

**centre
point**

give homeless
young people
a future

FINANCIAL STATEMENTS 2017-18





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DIRECTORS' REPORT

The directors, who are also trustees of the charity, present their annual report and the audited financial statements for the year ended 31 March 2018. In preparing this report, the directors have complied with the Statement of Recommended Practice for social housing providers: Housing SORP 2014.

Centrepont Soho ('Centrepont') is both a registered charity and a registered provider, and sees both of these areas represented significantly in its activities. In addition to Housing SORP 2014, where appropriate, Centrepont also follows the Statement of Recommended Practice applicable to charities 'Charities SORP (FRS 102)'.

Please refer to the accounting policies, on page 54, for further information. A list of the Board, officers and advisers can be found on page 70.





WHERE WE WORK, WHO WE WORK WITH AND WHAT WE DO

We work with homeless young people and young people at risk of homelessness, offering them a safe place to stay and support to find a job and a home. We accommodate young people in a range of owned properties, properties leased from private sector landlords and properties owned by other registered providers. Alongside housing, Centrepont offers a wide variety of support and training opportunities to help young people leave homelessness behind them for good.

We provide education support, advice and job skills training at whatever level a young person requires. Good mental and physical health is crucial for young people to progress towards independence, so we also support young people to look after their wellbeing through a mix of counselling, intervention and signposting.

We work to influence the policies that affect young people and support them to speak up for themselves. We collaborate with local authorities and other homelessness and youth organisations.

Our support model also incorporates learning, health, employability and mentoring support. We are increasingly offering the benefits of these programmes to vulnerable young people who have never lived in Centrepont accommodation.

THE NEXT CHAPTER: CENTREPOINT'S STRATEGY TO 2021

6 2017-18 marked the midpoint of our current strategy, The Next Chapter. We took this opportunity to sharpen and refocus our efforts towards supporting homeless young people into a home and a job.

We continue to grow our accommodation, employment and mental and physical health services across England. At the same time, our policy influence and awareness in the media and online has grown beyond the ambitious targets we set for ourselves.

From this strong foundation, we will be ambitious for the young people we work so hard to support. 9

- Seyi Obakin, CEO



The Valued@Centrepont Award

We continue to work in line with our six values: energy, integrity, humility, accountable, focused, and entrepreneurial. These values guide our decisions, strategy and behaviour as part of Centrepont.

The Valued@Centrepont Award is a monthly prize to recognise outstanding staff members who have embodied these values. The awards give staff the chance to recognise colleagues who have demonstrated the values through their work. On average, there are over 30 unique nominations each month.

At the Staff Conference in October 2017, special awards were given to team members who had excelled in each of the values.

Knowledge

Our Youth Homelessness Databank revealed that in 2016-17, an estimated 86,000 young people in the UK approached their local authority for help because they were homeless or at risk of homelessness.

Three quarters of local authorities in England responded to our annual Freedom of Information request. This high number of responses allowed us to use a statistically robust approach for the missing local authorities.

The Youth Homelessness Databank launch event was attended by MPs, local authorities and sector colleagues, and enabled them to log into the website and discuss the findings for their individual constituencies.





REVIEW OF THE YEAR SUMMARY

In 2017-18, Centrepont significantly widened its geographical scope and extended its programmes to more effectively fight the risk homelessness poses to 16-25 years olds across the country.

We started support programmes to help young people secure a home and a job in Barnsley and new areas of London.

Supported by strong backing from corporate partners, extensive press coverage and high online engagement throughout the year, 2017-18 was a successful year.

Centrepont was one of the three chosen beneficiaries of The Guardian/The Observer's annual charity appeal. The partnership helped raise over half a million pounds to support young people in our services.

We ran successful Sleep Out events in all of our operational areas, increasing participation in Bradford, Barnsley, London, Manchester and Sunderland. In total, we raised over £785,000 from these event, beating our original target by £143,000.

Centrepont Partnering continues to offer a range of services to a growing membership of over 75 organisations, including networking opportunities, policy updates, event invitations, bursaries for young people and online learning.

This year we held Centrepont's first National Youth Homeless Conference in Manchester in over 20 years. The event hosted over one hundred people from a range of organisations, and the panel featured Chief Executive Officers from organisations such as the National Housing Federation and the

National Landlord's Association. The keynote speaker was the Parliamentary Under Secretary of State, Ministry of Housing, Communities and Local Government, Heather Wheeler MP.

We also secured several significant policy changes, including the reinstatement of housing costs (housing benefits) for 18-21 year olds.

Internally, we started the transition to cloud-based computing and took steps to make sure we are compliant with the EU's General Data Protection Regulation, introduced in May 2018.

REVIEW OF THE YEAR - HOW WE PERFORMED AGAINST OUR 2017-18 PLANS

HOUSING SERVICES

Performance against plan

We launched phase one of the development of Centrepoin't's Single Operating Model (SOM). The model will ensure that all systems, processes and people in Centrepoin't are focused on positive outcomes for young people. This will mean that, more than ever, young people will leave our services with a home, skills and a job.

86 per cent of young people were able to move on positively when leaving Centrepoin't's supported accommodation in 2017-18.

We further developed our homelessness prevention work in Manchester which helps young people entering the homeless pathway to access skills programmes, so they can find a job to sustain accommodation.

We launched a review of our prevention work to make sure it led to better outcomes for young people. As a result of this review, we decided to withdraw our prevention work in the North East to make Centrepoin't Helpline the national focus of our prevention work.

2017-18 was an unusual year in that 38 per cent of our supported housing contracts were retendered or renegotiated. We're happy to report that we retained all of these contracts.

We secured a contract in Harrow, a new London borough for Centrepoin't, added two new contracts in Bradford, as well as an additional contract in Newham, East London.



SUPPORT SERVICES FOR YOUNG PEOPLE

Overall

We have grown our accommodation services by retaining all retendered services and securing contracts in three further areas. We have also done additional work to increase our offer in a fourth area – Manchester.

We have successfully completed phase one of the Single Operating Model after consultation with employees across the organisation. This has allowed an understanding of the changes needed to ensure all staff are focused on achieving the best possible outcomes for young people.

We have also refocused our prevention offer to make sure we grow in areas of need and scale back where evidence is lacking.

Skills and Employability

Centrepoint Works is now fully embedded into our strategy and offers a focused service to Centrepoint young people.

Centrepoint Works includes careers advice and guidance, functional skills, traineeships and apprenticeships. The service is now

available across Centrepoint and we have developed a number of bespoke initiatives to ensure we offer a localised service.

For example, at our Dean Street Café, London, we have developed a bespoke hospitality and catering programme for young people that includes barista training. In Barnsley, we have also created a dedicated Learning Hub to support young people in accessing the support they need to gain the necessary skills to move into a sustainable job.

Our dedicated Business Development team has increased the number of bid submissions and has been successful in winning new contracts. This includes our first-ever direct contract with the Education Skills Funding Agency, partnering with Gateshead College to deliver skills to support the local workforce and working with the Morrisons Foundation to support learning opportunities in Barnsley.

We have also developed relationships with a wide range of employers to increase work experience and job opportunities for homeless young people.



Participation

In May and early June, the Centrepoint Parliament (a group elected to represent young people in Centrepoint) rolled out their updated **You Got a Problem?** voter registration workshop. They informed young people about the key manifesto pledges of the main political parties and encouraged them to vote.

After consulting with their peers, Centrepoint Parliament also decided to run a campaign on promoting better mental health for young people.

Their **Mind Your Head** campaign was a nudge to people to look after their general wellbeing, not to suffer in silence and to use the provision available to support their mental health. They developed a workshop made up of activities, tips and useful resources for maintaining good mental health and wellbeing. Several members of the Centrepoint Parliament also delivered a shortened version of the workshop at Centrepoint's annual staff conference.

Health and wellbeing

We successfully rolled out a new mental health education programme to all Housing and Support teams. This training was also attended by staff from the Volunteering team, Centrepoint Works and other core functions, and was one of our most popular training courses ever.

We secured funding in Manchester for a mental health and counselling offer to fast track young people into support. This is our second biggest health offer outside of London.

The strength and distinct nature of the health offer attracted further statutory investment from Westminster Council, The Maudsley NHS Charity and a further round of funding from Lambeth Clinical Commissioning Group. This NHS funding enables us to diversify our sources of income and provide much needed talking therapies for young people.

The Centrepoint Helpline

In 2017-18, the Centrepoint Helpline assisted over 3,000 young people from across England. It provided support in a range of areas that impact on homeless young people, including forced marriage, domestic abuse, mental health and family breakdown.

We created a new programme to recruit ten Helpline volunteers. We also launched a new live chat service to reach even more young people, and promoted this service to nurses, teachers and police officers, as well as young people themselves.

COLLABORATION

Performance against plan

After a strategic review in 2017, we appointed a new Head of Partnerships with an expanded remit. The Partnerships team now manages the Centrepoint Partnering membership scheme as well as wider work with more strategic contacts.

We supported the expansion of the Centrepoint Helpline into Manchester by broadening our contacts and determining their ability to support the service.

The Centrepoint Partnering scheme now has 75 members. Thirty of these have chosen to be a part of our paid membership scheme and 45 enjoy free membership. Members benefit from a range of services depending on their membership package.

We increased the demand for our 'buy in' consultancy services this year. As part of this, we are delivering organisational reviews, evaluations and supporting others to develop strategically relevant business plans.

Through our accredited life skills programme, Lifewise, 292 young people received 575 AQA accreditations. We also trained 29 staff members to deliver this course.

Our themed events, which are designed to engage young people across the country, have included:

- An Internet Safety Day
- You Got a Problem workshop for the General Election 2017
- Our annual poetry competition, which this year focused on the theme of freedom.

Young people from member organisations worked together with Centrepoint to voice their views on the current situation for young people. This included speaking publicly at Centrepoint's Connect National Youth Homelessness Conference.



INFLUENCING LOCAL AND NATIONAL POLICY

We met with MPs and civil servants throughout the year. These included:

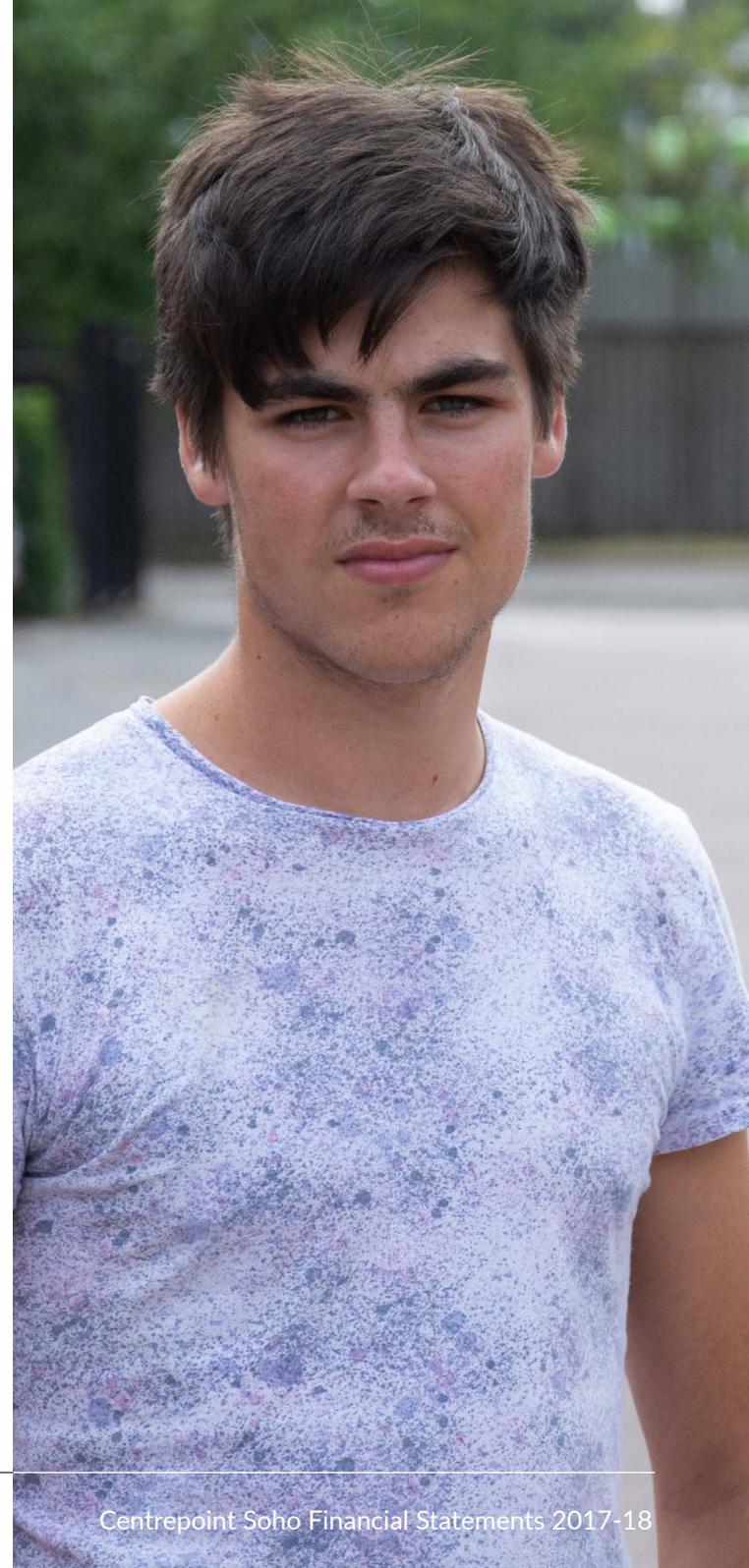
- Ministers from both the Department for Work and Pensions and the Ministry of Housing, Communities and Local Government
- Members of the Labour frontbench
- The leader of the Liberal Democrats

We also continued to meet with civil servants from national and local government to improve public policy for homeless young people on a range of issues.

We secured significant changes to the operation of Universal Credit and helped safeguard the level of housing costs which young people in the social rented sector can claim. We have also worked with other charities to secure exemptions from council tax for care leavers up to the age of 25.

In July 2017, in the House of Commons, we launched new research on supporting care leavers to ensure they do not

become homeless. We also presented a new estimate of the scale of youth homelessness in March 2018 to an audience of parliamentarians, charities and local authorities.



MOBILISING SUPPORT AND SUPPORTERS

Volunteering

As part of our strategic review, we carried out an evaluation of Centrepoin't's Volunteering service. This resulted in a number of positive changes that will allow our Volunteering team to deliver better outcomes for young people and increase value for the organisation.

After moving across to the People, Skills & Employability department in December 2017, the service has been streamlined to provide dedicated support in all Centrepoin't regions. This will lead to an enhanced role for both supervisors and volunteers in delivering and managing our programmes.

The management team has been working with stakeholders to develop a strategy that will deliver positive results and growth over the next three years. Our new programmes in Manchester and Barnsley have already shown the value volunteering holds within local communities.

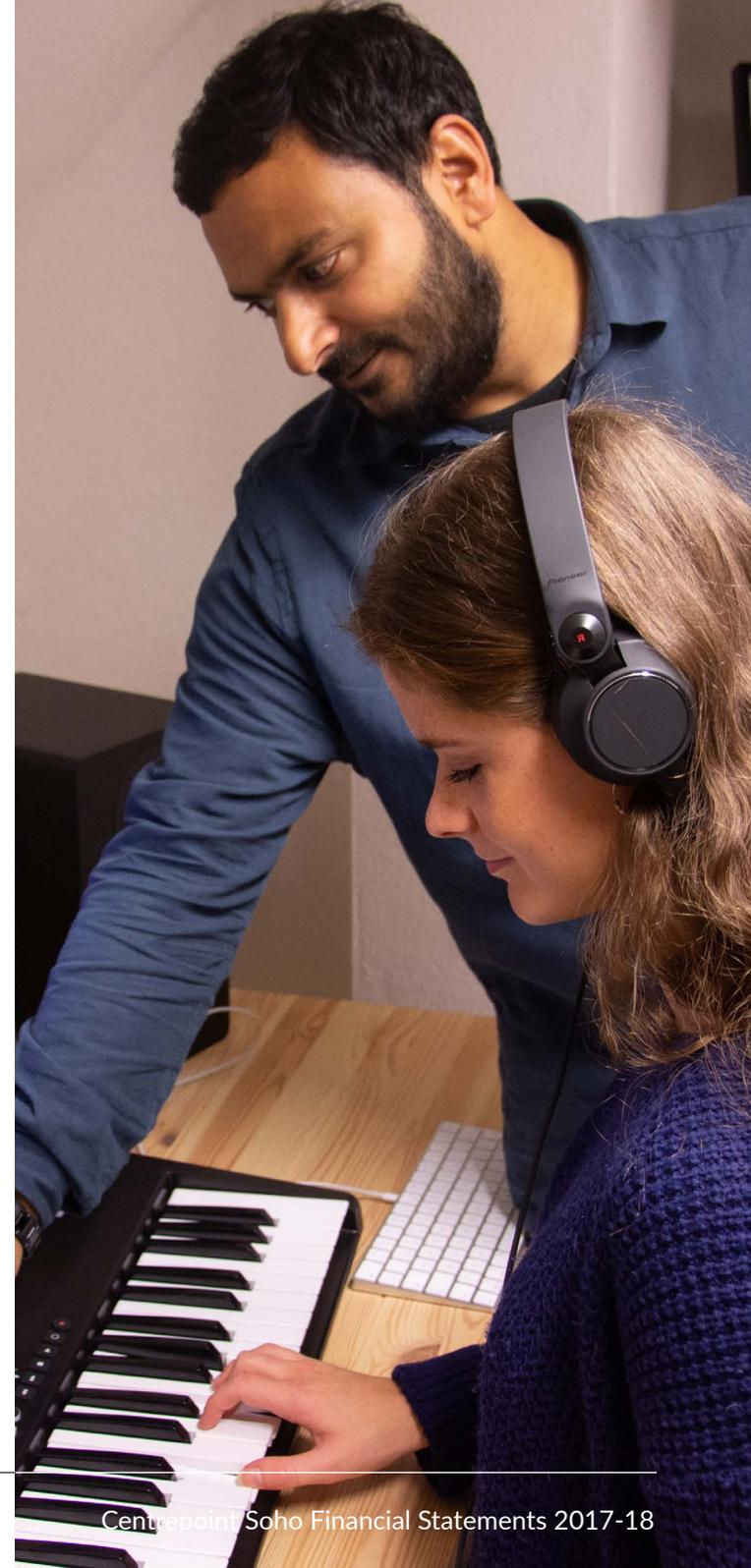
Individual giving

We generated £10.6 million from direct and legacy marketing activity. This was achieved with expenditure of £4.9 million. These results are £136,000 ahead of the net target.

We continued to grow our face-to-face and door-to-door fundraising activity this year. These campaigns recruited 12,000 new regular giving supporters for Centrepoin't and continue to be one of our best performing income channels.

We successfully launched our new TV advert this year with a focus on the different situations faced by homeless young people. We also invested more in our digital activity on the website and on social media, which led to more supporters donating online. We will continue to build on the success of all three channels in the next year.

Our Christmas Appeal also exceeded our targets by generating £1.6 million. This included £510,000 from a joint appeal with The Guardian/The Observer and two other homelessness charities.



Corporate fundraising

Corporate fundraising generated more than £2.3 million in 2017-18, which exceeded our aim to increase income by 20 per cent from 2016-17.

We continue to enjoy a strong partnership with online fashion retailer ASOS, who have supported us with the delivery of the Centrepunkt Helpline. We have also developed a three-year partnership with The Co-operative Bank, who donated £450,000 to Centrepunkt this financial year.

It was also another successful year for Sleep Out London. The event raised £649,000 in total, an increase of £113,000 from 2016-17.

End Youth Homelessness

End Youth Homelessness (EYH) is a UK wide movement, bringing together 11 major regional charities to tackle youth homelessness collaboratively. EYH aims to attract funding that members are unable to secure on their own.

Centrepunkt has incubated EYH since 2012 and was formally appointed to be the Administrator of EYH in 2014. EYH

aims to be self-funding and to-date has succeeded in covering all of its operational costs excluding desk space and back-office support which Centrepunkt provides gratis.

In 2017-18, EYH raised over £1.2 million against a target of £1.12 million. £765,000 of funds raised went through Centrepunkt's accounts of which £290k was spent on operational costs.

Centrepunkt received more than £100k of EYH funds which supported the roll-out of both Centrepunkt's Bursary Scheme (Eversheds LLP) and Rent Deposit Scheme (Yorkshire Building Society) across its footprint. EYH corporate partners also contributed participants to Centrepunkt Sleep Outs including the largest team to attend Sleep Out in London (50+ employees from Taylor Wimpey).

Regional fundraising

In 2017-18 we raised over £700,000 regionally, beating our original target by an incredible £200,000

We ran successful Sleep Out events in all of our operational areas, increasing both

participation and income from events in Bradford, Barnsley, Sunderland and Manchester.

We also fundraised for significant projects, including securing over £60,000 from The Morrisons Foundation for a learning hub and a member of staff in Barnsley.



BUSINESS SUPPORT

Performance against plan

We rolled out our new housing management system in the summer. The new system has reduced frontline staff's workload, enabling more face-to-face time with young people and improving efficiency for support teams.

We redefined our approach to procurement, supported by revised policies and procedures. The tools, support and guidance now in place are delivering benefit by giving teams across Centrepont the confidence and ability to lead their own effective procurement.

We continue to align IT systems and migrate applications to cloud-based systems. Centrepont is on course to achieve its cloud strategy in line with its 2021 strategy.

- **Technology and digital transformation:**

The delivery of Centrepont's 2020 Technology Strategy through the upgrade of Wide Area Networks across all of our sites. We also started the transition to

cloud-based computing while reducing the number of technology issues raised with the current service.

- **Data insight and performance:**

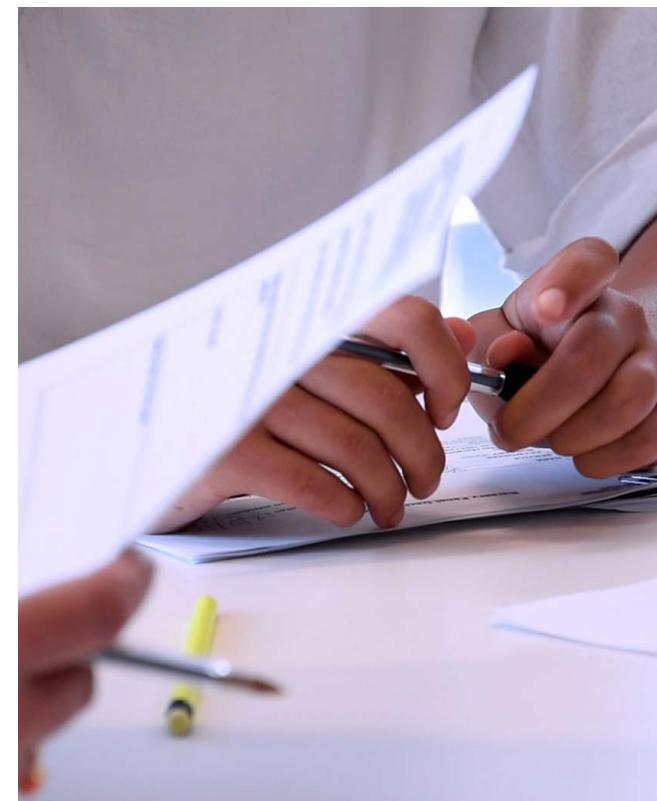
Managers are now able to review performance across housing, support and HR in real time through the development of QlikView applications link to our data sources. This will enable the organisation to make decisions that are impact-led.

- **Cross-organisational change:**

We have set up a Change Governance Board to support the effectiveness and increase the benefits resulting from change initiatives.

We reviewed our internal audit provision and are developing our own internal audit function. Our Internal Audit team have a good understanding of the complexities of the organisation and are studying to become qualified internal auditors. This will help Centrepont improve compliance and quality.

The structure of our annual tenants' report was reviewed and overhauled with the help of the Centrepont Parliament, resulting in a short, engaging leaflet in place of the previous 26-sided A4 document.



OUR APPROACH TO FUNDRAISING

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

Our agencies include:

- **Campfire:** We work with Campfire on the strategic delivery of our regular giving campaigns. With their support, this financial year our cash appeal programme raised over £2 million.
- **All Response Media:** We work with All Response Media to plan and buy our media space. This includes television, press inserts, digital and outdoor advertising.
- **REAL & One Sixty:** These agencies work with us in our face-to-face and door-to-door campaigns. After three years of partnership, both agencies have developed an in-depth understanding of Centrepoint, our long-term goals and our objectives.
- **Ethicall:** Ethicall carry out telemarketing to our existing supporters. This includes thanking supporters and asking them for additional support where appropriate.
- **Angel:** This financial year we appointed a new fulfilment agency to process donations from both existing and new supporters.



Fundraising practice

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

We have never failed to comply with the Fundraising Regulator's Code of Practice.

All of our partner agencies adhere to their relevant regulation. We also make sure any agency working directly with the public has their own policy on vulnerable people.

How we monitor fundraising activity

Centrepoint and its agencies' monitoring guidelines include:

- Regular meetings
- Monitoring of performance
- Training
- Mystery shopping
- Observer agency training
- Shadowing
- Call listening
- Monitoring of complaints

- Keeping senior management and trustees informed of our performance
- Regular consultation with other charities and regulatory bodies
- Due diligence clauses in contract

We listen to a randomly selected sample of the calls made by our telemarketing and fulfilment agencies on a weekly basis. We score these calls and feedback improvements or concerns.

Complaints

In 2017-18 we received 56 complaints in total, compared to 105 in 2016-17. All of the complaints that we received were resolved.

We ensure that we learn from all complaints and use this to improve our practice. We are therefore pleased complaints have fallen by 51% from last year even though we have significantly increased our fundraising activity.

The majority of the complaints that we get are from non-supporters and are generally about fundraising methods that people object to such as door or street fundraising rather than about Centrepoint, our fundraisers or the content of any campaigns that we run.



Our supporter promise

1. Donations are the supporter's decision

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

2. We'll always respect privacy

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

3. We'll never sell or swap details

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

4. We'll keep our supporters updated

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

5. We'll use all donations carefully

We make sure we're as cost effective as possible, so donations can have the greatest impact for homeless young people.

6. We'll act quickly

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

7. We'll check with our supporters first

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

8. We'll respect our supporters wishes

If a supporter tells us they don't want to hear from us again, or want to hear from us less, we will change the details on their record.

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

For more information about how we work with supporters, please visit our [website](#).



FINANCIAL REVIEW

Income

Income for the year ending 31 March 2018 was £32.7 million, an increase from £32.6 million in 2016-17.

Income from charitable activities was £15 million, an increase from £13.7 million in 2016-17. Voluntary income for the year was £17.4 million, an increase of £1.1m from 2016-17. Other income in 2017-18 was £286,000 and was £2.2 million less than 2016-17. Last year included £2.2 million from the disposal of a fixed asset.

Expenditure

Expenditure during the year ending 31 March 2018 was £31.7 million, an increase of £2.9 million from 2016-17.

Expenditure on charitable activities was £23.8 million. This is £2.6 million more than the previous year due to the increased number of services to young people.

The cost of raising donations and legacies was £7.8 million, an increase of £340,000. This reflects increased fundraising activity, including our Centrepont Awards event at Kensington Palace. With the reduction of public sector grants, we have increased our investment in fundraising to ensure an uninterrupted service to young people.

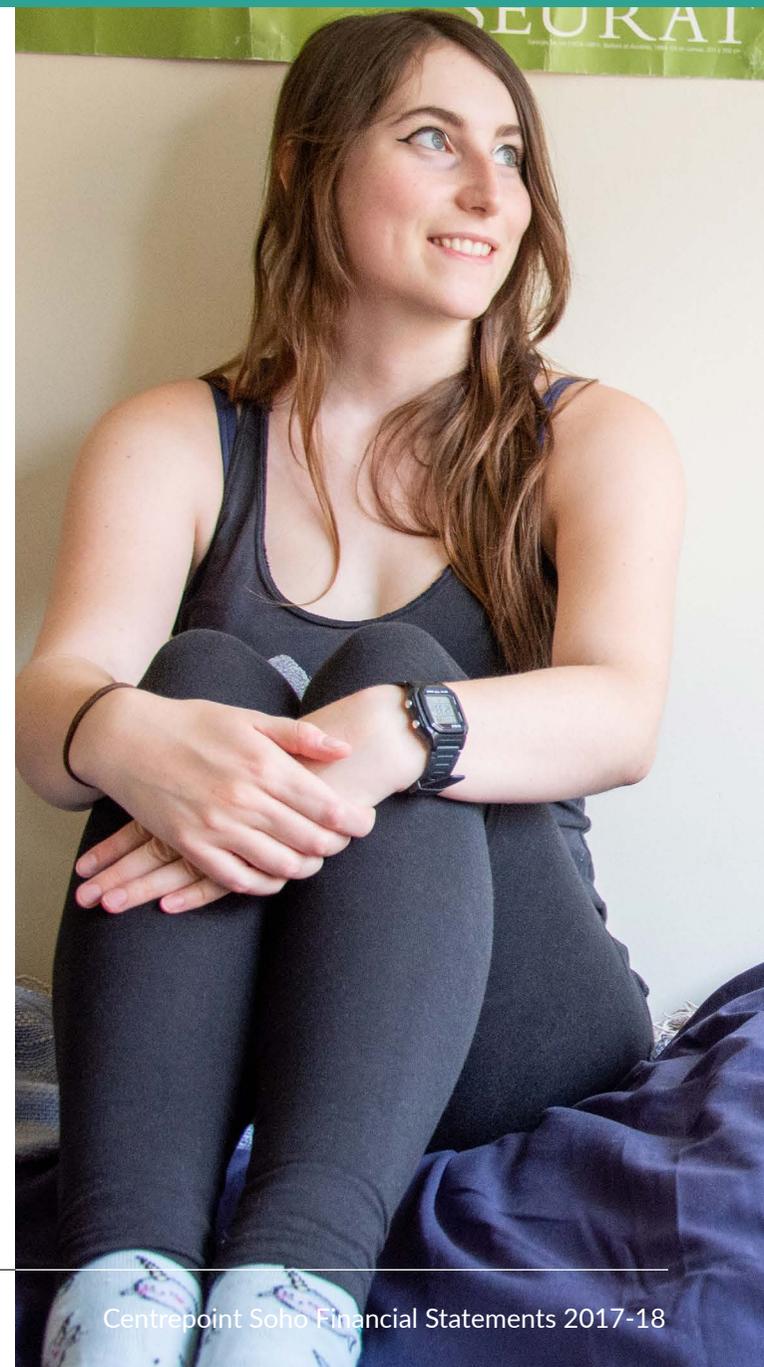
Expenditure on support costs increased by £273,000 and reflects the increased activities and our continued effort to improve efficiency and drive down costs.

Surplus

The surplus for the year was £1.0 million. £293,000 of this is for restricted projects and £758,000 is for unrestricted reserves.

Statement of financial position and cash flow

The statement of financial position and cash flow remains strong. Working capital ratio at year end was 2.6:1



VALUE FOR MONEY

This report outlines our approach to value for money (VfM) and what we have achieved over the last financial year to make sure we have achieved the outcomes required under the new Value for Money Standard 2018 and get the most out of our resources.

Every year the key decision taken by Board is the approval of the business plan and budget which sets the framework for the Group's operations. Centrepont has a clear framework for achieving VfM, incorporating the following:

Approach agreed by board to achieving VfM in meeting these objectives and demonstrate their delivery of value for money to stakeholders

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

Our approach to VfM will:

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



Decisions about how we use our resources to deliver Strategic Objectives

The Centrepoin't's strategy to 2021 outlines our strategic choices:

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

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

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

We have outlined in this report, how we have performed against our 2017-18 plans. These include:

- Launch of phase one of the development of Centrepoin't's Single Operating Model - which will help us to deliver our mission – a job and a home for every young person. This approach will reduce administrative tasks, streamline business processes, supporting Finance and IT systems and improve overall efficiency.
- Over 84% of young people had a positive move on from Centrepoin't's supported accommodation, this is an improvement from 2016-17 (82%).
- Fundraising return on investment increased from £2.18 in 2016-17 per pound invested to £2.22 in 2017-18.
- Increase of accommodation services including 53 bedspaces in Barnsley and 12 bedspaces in Manchester.
- Roll out of new mental health programme to all Housing and Support teams. The programme delivered Mental Health training to 266 Centrepoin't Staff and Partners which. This facilitates 'early intervention' approach which results in service level

provision for young people are improved and reduces costs in the long run in supporting young people

- A new programme to recruit more Helpline volunteers. Recruiting additional volunteers to take calls and provide advice and guidance increases capacity and supplements the paid staff, resulting in better value for money for the Helpline service
- Centrepoin't Works service is now available to all young people
- Centrepoin't Partnering has increased membership from 60 to 75 members
- Increased influencing work at both local and national level by being involved in research and lobbying, through local media coverage and actions aimed raising public awareness
- Positive changes and expansion of volunteering work which will deliver better outcomes for young people by improving processes that facilitates better placed and more meaningful volunteering activity across all regions of Centrepoin't. Reporting tool is to be introduced in 2018-19 to ensure clear and accurate reporting covering financial ROI and reflect how volunteers support key functions' outcomes and young person success.

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

At the end of the financial year we had capacity for 1,396 young people in supported housing and general needs. This includes 713 bedspaces in London and 683 bedspaces in regions out of London including Barnsley, Bradford and Sunderland. We acquired and developed ten two-bed units in Manchester during 2017-18.

We have a robust property strategy which outlines our plan to increase bedspaces in 2018-19 towards our goal of 300 additional move on bed spaces by 2021.

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

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

Our VfM performance is measured by the Board against targets set under the key elements of economy, efficiency and effectiveness. The measures below are a combination of Centrepoint’s measures and those required by the Regulator of Social Housing. The Regulator of Social Housing metrics are designed for social housing however what Centrepoint delivers is wider than this, for example skills and employability, Helpline, CP Sport, CP Partnering and our influencing work.



Economy:

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

	2017-18	2016-17
Fundraising return on investment	£2.22	£2.18
Business support costs	7.9%	7.8%
Void loss	8.6%	6.8%
Cost per young person worked with	£2,183	£2,307
Headline social housing cost per unit	£1,525	£1,576

Efficiency:

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

	2017-18	2016-17
Repairs completed on time %	84%	82%
Reinvestment in housing units for young people % ¹	4.0%	1.4%
Operating margin % ²	Overall 3%	5.3% ³
	Social housing letting (40%)	(35%)
Return on capital employed ⁴	3.10%	3.50%
Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs included (EBITDA MRI) Interest Cover % ⁵ .	Currently Centrepont do not have any borrowing or interest on borrowing. However, a property strategy is being developed, which will likely to result in increased investment in properties and lead to Centrepont borrowing in the future.	
Gearing %		

1 **Reinvestment** % - this metric looks at the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held

2 **Operating Margin** % demonstrates the profitability of operating assets before exceptional expenses are taken into account. Our purpose and objectives including our social objectives, means we have lower margins than average.

3 Net of surplus on property disposal

4 Return on capital employed metric compares operating surplus to total assets less current liabilities to assess the efficient investment of capital resources

5 Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs included (EBITDA MRI) Interest Cover %. The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity.

Effectiveness:

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

	2017-18	2016-17
Number of young people worked with	10,916	9,207
Positive move on %	84%	82%
Young people in Education, Employment or Training (EET) on departure or made significant progress during stay	43%	51%
Young people managing their mental health better	73%	74%
Young people's satisfaction with services	93%	87%
New supply delivered % ⁶	5.2%	4.70%

⁶ The **new supply delivered** % metric sets out the number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units managed at period end.



Benchmarking our performance against other organisations delivering similar services

We complete VfM reviews of our activities, including:

- What the outcomes are
- The cost per outcome
- How we can do things better and more efficiently
- Benchmark our services to understand strength and weaknesses
- Improve IT infrastructure to support the business

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

Centrepont is an active member of a benchmarking group with other homelessness organisations who provide social housing.

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

The last time we benchmarked housing management data was in 2016-17, with seven other agencies and results are:

	2017-18	2016-17 Peer results		
	Centrepont	Centrepont	Group Mean	Group Median
% of all repairs completed on time	84%	72.2%	88.8%	94.1%
% of all departures that were known destination	84%	80.5%	79.9%	80.5%
Complaints responded to on time (%)	91%	82.6%	86.7%	86.3%
Void loss as % of the annual rent due	8.6%	6.8%	6.8%	6.6%
Rent collected as a proportion of gross annual rental income (%)	95%	95%	94.2%	94.1%
Current tenant arrears as % of annual gross rental income	11%	7%	6.6%	7%
Former tenant arrears as % of annual gross rental income	8%	8%	6.6%	6.5%
Amount written off as bad debt, as percentage of annual gross rental income	4.5%	4.5%	3.7%	3%

The 2016-17 benchmark data also showed that:

Repairs completed on time:

- We performed below average on all repairs completed to deadline (72.2% against an average of 88.8% and median of 94.1%).
- We have changed maintenance contractor and reviewed our processes and as a consequence we have improved performance so that in 2017-18 we completed 84% of all repairs to deadline.

Rent collection

- Our performance is comparable. Rent collected as a proportion of gross rental income (95% against an average of 94.7%). However current tenant arrears as a percentage of gross rental income is higher (7% against an average of 6.6%). Our client group makes this challenging. We have implemented a new rent accounting system, which will improve arrears management and reporting.
- Additionally, we continue to provide ongoing training to key workers to support and advise young people on welfare benefit and help them with managing finances.

Write off bad debts

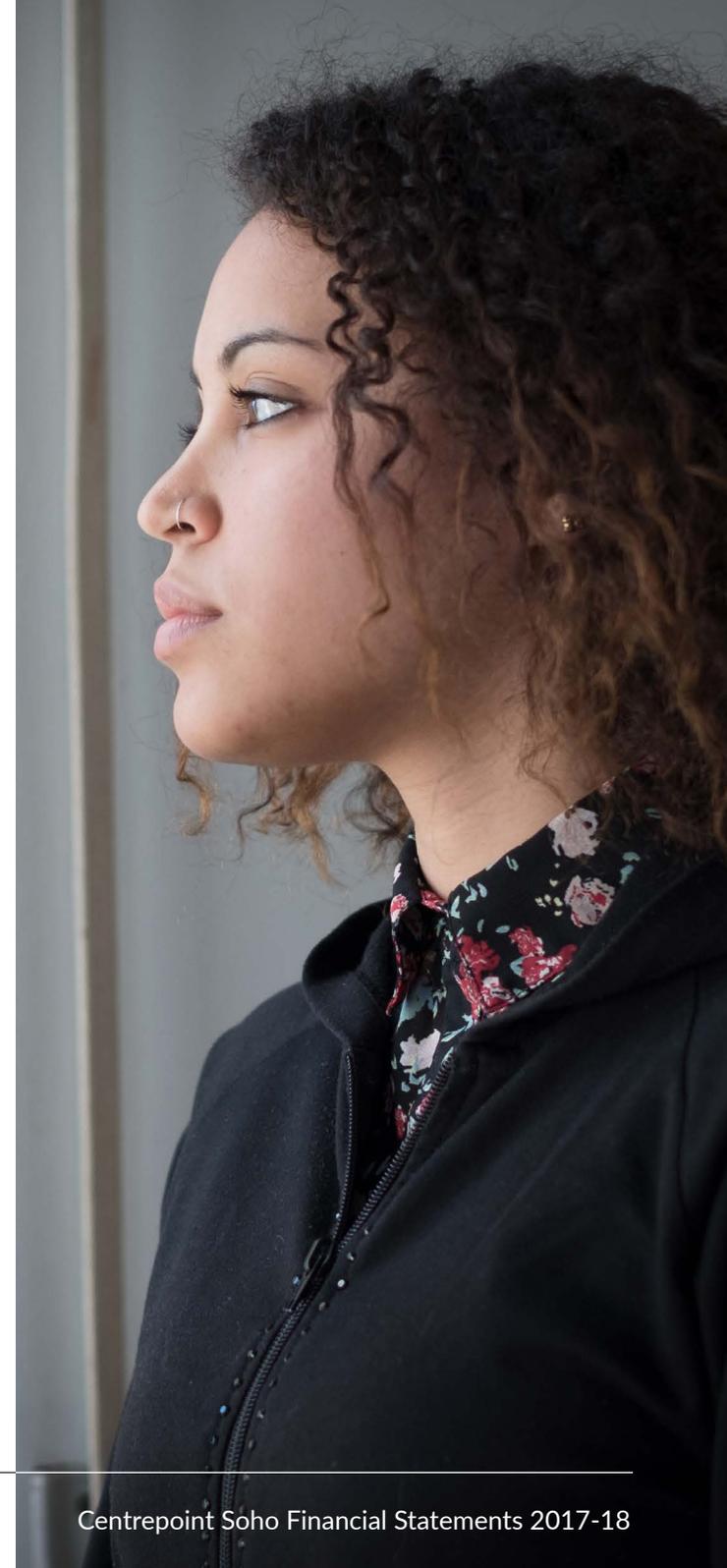
- We were slightly behind on performance better than average on amount written off as bad debt, as a percentage of gross rental income (4.5% against an average of 3.65%)

Void loss

- Our performance in 2016-17 was comparable (6.8% against an average of 6.8% and median of 6.6%) however it has dipped this year and we will look to improve,

Clients moving on

- We were slightly above average for clients moving to a known destination (80.5% against an average of 80.8% and median of 79.9%)



Ensuring that performance is managed and monitored.

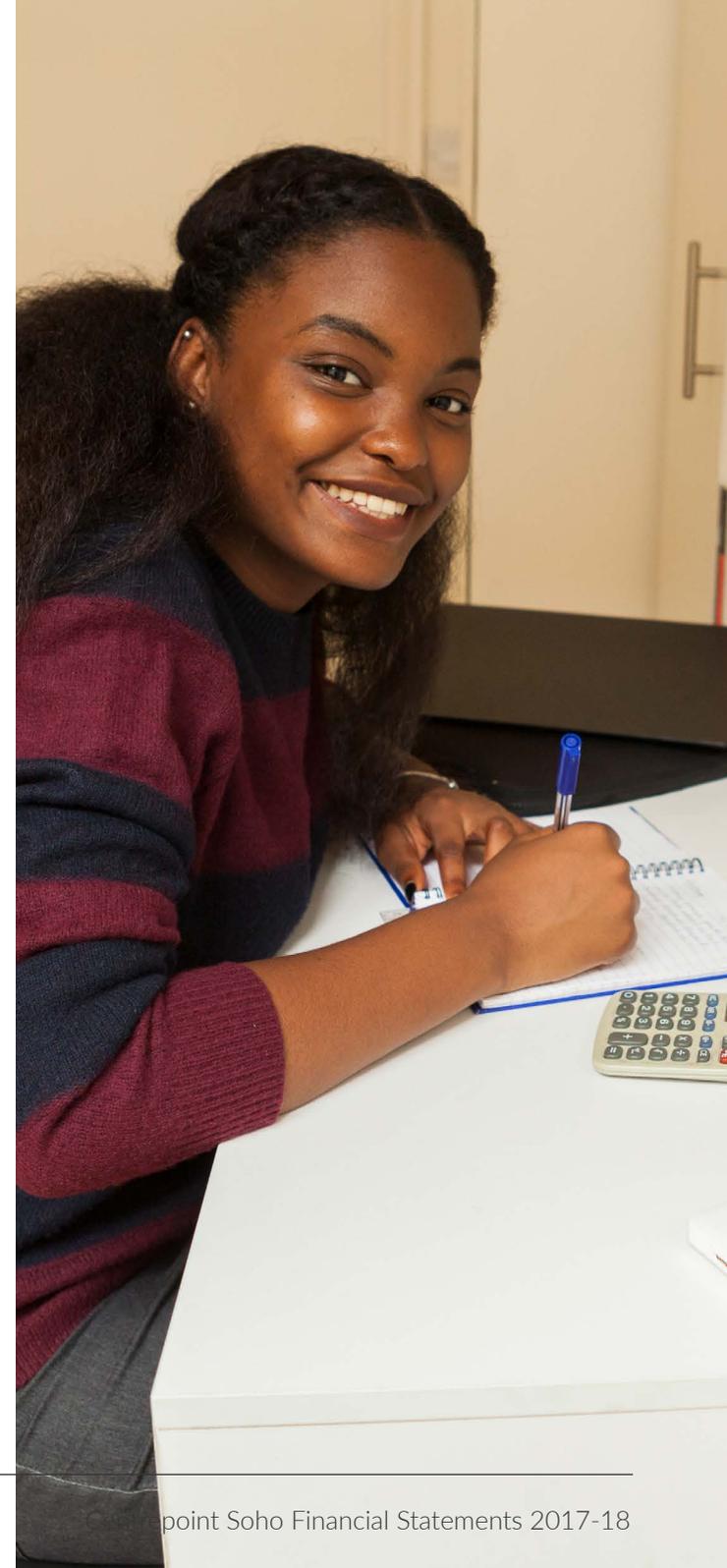
In addition to the key performance measures, we have also achieved the following through procurement activity:

- National tender of all elements of reactive and voids repair maintenance. This delivered improved management and run rate savings of 8 per cent or £40,000.
- Insurance premiums maintained at current levels with a 20 per cent increase in sums insured, a reduction in excess and more favourable terms.
- A review of our procurement policies and procedures. This included how we procure and identify different methods such as direct tender and procurement frameworks for generic items, and direct tender for more specialised items.
- The introduction of procurement workshops to understand procurement needs and deliver best value products to our young people. For example, we have standardised starter packs for young people entering our services and reduced costs while exceeding regulatory safety requirements.

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

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

We are committed to getting feedback from young people through a biennial survey and regular resident speakouts. We also invite young people to attend senior management meetings, including all Board meetings.



We publish evidence in the statutory accounts to enable our stakeholders to understand our:

- Performance against our own value for money targets and any metrics set out by the regulator, and how that performance compares to peers
- Measurable plans to address any areas of underperformance, including clearly stating any areas where improvements would not be appropriate and the rationale for this.
- Young people have attended senior management meetings to discuss any issues they have. We recognise that we need to improve our response time on complaints.
- We are working with more young people and the number of bedspaces we own or manage has increased from 844 to 858. We have invested in apprenticeships, traineeships and functional skills which will help us support more young people into education, employment and training.

Effectiveness plans for 2018-19

We shall address areas of underperformance to improve value for money in those areas.

- As well as improving on our performance on repairs completion to 84% in 2017-18, we also improved on rent collection and voids in 2017-18. They are still below our target and therefore they remain key areas for Centrepont and the Board agreed a VFM target to improve on these.
- We have invested in a new rent and housing system to help young people manage their rent. This will improve arrears management and efficiency savings from reduced time spent on processing.
- Continue our programme of retendering key procurement activities to bring down costs of goods and services so savings can be passed onto young people in reduced rent and/or service charges.
- Continue to review all activity costs and identify ways to deliver more effectively and efficiently.



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

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

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

The creation of a new initiatives working group, will ensure that new initiatives will drive improvement and consistency of engagement and communication, leading to an increase in benefit realisation.

One new initiative recently implemented is a young person digital rent payment app which will empower young people

to manage their rent accounts more effectively, reduce processing time and improve arrears management.

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

How the Board has gained assurance

Our Board receive regular reports on:

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



INVESTMENT POLICY

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

RESERVES

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

Through its Audit and Risk Committee, the Board annually reviews the minimum level of reserves it needs to maintain continuation of activities in the event of financial difficulties. The review takes account of the risks attached to all categories of our income and expenditure. Based on this review, the Board has set a target of achieving general reserves (i.e. total 'unrestricted' reserves) of at least £2.9 million.

At the end of 31 March 2018, unrestricted reserves stood at £17.6 million. However, £15.0 million has been designated for the various essential activities we plan to carry out in the immediate future or already have invested in fixed assets. Of the £15.0m designation, £12.5m represents the housing assets where young people live, and other fixed assets such as computers. A further £2.5m has been designated to invest in new housing stock. These funds will be used to purchase properties to help young people move on from supported hostel accommodation.

The remaining £2.6 million of our unrestricted reserves is held in general reserves as an important part of our financial management and planning. This funding will ensure we maintain essential services for young people in the event of financial difficulties or an unplanned setback. This is slightly lower than the £2.9m target set by our Board. Therefore, although reserves are in a satisfactory position, we will continue our efforts to strengthen them.

Transfers between funds primarily represent the designation of fixed assets and fixed assets purchased from restricted funds where the acquisition of the fixed assets has discharged the restriction and the assets are transferred to unrestricted funds.

FINANCIAL POSITION

The Board considers there are sufficient reserves held at 31 March 2018 to manage any foreseeable downturn in the UK economy. The Board also considers there is a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future and for this reason, the Board continues to adopt the 'going concern' basis in preparing the accounts.



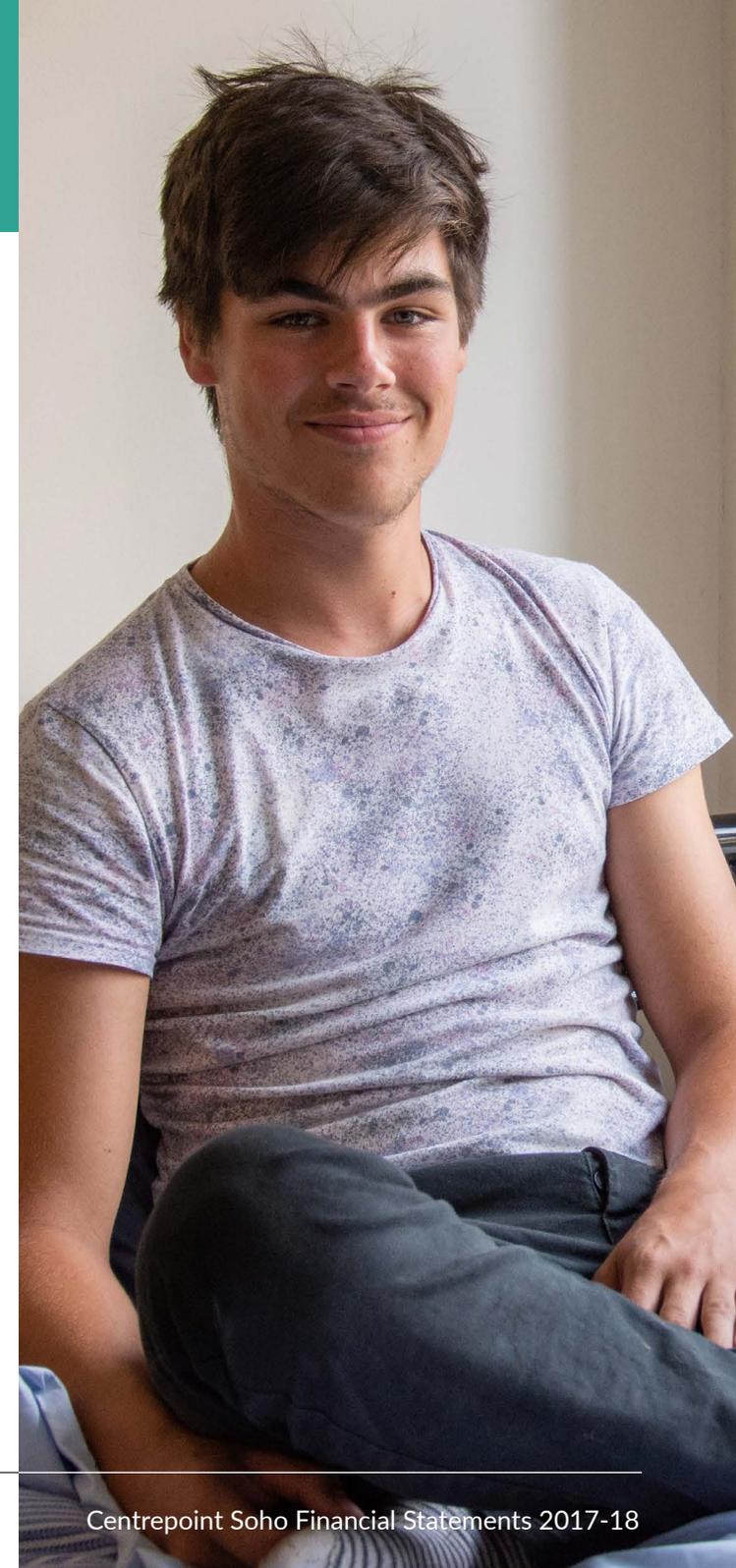
HOUSING AND SUPPORT SERVICES FOR YOUNG PEOPLE

We will continue to design a Single Operating Model (SOM) to ensure all of Centrepoint's systems, processes and people share the goal of delivering a home, job and improved health for young people.

The design of the SOM will be needs-led. Redesigning the resulting support package as well as investing in our staff will make sure they have the tools, techniques and confidence to deliver better outcomes for young people.

We will continue to grow our provision by working in partnership, where appropriate, to reach as many young people as possible. We will continue to develop and expand our work in Centrepoint's current locations and look to engage new partnerships that enable us to do this.

We will remodel the existing Manchester provision in partnership with Manchester City Council in response to the Homeless Reduction Act. This will allow us to develop a pioneering model contributing to a new industry standard.



SKILLS AND EMPLOYABILITY

We will continue to develop our model to increase the number of homeless and disadvantaged young people accessing a home and a job. This will include extending our remit to provide sustainable employment opportunities and career progression.

We will continue to secure funding to enable us to provide bespoke vocational learning opportunities. We have already created our first Centrepoint Learning Hub in Barnsley, and we plan to develop more in our other regions.

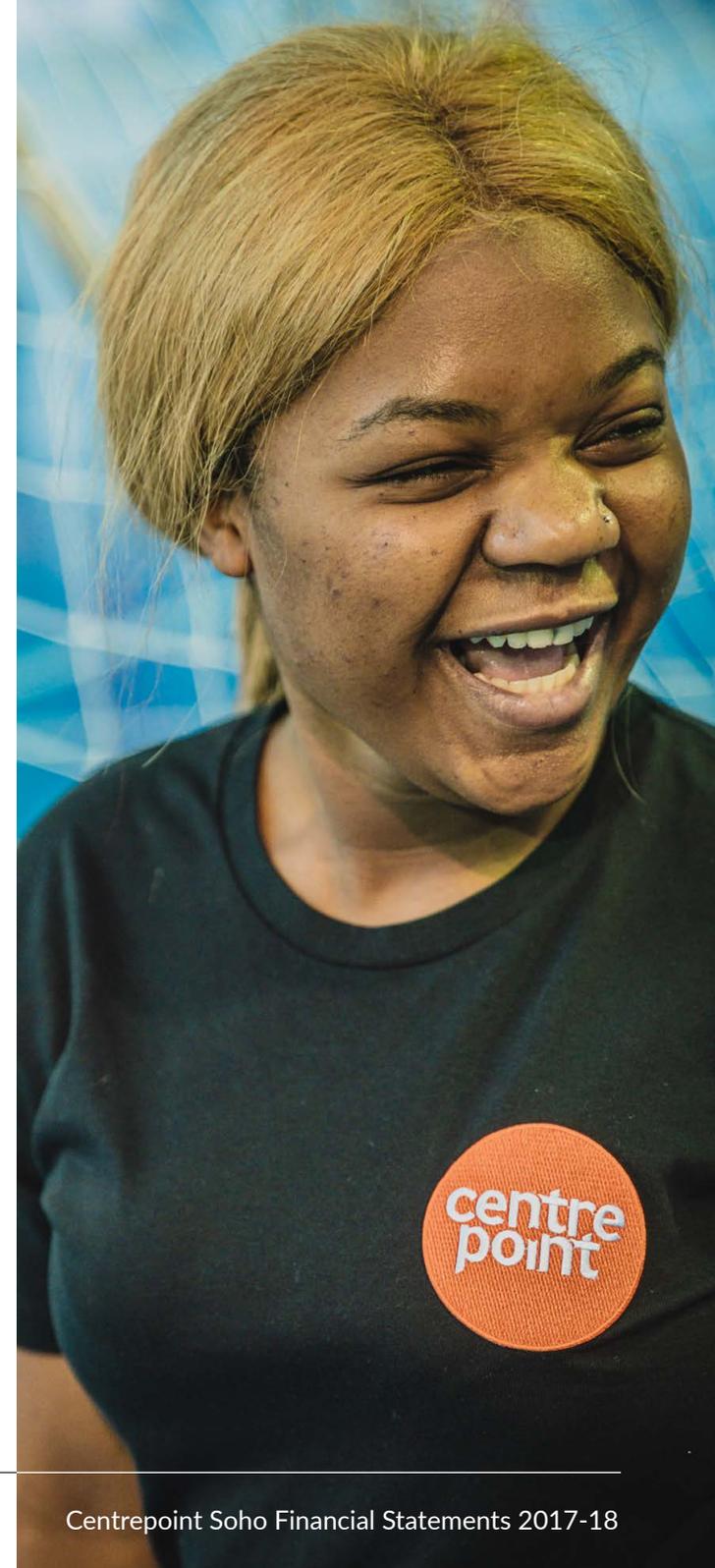
To maximise opportunities for young people, we will develop more strategic partnerships and expand our apprenticeship offer to employers. This includes partnerships with ResQ, Accenture, Cordant People Group and L&Q to help them deliver apprenticeships to young people. We are also building a number of relationships with employers such as Mod Pizza, Pret A Manger and Kingsway to support our young people with traineeship opportunities.

We will also improve the way we use our Centrepoint Sport offer to increase the engagement and participation of young people in learning opportunities.

PARTICIPATION

We will develop a flexible participation offer for all young people across Centrepoint to ensure engagement throughout the organisation.

We plan to embed participation throughout the organisation, allowing young people to advise and contribute towards policy and operations decisions.



HEALTH

Over the coming year, we will continue to explore commissioned contracted work in counselling opportunities.

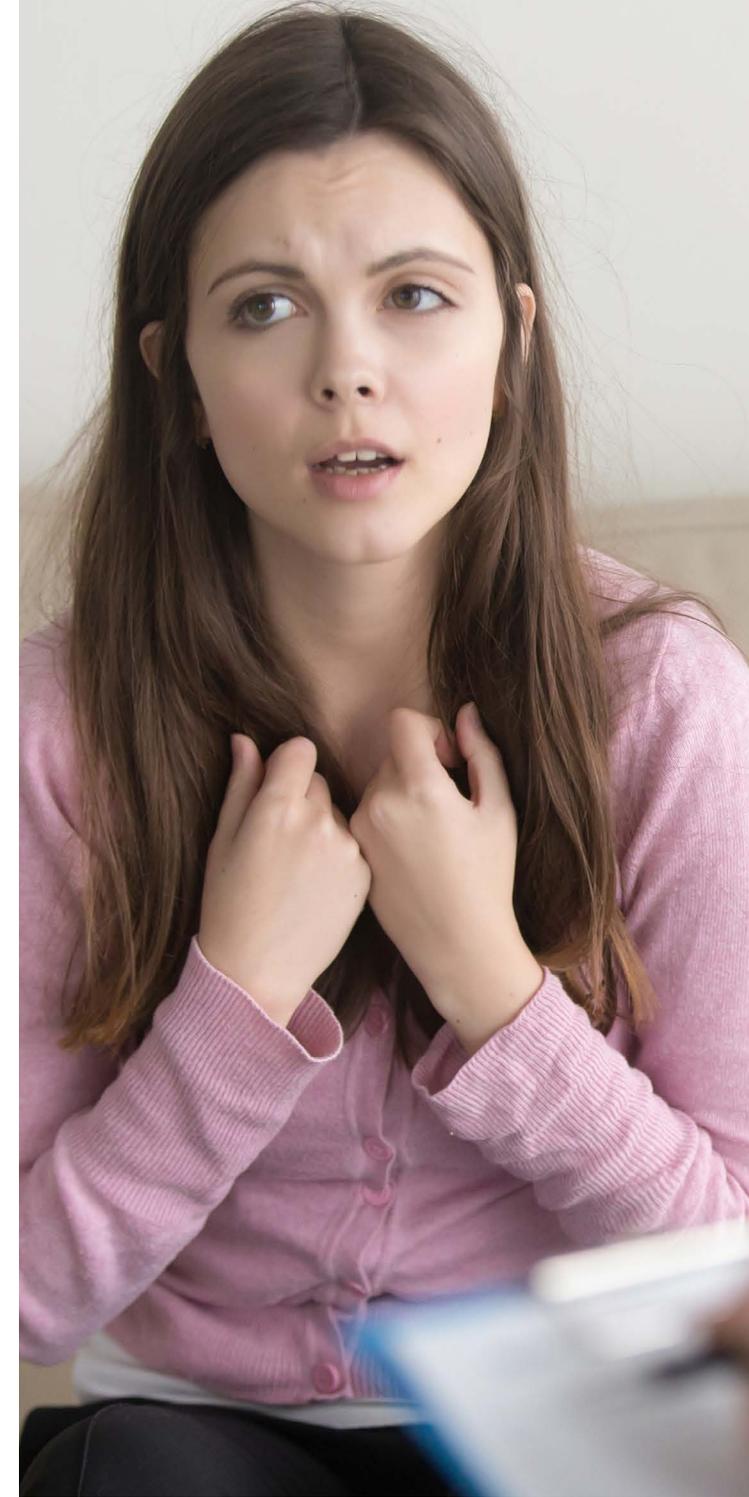
We will successfully implement a health provision in Manchester and Westminster.

We will enhance performance and provide evidence of the impact of health on a positive outcome for our young people. We will achieve this through the development of two performance indicators connecting health with employment, education, training and a positive move on.

We will launch the 2018-2021 Health and Wellbeing Strategy to build upon evidence from previous mapping. We will also advocate for a phased approach to mental health infrastructure in every region while demonstrating the distinct nature of the Centrepoint offer.

We will create two new recording systems to demonstrate our impact on reducing the severity of symptoms and illustrating the impairment on functioning associated with mental health.

We will complete and publish mental health research to understand barriers to engagement for Centrepoint young people. We also aim to achieve a British Association of Psychotherapy Accreditation Charter Mark to professionalise our counselling offer.



COLLABORATION

We will drive growth and development by identifying the right people and partners to collaborate with. Each partnership should be mutually beneficial, add value to Centrepoint's services and brand, and underpin our strategy.

We will also grow the Centrepoint Partnering scheme by increasing the number of members, which will increase our ability to attract further funding. Our goal is to raise our profile through the numbers of organisations engaged with Centrepoint on national research, lobbying, media campaigns, and business opportunities.

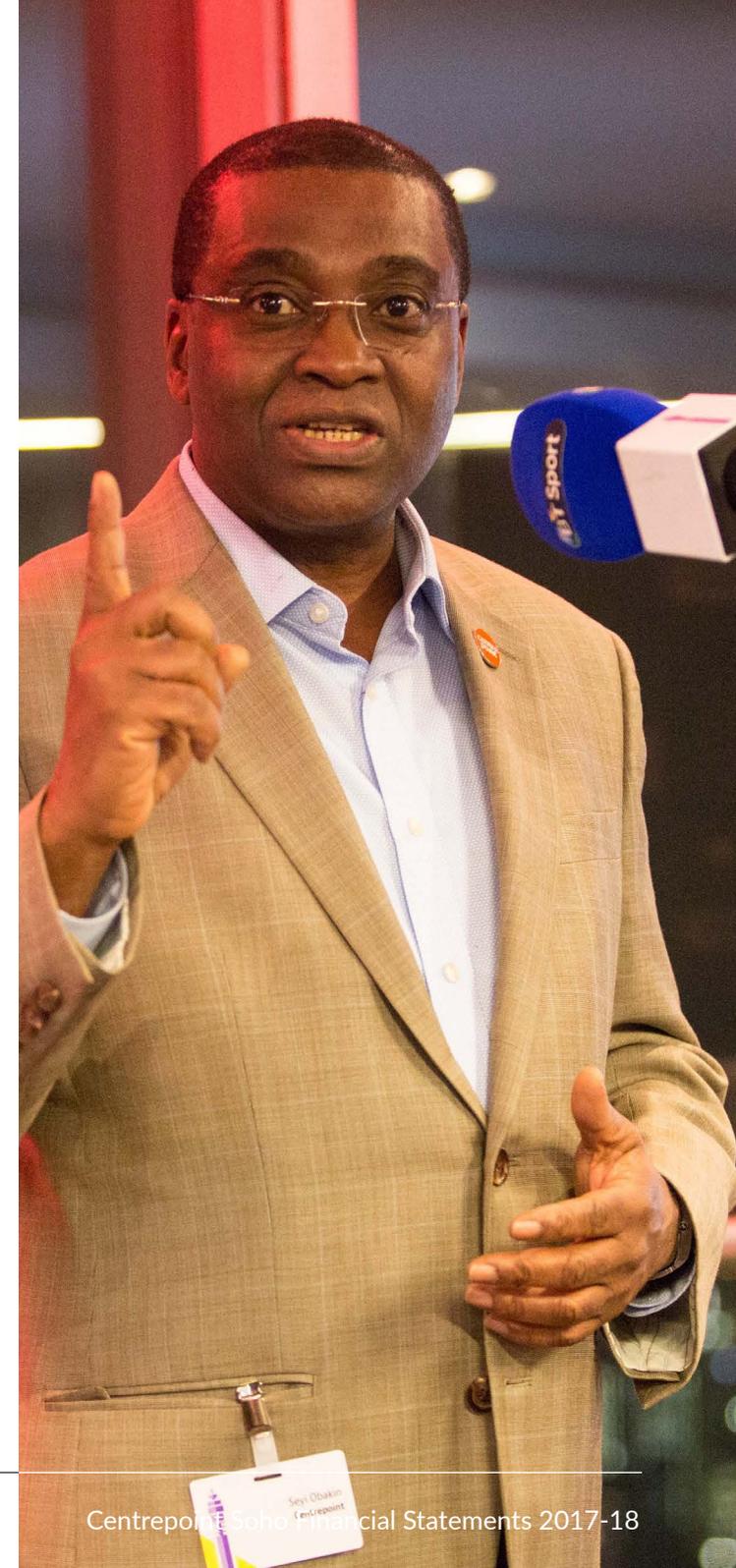
We plan to pilot a new legal advice service for young people from Centrepoint Partnering organisations. We also hope to continue to develop new programmes for members that support homeless young people into a home and a job.

INFLUENCING LOCAL AND NATIONAL POLICY

We aim to influence the government to ensure a sustainable funding system for the future of supported housing after 2020.

We will meet with MPs, councillors and civil servants to disseminate, as widely as possible, research recommendations on the scale of youth homelessness. We will also share our research on barriers to care leavers and young people leaving custody finding appropriate and affordable accommodation.

We will undertake further research, including into the impact of the Youth Obligation and the barriers to young people finding accommodation when they are ready to move on from our services.



MOBILISING SUPPORT AND SUPPORTERS

Volunteering

Over the next year, we plan to:

- Support Centrepont young people and volunteers through ongoing consultation, review and improvement work
- Promote the new strategy across all internal and external stakeholders
- Develop new programmes to increase volunteering opportunities for young people and staff.

Individual giving

We shall continue to put our supporters at the heart of everything we do. We will focus on delivering tailored and engaging communications to both new and existing supporters. This will be in the right format and when they want to hear from us.

We will continue to invest in digital, TV and direct dialogue campaigns with the aim of recruiting even more supporters to Centrepont.

Corporate fundraising

We will increase income by 20 per cent.

We will seek to strengthen our existing partnerships and win new strategic partnerships to help support Centrepont's wider vision of a home and a job for all homeless young people.

We will also look for new ways to increase our corporate income. This will include promoting sponsorship opportunities and maximising our brand value.

End Youth Homelessness

We will continue to raise awareness and funds through nationwide corporate partnerships.

We will deliver a portfolio of national services supporting homeless young people across EYH charities, including a national rent deposit scheme, a jobs coaching programme and a bursary scheme.

We will develop new fundraising mechanisms and products to diversify our income streams towards our 2020 target to raise £1.5 million.

Regional fundraising

We aim to increase income by 20 per cent.

We will work collaboratively with our operational teams to raise money for services that will support Centrepont's vision of a home and a job for every young person.

We will also be ambitious for Centrepont and our young people, using our skills to support colleagues to deliver against targets outside our immediate directorate. For example, we will work with the Learning team to help secure traineeship opportunities.

BUSINESS SUPPORT

We will drive quality within Centrepoint through a new internal audit focus and a new performance management framework.

We are compliant with the new data protection regulations introduced in May 2018.

We will move all of our technology services onto the cloud to give us a flexible platform to improve service delivery. We will also implement the technology strategy for our young people, with a focus on digital enablement to support our mission of a home and a job.

We will launch Centrepoint's Data Insight and Performance Centre of Excellence. This will initially focus on ensuring all of our management information is automated and available in real time. It will also promote business intelligence into the heart of our operations.

The Single Operating Model will move onto phase two – looking at how Centrepoint will fully focus on the delivery of our vision. This will be through refining the products we deliver for our young people based on user needs, and reimagining the way we engage with young people based on leading practice

We will accelerate and control change across the organisation through the establishment of a Change Governance Board, and improve our operational ways of working through the delivery of our Single Operating Model.

We will continue to drive best value from our procurement activities.

We will launch new rent payment options for our young people such as a mobile payment app and introduce a staff expense product, Concur, to increase efficiency.



STRUCTURE AND DECISION MAKING PROCESS

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

It has two subsidiary companies:

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

These subsidiaries have been consolidated into these financial statements.

Centrepont is controlled by a Board of Directors as set out on page 70. The directors, who are also Trustees of the charity, are volunteers who have distinguished careers in a wide variety of activities. They provide the full range of experience and expertise required to add significant value to the work of the charity. They do not receive any remuneration for their roles as directors.

Directors are recruited through a combination of newspaper adverts, recruitment consultants and referrals. They are appointed for three-year periods but may be re-elected twice subject to performance and need. Newly appointed Trustees receive a letter of appointment and an induction programme that cover

general responsibilities, committee membership and involvement outside formal Trustees' meetings. Ongoing training for Board members consists of training courses, regular updates at Board meetings and a Board annual away day focused on sector developments and the impact on our strategy.

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

Details of implementation and execution are the responsibility of the Senior Executive Team, led by the Chief Executive

Officer. In order to perform its role effectively, the Board has established the Audit and Risk Committee. The Audit and Risk Committee is responsible for detailed oversight of risk management and internal control, internal and external audit, financial management and reporting, and operational performance. The Committee comprises five board members and meets at least three times per year.

The Remuneration Committee comprises three board members and meets annually to review the salaries of the Senior Executive team. They are also responsible for nominations and Board renewal.

The full Board meets every quarter to:

- Scrutinise performance of the organisation in relation to its objectives
- Receive reports of its committees
- Deal with major strategic issues.

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

The directors have sought to implement the recommendations of the National Federation of Housing Associations (NFHA)

Code of Governance in the context of the particular features of Centrepoint and will continue to abide by it.

The directors have reviewed the Governance and Financial Viability Standard which was introduced by the regulator, Regulator of Social Housing. The directors have reviewed the standard and assess that Centrepoint fully complies with it.



STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors (who are also Trustees of Centrepont for the purposes of company law) are responsible for preparing the Directors' Report (incorporating the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Standards (UK GAAP).

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 charitable company and of the Group incoming resources and application of resources, including the income and expenditure, of the Group and the charitable company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Housing SORP 2014
- Make judgments and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company. This enables them to ensure financial statements comply with the Companies Act 2006, The Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the directors are aware:

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

INTERNAL CONTROLS

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

The controls in place include:

- Authorisation controls by responsible personnel to ensure that only transactions which are 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 that ensure that all and only authorised transactions are taken into the accounting records. Elements of these controls comprise segregation of duties among personnel and checking reports against input source documents.
- Safe custody of assets including periodic physical verification of their existence at sites where 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.
- Employment of suitably qualified and experienced staff to take responsibility for the key areas of the company's business, supported by a formal appraisal system.
- Preparation of forecasts and budgets which allow the Board and the executive officers to monitor the key business risks and financial objectives and identify variances arising during the monthly reporting cycles.

In addition to the general controls described above, specific control systems in respect of computer systems are also in place. These include 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 and access rights.

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

The reviews carried out in the financial year ended 31 March 2018 have not revealed weaknesses in internal control resulting in material losses, contingencies, or uncertainties which the directors regard as material therefore requiring disclosure in the financial statements.

RISK MANAGEMENT

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

We seek to be a 'risk managed' organisation, which means being able to provide assurance on risk management process, management of key risks and reporting of risks. It also means creating the appropriate culture and performance management systems to deal with risk appropriately.

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

The current top five risks are:

- Failure to comply with employee Health & Safety requirements
- Failure to comply with landlord Health & Safety requirements.
- Safeguarding principles are not applied correctly in every relevant situation
- Major incident which results in serious injury or death
- New funding system for supported housing from 2020. (Previously described as 'new benefits system to cover housing costs')

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

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

HEALTH AND SAFETY

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

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

EMPLOYMENT

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

At Centrepont we are committed to doing all we can to make sure our staff feel highly engaged and are able to be highly productive. We want everyone to feel empowered and inspired, and to know they play an important role in sustaining an effective, professional and innovative service for young people.

Centrepont is an equal opportunities employer. All recruitment and selection decisions will be based on relevant skills, knowledge and experience. At all stages of the process, it is important to avoid judgements based on age, disability, gender, marital status, sexual orientation, pregnancy or maternity, ethnic origin, race, religious/philosophical belief or any other irrelevant factor. Selection for all roles must be based on merit, against objective

criteria that avoid discrimination. Our policy and practices reflect all current relevant UK legislation and we will ensure that we continue to comply with future legislative changes. This policy promotes and supports good practice for those with responsibility for recruitment, applying fair and consistent procedures that are non-discriminatory.

To do this we need as many channels of communication as we can get – up, down and across our organisation. The Employee Forum plays a key part in providing this. The Forum aims to contribute to the continuous improvement of Centrepont through the involvement of our employees by:

- Enabling staff knowledge to be shared throughout the organisation.
- Strengthening and enhancing open and timely communication with staff by offering an additional channel for people to be informed and to raise issues that affect Centrepont as an organisation, employees and young people.

- Involving employees, through their representatives, in the decision-making process by consulting more broadly on staff views and ideas, and trialling new initiatives.
- Enhancing the links and communication between the various office locations and remote workers.

We offer a comprehensive learning and development programme that is developed and offered each year to employees.

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

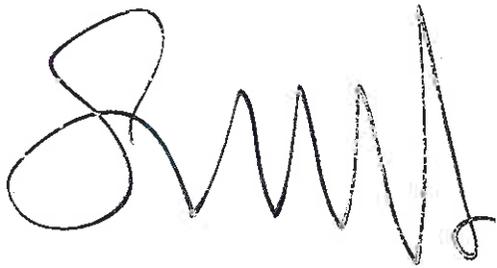
PUBLIC BENEFIT

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

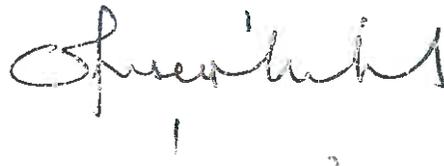
All staff and directors are covered for professional indemnity under Centrepoin't's insurance policy.

Further information about getting help, the issue of youth homelessness, the solution and getting involved can be found on our website www.centrepoin't.org.uk

Approved by the Board on 1 August 2018 and signed on its behalf by:



Symon Elliott
Chair



Seyi Obakin
Company Secretary



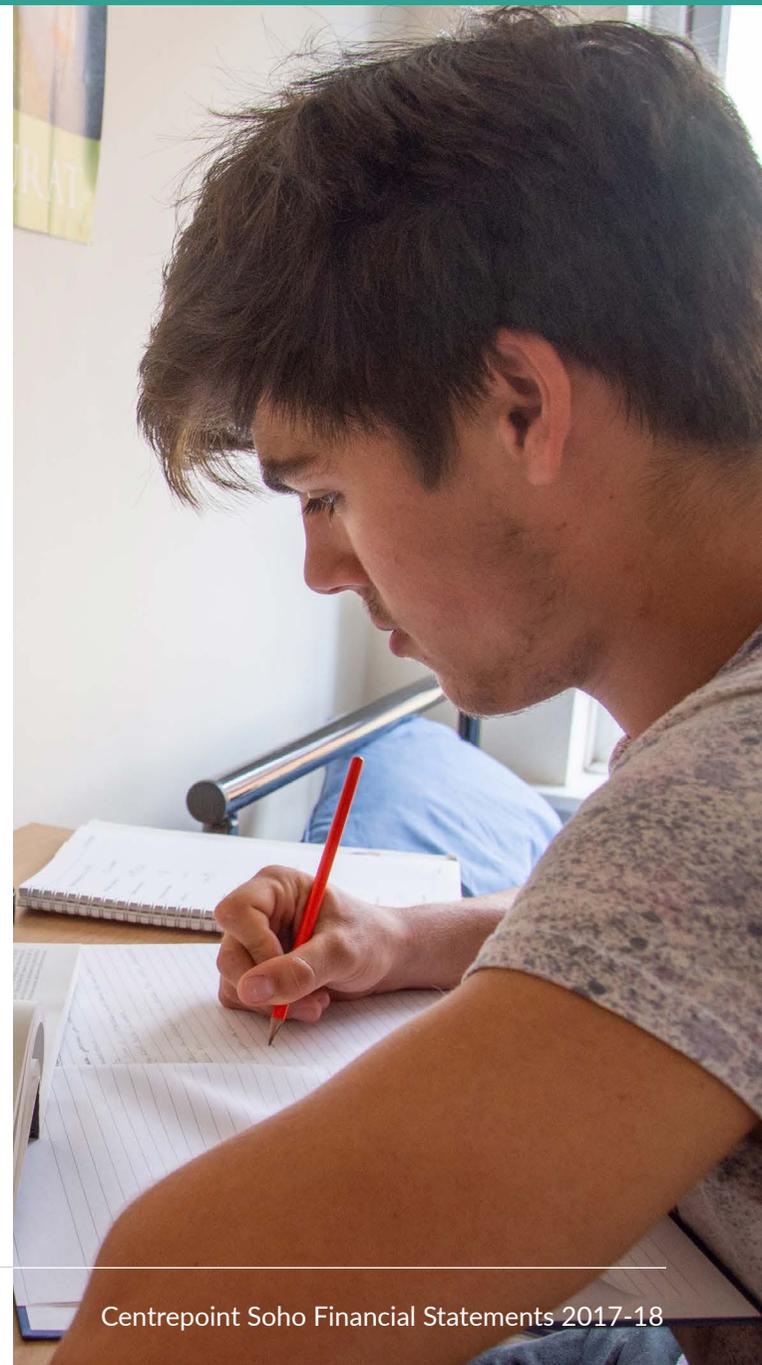
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTREPOINT SOHO

OPINION ON FINANCIAL STATEMENTS

We have audited the financial statements of Centrepont Soho (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the balance sheets, consolidated statement of financial activities, consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2018 and of the group's income and expenditure for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- Have been properly prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.



BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

- The Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- The information given in the Directors' Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report (incorporating the Strategic Report) has been prepared in accordance with applicable legal requirements.



MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report (incorporating the Strategic Report).

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

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS, AS TRUSTEES

As explained more fully in the Statement of Directors' Responsibilities set out on page 40 to 41, the Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.



USE OF OUR REPORT

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

S Warboys

STEPHANIE WARBOYS (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

St Philips Point

Temple Row

Birmingham

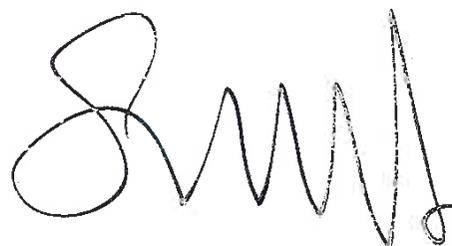
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Date: *11th September 2018*

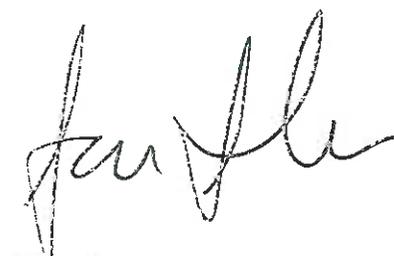
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2018

	Note	Unrestricted General £'000	Unrestricted Designated £'000	Restricted & Endowment £'000	Total 2018 £'000	Total 2017 £'000
Income from						
Donations and legacies	2a	14,641	-	2,770	17,411	16,333
Charitable activities	2b	14,935	-	62	14,997	13,730
Investment income	18	15	-	-	15	36
Other	2c	281	-	5	286	2,487
Total income	4	29,872	-	2,837	32,709	32,586
Expenditure on						
Raising donations and legacies		7,665	-	162	7,827	7,487
Raising funds	2d	7,665	-	162	7,827	7,487
Net income for charitable application		22,207	-	2,675	24,882	25,099
Expenditure on charitable activities						
Housing		7,047	-	11	7,058	6,032
Support		12,263	-	1,255	13,518	11,905
Skills & employability		1,785	-	866	2,651	2,559
Influencing public policy		279	-	132	411	544
Collaboration		75	-	118	193	200
Total charitable expenditure	2d	21,449	-	2,382	23,831	21,240
Net income		758	-	293	1,051	3,859
Transfers	13	180	(142)	(38)	-	-
Net movements in funds		938	(142)	255	1,051	3,859
Reserves brought forward		1,719	15,118	2,014	18,851	14,992
Reserves carried forward	13	2,657	14,976	2,269	19,902	18,851

All of the above results relate to continuing activities. These financial statements were approved and authorised for issue by the Board of Directors on 1 August 2018 and signed on their behalf by:



Symon Elliott, Chair



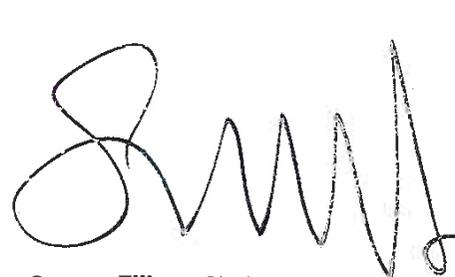
Ian Holborn, Treasurer

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

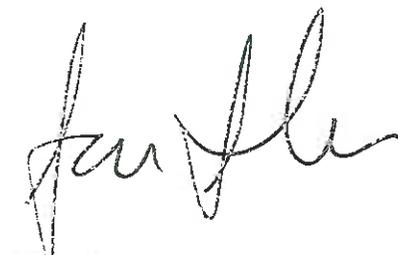
COMPANY REGISTRATION NUMBER 1929421

	Note	2018 Company £'000	2018 Group £'000	2017 Company £'000	2017 Group £'000
Fixed assets					
Intangible assets and goodwill	8a	331	331	287	287
Housing properties	8b	28,348	28,348	27,362	27,362
Depreciation on housing properties	8b	(3,610)	(3,610)	(3,293)	(3,293)
Net housing properties		24,738	24,738	24,069	24,069
Other tangible fixed assets	12	2,061	2,061	2,166	2,166
Investments		24	-	24	-
		27,154	27,130	26,546	26,522
Current assets					
Debtors	9	3,509	3,343	3,886	2,780
Cash deposits		3,180	3,180	3,672	3,672
Cash at bank and in hand		4,380	4,573	2,803	3,909
		11,069	11,096	10,361	10,361
Creditors: amounts falling due within one year	10	(4,296)	(4,296)	(3,772)	(3,739)
Net current assets		6,773	6,800	6,589	6,622
Total assets less current liabilities		33,927	33,930	33,135	33,144
Creditors: amounts falling due after one year	11	(14,028)	(14,028)	(14,293)	(14,293)
Net assets		19,899	19,902	18,842	18,851
Reserves					
Endowment	13	172	172	172	172
Restricted reserves	13	2,097	2,097	1,842	1,842
Unrestricted reserves					
Designated	13	14,976	14,976	15,118	15,118
General	13	2,654	2,657	1,710	1,719
Total unrestricted reserves		17,630	17,633	16,828	16,837
Total reserves	13	19,899	19,902	18,842	18,851

These financial statements were approved and authorised for issue by the Board of Directors on 1 August 2018 and signed on their behalf by:



Symon Elliott, Chair



Ian Holborn, Treasurer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Net cash generated by operations	18		1,316		132
Interest		15		36	
Capital expenditure		(1,404)		(440)	
Proceeds from sale of tangible fixed assets				2,717	
Purchase of intangible fixed assets		(16)		(223)	
Cash acquired by transfer of engagements				193	
Social housing grants and other public grants received		261			
Cash provided by investing activities			(1,144)		2,283
Increase in cash and cash equivalents			172		2,415
Cash and cash equivalents at the beginning of the year	18		7,581		5,166
Cash and cash equivalents at the end of the year	18		7,753		7,581

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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 Centrepoint.

a. Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with UK General Accepted Accounting Practice (FRS102), the Housing SORP 2014 and Charities SORP (FRS102) (The Financial Reporting Standard applicable in the UK and Republic of Ireland). Centrepoint is a public benefit entity. Centrepoint is both a registered charity and a registered social landlord and sees both of these areas represented significantly in its activities. In particular it receives a large amount of charitable income and incurs expenditure to do this. The directors consider that the financial statements prepared to reflect Centrepoint's aims and to satisfy the different reporting needs of users. Therefore they have produced a Statement of Financial Activities (SOFA), incorporating an income and expenditure account which satisfies the reporting requirements of the Companies Act 2006, the Housing Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

Centrepoint has taken advantage of the Companies Act 2006 not to present its own SOFA (profit and loss account). Centrepoint is a company incorporated in England and Wales.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated.

b. Income

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

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

1. Accounting policies (continued)

c. Basis of consolidation

- The consolidated financial statements incorporate those of the charity and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 March 2018.
- All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

d. Adoption of FRS 102

- Reduced disclosures: In accordance with FRS 102, Centrepont has taken advantage of the exemptions from the following disclosure requirements in its individual financial statements: Section 7 “Statement of Cash Flows – Presentation of a Statement of Cash Flows and related notes and disclosures” and Section 11 “basic financial instruments and Section 12 Other Financial Instrument issues – carrying amounts.

e. Business combinations

- The cost of a business combination is the fair value at the acquisition date, of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination.
- The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.
- Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

f. Expenditure

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

- Charitable expenditure comprises direct expenditure, including direct staff costs attributable to its activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources;
- Raising funds comprises the costs associated with attracting voluntary income;
- Governance costs comprise those incurred as a result of constitutional and statutory requirements;
- Support costs represent centrally incurred costs, principally relating to Finance, Information and Communication Technology, Human Resources, Contracts and Quality, Information and Management, which cannot be attributed to specific activities but provide the organisational infrastructure that enables those activities to take place.

g. Fund accounting

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

1. Accounting policies (continued)

h. VAT

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

i. Taxation

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

j. Operating leases

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

k. Fixed assets

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

l. Impairments of fixed assets

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

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

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

m. Intangible fixed assets

Intangible fixed assets includes software licences and is capitalised and written off evenly over the duration of the licence.

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

n. Tangible fixed assets – housing properties

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

Hostel and housing properties are stated at cost less provision for any impairment in value. As a result of the introduction of component accounting in the RSL SORP 2014, components of properties are recorded at cost and depreciated over their estimated useful life.

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

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

- Housing properties under the course of construction are recorded at cost less provision for impairment in value.
- Leasehold office properties are stated at cost and depreciated evenly over the length of the lease, or useful life if shorter.

Other fixed assets are stated at cost and depreciated over on a straight line basis as follows:

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

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

1. Accounting policies (continued)

o. Capitalisation of development overheads

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

p. Cyclical maintenance

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

q. Managed properties

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

r. Pension costs

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

s. Current asset investments

Cash deposits

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

Cash at bank and in hand

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

t. Government grants

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

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

u. Financial instruments

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

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

v. Employee benefits

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

w. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

x. Critical accounting estimates and assumptions

The key assumptions relates to the useful lives of social housing assets and components are stated above, under tangible fixed assets. We undertake impairment reviews across our supported housing portfolio, at each reporting date, to ascertain whether an impairment adjustment is required.

2. Analysis of income.

a. Analysis of donations and legacies

	2018	2017
	£'000	£'000
Individual giving	9,894	8,462
Legacy and in memorial	687	546
Corporate donations (including Regional and EYH)	4,009	3,969
Statutory and trust donations	1,127	1,121
Major donors	1,012	333
Other donations and gifts	682	1,902
	17,411	16,333

b. Analysis of income from charitable activities

	Housing	Support	Skills & employability	Influencing public policy	Collaboration	2018	2017
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Rent and charges	6,508	-	-	-	-	6,508	6,265
Supported housing grant	-	7,067	-	-	-	7,067	6,617
Other grants and contracts	152	940	310	-	20	1,422	848
	6,660	8,007	310	-	20	14,997	13,730

c. Analysis of other income

	2018	2017
	£'000	£'000
Surplus on disposal of fixed asset	-	2,229
Other income	286	258
	286	2,487

d. Analysis of expenditure

	Staff costs	Other direct costs	Support costs	2018	2017
	£'000	£'000	£'000	£'000	£'000
Charitable expenditure					
Housing	1,584	5,279	195	7,058	6,032
Support	8,941	2,866	1,711	13,518	11,905
Skills & employability	1,607	776	268	2,651	2,559
Influencing public policy	287	96	28	411	544
Collaboration	110	72	11	193	200
Total direct charitable expenditure	12,529	9,089	2,213	23,831	21,240
Raising funds	1,969	5,570	287	7,827	7,487
Total expenditure	14,498	14,659	2,500	31,658	28,727

3. Analysis of support and governance costs

	Housing £'000	Support £'000	Skills & employability £'000	Influencing public policy £'000	Collaboration £'000	Raising funds £'000	2018 £'000	2017 £'000
Finance	73	612	96	10	4	103	898	653
ICT	56	441	70	7	3	75	652	591
Human resources	34	343	53	6	2	57	495	690
Management	32	315	49	5	2	52	455	293
	195	1,711	268	28	11	287	2,500	2,227
Governance	15	145	22	2	1	24	209	123

Governance costs are included within the support costs above.

4. Particulars of turnover and social housing activities

	Turnover £'000	Operating cost £'000	Surplus/ (deficit) £'000	2018 £'000	Turnover £'000	Operating cost £'000	Surplus/ (deficit) £'000	2017 £'000
Social housing lettings								
Gross rental income	6,508	(7,058)	(550)	6,265	(6,032)	233		
Supported housing grant	7,067	(9,317)	(2,250)	6,617	(9,120)	(2,503)		
Other grants and contracts	1,092	(4,201)	(3,109)	385	(2,785)	(2,400)		
	14,667	(20,576)	(5,909)	13,267	(17,937)	(4,670)		
Non-social housing activities								
Skills & employability	310	(2,651)	(2,341)	463	(2,559)	(2,096)		
Influencing public policy	-	(411)	(411)	-	(544)	(544)		
Collaboration	20	(193)	(173)	-	(199)	(199)		
Raising funds	17,411	(7,827)	9,584	16,333	(7,487)	8,846		
Other	301	-	301	2,523	-	2,523		
	32,709	(31,658)	1,051	32,586	(28,726)	3,860		
				2018				2017
				£'000				£'000
Social housing income								
Rental income net of identifiable service charges			4,047				3,931	
Service charges			3,072				2,788	
Gross rental income			7,119				6,719	
Rental losses from voids			(611)				(454)	
			6,508				6,265	
Statutory grants			8,159				7,002	
			14,667				13,267	
Social housing expenditure								
Services			19,295				16,635	
Management			305				354	
Routine maintenance			661				619	
Planned maintenance			23				45	
Bad debts			292				284	
Operating cost of social housing lettings			20,576				17,937	
Operating deficit of social housing letting			(5,909)				(4,670)	

5. Grants and contracts

	2018	2017
	£'000	£'000
Supported housing grant	7,067	6,617
Skills and employability contracts	310	463
Other	1,112	385
	8,489	7,465

6. Employee information

a. Staff numbers

	2018	2017
	Number	Number
The average full time equivalent number of persons (including executives) employed and calculated per week during the year was:		
Housing	26	23
Support	259	229
Skills & employability	47	39
Influencing public policy	13	10
Collaboration	4	5
Raising donations and legacies	48	44
Business support	33	30
	430	380
The average number of persons (including executives) employed during the year was:		
Housing	27	25
Support	266	244
Skills & employability	48	41
Influencing public policy	14	12
Collaboration	4	5
Raising donations and legacies	49	45
Business support	35	31
	443	403

b. Staff costs

	2018	2017
	£'000	£'000
The staff costs for the above persons was:		
Wages and salaries	12,382	11,095
Social security costs	1,164	1,047
Pension costs	409	369
Redundancy costs	149	43
	14,104	12,554
Agency staff & concierge	2,033	1,954
	16,137	14,508

c. Emoluments of directors and employees

	2018	2017
	Number	Number
The number of employees including the Chief Executive whose emoluments as defined for taxation purposes exceeded £60,000 was as follows:		
£60,001 - £70,000	6	7
£70,001 - £80,000	1	1
£80,001 - £90,000	2	2
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-

- During the year, pension contributions on behalf of these staff amounted to approximately £89k (2017: £75k)
- The remuneration (including pension contributions and benefits paid in kind) paid to the CEO and senior executive team during the year was £658k (2017: £618k).
- The Chief Executive is entitled to ordinary membership of the defined contribution pension scheme operated by the company. No special terms or individual pension arrangements apply to this post.
- No members of the Board received any emolument for their services as Trustees, but are reimbursed for expenses which are necessarily incurred in the performance of their duties.
- Expenses claimed by members were £2,235 (2017 : £608)

7. Surplus for the year

	2018	2017
	£'000	£'000
The surplus for the year is stated after charging		
Audit fee (gross)	43	40
Depreciation	682	815
Operating leases - office equipment	90	63
Operating leases - other	378	368
Amortisation of intangible assets	130	87

8. Fixed assets

a. Intangible fixed assets (software and goodwill)

Group and Company	IT Software	Goodwill	Total
	£'000	£'000	£'000
Cost			
At 1 April 2017	396	81	477
Addition of assets	16	-	16
Transfer from tangible fixed assets	157	-	157
At 31 March 2018	569	81	650
Amortisation and impairment			
At 1 April 2017	(178)	(11)	(189)
Amortisation	(121)	(9)	(130)
At 31 March 2018	(299)	(20)	(319)
Carrying amount			
At 31 March 2018	270	61	331
At 31 March 2017	218	69	287

b. Tangible fixed assets

Group and company	Hostels & housing properties for letting					Other properties	Vehicles, equipment & furniture	Total
	Freehold	Long leasehold	Short leasehold	Assets under course of construction	Total			
Cost	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2017	7,883	16,606	2,402	470	27,361	2,009	2,067	31,437
Additions	160	72	13	742	987	124	292	1,403
Transfers	349	-	-	(349)	-	-	(157)	(157)
Disposals	-	-	-	-	-	-	(213)	(213)
At 31 March 2018	8,392	16,678	2,415	863	28,348	2,133	1,989	32,470
Depreciation								
At 1 April 2017	(1,219)	(1,197)	(876)	-	(3,292)	(470)	(1,440)	(5,202)
Charge for year	(62)	(171)	(85)	-	(318)	(117)	(247)	(682)
Disposals	-	-	-	-	-	-	213	213
At 31 March 2018	(1,281)	(1,368)	(961)	-	(3,610)	(587)	(1,474)	(5,671)
Net book value								
At 31 March 2018	7,111	15,310	1,454	863	24,738	1,546	515	26,799
At 31 March 2017	6,664	15,408	1,527	470	24,069	1,539	627	26,235

9. Debtors

Group

	2018	2017
	£'000	£'000
Residents' occupancy	1,267	1,281
Less provision for bad debts	(998)	(1,140)
	269	141
Grants receivable	1,432	944
Trade debtors	1,212	1,490
Other debtors	29	40
Prepayments	401	165
	3,343	2,780

Included in above financial assets are financial instruments measured at amortised cost of £2,937k (2017: £2,615k).

Company

	2018	2017
	£'000	£'000
Residents' occupancy	1,267	1,281
Less provision for bad debts	(998)	(1,140)
	269	141
Grants receivable	1,432	966
Trade debtors	1,212	1,477
CP Trading Limited	153	980
American Friends of Centrepoint	13	13
Astral Training Ltd	-	90
Astral ATA Ltd	-	14
Other debtors	29	40
Prepayments	401	165
	3,509	3,886

10. Creditors: amounts falling due within one year

Group

	2018	2017
	£'000	£'000
Trade creditors	1,144	234
Other taxes and social security costs	392	363
Accruals and deferred income	1,276	2,225
Deferred capital grants	196	150
Other creditors	1,288	767
	4,296	3,739
The above includes outstanding pension contributions of:	66	58

Other creditors includes the following balance in respect of recycled capital grants:

Group and company

	2018	2017
	£'000	£'000
As at 1 April	995	547
Capital grant released on sale	-	448
Interest accrued	-	-
Recycled grant repaid	(112)	-
Grant recycled into new schemes	-	-
As at 31 March	883	995
Due within one year	435	105
Due after more than one year	448	890

Company

	2018	2017
	£'000	£'000
Trade creditors	1,144	234
Other taxes and social security costs	392	362
Accruals and deferred income	1,276	2,259
Deferred capital grants	196	150
Other creditors	1,288	767
	4,296	3,772
The above includes outstanding pension contributions of:	66	58

11. Creditors: amounts falling due after one year

Group and company

	2018	2017
	£'000	£'000
Deferred capital social housing grant greater than one year	13,580	13,403
Recycled Social Housing Grant greater than one year	448	890
	14,028	14,293

The total Social Housing Grant included in the Balance Sheet and SOFA, at 31 March 2018, is £15,217k (£15,778k in 2017).

12. Subsidiaries

Centrepoint had four wholly owned subsidiary undertakings during 2017-18.

CP Trading Limited is incorporated in England and Wales. The principal activity is the organisation of fundraising events and activities. American Friends of Centrepoint is registered in the United States of America. Its principal activity is to fundraise on behalf of Centrepoint. Astral Training Limited was incorporated in England and Wales and provides functional skills, apprenticeships and traineeships. Astral ATA Limited was incorporated in England and Wales and facilitates apprenticeships for small businesses.

In October 2016 Astral Training Limited and Astral ATA Limited became dormant subsidiaries and subsequently other assets and liabilities transferred to Centrepoint. Astral Training Limited and Astral ATA Limited were struck off during 2017-18.

All subsidiaries are wholly owned by Centrepoint. Cost of investment in subsidiaries is £24,000 (£24,000 in 2017).

The only material transactions between Centrepoint and its subsidiaries, which are not registered providers of social housing, are gift aid, are shown below and the transfer of assets and liabilities from Astral Training Limited and Astral ATA Limited.

a. CP Trading Limited

	2018	2017
	£'000	£'000
Income	272	972
Expenditure	(55)	(709)
Operating profit	217	263
Interest receivable	-	24
Retained profit	217	287
Gift aid distribution	(217)	(287)
Assets	174	1,003
Liabilities	(150)	(979)
Funds	24	24

b. American Friends of Centrepoint

	2018	2017
	£'000	£'000
Income	-	8
Expenditure	(6)	(7)
Operating profit /(loss)	(6)	1
Retained profit /(loss)	(6)	1
Assets	19	24
Liabilities	(13)	(13)
Funds	6	11

13. Statement of funds

	1 April 2017 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2018 £'000
Unrestricted reserves					
Designated funds					
Centrepoint Helpline	430	-	-	(400)	30
Housing property	2,611	-	-	(137)	2,474
Fixed assets	12,077	-	-	395	12,472
Total designated funds	15,118	-	-	(142)	14,976
General reserves	1,719	29,872	(29,114)	180	2,657
Total unrestricted reserves	16,837	29,872	(29,114)	38	17,633
Restricted reserves					
Housing	41	6	(9)	(38)	-
Support services to young people	807	1,775	(1,373)	-	1,209
Skills & employability	628	843	(751)	-	720
Influencing public policy	115	17	(132)	-	-
Collaboration	89	28	(117)	-	-
Cost of generating voluntary funds	162	168	(162)	-	168
Total restricted charitable donations and grants	1,842	2,837	(2,544)	(38)	2,097
Restricted endowment	172	-	-	-	172
Total restricted reserves	2,014	2,837	(2,544)	(38)	2,269
Total funds	18,851	32,709	(31,658)	-	19,902

Our designated funds represent

- Centrepoin Helpline: for the running costs of our emergency Helpline for homeless young people and those at risk of homelessness.
- New housing stock: the purchase of new housing stock to enable young people to 'move on' from supported hostel accommodation towards independent living.
- Fixed assets: the properties where young people live and other fixed assets such as training centres, vehicles equipment and furniture.

Our restricted funds represent

- Housing: to provide a safe warm room
- Support: to provide learning, health and move on support
- Skills and employability: to provide learning support
- Influencing: at local and national level in respect of issues that matter to homeless young people
- Collaboration: assisting our work with other providers and local authorities

Transfers between funds primarily represent fixed assets purchased from restricted funds where the acquisition of the fixed assets has discharged the restriction and the assets are transferred to unrestricted funds.

Below, was the position at 31 March 2017.

	1 April 2016 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2017 £'000
Unrestricted reserves					
Designated funds					
Centrepoin Helpline	-	551	(121)	-	430
Housing property	-	2,229	-	382	2,611
Fixed assets	9,765	214	(816)	2,914	12,077
Total designated funds	9,765	2,994	(937)	3,296	15,118
General reserves	3,471	27,236	(25,778)	(3,210)	1,719
Total unrestricted reserves	13,236	30,230	(26,715)	86	16,837
Restricted reserves					
Housing	108	50	(31)	(86)	41
Support services to young people	462	985	(640)	-	807
Skills & employability	543	811	(726)	-	628
Influencing public policy	302	-	(187)	-	115
Collaboration	149	65	(125)	-	89
Cost of generating voluntary funds	20	445	(303)	-	162
Total restricted charitable donations and grants	1,584	2,356	(2,012)	(86)	1,842
Restricted endowment	172	-	-	-	172
Total restricted reserves	1,756	2,356	(2,012)	(86)	2,014
Total funds	14,992	32,586	(28,727)	-	18,851

14. Analysis of net assets between funds

	Endowment	Restricted	Designated	General	2018 Total
	£'000	£'000	£'000	£'000	£'000
Fixed assets	-	-	27,130	-	27,130
Debtors	-	-	-	3,344	3,344
Cash deposits	172	2,097	427	483	3,179
Cash at bank and in hand	-	-	2,079	2,494	4,573
Creditors: amounts falling due within one year	-	-	(631)	(3,665)	(4,296)
Creditors: amounts falling due after one year	-	-	(14,028)	-	(14,028)
	172	2,097	14,977	2,657	19,902

Below, was the position at 31 March 2017

	Endowment	Restricted	Designated	General	2017 Total
	£'000	£'000	£'000	£'000	£'000
Fixed assets	-	-	26,522	-	26,522
Debtors	-	-	-	2,780	2,780
Cash deposits	172	1,842	-	1,658	3,672
Cash at bank and in hand	-	-	3,040	869	3,909
Creditors: amounts falling due within one year	-	-	(151)	(3,588)	(3,739)
Creditors: amounts falling due after one year	-	-	(14,293)	-	(14,293)
	172	1,842	15,118	1,719	18,851

15. Financial guarantees and contingent liabilities

The Company is contingent liability in respect of a group VAT agreement with CP Trading Limited. At 31 March 2018, the net VAT group liability was £4,000 (2016-17: asset of £1,000). There were no known contingent liabilities at 31 March 2018 (2017: none).

16. Operating lease commitments

At 31 March commitments under non-cancellable operating leases expiring amounted to:

Group and company

	2018	2018	2017	2017
	Land & buildings	Office equipment	Land & buildings	Office equipment
	£'000	£'000	£'000	£'000
One year	378	90	368	63
Two to five years	655	-	974	-
	1,033	90	1,342	63

17. Accommodation in management

Group and company

	As at 31 March 2018	As at 31 March 2017
	Number	Number
Owned or lease held by Centrepont		
Hostel bed spaces	113	131
Other bed spaces	256	236
	369	367
Owned by partner registered providers		
Hostel bed spaces	308	296
Other bed spaces	163	163
	471	459
Total	840	826

18. Reconciliation of net income to net cash generated by operations

	2018	2017
	£'000	£'000
Net income	1,051	3,859
Net gain on disposal of fixed assets	-	(2,229)
Acquisition	-	(762)
Interest receivable	(15)	(36)
Depreciation charges	682	815
Amortisation of intangible assets	130	87
Amortisation of social housing grant	(152)	(214)
Operating cash flows before movement in working capital	1,696	1,520
Increase in debtors	(563)	(674)
Increase in creditors	183	(714)
Cash generated by operations	1,316	132

Cash and cash equivalents represent

	2018	2018	2017	2017
	£'000	£'000	£'000	£'000
	Company	Group	Company	Group
Cash deposits	3,180	3,180	3,672	3,672
Cash at bank and in hand	4,380	4,573	2,803	3,909
	7,560	7,753	6,475	7,581

19. Company limited by guarantee

Centrepoint is a company limited by guarantee. If, upon the winding up or dissolution of the company there remains, after the satisfaction of all its debts and liabilities any property whatsoever the same shall not be paid to or distributed amount the members of the company but shall be given or transferred to some other charitable institution or institutions having objects similar to the objects of the company. Every member of the company undertakes to contribute to the assets of the company in the event of the same being wound up, such amount as may be required not exceeding the sum of £1. There are currently 13 members (2017: 12).

20. Acquisitions

	2018	2017
	£'00	£'000
Property	-	570
Bank	-	193
Liability	-	(1)
Total net assets on transfer of engagements	-	762

On 1 February 2017 Centrepoint acquired, by transfer of engagements, the assets and liabilities of Young Peoples Support Foundation Limited. The major assets and liabilities, at fair value at date of transfer, are shown above. No consideration was paid and the negative goodwill arising has been treated as a gift and included as voluntary income (see note 2a). The impact of the transfer of engagements on the operating results in the Statement of Financial Activities, for the year ended 31 March 2017 was not disclosed separately on the grounds of immateriality.

BOARD, OFFICERS AND ADVISERS

Board

Symon Elliott	Chair – appointed Chair on 20 September 2017
Penny Francis	Chair – retired as Chair on 19 September 2017 and Trustee on 25 January 2018
Ian Holborn	
Graham Allcott	Retired on 30 November 2017
Sir David Carter	Appointed 1 August 2018
Frances Corner	Appointed 6 June 2018
Robert Kerse	
Meenaz Lilani	Resigned on 31 August 2017
Jon Milward	
Clare Montagu	
David Montague	Appointed 1 August 2018
Poppy Noor	Appointed 1 August 2018
Ndidi Okezie	Appointed 1 August 2018
Sally Scriminger	
Chris Sullivan	Retired on 28 February 2018
Alan Wardle	
Mike Westcott	

Secretary

Seyi Obakin

Executive Officers

Seyi Obakin	Chief Executive Officer	
Robert Cade	Director of Strategy & Performance	Appointed 1 February 2018
Balbir Chatrik	Director of Policy & Communications	
Karen Gibson	Director of Finance & Compliance	
Martin Gill	Director of Housing & Support	
Diana Gornall	Director of Fundraising	Appointed 8 May 2018
Jo Hills	Director of Property Development	Appointed 5 March 2018
Sally Orlopp	Director of People, Skills & Employability	
Stuart Rogers	Commercial Director	Resigned 8 September 2017

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Chartered Accountants
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Registration details

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Company Registration No: 1929421
Homes and Communities Agency
registration No: H1869

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