0%
Cost per young person worked with (£'000) <sup>4</sup>	£19.62	£20.13	£15.23
<b>Headline social housing cost per unit (£'000)<sup>5</sup></b>	<b>£26.63</b>	<b>£23.99</b>	<b>£20.30</b>

- The Regulator of Social Housing published global accounts for 2019, which included median cost per unit (CPU) of £3.69. Centrepoin's higher CPU reflects the supported housing and the level of support we provide to the young people in our care. The CPU is similar to other similar homelessness organisations.

## Efficiency:

- This is a measure of productivity ('doing things the right way'). Therefore, we strive to deliver the same level of service for less expense, time or effort;
- This is measured through accreditations, external 'health checks', tenant scrutiny reports and a suite of quarterly performance reports.

	2019-20	2019-20 Target	2018-19
Repairs completed on time %	44.7%	95%	67%
<b>Reinvestment in housing units for young people<sup>6</sup></b>	<b>3.6%</b>	<b>NA</b>	<b>0.9%</b>
<b>Operating margin %<sup>7</sup></b>	<b>12.4%</b>	<b>(2%)</b>	<b>3.6%</b>
	<b>Social Housing letting</b>	<b>(14%)</b>	<b>(30%)</b>
<b>Return on capital employed<sup>9</sup></b>	<b>13.7%</b>	<b>3.5%</b>	<b>3.5%</b>

Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs included (EBITDA MRI) Interest Cover %<sup>10</sup>.

Currently, Centrepoin do not have any borrowing or interest on borrowing. However, a property strategy is being developed which will likely result in increased investment in properties and lead to Centrepoin borrowing in the future.

Gearing %

- Fundraising return on investment** – this metric looks at how much income is generated for every £1 spent.
- Business support costs** – this metric looks at the support costs as a percentage of the total cost.
- Void loss** - this metric looks at the voids as a percentage of the gross rental income.
- Cost per young person worked with** – The calculation takes the total charitable expenditure divided by the number of young people supported.
- Headline Social housing cost** – this metric looks at the cost per unit of the social housing expenditure.
- Reinvestment %** – this metric looks at the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held.
- Operating Margin %** demonstrates the profitability of operating assets before exceptional expenses are taken into account. Our purpose and objectives, including our social objectives, means we have lower margins than average.
- Net of surplus on property disposal**
- Return on capital employed** metric compares operating surplus to total assets less current liabilities to assess the efficient investment of capital resources.
- Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs** included (EBITDA MRI) Interest Cover %. The EBITDA MRI interest cover% in measure is a key indicator for liquidity and investment capacity.

- **Reinvestment in housing units** – we have increased the reinvestment in housing units from 0.9% in 2018-19 to 3.6%, which is below the median performance of housing associations per the Regulator of Social Housing global accounts 2019 of 6.2%. Our 2021 strategy is to deliver 300 new bed spaces across London and Greater Manchester by 2021 to enable young people to move into affordable accommodation and to start living independently.
- **Operating margin** – Centrepoin’s operating margin is higher this year at 12.4% compared to 2018-19 of 3.6% primarily due to the profit on the disposal of fixed assets of £4.2 million. The operating margin without the disposal was 3.2% in 2019-20. This is, however, a low operating margin when compared to the median performance per the regulator of 25.8%, largely due to the higher running costs for supported housing and the additional support that Centrepoin provides to young people.
- **Return on capital employed (ROCE)** - Centrepoin’s ROCE is higher this year at 13.7% compared to 3.5% in 2018-19, again as a result of the surplus, which includes the £4.2 million profit on the sale of fixed assets. Without the property disposal, ROCE in 2019-20 would be 3.2%. The median metric per the regulator is 3.8%.
- **Gearings and EBITDA MRI interest cover**– Centrepoin has no debt; therefore, there is no data for these metrics.

### Effectiveness:

- This is a measure of the extent to which intended outcomes are achieved (‘doing the right things’). For Centrepoin, outcomes are focused on providing young people a home, job and training.
- This is accomplished through growing the resources available to us so that we get more out of every pound invested.

	2019-20	2019-20 Target	2018-19
Number of young people worked with	14,405	NA	15,976
Positive move on %	88%	85%	88%
Young people in education, employment or training (EET) on departure or made significant progress during stay	57.5%	50%	55%
Young people managing their mental health better	80%	75%	75%
Young people’s satisfaction with services	94%	85%	91%
<b>New supply delivered % <sup>11</sup> (Social housing units)</b>	<b>3.0%</b>	<b>5.6%</b>	<b>5.7%</b>

11 The **new supply delivered %** metric sets out the number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units managed at period end.

## Benchmarking our performance against other organisations delivering similar services

We complete VfM reviews of our activities, including:

- Defining what the outcomes are
- Calculating the cost per outcome
- Assessing how we can do things better and more efficiently
- Benchmarking our services to understand their strengths and weaknesses
- Improving the IT infrastructure to support the business

We recognise the importance of comparing our performance with others and our activities are benchmarked in several different ways.

**Centrepoint is an active member of a benchmarking group** with other homelessness organisations who provide supported housing.

We use the benchmarking data to inform our housing targets, being mindful that our client group of young people, predominantly in supported housing, can be more chaotic than other general needs clients.

The last time we benchmarked housing management data was in 2018-19, with eight other agencies. The results are:

	2019-20 Centrepoint	2018-19 Centrepoint	Peer results	
			Group Mean	Group Median
% of all departures that were to known destinations	93.5%	85.2%	77%	78.8%
% of all repairs completed to deadline	44.7%	52%	-	85%
% emergency repairs completed to deadline	48.9%	59%	-	80%
% of departures which were evictions	10.7%	12.9%	10.3%	13.2%
Complaints responded to on time (%)	74%	73%	-	73.9%
Void loss as % of the annual rent due	9.9%	11.6%	-	6.41%
Rent collected as a proportion of gross annual rental income (%)	93%	87.1%	-	96.5%
Current tenant arrears as % of annual gross rental income	11.1%	10.3%	-	6.77%
Former tenant arrears as % of annual gross rental income	9.3%	7.7%	5.43%	4.68%
Amount written-off as bad debt as % of annual gross rental income	1.4%	3.8%	-	2.33%





The 2018-19 benchmark data also showed that:

#### **Clients moving on**

- We were above average for clients moving to a known destination (85.2% against an average of 77% and median of 78.8%).

#### **Repairs completed on time**

- The target we set for repairs completed on time is higher than our peers. In 2018-19, the performance was below this target, with 52% of repairs completed on time, and this dipped further to 44.7% in 2019-20 against a target of 65% of repairs done on time. However, as a response to this dip in performance and concerns about the quality of our service, we undertook a full review of our repairs service during 2019-20. This included improving our systems to enable us to accurately track contractor performance, the formation of a rolling working group to maintain an increased focus on our performance, and the use of new contractors. This has already led to an improved performance and, as we have met key milestones to date, we have felt confident enough to increase the target for repairs completed on time to 80% in 2020-21; we are currently on course for meeting performance at around the 80% mark.

#### **Rent collection**

- Our performance is up on 2018-19 in the current year. However current tenant arrears as a percentage of gross rental income is higher (11.1% in 2019-20 and 10.3% in 2018-19 against the median of 6.77%). Our client group makes this challenging.
- We continue to provide ongoing training to key workers to support and advise young people on welfare benefit and help them with managing finances.

#### **Write off bad debts**

- We were ahead on performance on the amount written-off as bad debt as a percentage of gross rental income (3.8% in 2018-19 and 1.4% in 2019-20 against a median of 2.33%). We are also tackling current rent arrears, and investing increased resources in housing management with a focus on income management.

#### **Void loss**

- Our void loss in 2019-20 was 9.9% and is slightly lower than last year (11.6% in 2018-19 against a median of 6.41%). During the year, we have continued to work with commissioners in developing pathways that better meet the needs of young people. We have already seen some success and will continue to work on this area.

## Ensuring that performance is managed and monitored

In addition to the key performance measures, we have also achieved the following through procurement activity:

- **Run tenders** for both our banking and external audit requirements
- **Renegotiated energy and utilities contracts** to get the best value across all our sites
- **Run a tender** for feminine hygiene, resulting in 80% savings
- **Implemented a travel management system** resulting in savings of approximately £55k
- **Continued to run procurement workshops** to understand procurement needs and deliver the best value products to our young people.

Our planning process starts with our strategic plan and identifies the direction we are heading. The business plan and financial plan show how we will achieve our goals and what they will cost. During the annual budget process, resources are allocated based on the business plan and financial plan. We also consult individual teamwork plans, so all teams are working together to achieve efficiencies alongside our strategic objectives.

We have policies and procedures in place which guide our staff in day-to-day activities. For example, our procurement policy and procedure, alongside our financial regulations and delegations, guides staff on purchasing decisions and the inter-connection of quality and price.

We are committed to getting feedback from young people through regular surveys and regular resident speakouts. This year, we have invested in our young people involvement strategy to ensure we continue to get their feedback and enable them to shape and influence our services.

### We publish evidence in the financial statements to enable our stakeholders to understand:

- Performance against our own VfM targets and any metrics set out by the regulator, and how that performance compares to peers.
- Measurable plans to address any areas of underperformance, including clearly stating any areas where improvements would not be appropriate, and the rationale for this.

### We also provide evidence regarding the following:

- Young people who have attended senior management meetings to discuss any issues they have. We recognise that we need to improve our response time on complaints.
- We are working with more young people although the number of bed spaces we own or manage has decreased from 909 to 821. However, we have plans to add 300 bed spaces. We have invested in apprenticeships, traineeships and functional skills, which will help us to support more young people into education, employment and training.



*Continuous feedback enables us to shape and influence our services*



## Effectiveness plans for 2020-21

We shall address areas of underperformance to improve VfM in these areas:

- We have **improved our response to complaints being resolved on time from 73% to 74%** and are looking to sustain this improved performance during 2020-21.
- We are **undertaking a full review of our repairs service** to ensure repairs are completed well and to deadline.
- We will **continue our programme of retendering key procurement activities** to bring down costs of goods and services so savings can be passed onto young people in the form of reduced rent and/or service charges.
- We continue with our procurement strategy, which is aligned to our organisation's overall strategy to ensure the best VfM whilst ensuring robust commercial practices, fiscal compliance and adherence to all relevant regulation. **Procurement policy and procedure will become part of the rituals and routines of the organisation** whereby all goods and services required by the organisation in its core activities will be covered by procurement agreements or contracts that provide VfM solutions that are compliant with any and all legislative requirements and standards.

- Whenever possible, **young people will be involved in the procurement process**, particularly to specify or contribute to specifications for goods and services that directly impact them.
- **Our measurable success will be improved** by the cost rationing of tangible spending areas, including maintenance, utilities, furnishings, starter packs, white goods, stationery and insurance.
- **We are improving our systems** in order for Centrepont to be able to accurately track our contractor performance and improve our repairs completion targets.

We will continue our work to ensure we have a positive impact on the lives of the young people we support. Over the next year, we plan to review our approach to outcomes and impact so we can better demonstrate the effectiveness and value of our interventions.

We also review our approach to move on and resettlement so we can do more in helping young people make positive moves.

The development of Centrepont's Single Operating Model will help us to deliver our mission: a job and a home for every young person. It will reduce administrative tasks, improve performance management and improve the young person experience and outcomes.

Centrepont's Single Operating Model focusses on ensuring that every young person has access to the opportunities that they need to achieve a job and a home. We have continued to invest in prevention, housing, health, skills and employment, and lifeskills services to meet the needs of young people.

We have accelerated the work to make Centrepont a PIE. PIEs are services where the day-to-day running has been designed to take the psychological and emotional needs of young people into account. Reflective practice is now offered in every Centrepont service, whilst training and changes to the physical environment have commenced.

We want to build on our success and learn from experience to fulfil our vision that young people involvement is embedded in every team and in all aspects of our strategy.

## How the Board has gained assurances

### Our Board receives regular reports on:

- Performance against key strategic targets
- Financial information
- Internal audits
- Stakeholder feedback
- External reviews

## Investment policy

**We hold our investments to earn revenue** on designated and restricted funds until they are required. We also hold reserves for any future shortfall in income to ensure we can continue to provide an uninterrupted high-quality service to young people. Our policy is to hold investments in cash on short-term deposit to be readily available.

## Reserves

**We hold reserves to ensure the uninterrupted provision of high-quality services to young people.** This includes keeping their homes in a good state of repair and continuing to campaign on their behalf to influence public policy appropriately.

Through its Audit and Risk Committee, the Board annually reviews the minimum level of reserves it needs to maintain the continuation of activities in the event of financial difficulties. The review takes account of the risks attached to all categories of our income and expenditure. Based on this review, the Board has set a target of achieving general reserves (i.e. free reserves) of at least £3.6 million (2018-19 £3.2 million).

**At the end of 31 March 2020, our unrestricted reserves stood at £22.8 million**, of which £19.3 million has been designated for the various essential activities we plan to carry out in the immediate future or has already been invested in fixed assets. Of the £19.3 million designation, £10.7 million represents the housing assets where young people live, and other fixed assets such as computers. A further £8.1 million has been designated to invest in property, including new housing and safe spaces for young people. These funds will be used to purchase properties to help young people move to Independent Living. An additional £0.5 million has been designated to provide additional support to battle the COVID19 pandemic during 2020.

The remaining £3.5 million of our unrestricted reserves is held in general reserves as an important part of our financial management and planning. This funding will ensure we maintain essential services for young people in the event of financial difficulties or an unplanned setback. This is lower than the £3.6 million target set by our Board. Therefore, we will continue our efforts to strengthen the reserves through cost control.

Transfers between funds primarily represent the designation of funds by the Trustees for use for specific purposes and fixed assets purchased through restricted funds.

## Financial position

The board reviewed Centrepoin's forecasts for the period to 31 March 2021 in April and August 2020 and were content that these plans were affordable and that the financial statements should be prepared on a going concern basis.

**However, the impact of the COVID19 outbreak and its financial effect has meant that the senior executive team (SET) and Board have been reviewing financial plans for the next five years to ensure Centrepoin can remain a going concern.** Centrepoin has modelled a number of scenarios based on current estimates of donations. The board will continue to review plans with SET to make the necessary changes to continue to work with our stakeholders to deliver exceptional services in a friendly, solution-focused way.

**The Government's decisions on social distancing have affected our financial situation and resulted in an estimated £2 million reduction in income for 2020-21.** This is across all areas of voluntary income, due to fundraising events being cancelled, door-to-door fundraising being put on hold, and uncertainty about donations from individuals as well as corporate bodies which have been affected by a recession as well as by the pandemic.

The length of the COVID19 outbreak and the measures taken by the Government to contain this are not known and outside of our control but we have put processes in place to manage the cash flow regularly and review financial stability as matters progress.

Given the strength of the balance sheet and availability and liquidity of cash and deposits, the board believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on Centrepoin’s ability to continue as a going concern. The board, therefore, consider it appropriate for the financial statements to be prepared on a going concern basis.



## Internal controls

In recognition of its responsibilities for Centrepoin’s system of internal control, the Trustees have established control systems that aim, in part, to provide reasonable but not absolute assurances against material misstatement or loss.

### The controls in place include:

- **Authorisation controls** by responsible personnel to ensure that only necessary transactions and that fall within the scope of the company’s operations are undertaken, and that alterations or amendments to existing company records are properly authorised.
- **Recording controls** that ensure that all and only authorised transactions are taken into the accounting records. Elements of these controls comprise segregation of duties among personnel and checking reports against input source documents.
- **Safe custody of assets**, including periodic physical verification of their existence at sites where they are located, maintenance and updating of records detailing information about such assets and restricted access to premises and use of the company’s assets to authorised personnel.
- **Employment of suitably qualified and experienced staff** to take responsibility for the key areas of the company’s business, supported by a formal appraisal system.
- **Preparation of forecasts and budgets** which allow the Board and the executive officers to monitor the key business risks and financial objectives and identify variances arising during the monthly reporting cycles.

In addition to the general controls described above, specific control systems in respect of computer systems are also in place. These include the restriction of access to computer equipment, systems and suites of programmes, including amendment of standing data to designated personnel, through approved measures such as compulsory use of passwords and access rights.

The Trustees have reviewed and continue to review the effectiveness of the system of internal control through delegated authority to appropriate personnel or by engaging outside agencies.

The reviews carried out in the financial year ended 31 March 2020 have not revealed weaknesses in internal control resulting in material losses, contingencies, or uncertainties which the Trustees regard as material, and therefore requiring disclosure in the financial statements.

# RISK MANAGEMENT

The Board has direct responsibility for overseeing the management of risk.

**We seek to be a 'risk intelligent' organisation, which means being able to balance risk and innovation.**

This may involve providing assurance for risk management processes, and managing key risks and the reporting of risks. It also means creating the appropriate culture and performance management systems to deal with risk appropriately.

We have a formal register that identifies the key risks facing Centrepont. These are risks that, in our judgement, may have significant effects on the achievement of our mission, our objectives and our operational performance. The register is updated on an ongoing basis and is formally presented to, and reviewed by, the Audit and Risk Committee at each of its meetings. It is also presented to the Board every quarter.

The current top five risks are:

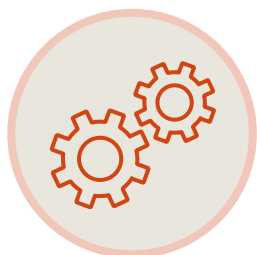
- Major incident which results in serious injury or death
- Risk of an event leading to business continuity issues
- Failure to secure and record the level of voluntary income to fulfil Centrepont's objectives
- Failure to comply with the Landlord Health and Safety requirements
- Failure to follow our health and safety management system and strategy

The key risks identified in our risk register are prioritised in terms of potential impact and likelihood of occurrence. We consider ways of mitigating the risks and of identifying a lead executive to be responsible for taking necessary actions.

As well as the register of significant risks, senior managers review risks in their own area and take appropriate action to mitigate emerging risks.

**The principal uncertainty currently facing Centrepont is the impact of the ongoing global COVID19 outbreak. The Board and senior executive team continue to monitor the outbreak, including following UK Government advice, and acknowledge that Centrepont faces a prolonged period of uncertainty.**

While the evolving nature of the situation means it is not possible to accurately quantify the financial impact, Centrepont is in a good financial position to help manage this risk. Steps are being taken, on an ongoing basis, to minimise the impact on Centrepont's activities and the effect this may have on the organisation's residents and stakeholders. Infrastructure is in place to allow staff to work safely in services and/or support staff to work remotely, and our key priority is to ensure, as far as possible, that our housing services continue to be operational and we provide the level of support required.



*Services continue to be operational and provide the level of support required in this prolonged period of uncertainty*

# STREAM LINED ENERGY AND CARBON REPORT

The combined energy consumption for the reporting period for Centrepoint was **7,197,275kWh** for the year ended 31 March 2020. The combined greenhouse gas emissions for Centrepoint was 1,569.9 tCO<sub>2</sub>e for the year ended 31 March 2020. These include the emissions associated with UK electricity and natural gas consumption and business travel in Centrepoint vehicles, as required to be disclosed by legislation. An intensity ratio of 35.7 tonnes CO<sub>2</sub>e per £million of income has been calculated to enable future year-on-year comparison against the normalised income.

## Greenhouse gas emissions

Table 1: Greenhouse gas emissions scope (tonnes CO<sub>2</sub>e)

Emissions source	Group	Centrepoint	% Share
Scope 1	676.1	676.1	43%
Scope 2	821.4	821.4	52%
Scope 3	72.3	72.3	5%
<b>Total emissions (tCO<sub>2</sub>e)</b>	<b>1,569.9</b>	<b>1,569.9</b>	<b>100%</b>
Income	£44.0m	£44.0m	
Intensity: (tCO <sub>2</sub> e per £m)	35.7	35.7	

### Scope 1. Direct carbon emissions

Scope 1 covers direct emissions from owned or controlled sources. For Centrepoint, this includes greenhouse gas emissions from gas consumed in boilers for hot water and space heating and emissions from a company van.

### Scope 2. Indirect carbon emissions

Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company. For Centrepoint, this includes greenhouse gas emissions from all electricity taken from the National Grid.

### Scope 3. Indirect carbon emissions

Scope 3 includes all other indirect emissions that occur in a company's value chain. For Centrepoint, this includes emissions from the employees' use of their own vehicles for business travel. It should be noted that this excludes other sources of indirect Scope 3 emissions, such as those related to other forms of business travel (e.g. public transport), procurement, investments, waste disposal and others.



Centrepoint's Property Team will be putting in place an **energy use reduction plan**

## Carbon footprint calculation methodology

The carbon disclosure was calculated using the methodology set out in The Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard. This is downloadable from <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>

The greenhouse gas emission factors used in the calculations were the 2019 UK Government conversion factors for company reporting of greenhouse gas emissions. These are downloadable from: <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

## Energy consumption

The combined energy consumption for the reporting period for Centrepoint was 7,197,275 kWh for the year ended 31 March 2020.

Table 2: Energy consumption by fuel (kWh)

Metric	Group	Centrepoint	% Share
Electricity	3,213,748	3,213,748	45%
Gas	3,678,007	3,678,007	51%
Transport fuel	305,519	305,519	4%
<b>Total</b>	<b>7,197,275</b>	<b>7,197,275</b>	<b>100%</b>
Income	£44.0m	£44.0m	
Intensity metric	163,522	163,522	



## Methodology for energy disclosure - property

Property energy use has been calculated from invoices and billing data for electricity and gas provided for Centrepont's property in the UK. Primary consumption data from invoices was not available in aggregate so a calculation has been made from financial data covering the disclosure period.

### The energy calculation consists of:

- Obtaining the financial billing data from Centrepont's finance department covering property within scope for the financial year 2019-20
- Estimating energy consumption from billing using a benchmark of cost per kilowatt-hour for electricity and gas. This benchmark was calculated from the average of a selection of actual electricity and gas invoices for Centrepont to provide a good quality consumption estimate
- Where possible – the estimated consumption figures were validated against the Actual Quantity<sup>12</sup> figures which were provided for the majority of Centrepont electricity and gas supplies

## Methodology for energy disclosure – transport

The scope of SECR for transport covers situations where Centrepont pay for the fuel – either for their own vehicles or when reimbursing employees for claims made for using private vehicles for business purposes (mileage claims).

### For this disclosure – Centrepont had two data sets:

- Mileage log for the Centrepont van
- Mileage claim data from employee mileage claims, including the number of business miles travelled

This data set was used to estimate total energy consumption in kilowatt-hours from transport fuel by first converting it to an estimate of associated carbon emissions (using the 2019 UK Government conversion factors for company reporting of greenhouse gas emissions).

<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

This figure was then converted into litres of diesel and then kilowatt-hours using conversion factors from the same source.

## Energy and carbon reduction narrative

Centrepont participated in Phase 2 of the Energy Savings Opportunity Scheme (ESOS), which included carrying out a programme of energy audits during 2019. During the coming year, Centrepont's Property Team will be putting in place an energy use reduction plan to take forward the recommendations from the ESOS report and actively manage Centrepont's energy use.

<sup>12</sup> TActual Quantity (AQ) - Is the sum of the annual consumption of all meters on a site. This comes from National Grid and is based on historical usage from previous years and therefore does not constitute actual consumption for the 2019-20 period – but can be used for validation purposes.

## HEALTH AND SAFETY

We are committed to continual improvement in health and safety performance. We recognise our duty of care to staff, volunteers, members of the public and young people using our services. To ensure our policy is implemented and maintained, **we have a health and safety management system** which has been put in place to assist in compliance with health and safety legislation and good practice.

We review our health and safety policies on a rolling programme and review all at least annually. The Chief Executive Officer will review the health and safety policy and its arrangements on a biannual basis with the Board of Trustees.



*We are committed to **continual improvement** in health and safety performance*

## PUBLIC BENEFIT

The Trustees have had regard to the Charity Commission's general guidance on public benefit and its supplementary guidance on fee-charging and are satisfied that we provide considerable public benefit, as demonstrated in this report. We have referred to the guidance when reviewing our purpose and mission. **In particular, consideration is given to how planned future activities will contribute to our strategy.**

All staff and Trustees are covered for professional indemnity under Centrepont's insurance policy.





# STRUCTURE, GOVERNANCE AND MANAGEMENT

## STRUCTURE AND DECISION-MAKING PROCESS

Centrepoint is a registered charity legally organised in the form of a company limited by guarantee and governed by its articles of association. The Board of Trustees are members of the company and their liability in the event of the company being wound up is limited to £1 each. **Centrepoint is also a registered provider and acts entirely as a non-profit organisation.**

**It has two subsidiary companies:**

- CP Trading Limited, a non-charitable company that gifts all of its profits to the charity.
- The American Friends of Centrepoint, a charitable company registered in New York which donates its income to Centrepoint.

**These subsidiaries have been consolidated into these financial statements.**

Centrepoint is controlled by a Board of Trustees, as set out on page 80. The Trustees are volunteers who have distinguished careers in a wide variety of activities. They provide the full range of experience and expertise required to add significant value to the work of the charity. They do not receive any remuneration for their roles as Trustees.

Trustees are recruited through a combination of newspaper adverts, recruitment consultants and referrals. They are appointed for three-year periods but may be re-elected twice, subject to performance and need. Newly appointed Trustees receive a letter of appointment and an induction programme that cover general responsibilities, committee membership and involvement outside formal Trustees' meetings. Ongoing training for Board members consists of training courses, regular updates at Board meetings and a Board annual away day focused on sector developments and the impact on our strategy.

The Board sets the overall mission, direction and strategies for successful fulfilment of Centrepoint's purposes and continued development as a viable enterprise. It scrutinises performance to secure effective implementation of strategy. It exercises overall accountability to major stakeholders and oversees major policies and major policy positions.

Details of implementation and execution are the responsibility of the senior executive team, led by the Chief Executive Officer. In order to perform its role effectively, the Board has established the Audit and Risk Committee and the Resources Committee. The Audit and Risk Committee is responsible for detailed oversight of risk management and internal control, internal and external audit. The Resources Committee is responsible for detailed oversight of financial management and reporting,

and operational performance. The committees comprise three Board members and meet at least three times per year.

The Remuneration Committee comprises three Board members and meets at least annually to review the salaries of the senior executive team. They are also responsible for nominations and Board renewal.

**The full Board meets every quarter to:**

- scrutinise the performance of the organisation in relation to its objectives;
- receive reports of its committees; and
- deal with major strategic issues.

One further meeting is held each year in the autumn to review strategy.

The Trustees have implemented the recommendations of the National Federation of Housing Associations' (NFHA) Code of Governance in the context of the particular features of Centrepoint and continue to abide by it.

The Trustees have reviewed the Governance and Financial Viability Standard Code of Practice, which was introduced by the Regulator of Social Housing, and have assessed that Centrepoint fully complies with it.

## STATEMENT BY THE TRUSTEES IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH S172(1) COMPANIES ACT 2006

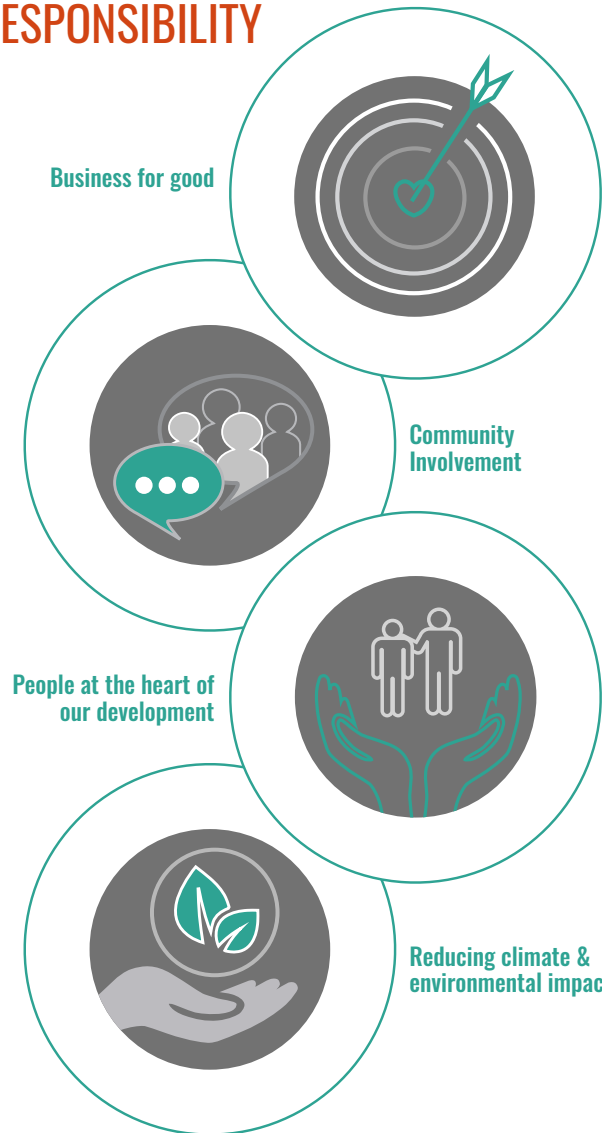
The Board (both individually and collectively), acts in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard for the stakeholders and matters set out in s172 (1) (a-f) of the Act) in the decisions taken during the year ended 31 March 2020.

**Key decisions, made by the board, in the year have been as follows:**

- The board has approved the **test and learn stage of Independent Living.**
- The board has approved the **refurbishment of our Manchester property.**
- The board has approved the **fundraising compliance framework.**
- The board has **approved the budget** for the forthcoming period.

The decisions of the board have been made taking into account the views of our stakeholders. One key example is the Independent Living project: this involved listening to young people and committing to affordable housing.

## CORPORATE SOCIAL RESPONSIBILITY



## BUSINESS FOR GOOD AND COMMUNITY INVOLVEMENT

We are the UK's leading charity for homeless young people. At Centrepont, our vision is to end youth homelessness and our mission is to give homeless young people a future. **We support more than 14,000 homeless 16-25 year-olds into a home and a job every year**, working directly in London, Manchester, Yorkshire and the North East of England, and are partners with other organisations across the UK.

Centrepont works in partnership with local authorities through contractual relationships. Local authorities have statutory responsibilities to provide support and accommodation to certain groups of vulnerable young people. The first group are young people who are assessed by the authority to be at risk of homelessness (usually 16-17 year-olds, and 18 year-olds who have specific vulnerabilities). The second group are young people who are preparing to leave the care system who are 16-21 years old.

We also influence government policy with the overall aim of ending youth homelessness.

## YOUTH HOMELESSNESS: THE BIG PICTURE

Our research estimates

**110,000** young people in the UK asked for help from their local authority

in 2018-19 because they were homeless or at risk of homelessness.

(Next estimate due in November 2020)

We supported more than

**14,405** young people directly and through our partners across the UK during 2019-20.

We operate

**1,107** supported housing bed spaces and 196 general needs units.

We support 570 people through floating support.



## OUR IMPACT FOR GOOD WITHIN THE COMMUNITY

**88%** of the young people who left Centrepont in 2019-20 moved on positively.

The Centrepont Helpline supported

**5,205** young people during 2019-20.

**1,193** people participated in Centrepont engagement programmes during 2019-20.

**63%** of Centrepont residents who took Centrepont Works training courses in 2019-20 finished with a qualification.

**80%** of young people receiving support from Centrepont's psychotherapy and mental health team have reduced the severity of their symptoms.

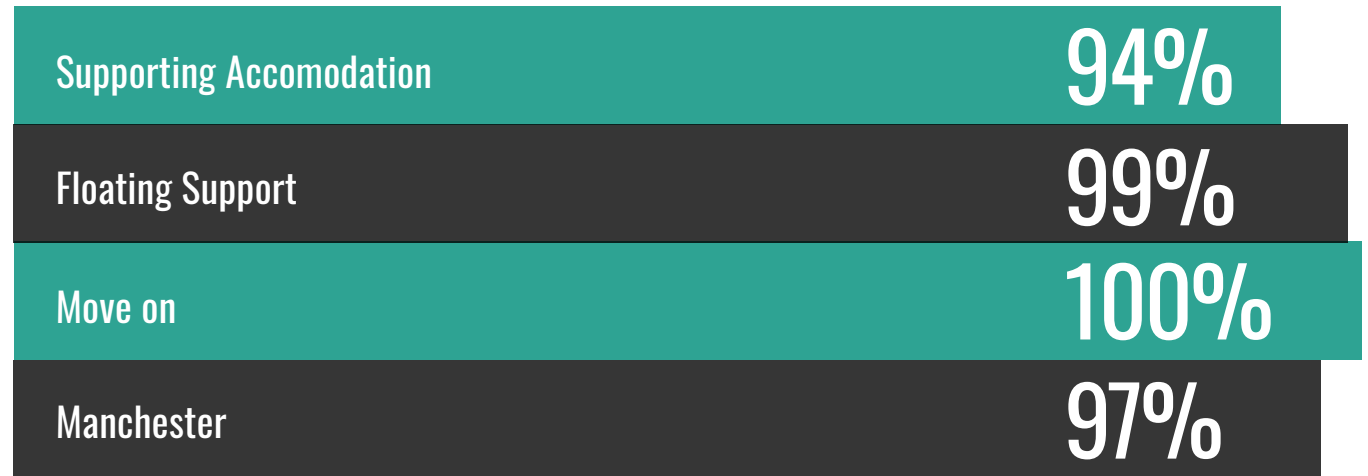
## WHO WE SUPPORT

- **66%** of Centrepont residents left their last home due to relationship breakdown\*
- **\*'Non-violent relationship breakdown'** or 'experienced physical violence/abuse'
- **31%** of Centrepont residents have slept rough
- **36%** of Centrepont residents are care leavers
- **33%** of Centrepont residents are aged 16 or 17
- **60%** of Centrepont residents identify as male and **40%** as female. **1%** identify as transgender
- **52%** of Centrepont residents are BAME
- **6%** of Centrepont residents are refugees
- **10%** of Centrepont residents have a disability

## OUR COMMITMENT

We are committed to providing excellent service to our young people. Our young people satisfaction survey 2019 results are shown below. As the graph shows, we have provided quality service, but we know that there is always room for improvement. To find ways we can improve, we involve our young people and the community we serve in our process of continuous improvement.

### 7.1 YP Satisfaction Survey 2019



# CENTREPOINT'S PEOPLE



**Centrepoint is dedicated to offering young people a caring and considerate environment. We want to reflect that same level of care and consideration internally for all our team members.** Where today we focus on equality and respect for young people, we want to extend that focus to create an equal experience for every team member at Centrepoint.

**We want to build a resilient, caring and inclusive organisation where the way you develop your career, manage your work-life balance, receive recognition and get paid feels fair, consistent and transparent.**

## ENGAGEMENT

**Empowering our people, and having all voices be heard is of great importance to us.** Our last employee opinion survey found that 71% of our employees felt that their opinions are taken into consideration. 61% of our employees felt they had opportunities at work to learn, develop and have career advancement available to them. 69% feel that they have the tools and equipment to do their job well, which is a 14% increase to the previous survey in 2017. We have also seen a 6% increase in self-reported team morale.

In 2019-20, we saw an overall staff turnover of 21.9% and a first year staff turnover of 21.3%. We are actively seeking employee input as to how we can improve. Over the last year, we have introduced some wellbeing, engagement and people initiatives to improve our employee's experience of working within Centrepoint.

**Centrepoint staff have access to a wide range of benefits.**

- Annual leave
- Bike purchase scheme
- Employee assistance programme (EAP)
- Osteopathy discount
- Payroll giving
- Pension
- Perkz
- Refer a friend
- Travel loan

## WELLBEING

The mental, emotional, social, financial and physical wellbeing of our employees is important to us, as we believe that happy, well and engaged people are a force for good, not only for us as an employer providing meaningful work, but for our young people and within the wider community. In our last employee opinion survey (2019), we found that 70% of our employees are able to strike the right balance between work and home life and 63% of employees felt comfortable having a conversation at work if they had a concern over their mental health.

Another indication of our employee wellbeing is that 12.05% of staff have used our EAP; 40.3% of those were for face-to-face counselling.



*We believe that happy, well and engaged people are a force for good*

## PSYCHOLOGICALLY INFORMED ENVIRONMENT (PIE)

We are endeavouring to make Centrepont a PIE. We do this, as we believe that it is not only our responsibility to do so, but because it is the right thing to do. Our objectives are to:

- **Work more collaboratively and reflectively** across the whole organisation
- **Use evidence-based psychological** principles to inform our approach
- **Use psychological ‘tools’** to help us work with our young people even more effectively, including understanding the impact of early experiences and attachment on later behaviours
- **Enhance our relationship with young people**, evidenced by increased engagement and better outcomes, such as fewer evictions
- **Meet the individual needs of our young people**, providing psychological safety and security and rebuilding previously damaged attachment relationships
- **Attend regular reflective practice, empowering our employees** to work more effectively and efficiently as a team, and enabling us to deal with the daily challenges in our roles and increasing our personal resilience
- **Ensure that personal development is officially recognised**
- **Consider the impact** on the physical environment of our services

We offer all staff in the organisation, a specific one-off **PIE Training** session, as well as the opportunity to continue to build PIE skills and knowledge through the further development of the existing Centrepont Training Programme.

Staff have been offered monthly **reflective practice (RP)** from Centrepont’s appointed clinical psychologist(s) adjunct to existing team meetings to embed PIE learning and offer opportunities to them to develop their reflective practitioner abilities in the longer term.

When we review ongoing property maintenance, we ensure that moving forward any building or maintenance projects are PIE informed and adhere to **PIE physical environment principles**. Additional staff and young people will ‘coproduce’ suggested changes to the physical environment of Centrepont services will be welcomed via an ideas application process in autumn 2019 that will utilise both existing PIE funds as well as potential future fundraising opportunities.

Centrepoint will **evaluate the proposed PIE** in conjunction with a PIE expert (Professor Nick Maguire) at the University of Southampton, considering both objective and subjective staff and YP appropriate outcome measures. Data will be collected with online/paper surveys over baseline, 1, 3 and 5 year follow-up periods. As this is a new initiative, we have no evaluation to provide until the end of the first year.

## **FUTURE PEOPLE PLANS**

As a result of the employee opinion survey, we are working towards building an employee-informed and driven people-focused culture through important work related to our People Strategy, which will be delivered through 2020-21. This will comprise six pillars, including a new performance capability framework, leadership programmes for all employees, a range of activities related to employee wellbeing and inclusion, as well as improvements to processes, making them fairer and more transparent.



## THE SIX PILLARS OF THE PEOPLE STRATEGY



The impact of the People Strategy and its effect on our people, their wellbeing, engagement and experience within Centrepont will be reviewed after a year, and continue to be reviewed in future years, by collecting survey data and looking at corresponding business metrics.



# STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Centrepont for the purposes of company law) are responsible for preparing the strategic report, annual report and the financial statements in accordance with applicable law and regulations.

Company law and social housing legislation requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of net income or net expenditure of the group and charity for that period.

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

- **select suitable accounting policies** and then apply them consistently;
- **make judgments and estimates** that are reasonable and prudent;
- **state whether applicable accounting standards have been followed**, subject to any material departures disclosed and explained in the financial statements;
- **prepare the financial statements** on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and charity's transactions and disclose, with reasonable accuracy and at any time, the financial position of the group and charity and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction or Private Registered Providers of Social Housing 2015. They are also responsible for safeguarding the assets of the charity and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that the report of the trustees is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

Financial statements are published on the group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

# EMPLOYMENT

**At all levels, we are committed to the elimination of all forms of discrimination. We promote equality and fulfil our duties as a registered provider and charity, particularly in relation to equality and diversity legislation.**

Centrepoint is an equal opportunities employer. All recruitment and selection decisions will be based on the relevant skills, knowledge and experience. At all stages of the process, it is important to avoid judgements based on any protected characteristics or any other irrelevant factors. Selection for all roles must be based on merit, against objective criteria that avoid discrimination. Our policy and practices reflect all current relevant UK legislation and we will ensure that we continue to comply with future legislative changes. This policy promotes and supports good practice for those with responsibility for recruitment, applying fair and consistent procedures that are non-discriminatory and avoid unconscious bias. We are a Disability Confident Employer (registered with the Disability Confident scheme) and are fully committed to supporting people with disabilities to work with us, including providing equal employment, training and promotion. Our policy includes making reasonable adjustments and the support required and providing development and training initiatives that ensure that all employees and volunteers are safe and effective in their roles so that they can

maximise their contribution to the business and their own ongoing personal development in relation to the role they are employed to deliver.

**In 2020, Centrepoint launched its new People Strategy. A key pillar of this is a renewed commitment to creating a workplace in which wellbeing and inclusion are paramount. Our inclusion strategy will build on the positive steps Centrepoint has already put in place to ensure a diverse and inclusive working environment for all.**

Staff also have direct access to the senior executive team on a regular basis. These visits provide the opportunity to both staff and the team to share information and seek views on all issues. They complement other forms of internal communication, including On Point (our internal staff newsletter), and provide staff with an opportunity to consult on issues of direct relevance to them.



# DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the Trustees are aware:

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

Further information about getting help, the issue of youth homelessness, the solution and getting involved can be found on our website [www.centrepoin.org.uk](http://www.centrepoin.org.uk).

The Trustees' Report, prepared under the Charities Act 2011, which also contains all information required in a Trustees' Report by the Companies Act 2006, and the incorporated Strategic Report, prepared under the Companies Act 2006, were approved by the Board, as Trustees and Directors, on 18 November 2020 and signed on its behalf by:

**Symon Elliott**

Chair

**Seyi Obakin**

Company Secretary



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CENTREPOINT SOHO



## OPINION

We have audited the financial statements of Centrepont Soho (“the Company”) and its subsidiaries (“the Group”) for the year ended 31 March 2020 which comprise the consolidated statement of financial activities (incorporating an income and expenditure account), the consolidated and company statement of financial position, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- **give a true and fair view** of the state of the Group’s and of the Company’s affairs as at 31 March 2020 and of the Group’s and the Company’s 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 properly prepared** in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

## 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 Group and 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 Group’s or the 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.** Other information comprises the information included in the Trustees' Report (incorporating the strategic report), other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information 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 (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report (incorporating the strategic report) has been prepared in accordance with applicable legal requirements.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (incorporating the strategic report).

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

- adequate accounting records have not been kept by the parent Company or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, 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 Group's and the 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 Group or the 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.

## USE OF OUR REPORT

This report is made solely to the members of the Association, as a body, in accordance with the Housing and Regeneration Act 2008 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Association'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 Association and the members as a body for our audit work, for this report, or for the opinions we have formed.

LAURENCE ELLIOTT (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
2 City Place  
Beehive Ring Road  
Gatwick  
RH6 0PA

24th December 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# FINANCIAL STATEMENTS





# CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2020

	Note	Unrestricted General £'000	Unrestricted Designated £'000	Restricted & Endowment £'000	Total 2020 £'000	Total 2019 £'000
<b>Income from</b>						
Donations & legacies	2a	20,525	-	2,923	23,448	18,514
Charitable activities	2b	16,189	-	170	16,359	15,242
Investment income		48	-	-	48	32
Profit on sale of fixed assets		-	4,218	-	4,218	-
Other	2c	260	-	46	306	215
<b>Total income</b>	4	<b>37,022</b>	<b>4,218</b>	<b>3,139</b>	<b>44,379</b>	<b>34,003</b>
<b>Expenditure on</b>						
Raising donations and legacies	2d	9,826	62	738	10,626	8,454
<b>Raising funds</b>		<b>9,826</b>	<b>62</b>	<b>738</b>	<b>10,626</b>	<b>8,454</b>
<b>Net income for charitable application</b>		<b>27,196</b>	<b>4,156</b>	<b>2,401</b>	<b>33,753</b>	<b>25,549</b>
<b>Expenditure on charitable activities</b>						
Collaboration		146	-	10	156	162
Engagement		848	-	151	999	763
Health		817	-	403	1,220	1,090
Housing & lifeskills		20,282	1,200	107	21,589	18,192
Policy & influence		291	62	2	355	396
Prevention		1,374	-	455	1,829	1,705
Skills & employment		2,053	28	35	2,116	2,031
<b>Total charitable expenditure</b>	2d	<b>25,811</b>	<b>1,290</b>	<b>1,163</b>	<b>28,264</b>	<b>24,339</b>
<b>Net income</b>		<b>1,385</b>	<b>2,866</b>	<b>1,238</b>	<b>5,489</b>	<b>1,210</b>
Transfers	13	(1,010)	1,335	(325)	-	-
Net movements in funds		375	4,201	913	5,489	1,210
Reserves brought forward		3,137	15,064	2,911	21,112	19,902
<b>Reserves carried forward</b>	13	<b>3,512</b>	<b>19,265</b>	<b>3,824</b>	<b>26,601</b>	<b>21,112</b>

All of the above results relate to continuing activities. These financial statements were approved and authorised for issue by the Board of Trustees on 18 November 2020 and signed on their behalf by:

Symon Elliott, Chair

Robert Kerse, Treasurer

# CONSOLIDATED AND PARENT STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020 COMPANY REGISTRATION NUMBER 01929421

	Note	2020 £'000 Company	2020 £'000 Group	2019 £'000 Company	2019 £'000 Group
<b>Fixed assets</b>					
Intangible assets and goodwill	8a	344	344	286	286
Housing properties	8b	26,641	26,641	28,268	28,268
Depreciation and impairment on housing properties	8b	(4,485)	(4,485)	(3,939)	(3,939)
Net housing properties		<b>22,156</b>	<b>22,156</b>	<b>24,329</b>	<b>24,329</b>
Other tangible fixed assets	8b	2,174	2,174	1,951	1,951
Investments	12	24	-	24	-
		<b>24,698</b>	<b>24,674</b>	<b>26,590</b>	<b>26,566</b>
<b>Current assets</b>					
Debtors	9	3,655	3,638	2,331	2,313
Cash deposits		3,202	3,202	3,193	3,193
Cash at bank and in hand		13,019	13,060	8,056	8,102
		<b>19,876</b>	<b>19,890</b>	<b>13,580</b>	<b>13,608</b>
Creditors: amounts falling due within one year	10	(4,617)	(4,617)	(5,581)	(5,581)
<b>Net current assets</b>		<b>15,259</b>	<b>15,283</b>	<b>7,999</b>	<b>8,027</b>
<b>Total assets less current liabilities</b>		<b>39,957</b>	<b>39,957</b>	<b>34,589</b>	<b>34,593</b>
Creditors: amounts falling due after one year	11	(13,356)	(13,356)	(13,481)	(13,481)
<b>Net assets</b>		<b>26,601</b>	<b>26,601</b>	<b>21,108</b>	<b>21,112</b>
<b>Reserves</b>					
<b>Restricted reserves</b>					
Permanent endowment fund	13	172	172	172	172
Restricted reserves	13	3,652	3,652	2,739	2,739
<b>Total restricted reserves</b>		<b>3,824</b>	<b>3,824</b>	<b>2,911</b>	<b>2,911</b>
<b>Unrestricted reserves</b>					
Designated	13	19,265	19,265	15,064	15,064
General	13	3,512	3,512	3,133	3,137
Total unrestricted reserves		<b>22,777</b>	<b>22,777</b>	<b>18,197</b>	<b>18,201</b>
<b>Total reserves</b>		<b>26,601</b>	<b>26,601</b>	<b>21,108</b>	<b>21,112</b>

These financial statements were approved and authorised for issue by the Board of Trustees on 18 November 2020 and signed on their behalf by:

Symon Elliott, Chair

Robert Kerse, Treasurer

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Net cash generated by operations	18		1,758		3,805
Interest		48		32	
Capital expenditure		(1,212)		(549)	
Proceeds from sale of tangible fixed assets		4,953		267	
Purchase of intangible fixed assets		(193)		(113)	
Social housing grants and other public grants received		(387)		102	
Cash generated by/(used) in investing activities			<b>3,209</b>		<b>(263)</b>
<b>Increase in cash and cash equivalents</b>			<b>4,967</b>		<b>3,542</b>
Cash and cash equivalents at the beginning of the year	19		11,295		7,753
<b>Cash and cash equivalents at the end of the year</b>	19		<b>16,262</b>		<b>11,295</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

## 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the financial statements of Centrepoint.

### a. Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with UK General Accepted Accounting Practice (FRS102), the Statement of Recommended Practice Accounting for Registered Social Housing Providers 2018 (Housing SORP), the Accounting Direction for Private Registered Providers of Social Housing 2019 and Accounting and Reporting by Charities: Statement of Recommended Practice 2019 (Charities SORP). Centrepoint is a public benefit entity.

Centrepoint is both a registered charity and a registered social landlord and sees both of these areas represented significantly in its activities. In particular, it receives a large amount of charitable income and incurs expenditure to do this. As a leading UK charity, the Trustees have prepared these financial statements to both comply with applicable accounting standards and reflect its purpose.

To ensure compliance with the Housing SORP, in addition to the inclusion of a Statement of Financial Activities, a separate Statement of Comprehensive Income and Statement of Changes in Funds have been presented in notes 24 and 25. Furthermore, the Statement of Financial Activities and related notes have been configured to separate the performance of housing and non-housing activities.

Centrepoint is a company incorporated in England and Wales and has taken advantage of section 408 of the Companies Act 2006 and has not included its own SOFA (Profit and Loss Account) in these financial statements. The parent company's surplus for the year was £5.5 million (2019 £1.2 million).

The financial statements are presented in Sterling (£) and rounded to the nearest whole £1,000, except where otherwise indicated.

The board reviewed Centrepoint's forecasts for the period to 31 March 2021 in April 2020 and were content that these plans were affordable and that the financial statements should be prepared on a going concern basis.

However, the impact of the COVID19 outbreak and its financial effect has meant that the senior executive team (SET) and Board have been reviewing financial plans for the next 12 months to ensure Centrepoint can remain a going concern. Centrepoint has modelled a number of scenarios based on current estimates of donations. The board will continue to review plans with SET to make the necessary changes to continue to work with our stakeholders to deliver exceptional services in a friendly, solution-focused way.

The Government's decisions on social distancing have had an effect on our financial situation and resulted in an estimated £2 million reduction in operating surplus for 2020-21. This is across all areas of voluntary income, due to fundraising events being cancelled, door-to-door fundraising being put on hold and uncertainty about donations from individuals and corporate bodies being affected by a recession, as well as by the pandemic.

The length of the COVID19 outbreak and the measures taken by the Government to contain this are not known and are outside of our control but we have put processes in place to manage the cash flow on a regular basis and review financial stability as matters progress.

Given the strength of the balance sheet and availability and liquidity of cash and deposits, the board believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on Centrepoint's ability to continue as a going concern. The board, therefore, consider it appropriate for the financial statements to be prepared on a going concern basis.

# 1. ACCOUNTING POLICIES (CONTINUED)

## b. Income

Income is generally recognised on a receivable basis and is reported gross of related expenditure, where the amount is probable and when there is adequate probability of receipt. The specific bases used are as follows:

- Income from charitable activities, including income from long-term contracts, is accounted for when earned. Income received in advance is deferred until entitlement to the income has arisen.
- Donated goods, services or facilities are brought into the financial statements at their estimated fair value. Where pro bono services are received and are material, the value of those services, as estimated by the directors, is included as both income and expenditure.
- Donations, gifts, legacies and general grants receivable, which do not relate to specific charitable activities, are categorised as donations and legacies.
- Rental income is accounted for on a receivable basis, net of voids.
- Grants are recognised when the entitlement to the grant is achieved. Grants for the purchase of equipment and towards the initial setting up of projects are credited in full to the various activities in furtherance of the charity's objectives in the year in which they are received. Grants received specifically for goods and services to be provided as part of charitable activities are recorded against the activity to which they relate. Where entitlement is not conditional on the delivery of a specific performance by the charity, the grant is recognised when the charity becomes unconditionally entitled to the it.
- The financial statements reflect no amounts in respect of time provided by volunteers;
- Legacies are recognised as income when there is entitlement, probability of receipt and measurability of the legacy; and
- Investment income is accounted for on a receivable basis.

## c. Basis of consolidation

- The consolidated financial statements incorporate those of the charity and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 March 2020.
- All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

## d. Adoption of FRS 102

- Reduced disclosures: In accordance with FRS 102, Centrepoint has taken advantage of the exemptions from the following disclosure requirements in its individual financial statements: Section 7 "Statement of Cash Flows – Presentation of a Statement of Cash Flows and related notes and disclosures" and Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instrument Issues – carrying amounts" and Section 6 "Statement of Changes in Equity".

## e. Expenditure

Expenditure is recognised when it is incurred and is reported gross of related income on the following bases:

- Charitable expenditure comprises direct expenditure, including direct staff costs attributable to its activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources;
- Raising funds comprises the costs associated with attracting voluntary income;
- Governance costs comprise those incurred as a result of constitutional and statutory requirements; and

# 1. ACCOUNTING POLICIES (CONTINUED)

- Support costs represent centrally incurred costs, principally relating to Finance, Information and Communication Technology, Human Resources, Contracts and Quality, Information and Management, which cannot be attributed to specific activities but provide the organisational infrastructure that enables those activities to take place. Support costs are allocated on a per capita basis – based on the number of people employed within an activity.

## f. Fund accounting

- General reserves are available for use at the discretion of the Trustees in furtherance of the general objectives of Centrepont.
- Designated reserves are funds that have been set aside at the discretion of the Trustees for specific purposes. The purpose and use of the designated funds are set out in note 13.
- Restricted funds are funds subject to specific restrictions imposed by donors or by the purpose of the appeal.
- Endowment funds are capital funds where the capital must be preserved but the income can be spent. The income is added to restricted funds at the request of the donor.

## g. VAT

All income and expenditure is shown exclusive of VAT. Any irrecoverable VAT is included as part of general expenditure.

## h. Taxation

Centrepont is a registered charity and is, therefore, exempt from taxation of income and gains falling within Sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent these are charitably applied. No tax charge has arisen in the year.

## i. Operating leases

Payments made under operating leases are charged to the statement of financial activities as incurred.

## j. Fixed asset investments

Fixed asset investments comprise investments in subsidiary undertakings and are recorded at cost less provision for any impairment.

## k. Intangible fixed assets

Intangible fixed assets include software licences and are capitalised and written-off evenly over the duration of the licence.

Goodwill is capitalised and written-off evenly over ten years as in the opinion of the Trustees, this represents the period over which the goodwill is expected to give rise to economic benefits.

## l. Tangible fixed assets – housing properties

Housing properties are properties for the provision of social housing and are principally properties available for rent.

Hostel and housing properties are stated at cost less provision for any impairment in value. As a result of the introduction of component accounting in the RSL SORP 2018, components of properties are recorded at cost and depreciated over their estimated useful life.

The components of housing property and their estimated useful lives are:

Component	Estimated useful life in years
Land	Not depreciated
Structure	100
Kitchens	15
Bathrooms	15
Central heating systems	30
Boilers	10
Lifts	30
Roofs	60
Windows	30
Doors	20
Electrical wiring	30

## 1. ACCOUNTING POLICIES (CONTINUED)

- Housing properties under the course of construction are recorded at cost less provision for impairment in value and are not depreciated until they are brought into use. Leasehold properties are stated at cost and depreciated evenly over the length of the lease, or useful life, if shorter.

Other fixed assets are stated at cost and depreciate on a straight-line basis, as follows:

Asset	Estimated useful life in years
Vehicles	5
Equipment	3
Furniture	4

- Other properties include Sunderland Foyle Street office and Bradford Foyer Training Centre, which are depreciated over the length of the lease of the buildings.
- Where hostel and housing properties have been funded by social housing grants, the grant is repayable on disposal, unless it is recycled in accordance with applicable Homes England (formerly the Homes and Communities Agency) rules.
- The surplus or deficit on disposal of fixed assets is accounted for in the SOFA of the period in which the disposal occurs as the difference between the net sale proceeds and the net carrying value.

### m. Capitalisation of development overheads

Directly attributable development administration costs are capitalised. These include the staffing costs of employees arising from the acquisition or construction of the property and the incremental costs that would have been avoided if the property had not been acquired or constructed.

### n. Impairments of fixed assets

An assessment is made at each reporting date, at scheme level, of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially been reversed. If such indications exist, Centrepoint estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the SOFA.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

### o. Cyclical maintenance

Cyclical maintenance is carried out as required and charged to the SOFA in the year in which it is carried out.

### p. Managed properties

All income and expenditure incurred by Centrepoint relating to services where the properties are owned by partner associations and managed by Centrepoint have been accounted for in these financial statements.

### q. Pension costs

Centrepoint has a defined contribution pension scheme. The amount charged to the SOFA in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

### r. Current asset investments

#### Cash deposits

This includes cash on deposit and cash equivalents with a maturity of less than one year held for investment purposes rather than to meet short-term cash commitments as they fall due.

#### Cash at bank and in hand

This is held to meet short-term cash commitments as they fall due rather than for investment purposes and includes all cash equivalents held in the form of short-term highly liquid investments.

## 1. ACCOUNTING POLICIES (CONTINUED)

### s. Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. Government grants received for housing properties are recognised in income over the useful economic life of the structure of the asset and, where applicable, the individual components of the structure (excluding land) under the accruals model.

Government grants relating to revenue are recognised as income over the periods when the related costs are incurred once reasonable assurance has been gained that Centrepont will comply with the conditions and the funds will be received.

### t. Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when Centrepont becomes a party to the contractual provisions of the instrument, and are offset only when Centrepont currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### u. Employee benefits

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when Centrepont is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### v. Critical accounting estimates and assumptions

The key assumptions relate to the useful lives of social housing assets and components included in note 8 (b) and the bad debt provision, set out in note 9, under tangible fixed assets and debtors. We undertake impairment reviews across our supported housing portfolio, at each reporting date, to ascertain whether an indicator of impairment exists. If such an indicator exists, we carry out an impairment assessment and estimate the recoverable amount of the asset or cash-generating unit (CGU). The carrying amount is compared to the recoverable amount to determine any impairment loss.

### w. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. As part of the impairment review undertaken, we have assessed the north east general needs properties as a single CGU and, as such, have reviewed the impairment of those properties on that basis. Other properties have been reviewed for impairment at the property level. These properties are treated as a single CGU on the basis that they were purchased and managed under one programme.



## 2. ANALYSIS OF INCOME

### a. Analysis of donations and legacies

	2020 £'000	2019 £'000
Individual giving	12,739	10,936
Legacy and in memoriam	1,172	840
Corporate donations (including Regional and EYH)	5,882	4,847
Statutory and trust donations	796	837
Major donors	581	504
Other donations and gifts	2,278	550
	<b>23,448</b>	<b>18,514</b>

### b. Analysis of income from charitable activities

	Rent and charges £'000	Supported housing grant £'000	Other grants and contracts £'000	Total £'000
--	------------------------------	-------------------------------------	--	----------------

#### 2020

Collaboration	-	-	-	-
Health	-	-	36	36
Housing & lifeskills	6,572	8,202	265	15,039
Prevention	-	-	915	915
Skills & employment	-	-	369	369
<b>Total</b>	<b>6,572</b>	<b>8,202</b>	<b>1,585</b>	<b>16,359</b>

#### 2019

Collaboration	-	-	-	-
Health	-	-	50	50
Housing & lifeskills	6,502	7,175	217	13,894
Prevention	-	-	1,013	1,013
Skills & employment	-	-	285	285
<b>Total</b>	<b>6,502</b>	<b>7,175</b>	<b>1,565</b>	<b>15,242</b>

### c. Analysis of other income

	2020 £'000	2019 £'000
Surplus on disposal of fixed assets	4,218	-
Other income	306	215
	<b>4,524</b>	<b>215</b>

### d. Analysis of expenditure

	Staff costs £'000	Other direct costs £'000	Support costs £'000	Total £'000
--	-------------------------	--------------------------------	---------------------------	----------------

#### 2020

##### Charitable expenditure

Collaboration	86	37	33	156
Engagement	476	457	66	999
Health	859	195	166	1,220
Housing & lifeskills	9,987	9,617	1,985	21,334
Policy & influence	131	135	89	355
Prevention	1,071	473	285	1,829
Skills & employment	1,230	546	340	2,116
<b>Total direct charitable expenditure</b>	<b>13,840</b>	<b>11,460</b>	<b>2,964</b>	<b>28,264</b>
Raising donations & legacies	2,587	7,610	429	10,626
<b>Total expenditure</b>	<b>16,427</b>	<b>19,070</b>	<b>3,393</b>	<b>38,890</b>

#### 2019

##### Charitable expenditure

Collaboration	83	50	29	162
Engagement	311	390	62	763
Health	737	182	171	1,090
Housing & lifeskills	8,321	7,439	2,432	18,192
Policy & influence	185	128	83	396
Prevention	1,047	375	283	1,705
Skills & employment	1,226	468	337	2,031
<b>Total direct charitable expenditure</b>	<b>11,910</b>	<b>9,032</b>	<b>3,397</b>	<b>24,339</b>
Raising donations & legacies	2,204	5,824	426	8,454
<b>Total expenditure</b>	<b>14,114</b>	<b>14,856</b>	<b>3,823</b>	<b>32,793</b>

### 3. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

Governance costs are included within the support costs in note 2.

	Finance £'000	ICT £'000	Human Resources £'000	Management £'000	Governance £'000	Total £'000
<b>2020</b>						
Collaboration	11	12	5	3	2	33
Engagement	21	24	9	7	4	65
Health	55	63	24	18	7	167
Housing & lifeskills	628	735	275	205	142	1,985
Policy & influence	30	34	13	10	2	89
Prevention	94	107	40	30	15	286
Raising funds	141	161	60	45	22	429
Skills & employment	111	127	47	35	20	340
<b>Total</b>	<b>1,091</b>	<b>1,263</b>	<b>473</b>	<b>353</b>	<b>214</b>	<b>3,394</b>
<b>2019</b>						
Collaboration	11	9	4	3	2	29
Engagement	21	17	9	6	9	62
Health	55	60	22	15	19	171
Housing & lifeskills	639	1,158	260	172	203	2,432
Policy & influence	30	25	12	8	8	83
Prevention	93	100	38	25	27	283
Raising funds	141	152	57	38	38	426
Skills & employment	110	119	45	30	33	337
<b>Total</b>	<b>1,100</b>	<b>1,640</b>	<b>447</b>	<b>297</b>	<b>339</b>	<b>3,823</b>

## 4. PARTICULARS OF TURNOVER AND SOCIAL HOUSING ACTIVITIES

	Turnover £'000	Operating cost £'000	Surplus/ (deficit) £'000	2020 Turnover £'000	Operating cost £'000	Surplus/ (deficit) £'000
<b>Social housing lettings</b>						
Gross rental income	6,572	(9,232)	(2,660)	6,502	(8,469)	(1,967)
Supported housing grant	8,202	(11,777)	(3,575)	7,175	(9,345)	(2,170)
Other grants and contracts	265	(372)	(107)	217	(282)	(65)
	<b>15,039</b>	<b>(21,381)</b>	<b>(6,342)</b>	<b>13,894</b>	<b>(18,096)</b>	<b>(4,202)</b>
<b>Non-social housing activities</b>						
Collaboration	-	(156)	(156)	-	(162)	(162)
Engagement	-	(999)	(999)	-	(763)	(763)
Health	36	(1,220)	(1,184)	50	(1,090)	(1,040)
Lifeskills	-	(209)	(209)	-	(96)	(96)
Policy & influence	-	(355)	(355)	-	(396)	(396)
Prevention	915	(1,829)	(914)	1,013	(1,705)	(692)
Raising funds	23,448	(10,626)	12,457	18,514	(8,454)	10,060
Skills & employment	369	(2,116)	(1,748)	285	(2,031)	(1,746)
Other	4,524	-	4,524	215	-	215
Investment income	48	-	48	32	-	32
	<b>44,379</b>	<b>(38,890)</b>	<b>5,489</b>	<b>34,003</b>	<b>(32,793)</b>	<b>1,210</b>
			<b>2020</b>			<b>2019</b>
			<b>£'000</b>			<b>£'000</b>
<b>Social housing income</b>						
Rental income net of identifiable service charges			4,134			4,179
Service charges			3,163			3,125
<b>Gross rental income</b>			<b>7,297</b>			<b>7,304</b>
Rental losses from voids			(725)			(802)
			<b>6,572</b>			<b>6,502</b>
Statutory grants			8,467			7,392
			<b>15,039</b>			<b>13,894</b>
<b>Social housing expenditure</b>						
Services			20,430			16,809
Management			142			206
Routine maintenance			451			682
Planned maintenance			13			41
Bad debts			89			358
Impairment			255			-
<b>Operating cost of social housing lettings</b>			<b>21,381</b>			<b>18,096</b>
<b>Operating deficit of social housing letting</b>			<b>(6,342)</b>			<b>(4,202)</b>

## 5. GRANTS AND CONTRACTS

	2020 £'000	2019 £'000
Supported housing grant	8,202	7,175
Skills and employment contracts	369	285
Other	1,215	1,280
	<b>9,786</b>	<b>8,740</b>

## 6. EMPLOYEE INFORMATION

### a. Staff numbers

The average full-time equivalent number of persons (including executives) employed and calculated per week during the year was:

Group	2020 Number	2019 Number
Collaboration	4	3
Engagement	13	8
Health	22	19
Housing & lifeskills	260	239
Policy & influence	6	6
Prevention	24	31
Raising donations and legacies	48	50
Skills & employment	40	38
Business support	61	48
	<b>478</b>	<b>442</b>

### b. Staff costs

Group	2020 £'000	2019 £'000
Wages and salaries	15,108	13,404
Social security costs	1,422	1,260
Pension costs	599	536
Redundancy costs	82	59
	<b>17,211</b>	<b>15,259</b>
Agency staff & concierge	2,215	1,889
	<b>19,426</b>	<b>17,148</b>

The average persons (including executives) employed during the year was:

Group	2020 Number	2019 Number
Collaboration	4	3
Engagement	13	8
Health	25	21
Housing & lifeskills	279	244
Policy & influence	6	7
Prevention	27	35
Raising donations and legacies	52	52
Skills & employment	42	39
Business support	64	50
	<b>512</b>	<b>459</b>

## 6. EMPLOYEE INFORMATION (CONTINUED)

### c. Emoluments of directors and employees

The number of employees, including the Chief Executive, whose emoluments as defined for taxation purposes exceeded £60,000 was as follows:

	2020 Number	2019 Number
£60,001 - £70,000	6	8
£70,001 - £80,000	3	2
£80,001 - £90,000	3	3
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
£120,001 - £130,000	1	-
£140,001 - £150,000	-	1
£150,001 - £160,000	1	-

- During the year, pension contributions on behalf of these staff amounted to approximately £106k (2019: £104k).
- The remuneration (including pension contributions and benefits paid in kind) paid to the CEO and senior executive team during the year was £772k (2019: £716k).
- The Chief Executive is entitled to ordinary membership of the defined pension contribution pension scheme operated by the company. No special terms or individual pension arrangements apply to this post. The remuneration paid to the CEO was £153,560 (2018-19 £145,756).
- No members of the Board received any emolument for their services as Trustees, but were reimbursed for expenses which were necessarily incurred in the performance of their duties.
- Expenses amounting to £4,436 (2019: £3,752) for travel and accommodation costs were incurred by all 12 of the Trustees.

## 7. SURPLUS FOR THE YEAR

The surplus for the year is stated after charging:

	2020 £'000	2019 £'000
Audit fee (gross)	50	38
Depreciation	872	818
Impairment	255	-
Operating leases - office equipment	121	98
Operating leases - other	662	568
Amortisation of intangible assets	135	158
Net profit on disposal of fixed assets	2,919	17
Foreign change gain	18	24

## 8. FIXED ASSETS

### a. Intangible fixed assets

Group and company	IT Software £'000	Goodwill £'000	Total £'000
<b>Cost</b>			
At 1 April 2019	682	81	763
Addition of assets	193	-	193
<b>At 31 March 2020</b>	<b>875</b>	<b>81</b>	<b>956</b>
<b>Amortisation and impairment</b>			
At 1 April 2019	(449)	(28)	(477)
Amortisation	(127)	(8)	(135)
<b>At 31 March 2020</b>	<b>(576)</b>	<b>(36)</b>	<b>(612)</b>
<b>Carrying amount</b>			
<b>At 31 March 2020</b>	<b>299</b>	<b>45</b>	<b>344</b>
At 31 March 2019	233	53	286

## 8. FIXED ASSETS (CONTINUED)

### b. Tangible fixed assets

Group and company	Hostels & housing properties for letting					Total £'000	Other properties £'000	Vehicles, equipment & furniture £'000	Total £'000
	Freehold £'000	Long leasehold £'000	Short leasehold £'000	Assets under course of cons ion £'000					
<b>Cost</b>									
At 1 April 2019	9,019	16,446	2,339	464	28,268	2,133	2,270	32,671	
Additions	7	-	-	797	804	-	408	1,212	
Transfers	500	230	-	(1,007)	(277)	277	-	-	
Disposals	(1,603)	(551)	-	-	(2,154)	-	(273)	(2,427)	
<b>At 31 March 2020</b>	<b>7,923</b>	<b>16,125</b>	<b>2,339</b>	<b>254</b>	<b>26,641</b>	<b>2,410</b>	<b>2,405</b>	<b>31,456</b>	
<b>Depreciation and impairment</b>									
At 1 April 2019	(1,358)	(1,583)	(998)	-	(3,939)	(726)	(1,726)	(6,391)	
Charge for year	(78)	(236)	(102)	-	(416)	(145)	(310)	(871)	
Disposals	88	37	-	-	125	9	257	391	
Impairment	(50)	(205)	-	-	(255)	-	-	(255)	
<b>At 31 March 2020</b>	<b>(1,398)</b>	<b>(1,987)</b>	<b>(1,100)</b>	<b>-</b>	<b>(4,485)</b>	<b>(862)</b>	<b>(1,779)</b>	<b>(7,126)</b>	
<b>Net book value</b>									
<b>At 31 March 2020</b>	<b>6,525</b>	<b>14,138</b>	<b>1,239</b>	<b>254</b>	<b>22,156</b>	<b>1,548</b>	<b>626</b>	<b>24,330</b>	
At 31 March 2019	7,661	14,863	1,341	464	24,329	1,407	544	26,280	

Included above for the year is £255,000 in relation to impairment of hostels and housing properties for letting.

## 9. DEBTORS

Group	2020 £'000	2019 £'000
Residents occupancy	1,193	1,152
Less provision for bad debts	(950)	(1,075)
	<b>243</b>	<b>77</b>
Accrued income	1,625	1,121
Trade debtors	1,396	654
Other debtors	24	29
Prepayments	350	432
	<b>3,638</b>	<b>2,313</b>

Included in above financial assets are financial instruments measured at amortised cost of £2.9m (2019: £1.8m).

Centrepoint has been notified of further legacies amounting to £65,000 (2019: £36,754), which have not been recognised as income at 31 March 2020 because the conditions of the accounting policy for legacies have not been met. When these conditions are met these amounts will be included in future years.

Company	2020 £'000	2019 £'000
Residents occupancy	1,193	1,152
Less provision for bad debts	(950)	(1,075)
	<b>243</b>	<b>77</b>
Accrued income	1,625	1,121
Trade debtors	1,396	653
CP Trading Limited	2	5
The American Friends of Centrepoint	15	14
Other debtors	24	29
Prepayments	350	432
	<b>3,655</b>	<b>2,331</b>

## 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Group	2020 £'000	2019 £'000
Trade creditors	1,149	779
Other taxes and social security costs	374	330
Accruals and deferred income	1,317	2,274
Deferred capital grants	183	194
Recycled capital grants	448	890
Other creditors	1,147	1,114
	<b>4,618</b>	<b>5,581</b>

The above includes outstanding pension contributions of £100k (2019: £95k).

Included in above financial liabilities are financial instruments measured at amortised cost of £4.1m (2019: £4.2m).

Company	2020 £'000	2019 £'000
Trade creditors	1,149	779
Other taxes and social security costs	374	330
Accruals and deferred income	1,317	2,274
Deferred capital grants	183	194
Recycled capital grants	448	890
Other creditors	1,147	1,114
	<b>4,618</b>	<b>5,581</b>

The above includes outstanding pension contributions of £100k (2019: £95k).

Recycled Capital Grant Fund Group and company	2020 £'000	2019 £'000
<b>As at 1 April</b>	954	883
Capital grant released on sale	963	71
Recycled grant repaid	(442)	-
<b>As at 31 March</b>	<b>1,475</b>	<b>954</b>
Due within one year	448	890
Due after more than one year	1,027	64
	<b>1,475</b>	<b>954</b>

The amount of the recycled capital grant fund which is over three years old and repayable is £448,000 (2018-19 £890,000).

## 11. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

Group and company	2020 £'000	2019 £'000
Deferred Capital Social Housing Grant greater than one year	12,329	13,417
Recycled Social Housing Grant greater than one year	1,027	64
	<b>13,356</b>	<b>13,481</b>

## 12. SUBSIDIARIES

Centrepoint had two wholly-owned subsidiary undertakings during 2019-20. CP Trading Limited is incorporated in England and Wales. The principal activity is the organisation of fundraising events and activities. The American Friends of Centrepoint is registered in the United States of America. Its principal activity is to fundraise on behalf of Centrepoint.

All subsidiaries are wholly owned by Centrepoint. Cost of investment in subsidiaries is £24k (2019: £24k).

The only material transactions between Centrepoint and its subsidiaries, which are not registered providers of social housing, are gift aid and are shown below.

### a. CP Trading Limited

	2020 £'000	2019 £'000
Income	2	70
Expenditure	(3)	(1)
<b>Operating (loss)/profit</b>	<b>(1)</b>	<b>69</b>
<b>Retained (loss)/profit</b>	<b>(1)</b>	<b>69</b>
Assets	26	93
Liabilities	(2)	-
<b>Funds</b>	<b>24</b>	<b>93</b>

### b. The American Friends of Centrepoint

	2020 £'000	2019 £'000
Income	2	-
Expenditure	(6)	(1)
<b>Operating loss</b>	<b>(4)</b>	<b>(1)</b>
<b>Retained loss</b>	<b>(4)</b>	<b>(1)</b>
Assets	15	19
Liabilities	(15)	(14)
<b>Funds</b>	<b>-</b>	<b>5</b>

## 13. STATEMENT OF FUNDS

### Our designated funds represent

- New housing property: the purchase of new housing stock to enable young people to move on from supported hostel accommodation towards independent living.
- COVID19: funds set aside to cover additional costs associated with keeping services open for homeless young people.
- 50th anniversary: funds set aside to raise awareness and influence public policy on youth homelessness.
- Fixed assets: the properties where young people live and other fixed assets, such as training centres, vehicles, equipment and furniture.

### Our restricted funds represent

- Collaboration: assisting our work with other providers and local authorities.
- Engagement: giving marginalised young people ways to return to formal learning environments.
- Health: supporting young people to improve their mental and physical health removing barriers to achieving a home and a job.
- Housing & lifeskills: giving homeless young people aged 16-25 a safe place to stay and supporting them into independence. Helping young people develop the skills and confidence that they need to live independently.
- Policy & influencing: at local and national level in respect of issues that matter to homeless young people.
- Prevention: providing free advice, information and support for young people aged 16-25 who are experiencing homelessness or at risk of homelessness.
- Skills and employment: supporting homeless young people aged 16-25 to achieve education, qualifications, training and employment.
- Raising donations & legacies: for End Youth Homelessness, the national fundraising partnership and other fundraising activity.

Transfers between funds primarily represent fixed assets purchased from restricted funds where the acquisition of the fixed assets has discharged the restriction and the assets are transferred to unrestricted funds. In addition, it represents new designated funds created by the Trustees. In the year, this relates to £500k for keeping services open during the COVID19 pandemic.



## 13. STATEMENT OF FUNDS (CONTINUED)

	1 April 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2020 £'000
<b>Unrestricted reserves</b>					
<b>Designated funds</b>					
Housing property	2,974	4,218	-	886	8,078
COVID19	-	-	-	500	500
50th Anniversary	90	-	(90)	-	-
Fixed assets	12,000	-	(1,262)	(51)	10,687
<b>Total designated funds</b>	<b>15,064</b>	<b>4,218</b>	<b>(1,352)</b>	<b>1,335</b>	<b>19,265</b>
General reserves	3,137	37,022	(35,637)	(1,010)	3,512
<b>Total unrestricted reserves</b>	<b>18,201</b>	<b>41,240</b>	<b>(36,734)</b>	<b>325</b>	<b>22,777</b>
<b>Restricted reserves</b>					
Collaboration	-	29	(10)	-	19
Engagement	74	253	(151)	-	176
Health	434	513	(403)	-	544
Housing & lifeskills	583	953	(107)	(325)	1,104
Skills & employment	467	243	(35)	-	675
Policy & influence	-	-	(2)	-	(2)
Prevention	440	92	(455)	-	77
Raising donations & legacies	741	1,056	(738)	-	1,059
<b>Total restricted charitable donations and grants</b>	<b>2,739</b>	<b>3,139</b>	<b>(1,901)</b>	<b>(325)</b>	<b>3,652</b>
Restricted endowment	172	-	-	-	172
<b>Total restricted reserves</b>	<b>2,911</b>	<b>3,139</b>	<b>(1,901)</b>	<b>(325)</b>	<b>3,824</b>
<b>Total funds</b>	<b>21,112</b>	<b>44,379</b>	<b>(38,890)</b>	<b>-</b>	<b>26,601</b>

## 13. STATEMENT OF FUNDS (CONTINUED)

	1 April 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2019 £'000
<b>Unrestricted reserves</b>					
<b>Designated funds</b>					
Centrepoint Helpline	30	-	(30)	-	-
50th Anniversary	-	-	-	90	90
Housing property	2,474	-	-	500	2,974
Fixed assets	12,472	213	(976)	291	12,000
<b>Total designated funds</b>	<b>14,976</b>	<b>213</b>	<b>(1,006)</b>	<b>881</b>	<b>15,064</b>
General reserves	2,657	30,702	(29,213)	(1,009)	3,137
<b>Total unrestricted reserves</b>	<b>17,633</b>	<b>30,915</b>	<b>(30,219)</b>	<b>(128)</b>	<b>18,201</b>
<b>Restricted reserves</b>					
Collaboration	-	19	(21)	2	-
Engagement	21	82	(29)	-	74
Health	556	579	(701)	-	434
Housing & lifeskills	456	426	(299)	-	583
Skills & employment	461	344	(338)	-	467
Policy & influence	-	10	(34)	24	-
Prevention	287	527	(374)	-	440
Raising donations & legacies	316	1,101	(778)	102	741
<b>Total restricted charitable donations and grants</b>	<b>2,097</b>	<b>3,088</b>	<b>(2,574)</b>	<b>128</b>	<b>2,739</b>
Restricted endowment	172	-	-	-	172
<b>Total restricted reserves</b>	<b>2,269</b>	<b>3,088</b>	<b>(2,574)</b>	<b>128</b>	<b>2,911</b>
<b>Total funds</b>	<b>19,902</b>	<b>34,003</b>	<b>(32,793)</b>	<b>-</b>	<b>21,112</b>

Included in the restricted raising donations and legacies noted above is End Youth Homelessness (EYH). EYH is a restricted fundraising campaign within Centrepoint that enables eleven youth homelessness organisations across the UK to form national platform to generate voluntary income and share experiences. The financial outturn is noted opposite:

<b>Group and company</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
Donations	1,001	948
Less cost of raising donations	(488)	(343)
Net income for charitable application	513	604
Distributed to partners' youth homelessness services	(299)	(274)
Distributed to Centrepoint's youth homelessness services	(67)	(82)
Total distributed to youth homelessness services	(366)	(355)
<b>Net surplus</b>	<b>147</b>	<b>249</b>
Funds brought forward	520	168
Transfer between funds	204	103
<b>Total funds</b>	<b>871</b>	<b>520</b>

## 14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Endowment £'000	Restricted £'000	Designated £'000	General £'000	2020 Total £'000
Fixed assets	-	-	24,674	-	24,674
Debtors	-	-	-	3,638	3,638
Cash deposits	172	-	3,030	-	3,202
Cash at bank and in hand	-	3,652	5,548	3,860	13,060
Creditors: amounts falling due within one year	-	-	(631)	(3,986)	(4,617)
Creditors: amounts falling due after one year	-	-	(13,356)	-	(13,356)
	<b>172</b>	<b>3,652</b>	<b>19,265</b>	<b>3,512</b>	<b>26,601</b>

	Endowment £'000	Restricted £'000	Designated £'000	General £'000	2019 Total £'000
Fixed assets	-	-	26,566	-	26,566
Debtors	-	-	-	2,313	2,313
Cash deposits	172	-	3,021	-	3,193
Cash at bank and in hand	-	2,739	43	5,320	8,102
Creditors: amounts falling due within one year	-	-	(1,085)	(4,496)	(5,581)
Creditors: amounts falling due after one year	-	-	(13,481)	-	(13,481)
	<b>172</b>	<b>2,739</b>	<b>15,064</b>	<b>3,137</b>	<b>21,112</b>

## 15. FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES

The total Social Housing Grant included in the Statement of Financial Position and SOFA, at 31 March 2020, is £14.4m (2019: £15.5m). This balance could, under certain circumstances, be repayable.

## 16. OPERATING LEASE COMMITMENTS

At 31 March, the future minimum operating lease payments are as follows:

	2020 Land & buildings £'000	2020 Office equipment £'000	2019 Land & buildings £'000	2019 Office equipment £'000
Within one year	476	24	466	85
Between one and five years	1,087	47	1,705	69
	<b>1,563</b>	<b>71</b>	<b>2,171</b>	<b>154</b>

## 17. ACCOMMODATION IN MANAGEMENT

Group and company	As at 31 March 2019 Number	Additions Number	Disposals Number	As at 31 March 2020 Number
<b>Owned or lease held by Centrepoint</b>				
Hostel bed spaces	113	17	-	130
Other bed spaces	262	-	(62)	200
	<b>375</b>	<b>17</b>	<b>(62)</b>	<b>330</b>
<b>Owned by partner registered providers</b>				
Hostel bed spaces	336	5	(29)	312
Other bed spaces	180	-	(19)	161
	<b>516</b>	<b>5</b>	<b>(48)</b>	<b>473</b>
<b>Total Managed accommodation</b>	<b>891</b>	<b>22</b>	<b>(110)</b>	<b>803</b>
Units managed by other associations	18	-	-	18
<b>Total owned and managed</b>	<b>909</b>	<b>22</b>	<b>(110)</b>	<b>821</b>

## 18. RECONCILIATION OF NET INCOME TO NET CASH GENERATED BY OPERATIONS

	2020 £'000	2019 £'000
Net income	5,489	1,210
Net gain on disposal of fixed assets	(2,919)	(17)
Interest receivable	(48)	(32)
Depreciation charges	871	818
Impairment charge	255	-
Amortisation of intangible assets	136	158
Amortisation of social housing grant	(192)	(196)
<b>Operating cash flows before movement in working capital</b>	<b>3,592</b>	<b>1,941</b>
(Increase)/decrease in debtors	(1,324)	1,030
(Decrease)/increase in creditors	(510)	832
<b>Cash generated by operations</b>	<b>1,758</b>	<b>3,803</b>

## 19. NET FUNDS

	2020 £'000 Company	2020 £'000 Group	2019 £'000 Company	2019 £'000 Group
Cash deposits	3,202	3,202	3,193	3,193
Cash at bank and in hand	13,019	13,060	8,056	8,102
<b>Net Funds</b>	<b>16,221</b>	<b>16,262</b>	<b>11,249</b>	<b>11,295</b>

## 20. COMPANY LIMITED BY GUARANTEE

Centrepoint is a company limited by guarantee. If, upon the winding-up or dissolution of the company, there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the members of the company but shall be given or transferred to some other charitable institution or institutions having objects similar to the objects of the company. Every member of the company undertakes to contribute to the assets of the company, in the event of the same being wound up, such amount as may be required not exceeding the sum of £1. There are currently 12 members (2019: 12).

## 21. CAPITAL COMMITMENTS

Group and company	2020 £'000	2019 £'000
Capital expenditure commitments - contracted but not provided for	-	63

## 22. RELATED PARTY TRANSACTIONS

David Montague, appointed as a Trustee on 1 August 2018 and who resigned on 9 October 2019, is also Chief Executive of London & Quadrant (L&Q). L&Q are a Registered Social Housing Landlord for our Lambeth and Lewisham contracts. The contracts were in place for a number of years and, as such, there was no conflict of interest at the time of the contract award. L&Q charged rent and service charges totalling £229,493 for the year ended 31 March 2020 and £336,647 for the year to 31 March 2019. Centrepont had a balance payable with L&Q as at 31 March 2020 of £nil and 31 March 2019 of £85,748.

Ndidi Okezie, appointed as a Trustee on 1 August 2018, was also vice president at Pearson Schools in the prior year. Pearson Schools provide qualifications for our learners and have been providing this service for a number of years. Pearson Schools charged £7,780 during the year to 31 March 2019. Centrepont had a balance payable with Pearson Schools as at 31 March 2019 of £nil.

The following transactions are with 100% owned entities which are not regulated by Homes England:

- Centrepont recharged costs to CP Trading Limited of £2,450 (2018-19 £500) during the year and owed £2,450 to Centrepont as at the year-end date (2018-19 CP Trading Ltd was owed £65,755). CP Trading has the same registered address as Centrepont, as set out on page 80.
- Centrepont recharged costs to The American Friends of Centrepont of £1,000 (2018-19 £596) and owed £15,094 (2018-19 £14,095) to Centrepont. The American Friends of CenterPoint registered address is 1600 Bausch & Lomb Place, Rochester, New York, USA, 14604-2711.



## 23. COMPARATIVE SOFA

	Note	General £'000	Unrestricted Designated £'000	Restricted & Endowment £'000	Total 2019 £'000
<b>Income from</b>					
Donations & legacies	2a	15,665	-	2,849	18,514
Charitable activities	2b	14,815	213	214	15,242
Investment income		32	-	-	32
Other		190	-	25	215
<b>Total income</b>	4	<b>30,702</b>	<b>213</b>	<b>3,088</b>	<b>34,003</b>
<b>Expenditure on</b>					
Raising donations & legacies	2d	7,528	148	778	8,454
<b>Raising funds</b>		<b>7,528</b>	<b>148</b>	<b>778</b>	<b>8,454</b>
<b>Net income for charitable application</b>		<b>23,174</b>	<b>65</b>	<b>2,310</b>	<b>25,549</b>
<b>Expenditure on charitable activities</b>					
Collaboration		138	3	21	162
Engagement		721	13	29	763
Health		370	19	701	1,090
Housing & lifeskills		17,172	721	299	18,192
Policy & influence		355	7	34	396
Prevention		1,271	60	374	1,705
Skills & employment		1,658	35	338	2,031
<b>Total charitable expenditure</b>	2d	<b>21,685</b>	<b>858</b>	<b>1,796</b>	<b>24,339</b>
<b>Net income/(deficit)</b>		<b>1,489</b>	<b>(793)</b>	<b>514</b>	<b>1,210</b>
Transfers	13	(1,009)	881	128	-
Net movements in funds		480	88	642	1,210
Reserves brought forward		2,657	14,976	2,269	19,902
<b>Reserves carried forward</b>	13	<b>3,137</b>	<b>15,064</b>	<b>2,911</b>	<b>21,112</b>

## 24. STATEMENT OF COMPREHENSIVE INCOME

We present the Statement of Comprehensive income as required by the Housing SORP.

	Unrestricted General £'000	Unrestricted Designated £'000	Restricted & Endowment £'000	Total 2020 £'000	Total 2019 £'000
<b>Turnover</b>	<b>36,974</b>	<b>4,218</b>	<b>3,139</b>	<b>44,331</b>	<b>33,971</b>
Operating expenditure	(35,637)	(1,352)	(1,901)	(38,890)	(32,793)
<b>Operating surplus</b>	<b>1,337</b>	<b>2,866</b>	<b>1,238</b>	<b>5,441</b>	<b>1,178</b>
Interest receivable	48	-	-	48	32
Interest payable and similar charges	-	-	-	-	-
<b>Surplus before tax</b>	<b>1,385</b>	<b>2,866</b>	<b>1,238</b>	<b>5,489</b>	<b>1,210</b>
Taxation	-	-	-	-	-
<b>Surplus for the year</b>	<b>1,385</b>	<b>2,866</b>	<b>1,238</b>	<b>5,489</b>	<b>1,210</b>
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>1,385</b>	<b>2,866</b>	<b>1,238</b>	<b>5,489</b>	<b>1,210</b>

## 25. STATEMENT OF CHANGES IN FUNDS

We present the Statement of Changes in Funds as required by the Housing SORP.

	Unrestricted General £'000	Unrestricted Designated £'000	Restricted & Endowment £'000	Total 2019 £'000
<b>Balance as at 1 April 2018</b>	<b>2,657</b>	<b>14,976</b>	<b>2,269</b>	<b>19,902</b>
Surplus/(deficit)	1,489	(793)	514	1,210
Transfers	(1,009)	881	128	-
<b>Balance as at 31 March 2019</b>	<b>3,137</b>	<b>15,064</b>	<b>2,911</b>	<b>21,112</b>
Surplus	1,385	2,866	1,238	5,489
Transfers	(1,010)	1,335	(325)	-
<b>Balance as at 31 March 2020</b>	<b>3,512</b>	<b>19,265</b>	<b>3,824</b>	<b>26,601</b>

## BOARD, OFFICERS AND ADVISERS

### Board of Trustees

Symon Elliott	Chair	
Tsion Balcha	Appointed 19 June 2020	
Sir David Carter		
Frances Corner		
Darren Douglas	Appointed 20 November 2019	
Ian Holborn	Resigned 31 August 2020	
Amanda Holgate	Appointed 5 August 2020	
Robert Kerse		
Clare Montagu		
David Montague	Resigned 9 October 2019	
Poppy Noor	Resigned 7 August 2019	
Ndidi Okezie		
Sally Scriminger		
Alan Wardle	Resigned 5 June 2019	
Mike Westcott		
Thomas Wood	Appointed 5 August 2020	
Will Yerburch	Appointed 6 April 2020	

### Secretary

Seyi Obakin

### Senior Executive Officers

Seyi Obakin	Chief Executive Officer	
Robert Cade	Director of Strategy & Performance	
Balbir Chatrik	Director of Policy & Communications	
Karen Gibson	Director of Finance & Compliance	
Martin Gill	Director of Housing & Support	Resigned 28 February 2020
Diana Gornall	Director of Fundraising	Resigned 30 September 2020
Sally Orlopp	Director of People, Skills & Employability	
Ed Tytherleigh	Director of Support & Housing	Appointed 7 April 2020

### Registered office

Central House  
25 Camperdown Street, London, E1 8DZ

### Registration details

Charity registration number 292411  
Company Registration number 01929421  
Homes England registration number H1869

### Solicitors

Bircham Dyson Bell  
50 Broadway, Westminster, London, SW1H 0BL  
McCarthy Denning Ltd  
25 Southampton Buildings, London, WC2A 1AL

### Auditor

BDO LLP, 2 City Place, Beehive Ring Road,  
Gatwick, RH6 0PA

### Bankers

Barclays, Level 12, 1 Churchill Place, Canary Wharf,  
London, E14 5HP  
Royal Bank of Scotland Group, 9th Floor,  
280 Bishopsgate, London, EC2M 4RB





centre  
point

give homeless  
young people  
a future



Centrepoint Head Office, Central House,  
25 Camperdown Street, London E1 8DZ

Tel 0800 23 23 20

Fax 0845 466 3500

[www.centrepoin.org.uk](http://www.centrepoin.org.uk)

Charity Number 292411