

CENTREPOINT SOHO
FINANCIAL STATEMENTS
YEAR ENDED
31st MARCH 2002



CENTREPOINT SOHO

**A CHARITABLE COMPANY LIMITED BY GUARANTEE AND NOT HAVING A
SHARE CAPITAL**

BOARD OF DIRECTORS

Raymond PLANT (Chair) (appointed Jan 2002)
Brian POMEROY (Chair) (resigned Dec 2001)
Cecilia WELLS (Vice Chair)
Bernard DONOGHUE
Colin SHEPPARD
Jan WICKHAM (resigned May 2001)
Manny AMADI
Cathy BEREZNICKI
Chris ROBINSON (resigned Oct 2001)
Neil FINLAYSON
Barry SIMONS
John RHODES
Jane COOPER (resigned Nov 2001)
Penny FRANCIS
Michael O'HIGGINS (appointed Jan 2002)
Douglas SMALLWOOD (appointed Jan 2002)

SECRETARY

Victor ADEBOWALE (resigned July 2001)
Felicity KING (appointed July 2001)

REGISTERED OFFICE

Neil House
7 Whitechapel Road
London E1 1DU

AUDITORS

Arthur Andersen
180 Strand
London WC2R 1BL

SOLICITORS

Rochman Landau
45 Mortimer Street
London W1N 7TD

STATUTORY REGISTRATION

Registered Charity No: 292411
Limited Company No: 1929421
Housing Association No: H1869

CENTREPOINT SOHO

REPORT OF THE DIRECTORS: YEAR ENDED 31st MARCH 2002

The directors have pleasure in submitting their report and the financial statements of the group.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the income and expenditure of the Company for that year. In preparing those financial statements, the directors are required to:

- * Select suitable accounting policies and apply them consistently;
- * Make judgements and estimates that are reasonable and prudent;
- * State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- * Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company, and to enable them to ensure that the financial statements comply with the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ACTIVITIES

Centrepont is a national charity working to improve the lives of significant numbers of young people aged 16-25 who are homeless or at risk because they do not have a safe place to stay. Resources are allocated each financial year to activities undertaken with this strategic aim in mind. While the organisation's mission and values remain constant, the year 2001-2 saw some significant changes, with the arrival of a new Chief Executive, Anthony Lawton, who took over from Victor Adebawale in September 2001.

This change was followed soon after by the appointment of Lord Raymond Plant as Chair of the Board of Trustees, succeeding Brian Pomeroy who stepped down after over 25 years as a Centrepont Board Member. While these changes have given added impetus to evolving Centrepont's practice and model of service, the year has not seen any reduction in activity and has seen the organisation continue to develop and improve the way that it invests its resources.

In order for the organisation to have maximum impact, Centrepont's activities are organised into three areas. The first two areas are: *direct services to young people*, and, based on evidence gained from those direct services, *activities aimed at influencing* the policies and practices of Government and other agencies also working with young people.

The third set of activities are the business support functions, including the *attraction and management of resources*, which are crucial to the long term sustainability of the organisation so that it might truly continue to meet its overall aims.

The *direct services to young people* themselves encompass a range of different types of support, and are based in a variety of different locations, primarily in Greater

CENTREPOINT SOHO

REPORT OF THE DIRECTORS: YEAR ENDED 31st MARCH 2002 (continued)

London. However, they have a number of underlying principles in common, and are designed to provide an appropriate range of support across 4 broad areas of a young person's life. These are the:

- **Personal** (i.e. having a 'home', accommodation, confidence and key skills for autonomous living, relationships, health – including mental and substance/alcohol use/abuse);
- **Social** (involvement in families, peer groups, communities, organisations and society);
- **Educational** (as lifelong learners; productive involvement with formal education and training); and
- **Vocational** (job-specific training; securing work; maintaining employment; career)

While the services themselves principally include the provision of accommodation to young people, the period during which those young people might stay as residents of the services varies from 10 days in our Safestop service, to up to 2 years in the foyers, flats and bedsits which we manage.

Similarly, some of the services may provide intensive support to young people with severe substance misuse or other health related issues, while others will give young people access to a different range of other services to help them develop new skills and access education and employment opportunities.

As far as *influencing policy and practice* is concerned, Centrepoint engages in this type of activity so that we can have an impact on the lives of the greatest possible number of young people at risk. In practical terms we do this by working with local authorities inside and outside of London, often in partnership with other agencies, to help ensure that the most appropriate services are available and being delivered to young people at risk of homelessness.

Our expertise is drawn from our experience of delivering direct services, and also gives us the evidence we need to work with and inform central Government and its agencies so that policies are developed and implemented to meet the needs of the largest number of young people.

Finally, in terms of the *attraction and management of resources*, Centrepoint enjoys the support of a wide range of funders including a number of statutory and other Governmental authorities which together provide the resources which are allocated to the range of activities described above. While many of the funds are paid over to Centrepoint for the delivery of certain specific outcomes, we are determined that we should only become involved in such contracting relationships where they truly help to fulfil our strategic aim, and, where at all possible, meet their full delivery costs.

Other support is given to us in more general support of our aims, and we are grateful to the wide coalition of supporters who view what we are doing as sufficiently important to support, and provide us with the funds we need.

While most of these funds are generated and received through the main charity, Centrepoint also has a wholly owned subsidiary company CP Trading Limited, which carries out various fundraising activities and covenants the profits to Centrepoint. In 2001/02 the total profits covenanted amounted to £156,707.

CENTREPOINT SOHO

REPORT OF THE DIRECTORS: YEAR ENDED 31st MARCH 2002 (continued)

Across all of these areas Centrepont endeavours to work in partnership when it is most effective and to broker further resources and opportunities where this is possible. We seek to be part of a community of interests in helping improve the lives of young people, and recognise that our services and resources are only part of the solution to help achieve this.

ACHIEVEMENTS

While Centrepont's activities are ongoing across all the areas, it is important that we demonstrate that in the financial year 2001-2, the resources that were generated and received by Centrepont did in turn allow us to fund specific developments that helped us toward achieving our overall aim. For the purposes of this report, these achievements are again organised into *direct services*, *influencing activities* and *resources management and attraction activities*.

Direct Services

- From the beginning of April 2001 to the end of March 2002, Centrepont's direct accommodation-based services admitted 1058 young people, who stayed for various periods of time. In total in our accommodation-related services we worked with over 2000 people, and each night we provided over 500 bedspaces for homeless young people. Finding suitable accommodation for those young people leaving our projects continues to be difficult, though we did manage to successfully place 58% of those leaving Centrepont's services into alternative accommodation. The majority of those who we could not help were able to choose their own move on options.
- In Autumn 2001 Centrepont opened its hostel in Greek Street, central London. The hostel, purposely refurbished by partners, Soho Housing Association, provides 26 young people with space in which they can learn to live independently or in shared accommodation, and access education and training services. The young people are helped to live in a stable, safe community, but develop their own personal and social skills, independence and motivation.
- Also in late 2001, Centrepont's hostel at Vauxhall Cross was redeveloped and relaunched as a specialist service for young people with more severe or complex needs, such as substance misuse or mental health needs.
- The development of these two services was in part informed by the experience of running a temporary project for rough sleepers who were also drug users in Lambeth. This project closed in March 2002, and provided us with substantial learning about what kind of services should be available to people with these needs. This learning has not only informed the development of Centrepont's own services, but has been documented and written up as a report for policy makers to be published in summer 2002.
- The SPACE programme, which provides opportunities for young people to develop their basic life skills has been extended and is now available to residents in 4 central London projects. New activities this year have included joint work with the Downside Club and participation in the Street Football League.
- Streets Ahead, Centrepont's job training and brokerage service, is now established in new temporary premises in London's West End, and this year saw the launch at the service of a partnership with Reed Employment Services and Business Action on Homelessness to provide an online job bank for homeless people (www.readyforjobs.org.uk)

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REPORT OF THE DIRECTORS: YEAR ENDED 31st MARCH 2002 (continued)

Influencing activities

- 2001-2 saw the launch of Centrepoin's Triangle service, which is aimed at preventing youth homelessness in the London Borough of Lambeth. Funded by Safe in the City, an independent organisation originally created by Centrepoin and Peabody Trust, Triangle offers young people access to family mediation and support; education and training services and housing support to help prevent them from becoming homeless.
- We continued to help local authorities around the country put in place practical support services for young people, in particular helping to inform provision for drug users in Brighton and Hove, and to assist with the development of a strategy to address youth homelessness in Worcestershire. In Durham we continued to animate a local partnership of organisations working together to tackle youth homelessness.
- Work also continued in partnership with the Countryside Agency aimed at assessing the extent of youth homelessness in rural areas, and recommending what to do about it culminating in the publication of a report launched by Alun Michael MP, minister for Rural Affairs in Spring 2002.
- Finally, Centrepoin ran its first co-ordinated marketing campaign, aimed at raising funds and encouraging supporters to call on the Government to do more for homeless young people. Supported by a string of celebrities, including Chris Tarrant, Richard Wilson and Sara Cox, the *Who Wants to Be...* campaign generated substantial media attention for Centrepoin, and issues relating to young people. It also culminated in the recruitment of 200 "challengers" who all agreed to raise £1000 for Centrepoin, and the presentation of a 5000 signature petition at 10 Downing Street in March 2002.

Support services and resources

- Centrepoin continued to grow Fundraised income, securing £2.7 million of new funding with £3.2 million available for activities in the year including transfers from restricted reserves, an increase of 8% on 2000-2001. Direct Marketing income continued to grow, helped by the maturing of a legacy marketing programme. A substantial success was the support pledged by the Royal Bank of Scotland, who have agreed to invest significant cash and other resources to help Centrepoin offer integrated education and training services to all the young people who are resident in its accommodation projects. These continued improvements in fundraising saw Centrepoin chosen as runner up in the Marketing Week charity awards 2001.
- We continue to work on ensuring that our financial management systems are robust and effective, and have been boosted by the arrival of two new senior managers within the Finance Department to support the work of the Finance Director.
- As part of our continued drive to be the employer of choice for those wishing to work to improve the lives of young people at risk, we have introduced a new pay and grading system across the organisation. Supported by a fully operational performance appraisal system, this has been welcomed by staff and managers as a positive way to support development and improve performance.
- The development of our client monitoring system, CP Link, which began in 2000-2001 is continuing. As we strive to improve quality and co-ordination within our services, this system will help us measure the effectiveness of these developments. The system should be fully up and running by the end of 2002-3.

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REPORT OF THE DIRECTORS: YEAR ENDED 31st MARCH 2002 (continued)

- In addition to CP Link, despite limited cash for capital investment, we have worked hard to maintain and develop the quality of our internal IT services, and indeed of the physical infrastructure of Centrepoin't's services generally.

However, it is clear that these are areas we should priorities in the future for further investment.

FINANCIAL RESULTS

The financial results for the year and their appropriation are set out in the Income and Expenditure Account on page 12. The position at the end of the year is shown in the Balance Sheet on page 13.

FUNDRAISING

As noted above Fundraised income to fund activities in the year grew by over £200,000. This performance represented an 8% increase in a year when economic conditions were difficult, and followed an increase of over 30% the previous year. Spending on Fundraising activity also rose, with the Board agreeing to the recruitment of a direct marketing agency and programme of mailings to bring new supporters to the organisation, and communicate more effectively with existing supporters so they would continue to give donations into the future. The continued success of the Direct Marketing income stream (up to over £1m this year from £673,000 in 2000-01) including the generation of substantial income from legacies indicates that the Board's strategy continues to pay off.

RESERVES

The trustees reviewed the reserves of the charity as part of the business planning process. Following this review the trustees set a medium term target of achieving reserves equal to two months operating costs, to allow the organisation to be managed efficiently and to provide a buffer to ensure the uninterrupted provision of services. At the 31 March 2002 the general reserves were £496,933, equating to a months operating costs. The Board has also transferred £627,000, raised from the sale of a property, to a designated reserve as a fund to support Centrepoin't's working capital requirements.

DIRECTORS

Particulars of the directors who served during the period are set out on page 1.

TAXATION

The company's charitable activities do not give rise to any charge to taxation.

PLANNED FUTURE DEVELOPMENTS

Centrepoin't is now in the third year of the Business Plan developed in 2000 as a result of the Strategic Plan – *Long Term Solutions* – which was produced at the start of that year. The five stated objectives of the Business Plan were:

- To be the service of choice for young people at risk;
- To be the major voice for and of young people at risk;
- To be the employer of choice for professionals and volunteers who have a commitment to working with young people at risk of homelessness or social exclusion;

CENTREPOINT SOHO

REPORT OF THE DIRECTORS: YEAR ENDED 31st MARCH 2002 (continued)

- To secure the future of Centrepont through effective financial management and building reserves; and
- To achieve appropriate standards of excellence across the organisation.

Significant progress has been made towards meeting all of these objectives. However, given that we will be half way through the plan in mid 2002, and the manifold changes in the context within which we are working, the Board has decided to carry out a full review of the plan with the aim of developing a new, ongoing Strategy and Business Plan during 2002-3.

In addition to this review, a number of priorities for the year 2002-2003 have been identified and are underway to help move the organisation forward, with our overall aim in mind. These include:

- Continuing to develop and improve the quality of our direct services to young people, and integrating education training and employment services with accommodation projects, aiming to get closer to the point where every young person in Centrepont accommodation has access to these services.
- Continuing to develop new services according to need, but only where they are financially sustainable.
- Continuing to improve and assure the quality of existing services and processes. Completing the implementation of the Centrepont Link Client Management Information Services across all accommodation projects and evaluating its success.
- Continuing to build the Centrepont brand, raising the profile of the organisation and continuing to recruit new supporters, build new partnerships and generate additional voluntary income.
- Develop internally a culture of continuous improvement and a commitment to high performance.

While Centrepont's focus remains very clearly on direct support for young people, it is equally clear that we should continue to make best use of the experience and insights that this direct work gives us. This means that we will continue to invest resources in using the evidence and understanding we have to influence policy and practice for work with excluded young people so that we do truly continue to improve the lives of significant numbers.

CORPORATE GOVERNANCE

The Directors have implemented the recommendations of the NFHA Code of Governance and will continue to abide by it. Future improvements to this will be considered by the Board with a view to incorporating them in the existing Code.

STATEMENT ON INTERNAL FINANCIAL CONTROL

In recognition of its responsibilities for the company's system of internal financial control, the Board has established control systems which 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 transactions which are truly necessary and fall within the scope of the company's operations are undertaken and that alterations or amendments to existing company records are properly authorised.

CENTREPOINT SOHO

REPORT OF THE DIRECTORS: YEAR ENDED 31st MARCH 2002

- recording controls which ensure that all and only authorised transactions are taken into accounting records. Elements of these controls comprise of segregation of duties among personnel, logging of financial instruments and checking reports against input source documents.
- safe custody of assets including periodic physical verification of their existence at sites where these 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.

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

The Board has reviewed and continues to review the effectiveness of the system of internal financial control through delegated authority to appropriate personnel or by engaging outside agencies.

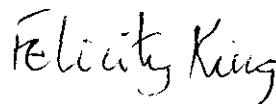
The reviews carried out in the financial year ended 31st March 2001 have not revealed weaknesses in internal financial control resulting in material losses, contingencies, or uncertainties which the Board regards as material therefore requiring disclosure in the financial statements or the auditors' report on the financial statements.

The trustees have introduced a formal risk management process to assess business risks and implement risk management strategies. This involved identifying the types of risks the organisation faces, prioritising them in terms of potential impact and likelihood of occurrence, and looking at ways of mitigating the risks.

AUDITORS

From 1 January 2002 our auditors, Binder Hamlyn, now practice in the name Arthur Andersen. They have signed their report in the new name.

In the UK, an agreement for the partners and personnel of Arthur Andersen to join Deloitte & Touche has recently been concluded. As a consequence of this, the trustees have concluded that it is now appropriate to propose a resolution at the Annual General Meeting to appoint Deloitte & Touche as auditors to the group for the ensuing year.



FELICITY KING
Secretary

Date of approval: 25 July 2002

CENTREPOINT SOHO
REPORT OF THE AUDITORS TO MEMBERS OF CENTREPOINT SOHO

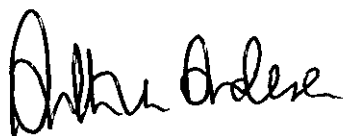
In addition to our audit of the accounts, we have reviewed the Board's statement on pages 7 and 8 on the company's compliance with the Housing Corporation Circular R2-18/96 "Internal financial control and financial reporting" ("the Circular"). The objective of our review is to draw attention to non-compliance with the Circular.

Basis of Opinion

We carried out our review in accordance with Bulletin 1995/1 "Disclosure relating to corporate governance" issued by the Auditing Practices Board. The Bulletin does not require us to perform the additional work necessary to, and we do not, express any opinion on the effectiveness of the company's system of internal financial control.

Opinion

With respect to the Board's statement on internal financial control on pages 7 and 8, in our opinion the Board has provided the disclosures required by the Circular and such statement is not inconsistent with the information of which we are aware from our audit work on the accounts.

A handwritten signature in black ink, appearing to read 'Arthur Andersen', is positioned above the printed name.

Arthur Andersen
Chartered Accountants and Registered Auditors

180 Strand
London
WC2R 1BL

25 July 2002

**CENTREPOINT SOHO
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CENTREPOINT
SOHO**

We have audited the accounts of Centrepoint Soho Limited for the year ended 31 March 2002 which comprise the Consolidated Statement Of Financial Activities, the Consolidated Balance sheet, the Balance sheet and the Consolidated Cash Flow Statement and the related notes numbered 1 to 19. These accounts have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the accounts in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of directors' responsibilities. Our responsibility is to audit the accounts in accordance with relevant legal, regulatory requirements, United Kingdom Auditing Standards and by our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000. We also report to you if, in our opinion, the Directors' report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts.

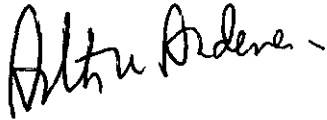
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company and the group at 31 March 2002 and of the group's income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000.

A handwritten signature in black ink, appearing to read 'Arthur Andersen', with a small horizontal line at the end.

Arthur Andersen
Chartered Accountants and Registered Auditors

180 Strand
London
WC2R 1BL

25 July 2002

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES: YEAR ENDED 31st MARCH 2002
(Incorporating an Income and Expenditure account)

	Notes	Restricted	Unrestricted	2002 Total	2001 Total £
<u>Incoming Resources</u>					
Rents and charges		-	3,048,408	3,048,408	2,550,491
Statutory grants	3	4,285,973	235,249	4,521,222	4,489,778
Charitable donations	3	427,364	2,252,670	2,680,034	3,016,141
Contracts		-	185,978	185,978	482,131
Others		-	70,951	70,951	217,632
Turnover	2	4,713,337	5,793,256	10,506,593	10,756,173
Surplus on disposal of fixed assets		-	342,540	342,540	-
Interest Receivable	2	-	31,867	31,867	42,911
Total Incoming Resources		4,713,337	6,167,663	10,881,000	10,799,084
<u>Resources Expended</u>					
Direct Charitable expenses		5,198,329	4,516,170	9,714,499	9,772,810
Management and Administration		-	185,928	185,928	182,922
Fundraising and Publicity		-	860,471	860,471	659,183
Total Resources Expended	2	5,198,329	5,562,569	10,760,898	10,614,915
Surplus/(Deficit)	2	(484,992)	605,094	120,102	184,169
Reserves brought forward		1,060,310	1,551,040	2,611,350	2,427,181
Reserves carried forward	12	575,318	2,156,134	2,731,452	2,611,350

All of the above results derive from continuing activities

The accompanying notes are an integral part of these financial statements

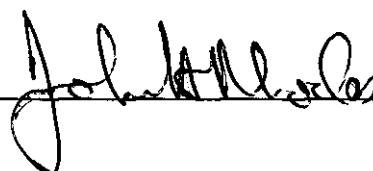
There were no recognised gains and losses other than those shown in the statement above.

These financial statements were approved by the Board of Directors on 25 July 2002 and signed on their behalf by:



Raymond Plant, Chair

Board Member



CENTREPOINT SOHO

CONSOLIDATED BALANCE SHEET AT 31st MARCH 2002

	Notes	2002 £	2002 £	2001 £	2001 £
Tangible Fixed Assets					
Housing Properties - gross cost less depreciation	7	5,126,045		5,456,985	
Less: Social Housing Grant (SHG)	7	(3,787,844)		(3,787,844)	
Other Fixed Assets - gross cost less depreciation	7	273,375		269,451	
			1,611,576		1,938,592
Current Assets					
Debtors	9	1,317,403		1,096,859	
Cash at Bank and in Hand					
Restricted Funds		142,064		681,156	
Other		1,218,105		443,797	
			2,677,572		2,221,812
Creditors : amounts falling due within one year	10		(1,536,840)		(1,527,889)
Net Current assets			1,140,732		693,923
Total assets less Current Liabilities			2,752,308		2,632,515
Creditors : amounts falling due after more than one year					
	11		20,856		21,165
Reserves					
Restricted funds	12		575,318		1,060,310
Unrestricted funds					
Designated Reserves :-	12				
Major repairs			40,000		-
Charitable grants towards Capital			906,438		1,191,478
Statutory Grants towards fixed assets			85,183		85,183
Working capital			627,580		-
General Reserves	12		496,933		274,379
			2,752,308		2,632,515

The accompanying notes are an integral part of these financial statements

These financial statements were approved by the Board of Directors on 25 July 2002 and signed on their behalf by:


Raymond Plant, Chair


Board Member

CENTREPOINT SOHO

COMPANY BALANCE SHEET AT 31st MARCH 2001

	Notes	2002 £	2002 £	2001 £	2001 £
Tangible Fixed Assets					
Housing Properties - gross cost less depreciation	7	5,126,045		5,456,985	
Less: Social Housing Grant (SHG)	7	(3,787,844)		(3,787,844)	
Other Fixed Assets - gross cost less depreciation	7	273,375		269,451	
			1,611,576		1,938,592
Investments	8		23,999		23,999
Current Assets					
Debtors	9	1,427,565		1,179,577	
Cash at Bank and in Hand					
Restricted Funds		142,064		681,156	
Other		1,044,801		283,937	
			2,614,430		2,144,670
Creditors : amounts falling due within one year	10		(1,497,697)		(1,474,746)
Net Current assets			1,116,733		669,924
Total assets less Current Liabilities			2,752,308		2,632,515
Creditors : amounts falling due after more than one year					
	11		20,856		21,165
Reserves					
Restricted funds	12		575,318		1,060,310
Unrestricted reserves					
Designated Reserves :-	12				
Major Repairs			40,000		-
Charitable Grants towards Capital			906,438		1,191,478
Statutory Grants towards fixed assets			85,183		85,183
Working capital			627,580		-
General Reserves	12		496,933		274,379
			2,752,308		2,632,515

The accompanying notes are an integral part of these financial statements

These financial statements were approved by the Board of Directors on 25 July 2002 and signed on their behalf by:


Raymond Plant, Chair


Board Member

CENTREPOINT SOHO

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

	Notes	2002 £	2001 £
Net cash inflow/(outflow) from operating activities		(291,341)	423,508
Returns on investment and servicing of finance	19	31,558	42,767
Capital expenditure	19	<u>494,999</u>	<u>(231,421)</u>
Increase/(Decrease) in cash		<u>235,216</u>	<u>234,854</u>

Reconciliation of surplus/(deficit) to net cash inflow(outflow) from operating activities.

	2002 £	2001 £
Surplus	120,102	184,169
Interest receivable	(31,867)	(42,911)
Depreciation charges	174,557	215,978
Surplus on sale of fixed assets	(342,540)	-
(Increase)/Decrease in debtors	(220,544)	3,930
Increase in creditors	<u>8,951</u>	<u>62,342</u>
Net cash inflow/(outflow) from operating activities	<u>(291,341)</u>	<u>423,508</u>

CENTREPOINT SOHO

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31st MARCH 2002

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 accounts of Centrepont Soho.

(a) Basis of accounting

The accounts have been prepared under the historic cost convention and in accordance with applicable accounting standards, with special regard to the Statement of Recommended Practice (the SORP) "Accounting by Registered Social Landlords" issued in March 1999 and "Accounting by Charities". Centrepont 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. The directors consider that the accounts should be prepared to reflect Centrepont's aims and to satisfy the different reporting needs of users. Therefore they have produced a Statement of Financial Activities, incorporating an income and expenditure account which satisfies the reporting requirements of the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000.

(b) Basis of consolidation

The group accounts consolidate the accounts of Centrepont Soho and its subsidiary CP Trading. As provided by S230 of the Companies Act 1985, no statement of financial activities is presented for the company. The company's surplus for the year was £120,102 (2001 £184,169).

(c) Income and Expenditure Recognition

Financial statements are drawn up on a full accruals basis.

(d) Incoming Resources

All incoming resources income received towards Centrepont Soho's day-to-day activities is recognised in the Statement of Financial Activities, together with charitable income which has been provided for a specific purpose and can be utilised in the period.

(e) Fund Accounting

General reserves are available for use at the discretion of the Board in furtherance of the general objectives of Centrepont.

Designated reserves comprise funds which have been set aside at the discretion of the Board for specific purposes. The purpose and use of the designated funds are set out in these notes.

Restricted funds are funds subject to specific restriction imposed by donors or by the purpose of the appeal.

(f) Fixed Asset Investments

Fixed asset investments are carried at cost less provision for impairment in value.

(g) VAT

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

CENTREPOINT SOHO

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31st MARCH 2002 (continued).

(h) Fixed assets

Hostel and housing properties are stated at cost less provision for any impairment in value.

As a result of the issue in March 1999 of the SORP, the directors reviewed whether it remained appropriate not to charge depreciation on freehold properties. In the opinion of the directors, there is no depreciation required as the carrying values after deduction SHG and similar grants are less than the expected residual value of the land element of the property. Depreciation is charged on leasehold property evenly over the length of the lease.

Other fixed assets are stated at cost and depreciated over their estimated useful lives as follows:-

- Computer equipment 33 1/3% on cost
- Furniture and equipment 25% on cost

Where hostel and housing properties have been funded by Social Housing Grant (SHG), the grant is repayable on disposal, in most circumstances.

(i) Apportionment of Management Expenses

Management costs are specifically allocated wherever possible.

Specific overheads are attributed directly to service support and fundraising functions. Overheads relating to the management of the groups assets, its organisational administration and compliance with constitutional and statutory requirements are reported as management and administrative costs. Other non-specific overheads are allocated based on time spent on each activity.

(j) Designated Reserves

Designated reserves have also been set up to reflect the value of charitable and statutory grants received for the purchase of fixed assets and investments.

(k) Cyclical Maintenance

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

(m) Managed Properties

All income and expenditure incurred by Centrepoint Soho relating to projects owned by partner associations and managed by Centrepoint Soho has been accounted for in these financial statements.

(n) Pension Costs

Centrepoint has a defined contribution pension scheme. The amount charged to the profit and loss account 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.

CENTREPOINT SOHO

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31st MARCH 2001 (continued).

2 PARTICULARS OF TURNOVER, OPERATING COSTS, AND OPERATING SURPLUS

	Turnover	Operating Costs	Surplus/ (Deficit)	2001 Surplus/ (Deficit)
	£	£	£	£
Social Housing Lettings	6,632,465	7,246,888	(614,423)	(699,829)
Non Social Housing activities				
National Development	497,260	728,401	(231,141)	(104,396)
Other projects	1,294,497	1,411,051	(116,554)	(126,990)
Fundraising	1,906,205	860,471	1,045,734	1,466,911
Other	176,166	514,087	(337,921)	(394,438)
	10,506,593	10,760,898	(254,305)	141,258
Surplus on disposal of fixed assets			342,540	-
Interest Receivable			31,866	42,911
Surplus/(deficit) for the year			120,101	184,169
<u>Social Housing Income</u>			2002	2001
			£	£
Rental income net of identifiable service charges			2,548,314	1,953,671
Service Charges			928,039	867,697
Gross rental income			3,476,353	2,821,368
Rent losses from voids			(427,945)	(270,877)
			3,048,408	2,550,491
Statutory Grants			1,794,754	1,451,762
Charitable Donations			506,524	435,315
Housing Corporation - SHMG			1,223,103	1,028,699
Other			59,676	149,700
Turnover from social housing lettings			6,632,465	5,615,967
<u>Social Housing Expenditure</u>			2002	2001
			£	£
Services			3,234,132	2,971,030
Management			3,049,476	2,574,031
Routine Maintenance			372,172	376,149
Planned Maintenance			112,430	41,233
Bad debts			432,778	307,453
Depreciation of housing properties			45,900	45,900
Operating costs on social housing lettings			7,246,888	6,315,796
Operating deficit on social housing lettings			(614,423)	(699,829)

CENTREPOINT SOHO
NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31st MARCH 2002 (continued).
3 GRANTS (Including capital grants)

	2002 £	2002 £	2002 £	2001 £	2001 £	2001 £
(a) <u>Statutory Authorities</u>	Restricted	General	Total	Restricted	General	Total
Countryside Agency	77,913	-	77,913	38,444	-	38,444
DTLR - Rough Sleepers Unit	1,620,043	-	1,620,043	1,735,262	-	1,735,262
Department of Health	-	-	-	329,700	-	329,700
Department for Education and Employment	35,000	-	35,000	35,000	-	35,000
Employment Service	97,965	-	97,965	132,284	-	132,284
European Social Fund - Off the Streets	302,692	-	302,692	28,567	-	28,567
Housing Corporation-SHMG	1,273,003	-	1,273,003	1,077,383	-	1,077,383
-Other	14,500	-	14,500	50,665	-	50,665
Inner London Probation Service	28,000	-	28,000	29,371	-	29,371
London Boroughs Grants (LBG)	52,105	235,249	287,354	52,105	214,626	266,731
Regional Development Agencies	42,687	-	42,687	171,702	-	171,702
Single Regeneration Budget - Employment and Training	75,000	-	75,000	63,500	-	63,500
- Off the Streets	122,050	-	122,050	107,500	-	107,500
- Safe In the City	73,624	-	73,624	49,309	-	49,309
Westminster City Council	59,765	-	59,765	116,822	-	116,822
Others	411,626	-	411,626	257,538	-	257,538
	4,285,973	235,249	4,521,222	4,275,152	214,626	4,489,778

(b) Restricted Charitable Donations

Certain funds were donated for specific purposes and are dealt with in note 12 of the financial statements. Such donations received in the year were:-

	2002 £	2002 £	2002 £	2001 £	2001 £	2001 £
Donor	Revenue	Capital	Total	Revenue	Capital	Total
Anonymous Donor	-	-	-	250,000	-	250,000
Audrey Sachs Charitable Trust	5,000	-	5,000	-	-	-
Austin and Hope Pilkington	-	-	-	20,000	-	20,000
Bridge House Estates Trust	50,000	-	50,000	-	-	-
Charles Hayward Foundation	-	-	-	-	18,000	18,000
City Parochial	12,500	-	12,500	12,500	-	12,500
Comic Relief	35,000	-	35,000	39,000	-	39,000
Credit Suisse First Boston	-	-	-	60,000	-	60,000
Deloitte Consulting	-	-	-	50,000	-	50,000
Dulverton Trust	21,000	-	21,000	-	-	-
Ellerman Will Trust	-	-	-	20,000	-	20,000
Henry Smith's Charity	-	-	-	22,200	-	22,200
Housing Association Charitable Trust	-	-	-	15,000	-	15,000
The Leathersellers Company	44,000	-	44,000	42,642	-	42,642
The Linbury Trust	20,000	-	20,000	30,000	-	30,000
Lloyds TSB Foundation	13,000	-	13,000	14,296	-	14,296
Merchant Taylors	-	-	-	10,000	-	10,000
The Monument Trust	58,864	-	58,864	88,460	-	88,460
John Ellerman Foundation	30,000	-	30,000	30,000	-	30,000
National Lottery Charities Board	-	-	-	162,500	-	162,500
Robertson Trust	-	-	-	5,000	-	5,000
Skinners Company	10,000	-	10,000	-	-	-
Tudor Trust	70,000	-	70,000	70,000	-	70,000
The Underwood Trust	25,000	-	25,000	25,000	-	25,000
Westminster Amalgamated charity	5,000	-	5,000	6,000	-	6,000
Westminster Christian Council	-	-	-	742	-	742
Westminster Foundation	20,000	-	20,000	-	-	-
William Kendall Charity	-	-	-	10,000	-	10,000
Worshipful Co. Chartered Accountants	-	-	-	35,000	-	35,000
Other	8,000	-	8,000	4,010	-	4,010
	427,364	-	427,364	1,022,350	18,000	1,040,350

CENTREPOINT SOHO

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31st MARCH 2002 (continued).

4 EMPLOYEE COSTS

	2002 £	2001 £
Wages and Salaries	5,301,522	4,798,355
National Insurance Contributions	489,827	459,819
Other pension costs	93,517	52,174
Redundancy Payment	24,819	171,055
	<u>5,909,685</u>	<u>5,481,403</u>

The average number of permanent and part-time staff employed during the period was 225 (2000: 207)

The average number of full time equivalent employees during the year was 219

5 DIRECTORS AND EMPLOYEES' EMOLUMENTS

	2002 £	2001 £
Emoluments (excluding pension contribution) of the outgoing Chief Executive	27,589	60,660
incoming Chief Executive	<u>39,038</u>	<u>-</u>

The number of employees including the Chief Executive earnings in excess of £50,000 were as follows:

	2002 No.	2001 No.
£50,000 - £60,000	1	-
£60,001 - £70,000	-	1

No member of the Board received any emolument during the year.

	£	£
The total expenses reimbursed to the Chief Executive not chargeable to United Kingdom tax were:	<u>1,120</u>	<u>1,096</u>

6 AUDITORS' REMUNERATION

	2002 £	2001 £
Audit fees	21,738	21,150
Other Services	<u>5,288</u>	<u>5,288</u>

CENTREPOINT SOHO

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31st MARCH 2002 (continued).

7 TANGIBLE FIXED ASSETS

Group and Company	Hostels and housing properties for letting £	Leasehold Office Premises £	Hostel Furniture and Equipment £	Office Computers and Equipment £	Total £
Tangible Fixed Assets					
Historical cost at 1 April 2001	5,594,685	283,550	128,136	601,373	6,607,744
Additions	-	1,948	106	130,527	132,581
Disposals	(285,040)	(11,247)	-	-	(296,287)
Total at 31 March 2002	5,309,645	274,251	128,242	731,900	6,444,038
Less					
Depreciation					
At 1 April 2001	(137,700)	(92,074)	(120,816)	(530,718)	(881,308)
Charge for the year	(45,900)	(54,000)	(7,426)	(67,231)	(174,557)
Disposals	-	11,247	-	-	11,247
Total at 31 March 2002	(183,600)	(134,827)	(128,242)	(597,949)	(1,044,618)
Total Fixed Assets	5,126,045	139,424	-	133,951	5,399,420
SHG Receivable					
At 1 April 2001 and 31 March 2002	(3,787,844)	-	-	-	(3,787,844)
Net book Value					
At 31 March 2002	1,338,201	139,424	-	133,951	1,611,576
At 31 March 2001	1,669,141	191,476	7,320	70,655	1,938,592

8 INVESTMENTS

The accounts of CP Trading, a fully owned subsidiary of Centrepont have been consolidated. The principal activity of the subsidiary is organising events. A summary of the results of the subsidiary is shown below:

	2002 £	2001 £
Turnover	184,249	290,417
Cost of Sales (included in expenditure)	(26,774)	(86,063)
Gross Profit	157,475	204,354
Other Expenses (included in fundraising and publicity expenditure)	(3,510)	(8,745)
Net Profit	153,965	195,609
Interest Receivable	2,642	3,866
Covenanted to Centrepont	(156,607)	(199,475)
Retained in CP Trading	-	-
Balance Sheet		
Current Assets	224,275	163,504
Current Liabilities	(200,275)	(139,504)
Net Assets	24,000	24,000
Share Capital and Reserves	24,000	24,000

CENTREPOINT SOHO

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31st MARCH 2002 (continued).

9 DEBTORS	Group 2002 £	Group 2001 £	Company 2002 £	Company 2001 £
Residents occupancy	760,142	493,137	760,142	493,137
less provisions for bad debts	<u>(550,577)</u>	<u>(265,325)</u>	<u>(550,577)</u>	<u>(265,325)</u>
	209,565	227,812	209,565	227,812
Grants receivable from statutory authorities	334,627	235,752	334,627	235,752
Trade debtors	452,433	419,683	401,463	416,039
Amount due from subsidiary company	-	-	161,132	86,362
Other debtors and prepayments	<u>320,778</u>	<u>213,612</u>	<u>320,778</u>	<u>213,612</u>
	<u>1,317,403</u>	<u>1,096,859</u>	<u>1,427,565</u>	<u>1,179,577</u>

10 CREDITORS: amounts falling due within one year.

	Group 2002 £	Group 2001 £	Company 2002 £	Company 2001 £
Operating creditors	419,182	463,649	383,182	463,649
PAYE and Social Security	162,806	142,220	162,806	142,220
Accruals and deferred income	<u>954,852</u>	<u>922,020</u>	<u>951,709</u>	<u>868,877</u>
	<u>1,536,840</u>	<u>1,527,889</u>	<u>1,497,697</u>	<u>1,474,746</u>

11 CREDITORS : amounts falling due after more than one year

	Group 2002 £	Group 2001 £	Company 2002 £	Company 2001 £
Housing Property Finance Loan	<u>20,856</u>	<u>21,165</u>	<u>20,856</u>	<u>21,165</u>

CENTREPOINT SOHO

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31st MARCH 2002 (continued).

12 Statement of Funds

	At 1 April 2001	Income	Expenditure	At 31 March 2002
	£	£	£	£
General reserve	274,379	222,554	-	496,933
Designated Funds				
Charitable Grants towards Capital assets	1,191,478	(285,040)	-	906,438
Statutory Grants towards Fixed Assets	85,183	-	-	85,183
Working capital	-	627,580	-	627,580
Major repairs sinking fund	-	40,000	-	40,000
Total unrestricted Funds	1,551,040	605,094	-	2,156,134
Restricted Funds:				
Project Grants	466,697	267,364	(629,882)	104,179
National Development Unit	14,723	16,000	(14,148)	16,575
Management/Administration	-	44,000	(44,000)	-
Diana Memorial Fund	160,000	-	(160,000)	-
Rent Bond Scheme	13,426	-	(13,426)	-
Employment and Training	5,000	-	(5,000)	-
Others	21,310	-	-	21,310
Capital projects	379,154	100,000	(45,900)	433,254
Restricted Charitable Donations	1,060,310	427,364	(912,356)	575,318
Restricted Grants (see note 3)	-	4,285,973	(4,285,973)	-
Total Restricted Funds	1,060,310	4,713,337	(5,198,329)	575,318
Total Funds	2,611,350	5,318,431	(5,198,329)	2,731,452

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted £	Designated £	General £	Total £
Fixed Assets	433,254	991,621	186,701	1,611,576
Debtors	-	-	1,317,403	1,317,403
Cash at bank	142,064	667,580	550,525	1,360,169
Current liabilities	-	-	(1,536,840)	(1,536,840)
Long term liabilities	-	-	(20,856)	(20,856)
Total	575,318	1,659,201	496,933	2,731,452

CENTREPOINT SOHO

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31st MARCH 2002 (continued).

14 PENSION COSTS

The company operates a defined contribution scheme for which the pension cost charge for the year amounted to £93,517 (2001 - £52,174). The scheme was started mid way through the 2000-01 financial year.

15 CONTINGENT LIABILITIES

At 31st March 2002 and 2001 there were no known contingent liabilities.

16 ACCOMMODATION

	At 31st March 2002	At 1st April 2001
	Management	Management
Owned or lease held by Centrepoint Soho:		
Hostel bedspaces	36	36
Other bedspaces	<u>89</u>	<u>89</u>
	<u>125</u>	<u>125</u>
Owned by partner housing associations		
Hostel bedspaces	317	327
Other bedspaces	<u>82</u>	<u>82</u>
	<u>399</u>	<u>409</u>

All Centrepoint's bed spaces are Supported Housing accommodation.

Centrepoint Soho has developed schemes, in conjunction with partner housing associations, into which Centrepoint Soho has full nomination rights.

17 RELATED PARTY TRANSACTIONS

Centrepoint and Peabody Trust have a joint venture company, Safe in the City. Centrepoint's Chief Executive and Director of Marketing are Directors of Safe in the City. During the year Centrepoint received £73,624 (2001 - £49,309) in grants from Safe in the City.

A Board member, who resigned in October 2001 was the Chief Executive, but not on the Board of, Off the Streets and into Work. During the year Centrepoint received £499,742 (2001 - £107,500) in grants from Off the Streets and into Work.

CENTREPOINT SOHO

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31st MARCH 2002 (continued).

18 PAYMENT OF CREDITORS

The average number of days between receipt and payment of purchase invoices during the year was 29 days.

19 NOTES TO THE CASH FLOW STATEMENT

	2002 £	2001 £
(i) <u>Returns on investment and servicing of finance</u>		
Interest received	31,867	42,911
Repayment of loan capital	(309)	(144)
	<u>31,558</u>	<u>42,767</u>
(ii) <u>Capital expenditure</u>		
Payments for works to housing properties	-	(186,827)
Payments to acquire tangible fixed assets	(132,581)	(44,594)
Sale of property	<u>627,580</u>	<u>-</u>
	<u>494,999</u>	<u>(231,421)</u>

(iii) Analysis of net funds

	1 April 2001 £	Cash flow £	31 March 2002 £
Cash at bank and in hand	1,124,953	235,216	1,360,169
Debt due in more than one year	<u>(21,165)</u>	<u>309</u>	<u>(20,856)</u>
	<u>1,103,788</u>	<u>235,525</u>	<u>1,339,313</u>