



 **The Connection**  
at St Martin-in-the-Fields

# Annual Report 2019/20

## Trustees

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Tim Jones	Chair
Jill Kyne	<i>Co-opted as Treasurer: 14/05/19</i>
Philippa Langton	<i>Vice Chair Resigned 03/12/19</i>
Chandra McGowan	
Lucy McNulty	<i>Resigned: 20/10/20</i>
Joanne Owen	
Simon Rawson	
Bally Sappal	<i>Resigned: 03/12/19</i>
Keith Starling	
Peter Warren	
Ian Watson	<i>Treasurer Resigned: 17/05/19</i>
Revd Dr Sam Wells	
Octavia Williams	

## Key management personnel

Pam Orchard	Chief Executive
Charlotte Talbott	Deputy Chief Executive <i>Appointed 13/01/2020</i> [previously Director of Services]
Philip Blandford	Director of Finance & Corporate Services <i>Resigned 10/09/2019</i>
Adrian Sebastian	Director of Finance & Corporate Services <i>Appointed 30/09/2019</i> <i>Resigned 12/12/2019</i>
Elizabeth Charles	Director of Fundraising & Communications

## Statutory Information

Company number: 3852519

Registered charity number: 1078201

**Auditors:** Sayer Vincent LLP, Invicta House, 108 – 114 Golden Lane, London, EC1Y 0TL

**Bankers:** Coutts, 440 Strand, London, WC2R 0QS

**Investment advisors:** CCLA, Senator House, 85 Queen Victoria Street, London, EC4V 4ET

**Solicitors:** Russell Cooke, 2 Putney Hill, London, SW15 6AB

## Vision

London, like many cities across the world, is an exciting and stimulating place. However, for some, it is a place to go when things have gone profoundly wrong and there is nowhere else.

When people are on the edge, homeless, isolated and in despair there must be a place to turn. At The Connection at St Martin's, we are there to work alongside and support people as they overcome that isolation, recover from the trauma of homelessness and move on to a meaningful, fulfilling life.

However, this is not enough. The experiences of people on the edge matter. Their story must be told to those in a position of power and influence, so that homelessness, exclusion and isolation are not acceptable features of life in the UK.

## Mission

The Connection empowers those who are on the edges of society to take control of their lives by:

- providing practical support in an active environment designed to help people to recognise their own strengths, recover from crisis and move on - working with our clients, not just for them;
- collaborating with others who share our vision and mission - not just in London, but other parts of the UK and the world;
- sharing our learning with others, to deepen our own understanding and create a more socially just society for those on the margins.

## Public benefit statement

The Trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period.

The Trustees report the success of each key activity and the benefits the charity has brought to those people that it is set up to help. The review also helps the Trustees ensure that the charity's aims, objectives and activities remain focused on its stated purposes.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

The Trustees are satisfied that the charity is operating for public benefit.

## Statutory Information:

Company number: 3852519

Charity number: 1078201

Registered office and operational address: 12 Adelaide Street  
LONDON WC2N 4HW

Country of registration: England & Wales

Country of incorporation: United Kingdom

Disclose any other name that the charitable company uses: The Connection at St Martin-in-the-Fields

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## Executive Summary from Pam Orchard, CEO

I am delighted to share with you our Annual Report covering the financial year 2019/20.

This report has been written in the wake of one of the most extraordinary phases of my working life. Our annual cycle was running with its usual ups and downs until early March, when it became clear that something very unusual was emerging. Therefore, this report largely covers a 'normal' year - in so far as such a thing exists for us at The Connection - but we will also make reference to our response to the Covid-19 pandemic and the activity that started in March and continued into the 2020/21 financial year.

Between April 2019 - March 2020 we supported 2,620 clients, mainly in our centre at Adelaide Street with 17 in our accommodation service in Clapham. We were pleased to continue the extended capacity in our Emergency Accommodation service and we also further developed our Street Engagement Team outreach, piloting some very successful new approaches with health colleagues.

Service development included making major steps forward with systems to demonstrate impact. We were delighted to receive the Homeless Link award for client involvement in July 2019. During the year we also worked with our partners at Solace Women's Aid to secure funding for a dedicated team to focus on women's homelessness across London. This initiative will begin in late 2020/ early 2021.

We began to develop trading and launched our online shop *Show Your Connection*. Alongside this, we spent time with our colleagues in the St Martin-in-the-Fields trading company establishing how we might collaborate in the future.

During the year, we spent much time talking with clients and practitioners, as well as looking carefully at our evidence, to establish our *Five Policy Changes That Would Radically Combat Homelessness*. We had the opportunity to share this work with the Prime Minister and Secretary of State for Housing, Communities and Local Government during their visit to The Connection in early February.

We also invested in our infrastructure, putting contemporary IT systems in place to manage our finances and HR functions. Our governance was improved with the creation of two new sub-committees – Remuneration and Nominations and Quality, Policy and Compliance. These now sit alongside our Finance and Fundraising sub-committee and provide additional, more detailed oversight of The Connection's work.

The Covid-19 pandemic has thrown much of our routine up in the air. Fortunately, the work we have undertaken to improve our IT and infrastructure enabled us to adapt surprisingly quickly to working remotely. Our planning and management systems for staff have supported ongoing work and clarity of purpose despite the extenuating circumstances.

The silver lining for many of us in such uncertain times has been the progress made by many of our clients when offered places in hotels in Westminster during lockdown. At the time of writing, the numbers of rough sleepers on the streets in the borough are about half when

compared with this time last year. You can read more about our Covid-19 response on page 27 of this Annual Report.

I am incredibly proud of the team at The Connection and the way in which they have adjusted so quickly to continue to help some of the most vulnerable people in our society. I am also very grateful indeed to everyone that has continued to support our work at such a challenging time.

Thank you,

Pam Orchard

Chief Executive of The Connection at St Martin-in-the-Fields

## Review of the Year 2019-2020

Over the last 12 months we have been working towards six strategic aims. Aims 1 and 2 reflect our charitable activities as disclosed in the Financial Statements, Aim 3 relates to our social enterprise activity and Aims 4, 5 and 6 concern our fundraising, communications and corporate services functions respectively. The progress made against those aims is outlined throughout the review.

**Aim 1:** Provide services for 3,000 people a year by 2023 to help those who are experiencing homelessness recognise their strengths, recover from crisis and move on;

**2,620 people accessed our services this year.**

Our day centre remained very busy, providing an average of **110 people every day** with showers and laundry facilities, hot meals, appointments with nurses and mental health specialists, and access to telephones, computers and a postal address.

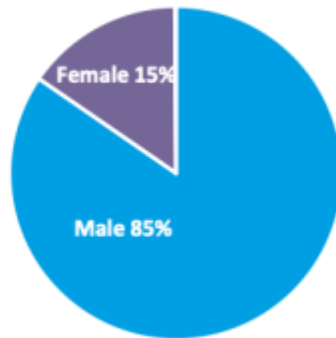


*How our clients use our services – many clients access more than one service.*

More information about our clients can be seen in the demographic charts below:

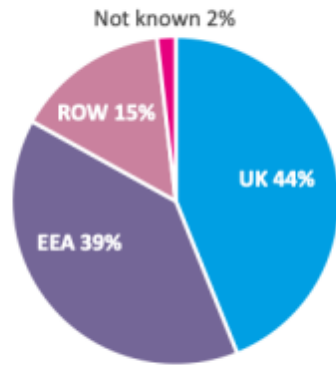


### Gender



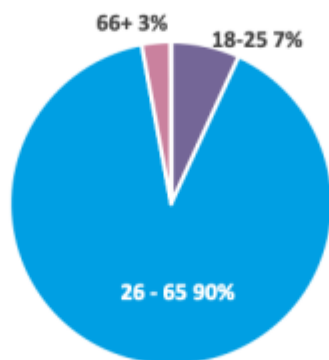
■ Male ■ Female ■ Non-binary (2) ■ Not known (1)

### Country of origin



■ UK ■ EEA ■ Rest of World ■ Not known

### Client by age



■ 18-25 ■ 26-65 ■ 66+ ■ Not known

## Core Outcomes

The Connection has developed a monitoring and evaluation framework for our services based on our service model and theory of change. The framework identifies four core outcome areas which are based on the things that we believe help people to move away from the streets sustainably:

- **Accommodation** – clients access appropriate accommodation (including temporary and long term);
- **Reconnection and Resettlement** – clients return to an area where they have a local connection and access to services or resettle to a new area where they can have a fresh start;
- **Health and Wellbeing** – clients access the healthcare and treatment that they need to address health inequalities and overcome some of the issues that prevent them from ending their homelessness e.g. drug and alcohol dependence and mental ill health;
- **Skills and Employability** – clients develop skills and access education, training, volunteering, or paid employment.

## Outcome One: Accommodation

**This year, 212 people were referred or moved into external accommodation.**

Our Housing and Resettlement Team works with homeless or vulnerably housed clients who present with multiple and complex needs, working intensively to identify an action plan that aims to provide support for their needs and end their homelessness.

This year, the team has continued to maintain strong partnerships with Westminster accommodation providers and the council's Housing Options service. Our Private Rented Sector (PRS) Development Worker continues to identify new landlords and agencies to ensure clients can access suitable private rented accommodation. We have also re-established our links with the PRS team based at Passage Resource Centre.

## St Martin's House

**17 people stayed at our long-term housing project at St Martin's House in Clapham.** St Martin's House supports former rough sleepers who need some extra help maintaining a

tenancy, and provides accommodation for up to two years as a stepping stone to a more permanent housing solution.

This year, we were able to support one previously very vulnerable client into her own accommodation. The client had a history of domestic abuse and a number of failed tenancies in the past. The team worked closely with her to give the ongoing support she needed to live independently. She has been in her own flat since the beginning of 2020 and is settling in very well.

## Emergency Accommodation

Our Emergency Accommodation remains a vital service to rough sleepers in Westminster. It prevents people from sleeping out on the streets and is often a stepping stone to support people into longer term accommodation.

Up to 75 people (85 people during Severe Weather Emergency Provision) are able to stay seven nights a week.

**This year, 915 people stayed in our Emergency Accommodation before moving on, often into alternative housing or benefitting from reconnection support.**

## Sarah's Story

We first met Sarah\* on Charing Cross Road. She'd come to the area fleeing domestic abuse but had been followed by her partner and very quickly became entrenched in a lifestyle of street drinking, drug use and begging whilst living on the streets with her violent partner.

Sarah was initially very resistant to our attempts to engage with her. Our outreach team persisted over several weeks, at first buying coffees and speaking to Sarah about her welfare, until she was able to trust us enough to provide the information we needed to come up with an action plan.

Her outreach worker spoke to Sarah's drug and alcohol support worker in Kent, where she'd come from, in order to transfer her treatment to Westminster temporarily.

Sarah was also encouraged to our day centre to have a hot meal, shower and wash her clothes. This gave us further opportunities to build our relationship with Sarah, who eventually accepted a bed in our Emergency Accommodation – getting her off the street and safely away from her partner.

Since then we have successfully reconnected her to Kent. We've kept in touch with agencies in the area to make sure she has the support in place for her to maintain a tenancy, address her drug and alcohol misuse and move forward in her recovery from domestic abuse.

*\*Client's name has been changed*

## Outcome Two: Reconnection and Resettlement

The vast majority of clients we work with do not have a local connection to Westminster. We support these clients to identify their options and to find the best solution for them to enable them to address their homelessness.

For many, the best and quickest way to access housing or other services such as health and social care is to do so in a UK local authority where they have a local connection. We therefore offer this routinely as an option in these circumstances – this is known as ‘reconnection’. When supporting clients to reconnect, we also support them to access appropriate services when they arrive in their local area and pay for travel where required.

**This year, 114 clients were successfully reconnected to an area** where they could more easily access services, including 42 to European Economic Area (EEA) countries.

### Migration

Migrants represent just under half of our client group here at The Connection, with a similar picture across London. We have invested in our support for this client group through our Migration Team. The team deliver immigration casework and capacity building.

**This year, our Migration Team supported 281 people.** This included support from our EU Settled Status (EUSS) caseworkers to provide EEA nationals with information, advice and support around the EUSS scheme to regularise their status in the UK post-Brexit. It also included work with homeless migrants from elsewhere, many of whom have complex immigration issues.

Our GLA-funded project *Improving Services for Homeless Migrants* was extended and our partnership with Praxis continues. This project has worked with a number of non-commissioned services in different boroughs to build their ability to effectively support homeless migrants.

In October, we received confirmation that we had successfully registered with the Office of the Immigration Services Commissioner (OISC) so that we can independently provide more complex in-house immigration advice for our clients.

We also developed a partnership with Wesley Gryk solicitors, who have provided us with pro bono expert advice and independent file reviews, to ensure that we continue to deliver high quality immigration advice in an increasingly complex area of law.

## **Karan's Story**

Karan\* is in his 70s and was born in Asia. He arrived in the UK in the 1960s and worked here for over forty years.

Karan became homeless after losing his job because he did not have the documents to prove his right to live and work in the UK. As is common among the Windrush generation, nobody had asked him for documents before and he was confused and unsure of what to do.

When the Migration Team met Karan, he had been rough sleeping for ten years. He had several health issues and was very vulnerable due to his age.

We referred Karan to our Emergency Accommodation, so he had somewhere safe and warm to sleep while we helped him to get advice and resolve his immigration situation. He was also able to access showers and laundry, medical appointments and enjoy hot meals. We helped Karan to submit a formal homeless application with the council and liaised with the Home Office's Windrush team. Karan is now in temporary accommodation and his Windrush application is being processed.

We also helped Karan to access benefits to help support him during this time, and he hopes to be able to move into more permanent accommodation once his immigration situation has been fully resolved.

*\*Client's name has been changed*

## **Outcome Three: Health and Wellbeing**

### **Mental health**

This year, 258 of our clients were assessed as having a mental health problem. However, it is very likely that many more clients have experienced mental ill health at some point.

The Housing and Resettlement Team has two specialist mental health advisors who provide support to clients who are experiencing mental health problems. These advisors work alongside primary care, secondary care and specialist homeless health partners to engage clients with the support that they need.

We also run a weekly satellite service which is provided by the Joint Homelessness Team (JHT). The JHT is a multi-disciplinary community mental health service that works with Westminster rough sleepers with mental health issues. People referred to the team will usually have had a history of admissions to hospital and may possibly have been detained under the Mental Health Act. Often these clients are unwilling or unable to access mainstream mental health services and so the intensive work of the JHT is very valuable.

We have also continued our client Mindfulness group this year. This has proved to be popular and clients have reported that it has been very beneficial.

## Drugs and alcohol

We know that there are often barriers to clients accessing treatment services for drug and alcohol addictions. This year, we undertook a significant research project with Crystal Blue Consulting to identify how best to overcome these barriers. The final report recommends, among other things, a removal of local connection eligibility criteria for substance misuse services. We aim to take forward the learning from this review next year.

This year, alongside Westminster City Council other partners, we were a beneficiary of a team funded by Public Health England for a one year pilot for a Psychologically Informed Environment (PIE) multi-disciplinary health team. This team supports rough sleeping clients with both substance misuse and mental health issues. We hope to see significant positive outcomes from the team within the next year.

In August, we launched the pilot for an Outreach Prescribing Clinic, based at The Connection and delivered in partnership with the Dr Hickey Surgery, Turning Point and the Homeless Health Service (HHS). The clinic is a drop-in service aimed at change-resistant rough sleeping clients with complex needs and no local connection to Westminster. The clinic enables them to access drug treatment prescriptions without having to attend formal appointments. Whilst at the clinic, clients can also access physical healthcare, showers, laundry and hot food. They can also receive advice and support on other things, such as applying for benefits or finding accommodation.

The clinic has achieved some great outcomes so far; prior to attending the Clinic, 100% of clients were not accessing basic healthcare and many were not registered with a GP. All clients took up a health screening as part of the clinic, and many have since received treatment for various conditions, including infected wounds, broken bones, lung conditions and blood borne viruses like Hepatitis C.

**Of the 30 clients taking part in the Clinic pilot, 20 were supported into accommodation.**

This is an excellent outcome given the complex needs and entrenched nature of the client group.

## Lukasz's Story

When the Street Engagement Team first met Lukasz\* in August 2019, he was wearing a neck brace and was visibly distressed.

After several conversations, Lukasz told us that he had suffered a fractured neck, but had discharged himself from hospital. When asked why, he told us that he had an opiate addiction and was not receiving enough methadone in hospital to sustain him. His withdrawal symptoms were too severe for him to stay.

Lukasz had been living outside of Westminster but had fled due to violence at the hands of drug dealers who had taken over his flat.

Lukasz was clearly very wary of services but the team persevered and built up enough trust to eventually take Lukasz to the Outreach Prescribing Clinic, and have his neck examined by nurses.

Lukasz told us that he had struggled with addiction for years and that he wanted to stop using, but that he had been unsuccessful in the past. We were able to help him onto a methadone prescription at the right level to manage his withdrawal symptoms.

Lukasz's neck injury required re-admittance to hospital, which he was more willing to do once receiving the right methadone prescription. He ended up staying there for several months to recover.

Lukasz's neck is now healing very well, and he is in accommodation after being discharged from hospital. He is also now free of Hepatitis C after completing a course of treatment. Health services agree that if Lukasz had not had his neck fracture assessed at the Clinic, his injury would have eventually proved fatal or left him severely paralysed.

*\*Client's name has been changed*

## Outreach

This year, the Street Engagement Team (SET) have been working closely alongside the Homeless Health Service (HHS) and utilising the increased outreach provision they now provide through their 'Street Nurse' programme. The team are also conducting weekly outreach shifts with nurses from Great Chapel Street Medical Centre in order to increase GP registrations amongst their clients. The team works with some of the most vulnerable members of Westminster's street population – many have incredibly complex needs and have been entrenched in their street lifestyles for many years. **This year, the team worked with 333 people overall.**

The SET also established the 'Friday Outreach Club'. This project opens the building to a small number of clients who wouldn't otherwise access buildings-based services and therefore basic provision. The group provides an opportunity for these clients to shower, use the laundry and have a meal in a quiet and calm environment. It enables staff to assess clients, make referrals and carry out casework. Crucially, it also allows clients to access healthcare with HHS nurses.

## The Recovery Programme

The Recovery Programme delivers a wide range of groups and activities aimed at supporting clients along their journey towards recovery. **This year, 312 have taken part**, with our most popular groups and activities being the art room, the arts and crafts group, our Better Connected IT support sessions, mindfulness and anger management.

Highlights of the Recovery Programme this year include:

- Performing at the Tate Modern with The Academy of St Martin's Orchestra and Streetwise Opera in April;

- Taking part in *This Stuff Matters*, an exhibition in partnership with the Museum of Homelessness, looking at artefacts and articles collected over the years from people experiencing homelessness and campaigners;
- Performing at The World's Big Sleep Out in Trafalgar Square in December.

This year we re-designed the women's group to make it an informal drop in, following feedback from clients. Women are able to chat in a safe and relaxed environment, have lunch, and pick up clothes, toiletries and cosmetics. The new group has a higher attendance, and many women have told us that they prefer the new approach.

We also refreshed the creative writing group this year, and launched a new book group.

'What is a poem?' by Dennis

What is a poem? Nothing more than a collection of words.  
 'Only words?' you say – yes one after the other but full of meaning.  
 'But they clash and do not rhyme!'  
 Who cares? Not I for they are my words, not yours.  
 Who will understand them? I care not  
 for they are my safety valve – not yours!  
 A release of inner pain and torment.  
 So now do you understand? Perhaps you should try it  
 and gain some pleasure

## Outcome Four: Skills and Employability

**This year, 788 people accessed skills and employment support.**

The Enterprise and Employment team work with clients to develop skills and confidence and to access and prepare for education, training, employment and/ or volunteering. We provide mock interviews and develop career action plans with clients. **This year, the team worked with 520 clients, with 159 people receiving a career assessment and plan.**

**88 people gained a qualification or were supported into work, further education or training.**

Our bursary scheme continues to provide clients with financial support of up to £250 which helps bridge the gap between them and employment. Additionally, we helped with travel costs for journeys to interviews, training courses, volunteering and for work. We also supplied safety shoes, aprons, hard hats, SIM cards, ID photos and of course the all-important smart clothes for interviews and work. Sometimes, it is the practical support that makes all the difference!

We continued our partnerships with corporate supporters including Nando's, Old Admiralty and STASCO, who helped us to deliver employability workshops to equip our clients with the confidence and skills needed to access the labour market.



Other workshops included construction, CV writing and getting into hospitality.

This year also saw us undertake our first site visit in the retail sector, with clients touring a John Lewis store in July to learn about the roles available in the industry.

We continued to deliver the Step Up programme which helps clients complete placements across services at The Connection including Emergency Accommodation, the day centre, the kitchen, IT groups and fundraising. Step Ups also have a vital role in meeting potential new members of staff as part of our recruitment process, providing the all-important client perspective on candidates. **Overall, 34 people took part in Step Up this year.**

## **Aim 2:** Grow the quality and impact of our services, working with people to overcome homelessness

### **Service Innovation**

This year we received funding to develop a London Women's Innovation Hub, a three person team which will work closely with homelessness and women's sector organisations across the capital. The team's remit is to identify the reasons women may not access or engage with homelessness services, and to provide training and guidance to ensure positive action is taken to address the issues identified. The launch of the Hub has been delayed due to Covid-19, but we will take this forward in the 2020/21 financial year.

As part of our work with the PIE multi-disciplinary team, we now have a clinical psychologist working two days a week to provide psychological support to both staff and clients. This was particularly useful in the wake of the Covid-19 pandemic, as she provided wellbeing resources to help clients manage stress, anxiety and boredom, as well as telephone and video call support and advice.

This year, St Martin's House has worked hard to improve the quality and impact of the work we do with people to overcome their homelessness. We have resolved some significant anti-social behaviour issues, and all residents reported feeling safer and enjoying their home more as a result. We have also started issuing licences to residents rather than tenancies to allow more flexibility for us and residents. This move also enables us to deliver more effective housing management functions for each tenancy.

We have started work with the St Martin's Trust to explore ways to bring in significant capital investment which will allow us to enlarge St Martin's House. The project will redevelop the derelict garage space in order to provide a purpose-built space for communal and group activities, more individual meeting rooms and an additional two accommodation units.

### **Demonstrating Impact**

This year we refreshed our monitoring and evaluation framework for the whole organisation to bring it into alignment with our new strategy and service model. We launched a new quarterly reporting format which was a significant step forward, offering more depth and detail to our performance reporting. The new framework also fed into the design of our new case management system In-Form, and will be a key way we can assess our success, learn and continuously improve.

After several months of consultation with frontline teams to make In-Form as user-friendly as possible, we went live in October. Unlike our previous case management system, In-Form was developed bespoke to meet the specific needs of The Connection. During the early days of the Covid-19 response in March, In-Form proved itself to be incredibly flexible, allowing us to keep step with the significant changes in service delivery as they happened.

## Co-production and volunteering

This year we have continued to embed important principles of co-production (working with our clients in partnership) across all aspects of service provision.

We have worked with clients on the design, delivery and evaluation of services, recognising their expertise, to influence and shape our work. This has included writing a brand new Client Charter and launching a new Client Advisory Panel. The Client Advisory Panel provides a link between Trustees and clients so that issues can be raised directly at Board level – providing much greater transparency about the successes and challenges associated with our service delivery.

We have also continued to develop our services to ensure that they are based on the principles of the Psychologically Informed Environment (PIE). This has involved re-designing our induction process and reception area – in partnership with clients – to be simpler and more welcoming.

Volunteers are a vital part of our work at The Connection, and this year we continued to implement the results of our 2018 volunteering review. We continued to work with four groups of committed volunteers:

- Our Trustee Board who gave over 430 hours of their time;
- Our community volunteers who support our services and fundraising through regular shifts;
- Our employer-supported or corporate volunteers who support in the kitchen and in delivering Enterprise & Employment projects;
- Our client volunteers (Step-Up Volunteers) who volunteer to gain the experience, skills and confidence to re-enter the world of work.

We embedded our client Step Up volunteers into our general volunteering programme this year, running joint events such as our summer sports day. We also recruited a Step Up Coordinator who has expanded the range of Step Up roles on offer to ensure that they appeal to a broader range of clients and match different skills and interests.

We were very proud to win the Homeless Link award for Excellence in Co-production to recognise all our hard work this year.

### **Aim 3:** Establish Social Enterprise and Trading activity to increase income and our training offer to clients, particularly those in recovery

The new online store [showyourconnection.com](http://showyourconnection.com) was launched in October, with a product offering that focused on ethical and sustainable items that allowed for client involvement in the production and/ or design. The website photos were shot during workshop sessions with clients. The store has seen a successful first few months, and we look forward to continuing to develop the range of products on offer.

This year, The Connection's gardening group has taken over the contract for the maintenance and installation of the planting in the courtyard behind St Martin's. The income from this commercial contract has been used to install a specialist Gardening Coordinator to manage the gardening element of the Recovery Programme. We intend to develop more commercial gardening activity over time, which links to training and volunteering for clients in recovery from mental health and addiction issues.

Throughout August, we ran our 'communal breakfast' event in the St Martin's courtyard. Over 270 people attended, enjoying a delicious meal of baked tomatoes and eggs. Six clients were involved in preparing and serving the breakfasts, receiving valuable training, skills and experience of the food industry.

We also took part in December's World's Big Sleep Out in Trafalgar Square. Four clients undertook barista training and then ran an all-night coffee kiosk for participants.

This year, we agreed that The Connection would have the opportunity to expand on these initiatives by establishing a morning coffee shop and barista training program using the kiosk in the St Martin's courtyard. This would run from 8am to 11am on weekdays and be targeted at morning commuters, visitors to St Martin's and tourists passing through the courtyard. Relationships were established with businesses such as Allpress Espresso who would provide the coffee and machinery for the kiosk as well as leading on a barista training program for clients to gain an accredited qualification and skills.

However, Covid-19 meant that we needed to adapt these plans. We have now agreed instead to become the sole fresh food supplier for the kiosk.

We will also launch Poster Bakes - a new social enterprise bakery selling and delivering vegan baked goods by bike in London. As well as generating income, this will support a program of cooking clubs and classes in the kitchen that will enable clients to learn vital skills and knowledge around cooking and making healthy food decisions.

**Aim 4:** Increase our fundraised income from £2 million a year to at least £3m a year by 2023

### **Fundraising Strategy**

In 2019/2020, a restructuring process was undertaken in the Fundraising and Communications team to ensure that the team was appropriately resourced to deliver on the Fundraising Strategy introduced at the start of the year.

Roles are now structured to enable us to work as effectively as possible with our many wonderful supporters and build our income across a number of revenue streams. We know that this investment is incredibly important as we look towards the future of our services and consider how we can best support people to take positive steps forward in their lives. We are pleased to celebrate some of our supporters within the Financial Review section of this report.

### **The Friends of The Connection**

The Connection's Fundraising team works closely with sister charity the Friends of the Connection, a membership organisation which raises funds on our behalf. The Friends is run by a dedicated Trustee board who make an incredible difference to the clients The Connection exists to support.

In 2019/20, The Friends of The Connection had a hugely successful year, raising an astonishing £480,424, almost a sixth of our annual income. Amongst other highlights, the Friends funded travel costs for clients through their very successful Spring Appeal 'Let's Go', and saw the continued success of the Queen Eleanor Cycle Ride. They were very generously supported this year by a legacy from the estate of the late poet Jenny Joseph, and their traditional Christmas carol-singing stint in Charing Cross Station once again paid dividends.

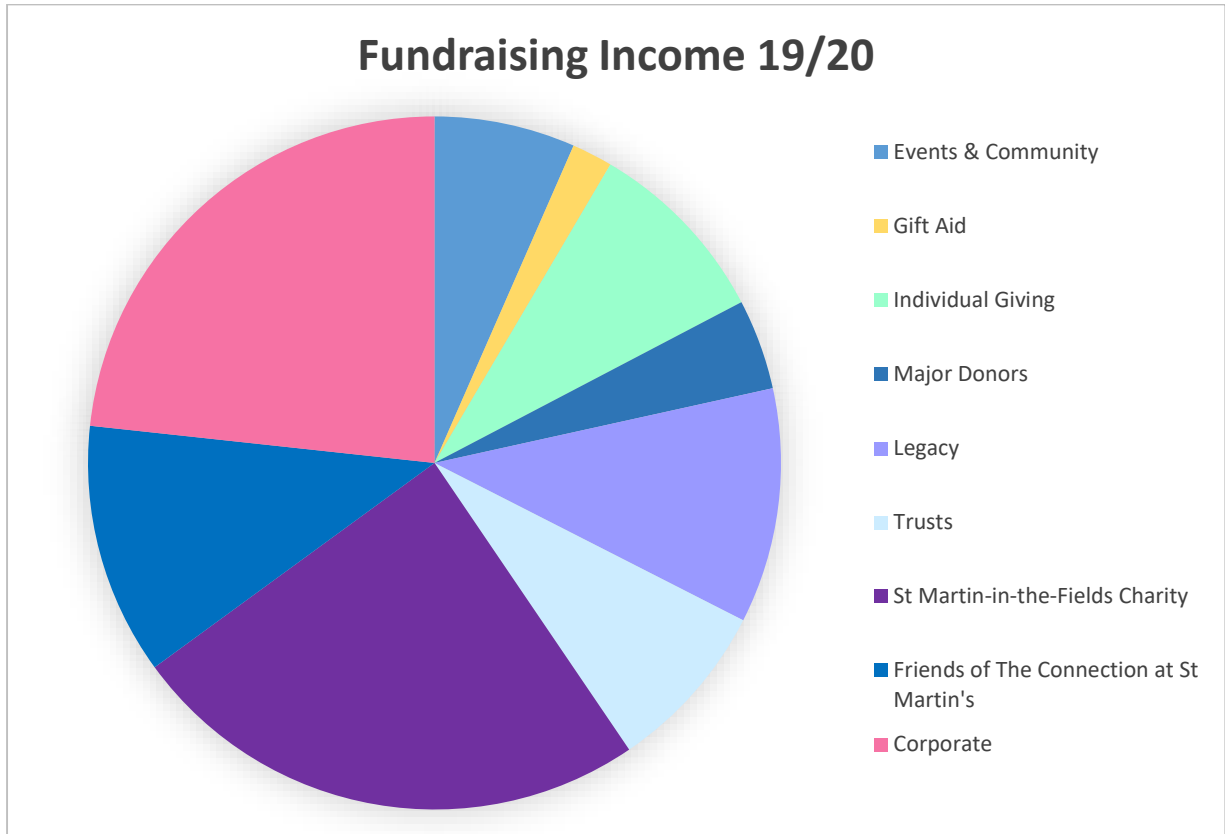
The Connection is extremely grateful to the Friends for their fantastic ongoing commitment.

### **St-Martin-in-the-Fields Charity**

This year, St Martin-in-the-Fields Charity donated £1 million to The Connection after another incredibly successful BBC Radio 4 Christmas Appeal with St Martin-in-the-Fields. Our long standing support from St Martin-in-the-Fields Charity makes a transformational difference to our work for people facing homelessness. The Christmas Appeal also provides an important platform for The Connection to speak about the issues our community of clients face and raise awareness of our work. We hugely appreciate the committed and constant support of St Martin-in-the-Fields Charity.

## Fundraising Income

In 2019/2020 the Fundraising and Communications team raised £2.6m. Additionally, Friends of The Connection and St-Martin-in-the-Field's Charity raised £1.5m which delivered a combined total of £4.1m The income split is demonstrated below:



## **Aim 5:** Improve our profile and influence through excellent communications and evidence of impact

The Connection's Communications and Advocacy strategy is now in place to shape activity over the next four years. The strategy will help us to promote our work more effectively, support fundraising, enable us to further our advocacy goals and help us to build our reputation.

### **Advocacy**

This year, we completed a wide-ranging internal consultation with our front-line practitioners that sought their perspectives on the structural barriers preventing them from helping people escape homelessness, as well as working together to identify solutions. This resulted in the identification of a range of specific objectives that we have adopted as our advocacy priorities [\*Five Changes that Would Radically Improve our Ability to Combat Homelessness.\*](#)

We were fortunate enough to be able to raise our advocacy priorities directly with the Prime Minister Boris Johnson and the Secretary of State for Housing, Communities and Local Government Robert Jenrick who visited our centre and met with some of our clients, volunteers and staff in February.

Although our plans for our advocacy priorities have been delayed due to Covid-19, we have big plans for the future. Over the next year, we will build robust evidence for the need for each policy change. We will work further with our service teams, partners and people experiencing homelessness, to tell the stories of their experiences. We will identify, engage with and seek to persuade those who have the power over these policies, and we will build momentum toward these changes becoming reality.



*Sharing our advocacy priorities with the Prime Minister in February.*

## **Communications**

We have continued to work hard to raise our public profile through improved communications work. We believe a higher profile benefits our clients, both through increased fundraising opportunities and advocacy work. This year, we secured a significant amount of media coverage of the launch of our Five Policy Changes, with several outlets covering the high profile visit of the Prime Minister and Secretary of State to our centre.

We have worked very closely with ESI Media as part of our involvement in the London Homeless Collective, which resulted in a significant amount of media coverage of our work in both the Independent and Evening Standard.

We are increasingly embedding communications work into the organisation, and several members of staff have this year received media training and opportunities to act as spokespeople for the organisation.

In June, we launched the new [West End Homelessness brand and website](#) to support the development of our innovative daytime Street Engagement Team. We are now working with the same design agency to refresh The Connection's 'voice' and brand to increase our profile externally.

We continue to build on our social media and online presence, and have done a significant overhaul of our website to make sure it reflects our new service model.



## Partnerships

Significant progress has been made working in partnership with key rough sleeping support agencies in Westminster through the Westminster Homelessness Partnership (formerly WHAT). Regular meetings with a core group along with quarterly sessions with a wider strategic group have proved extremely valuable. The WHP will help to shape an agreed approach to tackling the high-profile and acute problem of rough sleeping in Westminster. Priorities will include research into Roma rough sleeping and a 'systems change' project to further develop joint working across agencies.

We have continued our fruitful partnerships during the year with Scotscare, Praxis, the West End Homelessness partnership, and the London Homelessness Collective. In addition, we have worked closely with Solace Women's Aid to secure funding for the Women's Development Unit (as described in Aim 2).

## **Aim 6:** Develop our governance and Corporate Services infrastructure to ensure we maximise our potential

### **Governance**

After major changes in our Board composition and the introduction of a new governance structure with sub committees, we have focused on consolidation this year. The recruitment of an Executive and Governance Assistant in April 2019 has proved a good investment and all systems have improved as a result.

The Remuneration and Nominations Sub Committee led a governance review this year which has informed how the Board works and we may repeat this exercise annually. The review identified steps the Board wanted to take to further strengthen its performance; for example, increasing diversity through Trustee recruitment.

Trustees and senior staff undertook safeguarding and governance training in January, and our memorandum and articles of association were updated to reflect best practice and changes in charity law.

Two long standing trustees who have held key roles in the charity stood down during the year - our thanks go to Ian Watson, who was the Treasurer at The Connection for 16 years and Philippa Langton who has held the role of Vice Chair since 2016 having joined the Board in 2012.

### **Corporate Services**

During the year we took forward major changes to our Corporate Services functions, which cover office management, HR, finance, premises and IT. Having been unsuccessful in the recruitment to a Director of Finance and Resources role, we are now providing senior leadership oversight of these areas of work, which have been split between the Chief Executive Officer and Deputy Chief Executive Officer. We will review these arrangements later in 2020.

Improvements to our finance function have continued during the year, with a focus on bringing managers much more closely into the annual budgeting process. This has been complemented by further development of our use of Xero and ApprovalMax systems to streamline financial processing.

2019/20 has also seen both disruption and new developments in our facilities and IT. We have made more efficient use of the building and created space for a staff room and more meeting room space. We also upgraded our phone system and our capacity for remote working which proved to be very timely given lockdown at the end of March.

## Response to Covid-19

Although most of the impact of the Covid-19 pandemic was felt after the end of the 2019/20 financial year, it has had a significant effect on our activity and we feel it is important to address it within this report. Our centre had to close its doors on Friday 20<sup>th</sup> March following the Covid-19 outbreak in the UK. Over the course of the weekend, our teams worked incredibly hard to successfully secure accommodation (predominantly hotel rooms) for over 80 people. We also issued mobile phones to enable us to stay in touch with clients, so we could keep them updated about progress towards getting them safe.

### **Across Westminster, over 350 people were helped into hotels during the pandemic.**

From March to July, we remained on the frontline running two hotels. The support we provided has included:

- Preparing and delivering three meals a day to over 350 people in hotels. We joined forces with The Passage in Victoria to ensure that everyone received breakfast, lunch and dinner. During this time, the team cooked over 21,500 hot meals – an incredible achievement!
- Providing laundry services and delivering medication, toiletries and other essentials;
- Working with nurses and psychologists to help with physical and mental wellbeing;
- Helping clients to access support for drug & alcohol addictions;
- Continuing regular casework to help people to get their lives back on track – such as support to find more permanent accommodation, access benefits, or resolve immigration status.



*Delivering food to hotel clients.*

We also identified people with no recourse to public funds and worked very hard to support them. This included completing applications for the EU Settled Status (EUSS) scheme where they had all of the necessary documentation. However, due to the closure of embassies and other services it was not possible for some clients to obtain the necessary ID and evidence they needed to finalise and submit the application. Our EUSS caseworker is continuing to work with clients so that they can progress their applications as quickly as possible as agencies re-open.

Funding was made available by the government to help EU nationals whose only route off the streets was to find work. We worked with Westminster City Council and partners to identify these clients and support them into temporary 'Stepping Stones' accommodation. We are now working intensively with 15 of these clients, offering skills and employability support to get into work.

We also supported people's wellbeing during isolation, which we recognise was incredibly tough for many people. We made regular phone calls to check in with clients, as well as producing a weekly newsletter, a dedicated client website and a Facebook group with activities, puzzles and updates to help people stay connected.

The stability of hotels gave us a solid foundation from which to work with people to provide the support needed. For some people, this was the first time they'd had the stability of a roof over their heads for many years.

“Now I feel OK. I feel a lot less worried about things. You know, cos when you’re out there you’re not getting the information you need, there’s nobody checking on you. Now we’ve got nurses, who are trying to get the tablets back for my heart and I’m just a lot better in myself.”

“To put it bluntly I spent a few days in hospital close to death – basically if I hadn’t been found and this [hotel] wasn’t in place for me when I left, I don’t know what would have happened. This being here has given me the ability to detox, it’s a roof over my head, it’s given me stability.”

*Quotes from hotel clients.*

**Since July, over 260 people in hotels across Westminster have been given an alternative accommodation offer.** This is an incredible achievement and we are very proud of being part of the team that made this happen. We have been particularly struck by the power of partnership working – together with our partners in Westminster, we have made important steps towards ending homelessness.

We worked with St Martin in the Fields and St Martin’s Charity to launch *Keep Our Doors Open*, a joint fundraising campaign to support our pandemic response, and to keep people updated on our work.

We also worked very closely with Crisis to support their *Home For All* campaign, calling on government to ensure that everyone across Britain has the security of a safe and settled home during and in the aftermath of the pandemic.

We have learned a great deal from our experiences from March to July and will take this into our future service planning. We know that there will be restrictions on services for quite some time in the aftermath of the pandemic and we will need to take our flexible approach to services with us as we plan for the months and years ahead.

## **Iker’s story**

At the start of the year, Iker was working in a busy kitchen in a London restaurant. Unfortunately, he lost his job in early March as concerns about coronavirus grew. This meant he could no longer afford to stay in the hostel he’d been living in for ten months. Iker then stayed in our Emergency Accommodation.

On Friday 20<sup>th</sup> March, the Covid-19 pandemic meant that our Emergency Accommodation (like many up and down the country) had to close. We then helped Iker move into a hotel room under the government’s *Everyone In* initiative to help homeless people stay safe and well.

Whilst staying in the hotel, Iker’s keyworker was able to help him to claim housing benefits, which means he has now been able to move into his own rented accommodation. We also made a referral to a local food bank and have been able to provide him with a ‘starter pack’ for his new home – including bedding, pots and pans and other essentials – to help him get back on his feet.

Iker says “Without the hotels it would have been a disaster for me. I suffer from OCD and a lot of anxiety. With my situation – losing my job, not having money to pay for my accommodation – it was impacting my mental health, which was getting much worse.

The Connection helped me a lot, and the nurses were asking us every day if we were OK. It felt like we were protected by everybody. I’m not as worried now – my mental health and quality of life is much better... I feel great!”

Iker is really happy with his new place and has started looking for work already – he hopes to be able to get back to work as soon as possible! He says “I’m very happy to have a place to live again. I have more pride I think, and now I feel safe.”



*Iker in his new flat*

## Plans for the Future: Strategic Aims 2020 - 21

The Covid-19 pandemic has had a big impact on homelessness and homelessness services up and down the country. After lockdown closed traditional day and night centres, we saw instead a huge national focus on getting people into hotels to enable them to self-isolate and stay safe and well – with everyone pulling together to make this happen.

This gave us a once in a lifetime opportunity to make real progress with some of the most vulnerable members of the homeless population. A stable place to sleep and regular meals provided a solid foundation to provide the support needed to move into longer term accommodation.

The Covid-19 response in Westminster also showed the value of all partners working together towards a common goal.

We have learned a great deal from the homelessness response to Covid-19, and we are using this valuable experience to review and shape our services for the future.

We have identified the following Strategic Aims for 2020 – 21. However, these may be adapted throughout the year to take into account the situation presented by the pandemic.

**Aim 1:** Provide services to help those who are experiencing homelessness recognise their strengths, recover from crisis and move on

- Continue to deliver services to support people to recover from homelessness. The nature of these services will need to adapt to take into account conditions presented by the pandemic;
- Develop our partnership working with other agencies, in particular health and treatment services;
- Make changes to our catering offer to be more efficient and environmentally friendly, with activity more closely linked with enterprise and recovery work.

**Aim 2:** Grow the quality and impact of our services, working with people to overcome homelessness

- Continue to develop our Psychologically Informed Environment and strengths-based work with clients including client co-production;
- Improve our systems to ensure high quality in all of our case work and supporting systems;
- Create a service development strategy to guide new activity, to include extending work in the following areas: treatment; homeless women; employability linked to enterprise; systems change; anti-social behaviour on Adelaide Street and Church Path;
- Continue with plans to develop St Martin's House;

- Explore the opportunities and challenges associated with working outside of Westminster.

### **Aim 3:** Establish Social Enterprise and Trading activity to increase income and our training offer to clients, particularly those in recovery

- Firm up and pilot a trading arrangement with SMITFL, along with development of the courtyard as an inspiring green space;
- Put in place an Enterprise chef to help re-shape the team and the kitchen space to accommodate both income generation and the client food service;
- Put in place sales targets for income generation across each activity and develop the Enterprise brand.

### **Aim 4:** Increase our fundraised income from £2 million a year to at least £3m a year by 2023

- Develop the charity's approach to donor stewardship to keep and grow the support we receive from a wide range of audiences;
- Work with the service teams to build successful long term funding cases for all activity;
- Develop our approach to employer supported volunteering and company partnerships;
- Continue to work closely with other partners on the St Martin's site.

### **Aim 5:** Improve our profile and influence through excellent communications and evidence of impact

- Improve cross-site communications, linking with the other site partners, agreeing key messages and improving understanding about our work;
- Complete a branding refresh and create strong assets to use in communicating clearly about our work and the impact we make;
- Create proactive, positive coverage of our work and advocacy priorities;
- Secure multi-year funding for a dedicated Communications and Advocacy role.



## **Aim 6:** Develop our governance and Corporate Services infrastructure to ensure we maximise our potential

- Continuous improvement of governance, along with Trustee recruitment with an emphasis on increasing Board diversity;
- Continue to improve financial processing to meet the needs of the charity including reporting, payroll and VAT registration;
- Develop our longer term approach to financial management with 3 year rolling forecasts, agreement of a finance strategy and annual review of our reserves and investment approach;
- Introduce an annual HR systems audit and review to the Board of Trustees to ensure we meet the objectives outlined in our HR strategy;
- Improve our internal communications and invest in a staff-led health and wellbeing group;
- Achieve efficiencies and environmental impact improvements in our premises budget, working with other partners on site where appropriate.

## Financial review

This financial year has seen the continuation of the new service model for our service delivery functions implemented in the prior year, with more stability in the structure of the service team. The corporate services team was expected to undergo further change, which, along with the provision of additional services and increased investment in our enterprise activity, contributed to the budgeted deficit of £333k for the year.

The reported deficit of £285k for the year is better than our budgeted outcome. Income was approximately £260k above budget, principally as result of income from legacies, which are difficult to predict, being almost £250k above budget levels. Our income from the Friends of the Connection, new sources of statutory funding and our corporate supporters were also higher than budget.

As at 31 March 2020, the charity's net assets were £2.1m. Further details are given under the discussion of our reserves.

Since April 2019, the Charity has increased its investment in the COIF Charities Ethical Investment Fund. At 31 March 2020, £458k was held in this fund. These investments are regularly monitored and are in accordance with the Connection's investment policy. The emergence of the COVID-19 pandemic at the end of the financial year resulted in some volatility in global equity prices, but it is encouraging that the portfolio has recovered most of these losses since the year-end.

Moving forward, the Trustees have agreed a significant deficit budget of £295k that uses reserves in 2020/21 for the purposes of:

- further bolstering the organisation's existing response to the continued increase in rough sleeping; and
- supporting the development of the organisation to make the most effective interventions for our beneficiaries on an on-going basis.

These purposes have become more relevant than ever as a result of the COVID-19 crisis.

## Principal sources of income

The Connection at St Martin's has a diverse range of income sources, which break down into five broad categories:

- Statutory £919k (£825k 2019), which was higher than expected due to additional funding received for work associated with migrant rough sleepers, which accounts for the increase on the prior year. Further details of statutory income are provided in note 4B to the Financial Statements.
- St Martin's Charity provided a grant of £1.0m (£1.1m 2019) related to monies raised from the BBC Radio 4 Christmas Appeal. We continue to work closely with St Martin's Charity to use the funds raised by them to support our beneficiaries.

- The Friends of The Connection of St Martin’s provided £480k (£260k 2019) which was most gratefully received.
- Individuals and event income of £1.3m (£1.4m 2019). Included in this figure are the legacies referred to above of £448k which have once again been higher than expected this year.
- Corporate, community, trusts and earned income £1.5m (£1.0m 2019).

## Expenditure

Of our expenditure 91% was on charitable activities, with the rest expended on raising funds to support the organisation in delivering its mission. Of total expenditure, 68% was on staffing, with the remainder mainly being on building costs and support (administration, IT and training), as well as goods and services provided in support of our clients. Expenditure has increased by £600k from last year largely reflecting the increased service provision as a result of continuing statutory funding received in the year.

## Principal risks and uncertainties

The Board of Trustees reviews its exposure to risk and maintains a risk register, identifying the level of exposure to any material risks with a constant view to improve systems and procedures which will mitigate them. This register is overseen by the Corporate Leadership Team. The Connection at St Martin’s additionally has a more detailed register of operational risks, which addresses the exposure of our staff and volunteers to risk through work with clients in potentially violent circumstances.

### The principal risks identified are:

Risk	Response
At a time of rising homelessness, we fail to meet need and demonstrate impact, thus losing credibility with clients, partners and funders. In this regard, it is possible that the charity lacks direction / forward planning over the longer term.	We are putting more time and energy into client involvement and feedback, drawing current staff together in a good practice unit, and working more collaboratively with partners. We have a strategy linked to strategic aims in place and these are regularly revisited by the Board.
Working with vulnerable individuals with a complex range of problems presents safeguarding issues and incidents are a potential risk.	The organisation has an effective safeguarding policy, a robust policy for managing incidents and a newly reviewed health & safety policy.

The charity lacks direction or loses a key member of its leadership team / Board.	We have invested in leadership training at both senior and middle management levels. We have a Remuneration and Nominations Committee in place which considers succession planning.
Problems with the building leading to us being unable to occupy our base for a period of time or losing it all together.	Reciprocal agreements are already in place with partners as part of our business continuity plan.
Significant reduction in income, especially in relation to funds from St Martins Charity, affecting funding, reputation and our ability to innovate and develop.	We have a strong fundraising team, who raise money from a diverse range of sources. Agreements and regular monitoring are in place, together with strong governance links with the others on the St Martin's site, including St Martin's Charity.
Poor financial management / reporting occur and this leads to The Connection being overstretched or other financial issues.	We monitor and report activities on a regular basis. The budgeting processes involve input and responsibility by budget owners. We have a Board committee that meets regularly to consider financial matters. We have cyber security controls in place.

As a result of the Coronavirus (COVID-19) pandemic, we were not able to run services from the premises at 12 Adelaide Street. As the lockdown affected all businesses in the UK, it was not possible to relocate in line with the business continuity plan as noted above. Instead, a renewed focus was placed on remote working, and accommodation was provided to clients in hotels throughout central London. The risk register is being reviewed in light of these developments.

## Fundraising

We are incredibly grateful for the support we received from a wide range of companies, foundations, trusts, groups and individuals who provided us with one-off donations, or longer term support towards our core running costs, service improvements and new projects.

In 2019/20, we had a team of 7 fundraisers, who raised funds on behalf of the organisation. Our approach to fundraising is to be transparent, honest and respectful, meeting the needs of our donors and our service users. We are members of the Fundraising Regulator and adhere to the Code of Fundraising Practice. During 2019/20, we have worked to further develop our policies and procedures in line with all legal best practice standards.

When we work with partner organisations who carry out fundraising activities on our behalf, we set their work through formal agreements, and monitor their activity through meetings and ongoing communications.

All Fundraisers are up to date with and follow all requirements set out in the Code of Fundraising practice, including those which relate to interactions with vulnerable individuals. Fundraising team members attended safeguarding training in September 2019 to ensure extensive embedded knowledge.

In 2019/20, we received 10 supporter complaints in response to our Annual Spring Mailing. Due to an error with a database query, we sent a postal mailing to a number of supporters who wouldn't normally receive contact of this nature from us. Of these 10 complainants, four asked to receive email only, and six requested no further contact. We have taken the relevant actions on our database to ensure compliance with their wishes.

On identifying our error, we contacted the Information Commissioner's Office to provide them with a report. They responded to confirm that this incident did not constitute a data breach. We have subsequently reviewed our data management procedures and implemented extensive checking systems to ensure that this error will not be repeated.

We received one further complaint following our postal Winter Mailing in November. This complaint requested removal from our database, which was duly enacted.

The implementation of a 4 year Fundraising Strategy, directly linked to the 5 year organisational strategy, has resulted in a clear roadmap for fundraising actions, and has laid the foundations for greater collaboration with our wonderful supporters.

**We would like to extend our thanks to all of our generous supporters from 2019/20, without whom our work would not be possible. We are proud to highlight some of our important funding partnerships and fundraising moments below:**

#### **Trusts and Foundations:**

- The Monday Charitable Trust donated the final instalment of a substantial two-year grant, supporting our catering services.
- The Green Hall Foundation, a long-term supporter, continued to provide vital support for our service delivery in the week running up to Christmas Day.
- StreetSmart enabled our Street Engagement Team to continue its critical work.
- Streets of London supported Step Up, our in-house client volunteering scheme.
- The Charities Aid Foundation, Joy Charitable Trust, The Peter Fraenkel Charitable Trust and The R.U.B. White Charitable Trust also provided significant and unrestricted support for our homelessness services.

#### **Corporate Support:**

- Our long standing relationships with Coutts & Co and The Coutts Foundation continued, with the second year of Foundation funding to support our service development. We are also delighted to now be a recipient of the Thank You From Coutts scheme where their customers can choose us to benefit from their loyalty points. This support has enabled us to achieve goals such as embedding co-production within our service provision.

- STASCO continued their support of our Employment & Enterprise service providing funding and volunteering within the service to enable people to find work.
- We were delighted to start a three year partnership with Intercontinental Exchange, supporting our Employment and Training services. We were put forward for this partnership by one of our volunteers who works in the kitchen on a Saturday. Intercontinental Exchange (NYSE: ICE) is a Fortune 500 company formed in the year 2000 to modernize markets. ICE believes it is important to support the communities where its employees live and work.
- Our partnership with Berkeley St Edward reached its final year with one of the highlights being that they directly increased the employability skills of 16 clients interested in the construction industry. They also provided a supported pathway into work for one client.
- We have ongoing relationships with the London Metal Exchange, Troy Asset Management, Incisive Media and Millennium Global. We said goodbye and thank you to both Sarasin & Partners after two years and DK who chose us for their Charity of the Year in 19/20.

We welcomed hundreds of corporate volunteers on site over the year who served breakfast and lunch, worked alongside clients in our employment sessions, supported our garden project and even sorted out our stock cupboards! Not only do these opportunities allow us to increase our own capacity but they break down preconceptions of people experiencing homelessness, widen our clients' social networks and increase their confidence.

### **The Street Engagement Team**

West End Homelessness is a partnership between The Connection and concerned businesses within Westminster. Comprised of several key stakeholders in the area, including prominent Business Improvement Districts and landowners, the partnership funds our innovative daytime street outreach service, the Street Engagement Team.

Our respected partners are:

- The Coutts Foundation (new partners this year)
- New West End Company
- Heart of London Business Alliance
- Shaftesbury Plc
- Network Rail (new partners this year)
- Westminster City Council

This partnership not only aims to see a reduction in people sleeping rough in Westminster; the partners are also promoting our own ethos of building long term relationships in order to truly end people's homelessness.

On World Homelessness Day last year, the West End Homelessness partners held a day of action in the West End and raised £12,000.

## Individuals and events:

- We ran two successful individual mailing campaigns in Spring and December.
- In conjunction with The Big Give - in which individuals' donations are matched with a trust funder- we ran a week-long campaign in December, raising funds for our Emergency Accommodation.
- The 29th fundraising Pilgrimage from London to Canterbury which is held over the last bank holiday weekend in May had another successful year. There were over 100 walkers, 25 volunteer helpers plus clients walking 74 miles in support of The Connection.
- Along with our partners and other homelessness charities we participated in the World's Biggest Sleep Out in December. We showcased our work to new audiences, and it was an opportunity for our clients to contribute to a successful event; helping to produce the living wall at the event, perform on stage, serve coffees and breakfasts as well as act as spokespeople. It was our first experience of being part of a global event, with people taking part from USA, to Australia and of course in Trafalgar Square.
- We held a gala dinner and auction on World Homeless Day for over 80 guests. The event provided a chance for Step Up clients to put into practice the front-of-house training they had received. This was sponsored by our West End Homelessness partners, Heart of London Business Alliance.
- Over 180 supporters took part in runs, cycles, swims and other events for us throughout the year. This included the London Marathon in April, RideLondon in August, and the Santa Run in December - which had nearly 60 people dressed as Santa and running 5k to help us finish the year off with a cheer!

Everyone who took part in one of our events last year, whether that was volunteering, running, or eating, showed up and made the difference. Our event supporters helped us run programmes such as our recovery programme, which helps improve confidence, mental wellbeing and provided a safe space for 312 people.

Thank you.

## Reserves policy & going concern

### Going concern

We have sufficient unrestricted reserves in place for the medium term. The strategy that was agreed by the Board in March 2018 is designed to reduce and then eliminate the annual operating deficit over the strategy's five years whilst meeting forecast demand for services. The deficit funding over this five year period is covered by existing reserves.

## COVID-19 (Coronavirus)

These accounts have been prepared during the 2020/21 financial year as the COVID-19 (Coronavirus) pandemic hits the United Kingdom. The impact of COVID-19 on The Connection has been assessed as significant, with a significant drop in income anticipated due to our inability to continue fundraising as normal, and with a number of events being cancelled or postponed.

Our service provision has been adapted to reflect the impact the pandemic has had on rough sleepers. Our day centre at Adelaide Street has been closed due to Government restrictions and our teams have been working remotely wherever possible, with some accommodation being provided off site.

The Trustees and Executive team have been meeting virtually on a regular basis throughout the crisis to discuss actions and impact. Forecasts have been prepared which provide comfort that the charity has sufficient reserves to continue to operate for at least twelve months from the date of signing the Balance Sheet, and a flexible and considered approach is being adopted throughout the crisis.

## Reserves

The Board regularly monitors the level of unrestricted reserves on the charity's balance sheet. This is done in order to ensure the continuation of The Connection's services for the foreseeable future.

Total funds amount to £2.1m (2019: £2.4m) of which £64k is restricted to the work of the Street Engagement Team, and £1k is restricted to delivery of services to migrants.

The Connection's total unrestricted reserves excluding tangible fixed assets amount to £2.0m (2019: £2.2m) and include both the general funds and those funds designated by the Board to develop specific areas of charitable work and to meet potential future obligations. It is recognised that, in the short to medium term, the charity may be exposed to unexpected increases or decreases of income. Given this factor, and the variations in costs and cash flows that may arise from changes in the demand for the charity's services, the Board has a reserves policy that "free" unrestricted reserves shall be maintained at a level which provides adequate working capital and liquidity so that running costs (including any budgeted deficit related to the current year or expected in the subsequent years covered by The Connection five year strategy) can be met enabling The Connection to continue to operate in a stable environment in the event of unforeseen circumstances. Free unrestricted reserves exclude any of The Connection's reserves invested in the fixed assets that are not available at times when liquid resources may be required. This risk based assessment results in a need for The Connection to have free unrestricted reserves of approximately £1.1m or approximately 3 months of annual expenditure.



**Included in the unrestricted funds are the following funds that the Board has designated for specific purposes:**

- A lease reserve (currently £31.5k, 2019: £33k) is designated from the lease payment received from London & Quadrant Housing Association for St Martin's House. This is being transferred to general reserves over the remaining life of the lease at a rate of £1,500 per annum.
- A Capital Replacement Fund, with a reserve of £750k was established in the prior year to meet the anticipated future medium / longer term costs of maintaining the infrastructure at 12 Adelaide Street which has been in place following the building renewal programme. It has now been 10 years since the 2008 renewal programme of the buildings occupied by The Connection and the likelihood of wear-and-tear increases with time. The monies supporting this fund are invested with our investment managers and the investment return will be a key component to our funding of these future costs expected to be incurred in years 6 through 15 of our lease on the properties. If donations are received for a portion of these costs the fund will be reduced accordingly. Over the next 5 years the site-wide Building Futures fundraising program is designed to cover such expected costs and as such no designated reserve has been put in place to cover the next 5 years. As at the 31<sup>st</sup> March this balance is £788k.
- A Business Development Investment Fund with £423k (2019: £467k) to cover unbudgeted expenditure for two purposes: (a) to fund exceptional demand and unmet need at periods of very high rough sleeping; and (b) to invest in strategic long term projects that further the objectives of The Connection. Drawdowns from this fund require Board approval.

## **Structure, governance and management**

The Connection is a charitable company limited by guarantee, incorporated on 4 October 1999 and registered as a charity on 12 November 1999.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

## **Appointment of Trustees**

There is an open recruitment process for new Trustees which takes place on a cyclical basis. A Nominations Committee comprising existing board members selects and proposes new Trustees to the main board.

## Trustee induction & training

The Trustees came together as a group for a one-day programme at The Connection and have followed up with individual meetings with the Leadership Team and other staff.

## Related parties and relationships with other organisations

Transactions we have with the St Martin-in-the-Fields organisations include:

- Paying an annual license fee for use of the building;
- Payments for our share of utilities and other cross-site costs;
- Receiving a grant from St Martin's Charity related to the BBC Radio 4 Christmas Appeal;
- A small amount of income from sales of cookies in St Martin's Crypt café.

The related parties who are able to exert influence over these are:

- Sam Wells, Vicar of St Martin's, who has a governance role in each organisation on site, including as a Trustee of The Connection;

### **Other related party transactions:**

- For part of the year, Ian Watson was a Trustee and Treasurer of The Connection and was also a Trustee and Treasurer of Homeless Link, of whom The Connection is a member and from whom The Connection purchases training and recruitment.
- For part of the year, Ian Watson was a Trustee and Treasurer of The Connection and was also a Director of White Rose Capital Ltd, who provided The Connection with Corporate Services and Governance advice and received payments totalling £13,500 during the year. The services were provided and payments made after Ian resigned as Trustee and Treasurer.
- Octavia Williams is Corporate Services Director at Dolphin Living Ltd. The Connection made payments to Dolphin Living Ltd totalling £12,095 under lease agreements for five flats that are leased and in turn rented to beneficiaries of The Connection. All the leases were taken out before Octavia joined Dolphin Living Ltd.

Further details on related parties are provided in note 25 to the Financial Statements.

## Remuneration policy for key management personnel

The remuneration of the CEO was set by the Board as part of the CEO recruitment exercise. The pay is set on an NJC related scale, so tied into other staff pay increases.

Pay for other key management personnel has been reviewed by the Remuneration and Nominations Committee. All are set on NJC related pay scales, so are subject to the same cost of living increases as staff.

## Statement of responsibilities of the Trustees

The Trustees (who are also directors of The Connection at St Martin-in-the-Fields for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation.

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

In so far as the Trustees are aware:

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

The Trustees 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2019 was 13 (2018: 10). The Trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

## Auditors

Sayer Vincent LLP have expressed their willingness to continue as the charity's auditors and are deemed to be reappointed in this capacity.

**The Trustees' annual report has been approved by the trustees and signed on their behalf by**

**Tim Jones**

**Chair of Trustees**

Independent auditor's report to the members of The Connection at St Martin-in-the-Fields.

## Opinion

We have audited the financial statements of The Connection at St Martin-in-the-Fields (the 'charitable company') for the year ended 31 March 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

## Basis for opinion

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

## Conclusions relating to going concern

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

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

## Other information

The other information comprises the information included in the trustees' 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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

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

## Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Use of our report

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

Judith Miller (Senior statutory auditor)

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL



The Connection at St Martin-in-the-Fields

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
<b>Income from:</b>							
Donations and legacies	3	3,306,152	197,291	<b>3,503,443</b>	3,065,641	31,250	3,096,891
Charitable activities							
Engagement & Assessment	4	656,770	260,133	<b>916,903</b>	858,892	86,592	945,484
Recovery	4	211,102	150,281	<b>361,383</b>	280,333	24,250	304,583
Knowledge & Innovation	4	9,933	15,898	<b>25,831</b>	9,933	13,208	23,141
Employment	4	-	100,000	<b>100,000</b>	-	185,117	185,117
Enterprise	4	29,033	150,000	<b>179,033</b>	23,863	150,000	173,863
Other trading activities	5	111,840	-	<b>111,840</b>	108,818	-	108,818
Interest receivable and Investments		15,353	-	<b>15,353</b>	6,957	-	6,957
<b>Total income</b>	2	<b>4,340,183</b>	<b>873,603</b>	<b>5,213,786</b>	<b>4,354,437</b>	<b>490,417</b>	<b>4,844,854</b>
<b>Expenditure on:</b>							
Raising funds	6	517,875	-	<b>517,875</b>	448,905	-	448,905
Charitable activities							
Engagement & Assessment	6	1,891,453	416,649	<b>2,308,102</b>	1,904,509	115,342	2,019,851
Recovery	6	1,014,548	223,931	<b>1,238,479</b>	1,165,770	44,606	1,210,376
Knowledge & Innovation	6	411,949	19,898	<b>431,847</b>	269,358	13,208	282,566
Employment	6	480,822	1,000	<b>481,822</b>	307,867	185,117	492,984
Enterprise	6	370,523	150,000	<b>520,523</b>	244,460	150,000	394,460
<b>Total expenditure</b>	2	<b>4,687,170</b>	<b>811,478</b>	<b>5,498,648</b>	<b>4,340,868</b>	<b>508,273</b>	<b>4,849,141</b>
<b>Net expenditure for the year and net movement in funds</b>	7	<b>(346,987)</b>	<b>62,125</b>	<b>(284,862)</b>	<b>13,568</b>	<b>(17,856)</b>	<b>(4,288)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		2,386,258	2,500	<b>2,388,758</b>	2,372,690	20,356	2,393,046
<b>Total funds carried forward</b>		<b>2,039,271</b>	<b>64,625</b>	<b>2,103,896</b>	<b>2,386,258</b>	<b>2,500</b>	<b>2,388,758</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18 to the financial statements. The comparative figures have been reclassified (see Note 1(t)).

## The Connection at St Martin-in-the-Fields

### Balance sheet

Company no. 3852519

As at 31 March 2020

	Note	£	2020 £	£	2019 £
<b>Fixed assets:</b>					
Tangible assets	11		<b>76,364</b>		153,223
Investments	13		<b>458,032</b>		101,393
			<b>534,396</b>		254,616
<b>Current assets:</b>					
Stock		<b>13,546</b>		4,951	
Debtors	12	<b>421,556</b>		424,103	
Cash at bank and in hand		<b>1,523,630</b>		2,030,853	
		<b>1,958,732</b>		2,459,907	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	14	<b>389,232</b>		325,765	
<b>Net current assets / (liabilities)</b>			<b>1,569,500</b>		2,134,142
<b>Total net assets / (liabilities)</b>			<b>2,103,896</b>		2,388,758
<b>The funds of the charity:</b>	19				
Restricted income funds			<b>64,625</b>		2,500
Unrestricted income funds:					
Designated funds		<b>1,241,904</b>		1,250,000	
General funds		<b>797,367</b>		1,136,258	
Total unrestricted funds			<b>2,039,271</b>		2,386,258
<b>Total charity funds</b>			<b>2,103,896</b>		2,388,758

Approved by the trustees on 20 October 2020 and signed on their behalf by

Mr Tim Jones  
Chair of Trustees

**The Connection at St Martin-in-the-Fields**  
**Statement of cash flows**  
**For the year ended 31 March 2020**

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	2020	£	2019	£
	£		£	
<b>Cash flows from operating activities</b>				
<b>Net cash provided by / (used in) operating activities</b>		<b>(110,927)</b>		67,931
<b>Cash flows from investing activities:</b>				
Dividends, interest and rents from investments	12,081		5,564	
Purchase of fixed assets	(8,377)		(38,793)	
Purchase of investments	(400,000)		(100,000)	
	<hr/>		<hr/>	
<b>Net cash provided by / (used in) investing activities</b>		<b>(396,296)</b>		(133,229)
<b>Change in cash and cash equivalents in the year</b>		<b>(507,223)</b>		(65,299)
Cash and cash equivalents at the beginning of the year		<b>2,030,853</b>		2,096,152
<b>Cash and cash equivalents at the end of the year</b>		<b>1,523,630</b>		<b>2,030,853</b>

**1 Accounting policies**

**a) Statutory information**

The Connection at St Martin-in-the-Fields is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is 12 Adelaide Street, London, WC2N 4HW.

**b) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

**c) Public benefit entity**

The charity meets the definition of a public benefit entity under FRS 102.

**d) Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Consideration of the impact of the Coronavirus (COVID-19) pandemic has been made, and details of this can be seen in the Annual Report.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**e) Income**

Income from Statutory and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**f) Interest receivable and investment income**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Investment income includes realised and unrealised income from investment assets.

**g) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

## 1 Accounting policies (continued)

### h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

### i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

### j) Allocation of direct support and indirect costs

Resources expended are allocated to the particular activity to which the expenditure directly relates. Support and indirect costs are also apportioned to those activities based on the allocation methodology shown below. Support costs are the costs that can be directly attributed to all areas of the organisation and include essentials such as the building, staff training, utilities, insurance, IT, and telephones. Indirect costs are the costs of HR, Finance and Leadership. Depending on the nature of the expenditure, the most appropriate of the four allocation methodologies below is used to allocate that expenditure to the appropriate activity. The percentages used for these allocations are shown below.

	All Staff FTE	Direct Service Staff FTE	Floor Area	IT Usage
Engagement & Assessment	42%	47%	50%	33%
Recovery	21%	24%	15%	18%
Knowledge & Innovation	5%	6%	2%	4%
Employment	8%	9%	11%	28%
Enterprise	5%	8%	9%	4%
Fundraising	7%	6%	7%	5%
Finance	3%	n/a	2%	2%
Human Resources	2%	n/a	2%	1%
Communications	1%	n/a	1%	1%
Leadership & Governance	5%	n/a	2%	3%

### k) Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the minimum lease term.

## **1 Accounting policies (continued)**

### **l) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £2,500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Fixtures, fittings and equipment 5 years
- IT hardware 3 years

In all cases depreciation is calculated using the straight line method. The freehold property is not depreciated. See note 11 for depreciation of the leasehold property.

### **m) Stocks**

Stocks are stated at the lower of cost and net realisable value. Stock consists of goods for sale and café food supplies.

### **n) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### **o) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. This does not include any cash held within the charity's investment portfolio.

### **p) Investments**

Listed investments are valued at the quoted bid price at the reporting date.

### **r) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### **s) Pensions**

Contributions to the Connection at St Martin's money purchase pension schemes are recognised when the liability is due to be paid to the pension provider.

### **t) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

## 2 Detailed comparatives from the previous year for the statement of financial activities

	Unrestricted	Restricted	2019 Total
	£	£	£
<b>Income from:</b>			
Donations and legacies	3,065,641	31,250	3,096,891
Other trading activities	108,818	-	108,818
Charitable activities	1,173,021	459,167	1,632,188
Interest receivable and investments	6,957	-	6,957
<b>Total income</b>	<u>4,354,437</u>	<u>490,417</u>	<u>4,844,854</u>
<b>Expenditure on:</b>			
Raising funds	448,905	-	448,905
Charitable activities	3,891,964	508,273	4,400,237
<b>Total expenditure</b>	<u>4,340,869</u>	<u>508,273</u>	<u>4,849,141</u>
<b>Net (expenditure) and net movement in funds</b>	13,568	(17,856)	(4,288)
Transfers between funds	-	-	-
<b>Net movement in funds</b>	13,568	(17,856)	(4,288)
Total funds brought forward	2,372,690	20,356	2,393,046
<b>Total funds carried forward</b>	<u>2,386,258</u>	<u>2,500</u>	<u>2,388,758</u>

## 3 Income from donations and legacies

	Unrestricted	Restricted	2020 Total	Unrestricted	Restricted	2019 Total
	£	£	£	£	£	£
Corporate	537,787	57,276	<b>595,062</b>	273,239	-	273,239
Community	16,681	-	<b>16,681</b>	10,044	-	10,044
Individuals	1,130,096	67,818	<b>1,197,915</b>	1,299,107	-	1,299,107
Trusts	162,175	23,000	<b>185,175</b>	104,573	-	104,573
St Martin-in-the-Fields Charity*	1,000,000	-	<b>1,000,000</b>	1,100,000	-	1,100,000
Friends of The Connection at St Martin's*	431,185	49,197	<b>480,382</b>	228,558	31,250	259,808
Donations in Kind	28,228	-	<b>28,228</b>	50,120	-	50,120
	<u>3,306,152</u>	<u>197,291</u>	<u><b>3,503,443</b></u>	<u>3,065,641</u>	<u>31,250</u>	<u>3,096,891</u>

\* Related parties.

#### 4 Income from charitable activities

	2020			2019		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
<b>Engagement &amp; Assessment</b>						
Corporate	-	259,133	<b>259,133</b>	161,950	29,000	190,950
Statutory	656,770	-	<b>656,770</b>	690,908	-	690,908
Friends of The Connection	-	-	-	-	25,592	25,592
Trusts	-	1,000	<b>1,000</b>	6,034	32,000	38,034
Sub-total for Engagement & Assessment	656,770	260,133	<b>916,903</b>	858,892	86,592	945,484
<b>Recovery</b>						
Statutory	82,816	140,901	<b>223,717</b>	123,762	-	123,762
Corporate	-	9,380	<b>9,380</b>	-	15,000	15,000
Charges to residents	126,858	-	<b>126,858</b>	155,736	-	155,736
Earned	316	-	<b>316</b>	835	-	835
Individuals	70	-	<b>70</b>	-	4,750	4,750
Trusts	1,042	-	<b>1,042</b>	-	4,500	4,500
Sub-total for Recovery	211,102	150,281	<b>361,383</b>	280,333	24,250	304,583
<b>Knowledge &amp; Innovation</b>						
Corporate	-	-	-	-	-	-
Statutory	9,933	15,898	<b>25,831</b>	9,933	-	9,933
Trusts	-	-	-	-	13,208	13,208
Sub-total for K&I	9,933	15,898	<b>25,831</b>	9,933	13,208	23,141
<b>Employment</b>						
Corporate	-	100,000	<b>100,000</b>	-	164,117	164,117
Trusts	-	-	-	-	21,000	21,000
Sub-total for E&E	-	100,000	<b>100,000</b>	-	185,117	185,117
<b>Enterprise</b>						
Corporate	-	-	-	-	-	-
Earned	29,033	150,000	<b>179,033</b>	23,863	150,000	173,863
Individuals	-	-	-	-	-	-
Sub-total for Enterprise	29,033	150,000	<b>179,033</b>	23,863	150,000	173,863
Total charitable activities	<u>906,838</u>	<u>676,312</u>	<u>1,583,150</u>	<u>1,173,021</u>	<u>459,167</u>	<u>1,632,188</u>



**4A Irish Statutory: Department of Foreign Affairs and Trade: Emigrant Support Programme**

During the year ended 31 March 2020 The Connection at St Martin's received a grant of £nil (2019: £16,300) from the Department of Foreign Affairs and Trade: Emigrant Support Programme. The grant covers the period running to 30 June 2019 and partially funded staffing and running costs for a project worker to work with clients of Irish origin.

**4B Breakdown of Statutory income sources**

<b>2020</b>	2019		
<b>Amount (£)</b>	Amount (£)	<b>Source</b>	<b>Nature</b>
56,250	120,000	Westminster City Council	Westminster Outreach Contract
583,058	506,172	Westminster City Council	Day and Night Centre Support
9,933	19,866	Westminster City Council	Day Centre Collaboration
82,816	82,816	Wandsworth Council	Supporting People Contract
-	2,000	Greenwich Council	Housing and Resettlement study placement
-	16,300	DION Irish Statutory	Emigrant Support
-	8,484	NHS	Support Health Services
13,952	16,912	Other Statutory funding	Scottish Emigrant Support
3,510	13,107	London Homeless Charity Group (LHCG)	
12,982	38,946	Greater London Authority	Migration Support
14,584	-	Greater London Authority	Mayor's Rough Sleeping Innovation Fund
35,000	-	Greater London Authority	Cold Weather Fund
90,551	-	Home Office	European Union Settlement Scheme
15,898	-	Information Commissioner's Office	ICO Project
<b>918,534</b>	<b>824,603</b>		

**5 Income from other trading activities**

	<b>2020</b>			<b>2019</b>		
	Unrestricted £	Restricted £	<b>Total £</b>	Unrestricted £	Restricted £	<b>Total £</b>
Events (including card sales)	77,814	-	<b>77,814</b>	75,325	-	75,325
St Martin's annual pilgrimage	34,026	-	<b>34,026</b>	33,493	-	33,493
	<b>111,840</b>	-	<b>111,840</b>	<b>108,818</b>	-	<b>108,818</b>

6a Analysis of expenditure

	Charitable activities						Governance costs	Indirect costs	2020 Total £	2019 Total £
	Raising funds	Engagement & Assessment	Recovery	Knowledge & Innovation	Employment	Enterprise				
	£	£	£	£	£	£	£			
Staff costs (Note 8)	234,337	1,304,382	594,262	280,026	238,991	236,695	-	602,107	<b>3,490,800</b>	2,998,959
Non pay costs	126,106	79,671	240,252	39,922	14,570	108,637	19,230	281,165	<b>909,554</b>	738,671
Support costs - Staff (Note 8)	15,498	99,789	49,900	12,171	19,478	14,865	-	11,503	<b>223,204</b>	168,314
Support costs - Non Staff	64,016	414,689	134,190	23,036	123,288	68,075	-	47,796	<b>875,090</b>	943,197
Sub contract payments	-	-	-	-	-	-	-	-	-	-
	<u>439,957</u>	<u>1,898,531</u>	<u>1,018,604</u>	<u>355,155</u>	<u>396,327</u>	<u>428,272</u>	<u>19,230</u>	<u>942,571</u>	<u>5,498,648</u>	<u>4,849,141</u>
Indirect costs	76,360	401,382	215,479	75,159	83,786	90,406	-	<b>(942,571)</b>	-	-
Governance costs	1,558	8,189	4,396	1,533	1,709	1,844	(19,230)	-	-	-
<b>Total expenditure 2020</b>	<b><u>517,875</u></b>	<b><u>2,308,102</u></b>	<b><u>1,238,479</u></b>	<b><u>431,847</u></b>	<b><u>481,822</u></b>	<b><u>520,523</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>5,498,648</u></b>	<b><u>-</u></b>
Total expenditure 2019	<u>448,905</u>	<u>2,019,851</u>	<u>1,210,376</u>	<u>282,566</u>	<u>492,984</u>	<u>394,460</u>	<u>-</u>	<u>-</u>	<u>-</u>	<b><u>4,849,141</u></b>

Support costs are the costs that can be directly attributed to all areas of the organisation and include essentials such as the building, staff training, utilities, insurance, IT, and telephones. Indirect costs are the costs of HR, Finance and Leadership.

6b Analysis of expenditure

	Charitable activities								2019 Total £
	Raising funds	Engagement & Assessment	Recovery	Knowledge & Innovation	Employment	Enterprise	Governance costs	Indirect costs	
	£	£	£	£	£	£	£	£	
Staff costs (Note 8)	251,918	1,134,888	528,274	188,319	268,502	173,589	-	453,470	<b>2,998,959</b>
Non pay costs	72,770	77,993	350,944	23,376	18,909	105,225	11,186	78,268	<b>738,671</b>
Support costs - Staff (Note 8)	12,165	79,586	31,069	6,610	16,451	11,823	-	10,610	<b>168,314</b>
Support costs - Non Staff	62,037	434,439	153,615	28,535	131,961	68,097	-	64,513	<b>943,197</b>
Sub contract payments	-	-	-	-	-	-	-	-	-
	<b>398,890</b>	<b>1,726,906</b>	<b>1,063,902</b>	<b>246,840</b>	<b>435,823</b>	<b>358,734</b>	<b>11,186</b>	<b>606,861</b>	<b>4,849,141</b>
Indirect costs	49,110	287,644	143,823	35,079	56,126	35,079	-	(606,861)	-
Governance costs	905	5,301	2,651	647	1,035	647	(11,186)	-	-
<b>Total expenditure 2019</b>	<b>448,905</b>	<b>2,019,851</b>	<b>1,210,376</b>	<b>282,566</b>	<b>492,984</b>	<b>394,460</b>	<b>-</b>	<b>-</b>	<b>4,849,141</b>
Total expenditure 2018	448,655	2,591,407	985,598	213,400	541,933	368,605	-	-	-

**The Connection at St Martin-in-the-Fields**  
**Notes to the financial statements**  
**For the year ended 31 March 2020**

**7 Net income / (expenditure) for the year**

This is stated after charging / (crediting):

	<b>2020</b>	2019
	£	£
Depreciation	<b>85,235</b>	59,985
Operating lease rentals:		
Property*	<b>283,967</b>	274,979
Other	<b>9,695</b>	8,381
Auditors' remuneration (excluding VAT):		
Audit	<b>10,000</b>	10,000
	<b>398,900</b>	353,330

\* A licence fee is paid to St Martin's Church of £110,000 (2019: £110,000). In addition, St Martin's Church was reimbursed £173,967 (2019: £164,979) for costs incurred on behalf of the charity. St Martin's Church is regarded as a related party since one of the St Martin's Church Trustees is also Trustee of The Connection at St Martin's.

**8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	<b>2020</b>	2019
	£	£
Salaries and wages	<b>2,990,483</b>	2,608,974
Redundancy and termination costs	<b>31,954</b>	68,556
Social security costs	<b>287,592</b>	252,063
Employer's contribution to defined contribution pension schemes	<b>204,775</b>	144,094
Agency staff (sickness and holiday cover and third party)	<b>199,200</b>	93,586
	<b>3,714,004</b>	3,167,273

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	<b>2020</b>	2019
	No.	No.
£60,000 - £69,999	<b>1</b>	1
£70,000 - £79,999	<b>1</b>	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £282,652 (2019: £261,604).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £163 (2018: £66) incurred by 1 (2019: 1) member relating to attendance at meetings of the trustees.

## 9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 97 (2019: 96). The full time equivalent head count for the year was 87 (2019: 85).

Staff are split across the activities of the charitable company as follows, based on full time equivalents:

	<b>2020</b>	2019
	<b>No.</b>	No.
Raising funds	<b>6.7</b>	8.6
Engagement & Assessment	<b>30.1</b>	28.4
Recovery	<b>19.4</b>	26.3
Knowledge & Innovation	<b>5.2</b>	1.0
Employment	<b>5.9</b>	7.4
Enterprise	<b>8.4</b>	3.1
Support staff, including governance	<b>11.2</b>	10.2
	<b>86.9</b>	85.0

## 10 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

## 11 Tangible fixed assets

	Freehold property & improvements £	Leasehold property £	Fixtures, fittings & equipment £	IT hardware £	<b>Total £</b>
<b>Cost or valuation</b>					
At the start of the year	87,595	1	113,035	250,849	<b>451,480</b>
Additions in year	-	-	1,385	6,992	<b>8,377</b>
Disposals in year	-	-	-	-	-
At the end of the year	<b>87,595</b>	<b>1</b>	<b>114,421</b>	<b>257,840</b>	<b>459,857</b>
<b>Depreciation</b>					
At the start of the year	40,382	-	85,031	172,844	<b>298,257</b>
Charge for the year	-	-	12,302	72,934	<b>85,236</b>
Disposals in year	-	-	-	-	-
At the end of the year	<b>40,382</b>	<b>-</b>	<b>97,333</b>	<b>245,778</b>	<b>383,493</b>
<b>Net book value</b>					
<b>At the end of the year</b>	<b>47,213</b>	<b>1</b>	<b>17,088</b>	<b>12,062</b>	<b>76,364</b>
At the start of the year	47,213	1	28,005	78,004	153,223

Property with a value of £87,595 (2019: £87,595) is included in freehold property and no longer depreciated because the directors are confident that the market value exceeds the net book value. The Connection at St Martin's owns the freehold on St Martin's House, which is on a long lease at a peppercorn rent to L&Q Housing. L&Q refurbished and manage the property and lease it back to The Connection at St Martin's.

**11 Tangible fixed assets (continued)**

The Board of Trustees consider that due to restrictive covenants placed on the use of 12 Adelaide Street, the leasehold property has no commercial value, and a nominal amount of £1 is included in the financial statements.

All of the above assets are used for charitable purposes.

**12 Debtors**

	2020 £	2019 £
Trade debtors	73,725	143,227
Prepayments	65,529	77,334
Accrued income	282,302	203,542
	<u>421,556</u>	<u>424,103</u>

**13. Investments**

	2020 £	2019 £
Market Value at beginning of year	101,393	-
Purchases during the year at cost	400,000	100,000
Proceeds of sales during the year	-	-
Gains / (losses) on re-measurement to fair value	<u>(43,361)</u>	<u>1,393</u>
Market Value	<u>458,032</u>	<u>101,393</u>
Historical costs	<u>500,000</u>	<u>100,000</u>

All current asset investments are units in shares held in the COIF Charities Investment Fund which is traded on a regular basis. The total expenditure recognised on these investments in the period was £43,361 (2019: £1,393 income) representing the fair value re-measurements shown above.

**14 Creditors: amounts falling due within one year**

	2020 £	2019 £
Trade creditors	66,486	127,597
Taxation and social security	76,619	867
Accruals	121,373	60,029
Deferred income (note 15)	90,782	137,272
Other creditors	<u>33,972</u>	<u>-</u>
	<u>389,232</u>	<u>325,765</u>

**15 Deferred income**

Deferred income of £110,782 (2019: £137,272) represents grants and donations received in advance of the year end for intended application after 31 March 2020. No income was deferred for more than one year (2019: Nil)

	2020 £	2019 £
Balance at the beginning of the year	137,272	19,717
Amount released to income in the year	(137,272)	(19,717)
Amount deferred in the year	<u>90,782</u>	<u>137,272</u>
Balance at the end of the year	<u>90,782</u>	<u>137,272</u>

**16 Creditors: amounts falling due after one year**

The charity has no liabilities falling due after one year.

**17 Pension scheme**

The company operates a defined contribution purchase pension scheme for qualifying employees. There are defined contribution schemes not open to new staff. The schemes are:

- Peoples Pension (DC). Members at year end date: 71
- Scottish Widows Pension (DC). Members at year end date: 20
- Friends Life#1 & #2. One member each at year end date in these DC schemes (Total 2)

**18a Analysis of net assets between funds (current year)**

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	76,364	-	-	<b>76,364</b>
Fixed asset investments	-	458,032	-	<b>458,032</b>
Net current assets	721,003	783,872	64,625	<b>1,569,500</b>
Long term liabilities	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net assets at 31 March 2020</b>	<b>797,367</b>	<b>1,241,904</b>	<b>64,625</b>	<b>2,103,896</b>

**18b Analysis of net assets between funds (prior year)**

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	153,223	-	-	<b>153,223</b>
Fixed asset investments	-	101,393	-	<b>101,393</b>
Net current assets	983,035	1,148,607	2,500	<b>2,235,535</b>
Long term liabilities	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net assets at 31 March 2019</b>	<b>1,136,258</b>	<b>1,250,000</b>	<b>2,500</b>	<b>2,388,758</b>

**19a Movements in funds (current year)**

	At 1 April 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2020 £
<b>Restricted funds:</b>					
<b>Engagement &amp; Assessment</b>	<b>2,500</b>	<b>477,924</b>	<b>(416,649)</b>	-	<b>63,775</b>
Night Shelter Therapeutic Work	2,500	-	(2,500)	-	-
Street Engagement	-	419,909	(356,134)	-	<b>63,775</b>
Prescribing Outreach Clinic	-	15,000	(15,000)	-	-
Let's Go Transport	-	24,197	(24,197)	-	-
Emergency Accommodation Services	-	18,818	(18,818)	-	-
<b>Recovery</b>	-	<b>224,781</b>	<b>(223,931)</b>	-	<b>850</b>
Gardening	-	9,380	(9,380)	-	-
St Martin's Orchestra	-	2,000	(2,000)	-	-
Housing & Resettlement	-	50,000	(50,000)	-	-
Migrant projects	-	163,401	(162,551)	-	<b>850</b>
<b>Knowledge &amp; Innovation</b>	-	<b>19,898</b>	<b>(19,898)</b>	-	-
Step Up Programme	-	4,000	(4,000)	-	-
ICO Project	-	15,898	(15,898)	-	-
-	-	-	-	-	-
<b>Enterprise &amp; Employment</b>	-	<b>1,000</b>	<b>(1,000)</b>	-	-
<b>Enterprise</b>	-	<b>150,000</b>	<b>(150,000)</b>	-	-
Client Food Service	-	150,000	(150,000)	-	-
<b>Total restricted funds</b>	<b>2,500</b>	<b>873,603</b>	<b>(811,478)</b>	-	<b>64,625</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Lease fund	33,000	-	-	(1,500)	<b>31,500</b>
Legacies equalisation fund	-	-	-	-	-
Capital replacement fund	750,000	7,147	(40,194)	70,546	<b>787,500</b>
Business Development Investment	467,000	-	-	(44,096)	<b>422,904</b>
-	-	-	-	-	-
Total designated funds	<b>1,250,000</b>	<b>7,147</b>	<b>(40,194)</b>	<b>24,950</b>	<b>1,241,904</b>
<b>General funds</b>	<b>1,136,258</b>	<b>4,333,036</b>	<b>(4,646,977)</b>	<b>(24,950)</b>	<b>797,367</b>
<b>Total unrestricted funds</b>	<b>2,386,258</b>	<b>4,340,183</b>	<b>(4,687,170)</b>	-	<b>2,039,271</b>
<b>Total funds</b>	<b>2,388,758</b>	<b>5,213,786</b>	<b>(5,498,648)</b>	-	<b>2,103,896</b>

The narrative to explain the purpose of each fund is given at the foot of the note below.



**19b Movements in funds (prior year)**

	At 1 April 2018 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2019 £
<b>Restricted funds:</b>					
<b>Engagement &amp; Assessment</b>	-	<b>86,592</b>	<b>(84,092)</b>	-	<b>2,500</b>
Night Shelter Therapeutic Work					
Laundry Service	-	2,500	-	-	2,500
December Services	-	27,330	(27,330)	-	-
Engagement & Assessment Manager	-	20,000	(20,000)	-	-
Emergency Accommodation Services	-	25,000	(25,000)	-	-
	-	11,762	(11,762)	-	-
<b>Recovery</b>	<b>20,356</b>	<b>24,250</b>	<b>(44,606)</b>	-	-
Gardening	20,356	500	(20,856)	-	-
Housing & Resettlement	-	14,500	(14,500)	-	-
Migrant projects	-	9,250	(9,250)	-	-
<b>Knowledge &amp; Innovation</b>	-	<b>13,208</b>	<b>(13,208)</b>	-	-
Step Up Programme	-	8,000	(8,000)	-	-
The Reboot 3 Project - Digital Skills	-	5,208	(5,208)	-	-
<b>Employment</b>	-	<b>185,117</b>	<b>(185,117)</b>	-	-
<b>Enterprise</b>	-	<b>150,000</b>	<b>(150,000)</b>	-	-
Client Food Service	-	150,000	(150,000)	-	-
<b>Direct Support</b>	-	<b>31,250</b>	<b>(31,250)</b>	-	-
Facilitation Training	-	31,250	(31,250)	-	-
<b>Total restricted funds</b>	<b>20,356</b>	<b>490,417</b>	<b>(508,273)</b>	<b>-</b>	<b>2,500</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Lease fund	34,500	-	-	(1,500)	33,000
Legacies equalisation fund	581,314	-	-	(581,314)	-
Capital replacement fund	50,000	-	-	700,000	750,000
Business Development Investment	-	-	-	467,000	467,000
<b>Total designated funds</b>	<b>665,814</b>	<b>-</b>	<b>-</b>	<b>584,186</b>	<b>1,250,000</b>
<b>General funds</b>	<b>1,706,876</b>	<b>4,354,437</b>	<b>(4,340,868)</b>	<b>(584,186)</b>	<b>1,136,258</b>
<b>Total unrestricted funds</b>	<b>2,372,690</b>	<b>4,354,437</b>	<b>(4,340,868)</b>	<b>(584,186)</b>	<b>2,386,258</b>
<b>Total funds</b>	<b>2,393,046</b>	<b>4,844,854</b>	<b>(4,849,141)</b>	<b>-</b>	<b>2,388,758</b>

## **19c Purposes of restricted funds**

The majority of restricted funds that the charity receives are restricted to a particular service, and are usually spent within the year of receipt. Where the restriction is more specific, it is identified within the appropriate service.

Engagement & Assessment Services received restricted donations for:

Night Shelter Therapeutic Work. For an additional stream of work to support night service clients.

Laundry Service. A donation to specifically support the laundry service.

Recovery Services received restricted donations for:

Gardening. Donations specifically for our gardening project.

Housing & Resettlement. Donations towards our Housing & Resettlement work.

Migration. Donations towards our work with migrants.

### **Enterprise & Employment**

The funding was received from a range of non-statutory bodies and individuals. A condition of this funding is that it is applied wholly to the activities of the E&E Team.

Enterprise received restricted donations for:

- Client Food Service. The provide hot food for our night service clients.

### **Facilitation Training**

We received a donation restricted to the funding of training all staff in facilitative working. Facilitative working will engender a culture that will enhance our work with clients.

### **Purposes of designated funds**

#### **Lease fund**

This reserve is designated from the lease payment received from London & Quadrant Housing Association for St Martin's House. This is being transferred to general reserves over the remaining life of the lease at a rate of £1,500 per annum.

#### **Legacies equalisation fund**

This is funded by income generated through legacies. The Fund was established to recognise the income (which is, by nature, unpredictable both in timing and quantity) over several years to match the long term impact that our legators would have expected. This fund was reduced to nil in 2019 and effectively replaced by the Business Development Investment Fund during 2019.

#### **Business Development Investment Fund**

This reserve is to cover unbudgeted expenditure for two purposes: (a) to fund exceptional demand and unmet need at periods of very high rough sleeping; and (b) to invest in strategic long term projects that further the objectives of the Connection. Drawdowns from this fund require Board approval.

#### **Capital replacement fund**

During this reserve was reassessed. The reserve was initially established to meet costs in the short to middle-term of maintaining the infrastructure at 12 Adelaide St. It has now been 10 years since the 2008 building renewal programme and the likelihood of wear-and-tear increases with time. A maintenance reserve of £750,000 has now been established to meet the anticipated future medium / longer term costs related to maintaining the infrastructure at 12 Adelaide Street. The monies supporting this fund will be invested with our investment managers and the investment return will be a key component to our funding of these future costs expected to be incurred in years 6 through 15 of our lease on the properties. If donations are received for a portion of these costs the fund will be reduced accordingly. Over the next 5 years the site-wide Buildings Futures fundraising program is designed to cover such expected costs and as such no designated reserve has been put in place to cover the next 5 years.

#### **General Reserve**

This reserve is held to cover the cost of future planned deficits in line with the organisational strategy. This includes the expected deficit in the 2020/21 financial year, as well as the expected cost of closure in cases where the premises at Adelaide Street were forced to close, without the possibility of remote working.

**20 Reconciliation of net income / (expenditure) to net cash flow from operating activities**

	2020	2019
	£	£
<b>Net (expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>(284,862)</b>	<b>(4,288)</b>
Depreciation charges	85,235	59,985
Dividends, interest and rent from investments, including unrealised gain	31,281	(6,957)
Loss of disposal of fixed assets	-	11,838
(Increase)/decrease in stocks	(8,595)	7,404
(Increase) in debtors	2,547	55,374
Increase/(decrease) in creditors	63,467	(55,426)
<b>Net cash (used in) operating activities</b>	<b>(110,927)</b>	<b>67,930</b>

**21 Operating lease commitments**

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Land and buildings		Equipment	
	2,020	2,019	2,020	2,019
	£	£	£	£
Less than one year	224,600	225,248	9,695	9,695
One to five years	986,611	956,712	2,351	12,046
Over five years	3,087,540	3,342,039	-	-
	<b>4,298,751</b>	<b>4,523,999</b>	<b>12,046</b>	<b>21,741</b>

**22 Capital commitments**

At the balance sheet date, the charity had committed to £nil (2019: £nil) capital commitments.

**23 Contingent assets or liabilities**

The charity has no contingent assets or liabilities at the balance sheet date.

**24 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

## 25 Related parties

As disclosed in note 3, the charity received income from the Friends of St Martin's of £480,424(2019 £259,808).

During the year, the charitable company made payments to Homeless Link in the year totalling £20,030 for membership, training and recruitment (2019: £11,754). Ian Watson, Director and Treasurer of The Connection at St Martin's for part of the year, was also a Trustee and Treasurer of Homeless Link. Additionally, payments totalling £13,500 were made to White Rose Capital Limited, a company of which Ian Watson is also a director, in respect of work relating to the corporate services and governance of the charity. These services were provided and payments made after Ian resigned as Trustee and Treasurer.

During the year, the charitable company made payments to Dolphin Living Ltd totalling £12,095 (2019: £56,367) under lease agreements for five flats that are leased and in turn rented to the companies beneficiaries. Octavia Williams is a Trustee of the Connection at St Martin's and Director of Corporate Services at Dolphin Living. All the leases were taken out before Octavia joined Dolphin Living Ltd.

As the vicar of St Martin's Church, Sam Wells is able to directly influence the Parochial Church Council and the St Martin's group of organisations. There is a board vacancy for a member of the Parochial Church Council of St Martin's Church. As per note 7, the Connection at St Martin's makes annual licence fee payments to St Martin's Church of £110,000 (2019 : £110,000), made payments of £173,967 (2019: £164,979) reimbursing St Martin's Ltd and St Martin's PCC for shared costs, as well as receiving receiving £1,000,000 (2019:£1,100,000) from St Martin-in-the-Fields Charity in relation to the BBC Christmas Appeal (see note 3).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.