

1929421

CENTREPOINT SOHO
FINANCIAL STATEMENTS
YEAR ENDED
31st MARCH 2003



CENTREPOINT SOHO

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

BOARD OF DIRECTORS

Raymond PLANT (Chair)
Cecilia WELLS (Vice Chair)
Bernard DONOGHUE
Colin SHEPPARD (resigned October 2002)
Manny AMADI
Cathy BEREZNICKI
Neil FINLAYSON
Barry SIMONS
John RHODES
Penny FRANCIS
Michael O'HIGGINS
Douglas SMALLWOOD

SECRETARY

Felicity KING

REGISTERED OFFICE

Neil House
7 Whitechapel Road
London E1 1DU

AUDITORS

Deloitte & Touche
Verulam Point
Station Way
St Albans
AL1 5HE

SOLICITORS

Rochman Landau
45 Mortimer Street
London W1N 7TD

STATUTORY REGISTRATION

Registered Charity No: 292411

Company Registration No: 1929421

Housing Corporation Registration No: H1869

CENTREPOINT SOHO

REPORT OF THE DIRECTORS: YEAR ENDED 31st MARCH 2003

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

DIRECTORS' RESPONSIBILITIES

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

- * Select suitable accounting policies and then apply them consistently;
- * Make judgements and estimates that are reasonable and prudent;
- * State whether applicable accounting standards have been followed, 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

Introduction

Founded in Soho in 1971, Centrepont is a charity in the form of a company limited by guarantee, with an associated trading company. It is also a registered social landlord. Centrepont benefits individuals and the community by giving young people on a downward spiral a chance to turn things around, build firm foundations for their lives and create a more fulfilling future. Resources are allocated each financial year to activities undertaken with this overall goal in mind. While the organisation's overall mandate remains constant, the year 2002-03 saw some significant developments. Centrepont has always sought a campaigning and influencing role alongside the provision of services to young people. We engage 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. Our authority is drawn from our experience of delivering direct services, and supporting partnerships. That experience, suitably interpreted, helps us generate the evidence we need to work with and inform central Government and its agencies so that policies and programmes are enacted meet the needs of the largest number of young people. Well known in some government circles, we have a reputation (confirmed in specific research last year) for offering solutions, not just highlighting problems. Ongoing 'marketing' research shows that we are one of the three most known organisations working on homelessness issues.

Centrepont seeks to be an effective and efficient organisation that harnesses the best of voluntary, public and commercial business practice. In 2002/3, with an overall turnover of £11.6 million, we were a community of some 275 staff (covering full and part time, and locum staff) 70 volunteers, 7,000 active donors, supporter and partner organisations, and at any one time some 600 young clients in London.

In terms of the attraction and management of resources, Centrepont enjoys the support of a wide range of funders including a number of statutory and other Governmental authorities. Together they provide the resources that are allocated to the range of activities described below. While many of the funds are paid over to

CENTREPOINT SOHO

REPORT OF THE DIRECTORS: YEAR ENDED 31 MARCH 2003 (continued)

Centrepont 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 aims, and wherever possible, meet their full delivery costs.

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

While most of these funds are generated and received through the main charity, Centrepont also has a wholly owned subsidiary company CP Trading Limited. This company carries out various fundraising activities and covenants the profits to Centrepont. In 2002-03 the total profits covenanted amounted to £78,230.

Services

In order for the organisation to have maximum impact, Centrepont's external services take three forms

- *Direct Provision* of services for young people, currently in Greater London but over the coming two years also in parts of the Midlands and the North-East. In 2002-03 Centrepont had some 525 bed-spaces across London. Some 1,200 young people were directly helped.
- *Partnership and Development*: support for local partnerships of organisations working with and for young people, and development of local provision in various parts of England at any one time
- *Policy and Promotion*: action, especially at national level, to affect public policy, provision and understanding.

Evaluation and research underpin all three— with an emphasis on understanding and disseminating what works to improve the lives of young people and their contribution to communities. Effective marketing (in its widest sense), an operational focus upon quality, and innovation are critical in creating value for our various clients and for communities, and the period reported upon shows improvements in all three.

Underpinning these 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. Throughout we stress the ultimate goal of social inclusion for all, and the value of respect for difference and diversity which is an underlying principle in our services, how we organise ourselves and how we act.

Our approach to young people

Over the year reported we have significantly changed how in practice we implement Centrepont's longstanding emphasis on a rounded response to the person as a whole. We are developing what we offer within our direct provision into a comprehensive support and development service - recognising that security and shelter are necessary foundations but not sufficient on their own. We are seeking to have a consistent approach which informs all our work, including for example that with local authorities to help local action to tackle youth homelessness.

In general we speak of personal, social, educational and vocational development. More specifically we now stress the importance of responding to eight areas of our clients' lives:

- Housing (i.e. having a 'home', temporary accommodation);
- Income;
- Personal Development (including the basic skills, and emotional intelligence and resilience required for autonomous living);
- Social Development (including relationships with other people, and with community resources);

REPORT OF THE DIRECTORS: YEAR ENDED 31 MARCH 2003 (continued)

- Skills and Work (job-specific training; securing work; maintaining employment; career);
- Health and Well-being (including mental health, and substance and alcohol use and abuse);
- Creativity And Enterprise; and
- Active Participation (as citizens).

Achievements

While Centrepont's activities are ongoing across all the areas, it is important that we demonstrate that in the financial year 2002-03, 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.

Achievements

Introduction

In the past the information Centrepont has presented as descriptive statistics about its clients has had limitations. We have only reported about 'new' admissions, which provides limited understanding of the whole client population at any particular time or overall through a period. We have presented in percentage terms for the whole population of new admissions, but the percentages have been drawn in some cases from different sized samples. Our recording and reporting has been largely about the profile of people, and little about processes, and very little about outputs and outcomes. However, what is currently available does provide some important information to help us describe and judge what and how we are doing, and what we should do.

We have been and are improving in terms of efficiency and throughput (judged by numbers we are working with), doing better at helping clients learn to manage 'rent' and benefits arrangements and not get into debt, and fostering more successful move-on (at least in terms of immediate next accommodation). However we know very little about the wider impact we have (for example in terms of learning and development, increased personal skills and confidence, improved mental health, increased engagement with learning). The information currently available emphasises the importance – reflected in future plans - of greatly improving our capacity to help our clients learn, build their resilience against future problems, develop their capacity to continue education and training, and their ability to secure their future through employment.

In general the performance and progress in 2002-03 outlined here underlines how relevant and important the Board considers to the development of the 'comprehensive support and development' service for each client is. Within this, improved assessment-planning-and-review with each client (helped by the new processes now established) will be essential. Future plans will foster much more purposeful work with our clients; and will make sure that with them we are much better able to judge the extent of and reasons for real impact upon their lives.

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REPORT OF THE DIRECTORS: YEAR ENDED 31 MARCH 2003 (continued)

Direct Provision

From the beginning of April 2002 to the end of March 2003, Centrepoin't's direct accommodation-based services worked with 966 new clients, who stayed for various periods of time. In total in our accommodation-related services we worked with over 2,000 people, and each night we provided over 500 bed-spaces for homeless young people. Activity represented a 13% increase in new clients, despite a 12% reduction in available bed-spaces.

Finding suitable accommodation – which is only one indicator of the success of our services – for those young people leaving our projects continues to be difficult. Although we have been changing the profile of clients at two large units (Bruce House and Camberwell) to make them more suitable to the service, and challenging failure to pay (where relevant), we have reduced the proportion (of a larger number of clients overall) of clients who leave 'unsuccessfully'. Thus we enabled 65% of those leaving Centrepoin't's services to find suitable accommodation to 'move on' to (up from 58% in the previous year).

Streets Ahead, Centrepoin't's job training and brokerage service, which was established in new temporary premises in London's West End, and includes a service of in partnership with Reed Employment Services and Business Action on Homelessness to provide an online job bank for homeless people (www.readyforjobs.org.uk), was unfortunately affected by a major fire which destroyed its premises in September 2002. The service is now located alongside other homelessness services in the Crisis building in Commercial Street.

We have completely redesigned our service offering for the future: which we now refer to as our 'support and development' approach. We have re-organised how we manage our service involving flats and bedsits, and to foster better synergies we have now located the 'flats and bedsits' team, and the 'floating support' team together at Centrepoin't's headquarters. We have established a trial partnership with a private sector organisation – Pinnacle – to develop our management of collection of rents.

Partnership and Development

We continued to help local authorities around the country to tackle youth homelessness, for example continuing to support local agencies in Worcestershire to tackle youth homelessness, developing the long-standing Durham youth homelessness partnership, and evolving new work in Gateshead. We completed work in Cornwall. We continued our work leading the Triangle project in Lambeth, which is aimed at preventing youth homelessness as one of the Safe in the City action-research projects. (Safe in the City is an independent organisation originally created by Centrepoin't 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.

Our project on the accommodation of care leavers (for the Department of Health, the Social Services Inspectorate, and the Rough Sleepers Unit) led to a highly successful national publication on good practice, which was circulated to all local authorities and key agencies, with excellent reviews.

Policy and Promotion

We have created a new External Affairs team from a merger of the previous policy and research unit and the media and marketing team. This has allowed some cost savings, and improved co-ordination. New newsletter and briefing series of newsletters, for policy makers and parliamentarians, regularly communicate key messages. These have included those from work on drug users, and on food and health issues for homeless young people. In December we launched our Agenda for action, supported by the Chancellor of the Exchequer at a launch in the House of Commons. This then framed work from January.

CENTREPOINT SOHO

REPORT OF THE DIRECTORS: YEAR ENDED 31 MARCH 2003 (continued)

Work continued, supported by the Countryside Agency, into the extent of youth homelessness in rural areas, with recommendations of what to do about it – building upon the publication of a report launched by Alun Michael MP, minister for Rural Affairs in Spring 2002.

Organisation Development and Finance

We were able to make a significant surplus in the year, from better control of income and expenditure, significant improvements in collection of rents and the use of available space, funds raised to support educational activity, and some one-off effects of the transition to the new Supporting People regime. So we increased our reserves from some 5 weeks of operating costs to some 10 weeks. We continue to work on ensuring that our financial management systems are robust and effective.

The development of our client management information system, CP Link, which began in 2000-2001 has continued so that all projects and teams now have the infrastructure to significantly improve their information, and thus the aggregated information available to management. As intended, the system is now fully up and running – and intensive work in 2003-04 is planned to secure the improvements in practice and knowledge the whole system is intended to create.

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 of the physical infrastructure of Centrepoin's services generally.

Financial results

The financial results for the year of both the Group and the Company 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 and income-generation

Voluntary fundraising

In a year when economic conditions were particularly difficult, fundraised income to fund activities in the year dropped by £450k compared with the previous year. This performance represented a 14% decrease (following an 8% increase in the year before) in overall fundraised income and 14% decrease in net income. The amount raised in the year for every £1 spent on fundraising was £3.50, compared with £3.10 the year before. The Board have instituted a major review of fundraising, with a view to securing significantly better outcomes in terms of gross and net amounts over the next three years (see below).

Statutory and governmental income

The details of the income received during 2002-03 are set out in note 3 to the financial statements. The Board has decided to invest in this area, creating for the first time a manager of statutory fund-raising for the year 2003-04.

Reserves

In 2000-01 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 2003 the general reserves were £1.4m, equating to 1.6 months operating costs. There is also a designated reserve of £627,000 as a fund to support Centrepoin's working capital requirements. So overall reserves now stand at £2.1m and 2.3 months operating costs which exceeds the Board's own medium term target but is still less than the 3-6 months operating costs recommended by the charities commission.

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.

CENTREPOINT SOHO

REPORT OF THE DIRECTORS: YEAR ENDED 31 MARCH 2003 (continued)

Future development

Strategy

During 2002/03 The Board has laid the foundations for a major change in the scope and quality of what we offer to all young clients in our direct provision. Our aim is to ensure that each person has an individually tailored programme of support and development, provided by ourselves or by partners.

Our approach is to seek a balanced portfolio of forms of provision, from the perspective of the needs of those who come to us, and the perspective of what is needed to provide appropriately authoritative grounds for our campaigning. At the same time, we seek a balance in direct provision, in partnership support, and in advocacy.

We intend to ensure that our provision for young people is to the greatest extent possible financed by governmental sources. Finance raised from trusts and foundations, commercial organisations, individual donors and events will be invested in work:

- with local partnerships;
- to influence public policy, provision and understanding;
- to underpin all our activity with better evaluation, innovation and marketing.

We intend to extend our direct provision beyond London to two other areas (the Midlands and the North East) in order to broaden the base for our learning and lobbying. We will actively do this by connecting our clients and ourselves with other providers and partners.

We are committed to forging a dynamic, viable organisation that builds upon our strengths and consolidates Centrepoin's position as a key national organisation for socially excluded young people who are homeless or at risk of homelessness.

Strategic Aims to 2006

Our aims are within 3 years:

- To have achieved - both internally and externally - clarity about and understanding of Centrepoin's renewed vision and direction.
- To have extended our services so that significantly more benefit from our integrated support and development service, with measurable outcomes for the sustained impact of our work with young people.
- To have made a demonstrable impact on the policy environment that directly affects on young people.
- To have developed a balanced portfolio of direct provision in London, the Midlands and the North East with integrated public affairs and partnership working in place.
- To be considered outstanding in terms of delivery, and be a nationally recognised point of reference about socially excluded young people.
- To ensure all staff have the necessary skills and competencies.
- To strengthen our financial position as a viable enterprising charity.

Top Level Objectives 2003/4 -2005/6

More specifically, we have affirmed that dealing with the social exclusion of young people, especially those at risk from homelessness, requires an integrated approach to securing a safe home and building on that foundation. Our purpose is to help a significant number of socially excluded young people on a downward spiral and at risk of homelessness to build firm foundations, turn things around and build a more fulfilling future. To this end for the coming three years the Board have established three overall objectives.

CENTREPOINT SOHO

REPORT OF THE DIRECTORS: YEAR ENDED 31 MARCH 2003 (continued)

Direct Provision and Partnerships

To be directly enabling 2,000 homeless and socially excluded young people each year to turn their lives around and build a more fulfilling future. Through a balanced portfolio of direct provision in London, the Midlands and the North East with integrated 'external affairs' and partnership working in place and underpinned by good marketing, innovation, evaluation and learning.

Policy and Promotion

To have influenced public understanding, policy, provision and practice relevant to the interests of the young people we serve, and be considered an outstanding, nationally recognised point of reference about socially excluded young people.

Organisation Development and Finance

To have ensured that Centrepont is a financially viable, modern and creative organisation which achieves its goals, being at the leading edge of the third-sector by having the right people with the right attitudes and skills, and the necessary facilities and resources, to be effective.

More specific objectives and targets for the three years have been established, and yet more specific objectives for the year 2003-04. The Board will explicitly report progress against these objectives in its next report.

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 CONTROL

In recognition of its responsibilities for the company's system of internal 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.
- 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 control through delegated authority to appropriate personnel or by engaging outside agencies.

CENTREPOINT SOHO

REPORT OF THE DIRECTORS: YEAR ENDED 31 MARCH 2003 (continued)

The reviews carried out in the financial year ended 31st March 2003 have not revealed weaknesses in internal 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

On 1 August 2003, Deloitte & Touche will transfer their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. However, at present they remain the company's auditors and have signed the accounts in that capacity. The company has given its consent to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003. Accordingly, although the accounts have been signed in the name of Deloitte & Touche, a resolution for the re-appointment of Deloitte & Touche LLP will be proposed at the forthcoming Annual General Meeting.



FELICITY KING
Secretary

Date of approval: 24 July 2003

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CENTREPOINT SOHO

We have audited the financial statements of Centrepoint Soho for the year ended 31 March 2003 which comprise the Consolidated Statement Of Financial Activities, the Consolidated Balance sheet, the Company Balance sheet and the Consolidated Cash Flow Statement and the related notes numbered 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985 and Schedule 1 of the Housing Act 1996. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. *To the fullest extent permitted by law, we do not assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.*

Respective responsibilities of directors and auditors

As described in the report of the directors, the directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal, regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, Schedule 1 of 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 financial statements, 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 financial statements.

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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 March 2003 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, Schedule 1 of the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and Registered Auditors

Verulam Point
Station Way
St Albans
AL1 5HE

Date: 31 July 2003

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES: YEAR ENDED 31st MARCH 2003
(Incorporating an Income and Expenditure account)

	Notes	Restricted	Unrestricted	2003 Total	2002 Total
<u>Incoming Resources</u>					
Rents and charges		-	5,667,513	5,667,513	3,048,408
Statutory grants	3	3,204,333	-	3,204,333	4,521,222
Charitable donations	3	546,418	2,032,489	2,578,907	2,680,034
Contracts		-	118,179	118,179	185,978
Others		-	36,572	36,572	70,951
Turnover	2	3,750,751	7,854,753	11,605,504	10,506,593
(Deficit)/Surplus on disposal of fixed assets		-	(130,824)	(130,824)	342,540
Interest Receivable	2	-	41,531	41,531	31,867
Total Incoming Resources		3,750,751	7,765,460	11,516,211	10,881,000
<u>Resources Expended</u>					
Direct Charitable expenses		3,917,561	5,953,398	9,870,959	9,714,499
Management and Administration		-	176,821	176,821	185,928
Fundraising and Publicity		-	747,439	747,439	860,471
Total Resources Expended	2	3,917,561	6,877,658	10,795,219	10,760,898
Surplus/(Deficit)	2	(166,810)	887,802	720,992	120,102
Reserves brought forward		575,318	2,156,134	2,731,452	2,611,350
Reserves carried forward	12	408,508	3,043,936	3,452,444	2,731,452

All of the above results derive from continuing activities

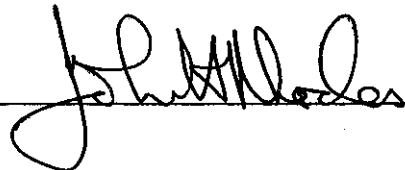
The accompanying notes are an integral part of these financial statements

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

There is no material difference between the Consolidated Statement of Financial Activities and the Company Statement of Financial Activities

These financial statements were approved by the Board of Directors on 24 July 2003 and signed on their behalf by:


Raymond Plant, Chair


Board Member

CENTREPOINT SOHO

CONSOLIDATED BALANCE SHEET AT 31st MARCH 2003

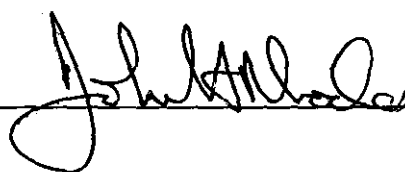
	Notes	2003 £	2003 £	2002 £	2002 £
Tangible Fixed Assets					
Housing Properties - gross cost less depreciation	7	4,949,321		5,126,045	
Less: Social Housing Grant (SHG)	7	(3,787,844)		(3,787,844)	
Other Fixed Assets - gross cost less depreciation	7	296,577		273,375	
			1,458,054		1,611,576
Current Assets					
Debtors	9	875,891		1,317,403	
Cash at Bank and in Hand					
Restricted Funds		54,454		142,064	
Other		3,540,488		1,218,105	
			4,470,833		2,677,572
Creditors : amounts falling due within one year	10		(2,455,587)		(1,536,840)
Net Current assets			2,015,246		1,140,732
Total assets less Current Liabilities			3,473,300		2,752,308
Creditors : amounts falling due after more than one year					
	11		20,856		20,856
Reserves					
Restricted funds	12		408,508		575,318
Unrestricted funds					
Designated Reserves :-	12				
Major repairs			80,000		40,000
Charitable grants towards Capital			780,383		906,438
Statutory Grants towards fixed assets			107,057		85,183
Working capital			627,580		627,580
General Reserves	12		1,448,916		496,933
			3,473,300		2,752,308

The accompanying notes are an integral part of these financial statements

These financial statements were approved by the Board of Directors on 24 July 2003 and signed on their behalf by:



Raymond Plant, Chair



Board Member

CENTREPOINT SOHO

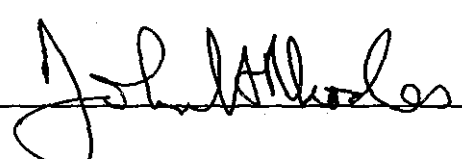
COMPANY BALANCE SHEET AT 31st MARCH 2003

	Notes	2003 £	2003 £	2002 £	2002 £
Tangible Fixed Assets					
Housing Properties - gross cost less depreciation	7	4,949,321		5,126,045	
Less: Social Housing Grant (SHG)	7	(3,787,844)		(3,787,844)	
Other Fixed Assets - gross cost less depreciation	7	296,577		273,375	
			1,458,054		1,611,576
Investments	8		23,999		23,999
Current Assets					
Debtors	9	1,301,712		1,427,565	
Cash at Bank and in Hand					
Restricted Funds		54,454		142,064	
Other		3,051,524		1,044,801	
			4,407,690		2,614,430
Creditors : amounts falling due within one year	10		(2,416,443)		(1,497,697)
Net Current assets			1,991,247		1,116,733
Total assets less Current Liabilities			3,473,300		2,752,308
Creditors : amounts falling due after more than one year	11		20,856		20,856
Reserves					
Restricted funds	12		408,508		575,318
Unrestricted reserves					
Designated Reserves :-	12				
Major Repairs			80,000		40,000
Charitable Grants towards Capital			780,383		906,438
Statutory Grants towards fixed assets			107,057		85,183
Working capital			627,580		627,580
General Reserves	12		1,448,916		496,933
			3,473,300		2,752,308

The accompanying notes are an integral part of these financial statements

These financial statements were approved by the Board of Directors on 24 July 2003 and signed on their behalf by:


Raymond Plant, Chair


Board Member

CENTREPOINT SOHO

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
Net cash inflow/(outflow) from operating activities		2,381,831	(291,341)
Returns on investment	19	41,531	31,867
Capital expenditure	19	(188,589)	494,999
Cash inflow before use of liquid resources and financing		<u>2,234,773</u>	<u>235,525</u>
Management of liquid resources		(14,998)	(17,417)
Financing:			
Loan repayment		-	309
Increase in cash		<u>2,219,775</u>	<u>218,417</u>

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

	2003 £	2002 £
Surplus	720,992	120,102
Interest receivable	(41,531)	(31,867)
Depreciation charges	211,287	174,557
Loss/(Surplus) on disposal of fixed assets	130,824	(342,540)
Decrease/(increase) in debtors	441,512	(220,544)
Increase in creditors	<u>918,747</u>	<u>8,951</u>
Net cash inflow/(outflow) from operating activities	<u>2,381,831</u>	<u>(291,341)</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 financial statements of Centrepoint Soho.

(a) Basis of accounting

The financial statements 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" updated in 2002 and "Accounting and Reporting by Charities". 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. The directors consider that the financial statements should be prepared to reflect Centrepoint'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, Schedule 1 of the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000.

(b) Basis of consolidation

The group financial statements consolidate the accounts of Centrepoint 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 £792,992 (2002 £120,102).

(c) Income and Expenditure Recognition

Financial statements are drawn up on a full accruals basis.

(d) Incoming Resources

All incoming resources income received towards Centrepoint 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 Centrepoint.

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 2003

(continued).

(h) Fixed assets

FRS 15 and the SORP Accounting by Registered Social Landlords, introduced depreciation of properties with effect from 1 April 1999. Depreciation is calculated on the property costs less grant and estimated cost of freehold land. In the opinion of the directors, there is no depreciation required as the carrying values after deduction of SHG and similar grants are less than the expected residual value of the land element of the properties.

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

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

Hostel, 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.

Where other fixed assets are funded by grant the assets are depreciated in line with the above policy and the grant released to match the charge for the year.

(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) Restricted Reserves

Restricted reserves have been set up to reflect the value of charitable grants received for a specific purpose. These funds are either invested in property or other assets in accordance with the conditions of the grant or, for revenue funded activities, held in cash pending expenditure in future periods.

(k) 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.

(l) 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 Centrepont Soho relating to projects owned by partner associations and managed by Centrepont Soho has been accounted for in these financial statements.

(n) Pension Costs

Centrepont 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.

(o) Taxation

Centrepont Soho has charitable status and as such is exempt from taxation of its income and gains to the extent that they are applied to its charitable objectives.

No tax arises with respect to the subsidiary company CP Trading Limited due to their policy of gifting all taxable profits to Centrepont Soho each year.

CENTREPOINT SOHO

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31st MARCH 2003 (continued).

2 PARTICULARS OF TURNOVER, OPERATING COSTS, AND OPERATING SURPLUS

	Turnover	2003 Operating Costs	Surplus/ (Deficit)	2002 Turnover	Surplus/ (Deficit)
	£	£	£	£	£
Social Housing Lettings	8,065,290	7,948,698	116,592	6,632,465	(614,423)
Non Social Housing activities					
National Development	307,116	543,243	(236,127)	497,260	(231,141)
Other projects	642,213	854,851	(212,638)	1,294,497	(116,554)
Fundraising	2,279,138	747,439	1,531,699	1,906,205	1,045,734
Other	311,747	700,988	(389,241)	176,166	(337,921)
	11,605,504	10,795,219	810,285	10,506,593	(254,305)
Surplus on disposal of fixed assets			(130,824)		342,540
Interest Receivable			41,531		31,867
Surplus for the year			<u>720,992</u>		<u>120,102</u>

Social Housing Income

	2003 £	2002 £
Rental income net of identifiable service charges	5,309,571	2,548,314
Service Charges	<u>746,446</u>	<u>928,039</u>
Gross rental income	6,056,017	3,476,353
Rent losses from voids	<u>(388,504)</u>	<u>(427,945)</u>
	5,667,513	3,048,408
Statutory Grants	1,012,685	1,794,754
Charitable Donations	152,110	506,524
Housing Corporation - SHMG	1,229,535	1,223,103
Other	3,447	59,676
Turnover from social housing lettings	<u>8,065,290</u>	<u>6,632,465</u>

Social Housing Expenditure

	2003 £	2002 £
Services	5,978,062	3,234,132
Management	500,065	3,049,476
Routine Maintenance	655,491	372,172
Planned Maintenance	197,634	112,430
Bad debts	571,546	432,778
Depreciation of housing properties	45,900	45,900
Operating costs on social housing lettings	<u>7,948,698</u>	<u>7,246,888</u>
Operating surplus/(deficit) on social housing lettings	<u>116,592</u>	<u>(614,423)</u>

CENTREPOINT SOHO

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31st MARCH 2003 (continued).

3 GRANTS (Including capital grants)

	2003	2002
	£	£
(a) <u>Statutory Authorities</u>		
Countryside Agency	47,056	77,913
DTLR - Rough Sleepers Unit / Homelessness Directorate	1,036,436	1,620,043
Department of Health	15,550	-
Department for Education and Employment	39,691	35,000
Employment Service	16,714	97,965
European Social Fund - Off the Streets	173,636	302,692
Housing Corporation-SHMG	1,213,985	1,273,003
-Other	20,000	14,500
Inner London Probation Service	28,000	28,000
London Boroughs Grants (LBG)	67,332	287,354
Regional Development Agencies	-	42,687
Single Regeneration Budget - Employment and Training	52,196	75,000
- Off the Streets	99,524	122,050
- Safe In the City	147,534	73,624
Westminster City Council	49,872	59,765
Others	196,807	411,626
	<u>3,204,333</u>	<u>4,521,222</u>

(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:-

	2003	2002
	£	£
Donor		
Anonymous Donor	250,000	-
Audrey Sachs Charitable Trust	-	5,000
Bridge House Estates Trust	40,000	50,000
City Parochial	7,500	12,500
Clothworkers	50,000	-
Comic Relief	30,000	35,000
Drapers	10,000	-
Dulverton Trust	-	21,000
Goldsmith	5,000	-
Henry Smith's Charity	23,000	-
Inner London Magistrates Court	5,000	-
Kreitman Foundations	22,114	-
Lambeth Endowed (Walcott Education)	6,110	-
The Leathersellers Company	-	44,000
The Linbury Trust	-	20,000
Lloyds TSB Foundation	-	13,000
The Monument Trust	40,194	58,864
Morgan Stanley Foundation	8,000	-
John Ellerman Foundation	-	30,000
PP Norman Charitable Trust	1,500	-
Skinners Company	10,000	10,000
Tudor Trust	-	70,000
The Underwood Trust	25,000	25,000
Westminster Amalgamated charity	-	5,000
Westminster Foundation	-	20,000
William Kendall Charity	10,000	-
Others	3,000	8,000
	<u>546,418</u>	<u>427,364</u>

CENTREPOINT SOHO

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31st MARCH 2003 (continued).

4 EMPLOYEE COSTS

	2003 £	2002 £
Wages and Salaries	5,416,712	5,301,522
National Insurance Contributions	477,807	489,827
Other pension costs	119,171	93,517
Redundancy Payment	41,925	24,819
	<u>6,055,614</u>	<u>5,909,685</u>

The average number of permanent and part-time staff employed during the period was 225 (2002: 225)

The average number of full time equivalent employees during the year was 219 (2002: 219)

5 DIRECTORS AND EMPLOYEES' EMOLUMENTS

	2003 £	2002 £
Emoluments (excluding pension contribution) of the outgoing Chief Executive	-	27,589
incoming Chief Executive	-	39,038
Chief Executive	<u>77,916</u>	<u>-</u>

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

	2003 No.	2002 No.
£50,000 - £60,000	2	1
£60,001 - £70,000	-	-
£70,001 - £80,000	1	-

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

The total expenses reimbursed to the Chief Executive were:	<u>£1,661</u>	<u>£1,120</u>
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6 AUDITORS' REMUNERATION

	2003 £	2002 £
Group:		
Audit fees	23,500	21,738
Other Services	<u>7,050</u>	<u>5,288</u>
Company:		
Audit fees	21,150	19,388
Other Services	<u>7,050</u>	<u>5,288</u>

CENTREPOINT SOHO

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31st MARCH 2003 (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 2002	5,309,645	274,251	128,242	731,900	6,444,038
Additions	-	-	1,334	187,255	188,589
Disposals	(130,824)	-	-	(296,993)	(427,817)
Total at 31 March 2003	5,178,821	274,251	129,576	622,162	6,204,810
Less					
Depreciation					
At 1 April 2002	(183,600)	(134,827)	(128,242)	(597,949)	(1,044,618)
Charge for the year	(45,900)	(54,000)	-	(111,387)	(211,287)
Disposals	-	-	-	296,993	296,993
Total at 31 March 2003	(229,500)	(188,827)	(128,242)	(412,343)	(958,912)
Total Fixed Assets	4,949,321	85,424	1,334	209,819	5,245,898
SHG Receivable					
At 1 April 2002 and 31 March 2003	(3,787,844)	-	-	-	(3,787,844)
Net book Value					
At 31 March 2003	1,161,477	85,424	1,334	209,819	1,458,054
At 31 March 2002	1,338,201	139,424	-	133,951	1,611,576

8 INVESTMENTS

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

	2003 £	2002 £
Turnover	86,700	184,249
Cost of Sales (included in expenditure)	(8,610)	(26,774)
Gross Profit	78,090	157,475
Other Expenses (included in fundraising and publicity expenditure)	(3,250)	(3,510)
Net Profit	74,840	153,965
Interest Receivable	3,390	2,642
Gift aided to Centrepoint	(78,230)	(156,607)
Retained in CP Trading	-	-
Balance Sheet		
Current Assets	490,718	224,275
Current Liabilities	(466,718)	(200,275)
Net Assets	24,000	24,000
Share Capital and Reserves	24,000	24,000

One share of the 24,000 shares in issue is held by an individual member

CENTREPOINT SOHO

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31st MARCH 2003 (continued).

9 DEBTORS	Group 2003 £	Group 2002 £	Company 2003 £	Company 2002 £
Residents occupancy	914,417	760,142	914,417	760,142
less provisions for bad debts	(744,305)	(550,577)	(744,305)	(550,577)
	170,112	209,565	170,112	209,565
Grants receivable from statutory authorities	186,181	334,627	186,181	334,627
Trade debtors	388,074	452,433	386,320	401,463
Amount due from subsidiary company	-	-	427,575	161,132
Other debtors	37,457	272,019	37,457	272,019
Prepayments	94,067	48,759	94,067	48,759
	<u>875,891</u>	<u>1,317,403</u>	<u>1,301,712</u>	<u>1,427,565</u>

10 CREDITORS: amounts falling due within one year.

	Group 2003 £	Group 2002 £	Company 2003 £	Company 2002 £
Operating creditors	270,981	419,182	231,837	383,182
PAYE and Social Security	178,485	162,806	178,485	162,806
Accruals and deferred income	2,006,121	954,852	2,006,121	951,709
	<u>2,455,587</u>	<u>1,536,840</u>	<u>2,416,443</u>	<u>1,497,697</u>

11 CREDITORS : amounts falling due after more than one year

	Group 2003 £	Group 2002 £	Company 2003 £	Company 2002 £
Housing Property Finance Loan	<u>20,856</u>	<u>20,856</u>	<u>20,856</u>	<u>20,856</u>

The loan is repayable in more than 5 years by installments at an interest rate of 9%. The loan is secured on a property in Ainger Road.

CENTREPOINT SOHO

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31st MARCH 2003 (continued).

12 Statement of Funds

	At 1 April 2002	Income	Expenditure	At 31 March 2003
	£	£	£	£
General reserve	496,933	951,983	-	1,448,916
Designated Funds				
Charitable Grants towards Capital assets	906,438	(126,055)	-	780,383
Statutory Grants towards Fixed Assets	85,183	21,874	-	107,057
Working capital	627,580	-	-	627,580
Major repairs sinking fund	40,000	40,000	-	80,000
Total unrestricted Funds	<u>2,156,134</u>	<u>887,802</u>	<u>-</u>	<u>3,043,936</u>
Restricted Funds:				
Project Grants	104,179	489,804	(573,428)	20,555
National Development Unit	16,575	1,500	(8,074)	10,001
Employment and Training	-	55,114	(52,526)	2,588
Property grant	21,310	-	-	21,310
Capital projects	433,254	-	(79,200)	354,054
Restricted Charitable Donations	575,318	546,418	(713,228)	408,508
Restricted Grants (see note 3)	-	3,204,333	(3,204,333)	-
Total Restricted Funds	<u>575,318</u>	<u>3,750,751</u>	<u>(3,917,561)</u>	<u>408,508</u>
Total Funds	<u>2,731,452</u>	<u>4,638,553</u>	<u>(3,917,561)</u>	<u>3,452,444</u>

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted £	Designated £	General £	Total £
Fixed Assets	354,054	887,440	216,562	1,458,056
Debtors	-	-	875,891	875,891
Cash at bank	54,454	707,580	2,832,906	3,594,940
Current liabilities	-	-	(2,455,587)	(2,455,587)
Long term liabilities	-	-	(20,856)	(20,856)
Total	<u>408,508</u>	<u>1,595,020</u>	<u>1,448,916</u>	<u>3,452,444</u>

CENTREPOINT SOHO

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31st MARCH 2003 (continued).

14 PENSION COSTS

The company operates a defined contribution scheme for which the pension cost charge for the year amounted to £119,171 (2002 - £93,517).

15 CONTINGENT LIABILITIES

At 31st March 2003 and 2002 there were no known contingent liabilities.

16 ACCOMMODATION

	At 31 March 2003	At 1 April 2002
	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	287	317
Other bedspaces	<u>82</u>	<u>82</u>
	<u>369</u>	<u>399</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's Chief Executive, Director of Marketing (resigned February 2003) and Head of National Development are Directors of Safe in the City. During the year Centrepoint received £147,534 (2002 - £73,624) in grants from Safe in the City. At 31 March 2003 Safe in the City owed Centrepoint an amount of £24,913 in respect of these grants (2002: £17,249).

CENTREPOINT SOHO

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31st MARCH 2003 (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

	2003 £	2002 £
(i) <u>Returns on investment and servicing of finance</u>		
Interest received	41,531	31,867
(ii) <u>Capital expenditure</u>		
Payments to acquire tangible fixed assets	(188,589)	(132,581)
Sale of property	-	627,580
	<u>(188,589)</u>	<u>494,999</u>

(iii) Analysis of net funds

	1 April 2002 £	Cash flow £	31 March 2003 £
Cash at bank and in hand	955,453	2,219,775	3,175,228
Liquid resources	404,716	14,998	419,714
	<u>1,360,169</u>	<u>2,234,773</u>	<u>3,594,942</u>
Debt due in more than one year	(20,856)	-	(20,856)
	<u>1,339,313</u>	<u>2,234,773</u>	<u>3,574,086</u>

(iv) Reconciliation of net cash flow movement in net funds

	2003 £	2002 £
Increase in cash in the period	2,219,775	218,417
Cash outflow from decrease in funds	-	(309)
Cash inflow from increase in liquid resources	14,998	17,417
Change in net funds resulting from cash flows	<u>2,234,773</u>	<u>235,525</u>
Net funds at 1 April	1,339,313	1,103,788
Net funds at 31 March	<u>3,574,086</u>	<u>1,339,313</u>

20 COMPANY LIMITED BY GUARANTEE

Centrepont Soho 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.