



# THE CONNECTION

at st martin-in-the-fields

Annual report and  
financial accounts  
2021/22

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## Who we are

We are The Connection at St Martin-in-the-Fields.

We support people sleeping rough in the heart of London, helping them to recover and find their way off the streets. We get to know every person we work with, going the extra mile to understand their needs and hopes for the future, and being creative about finding help and solutions.

The journey can be long, and it's not an easy path. But we take heart, we stick with people and we don't give up, supporting them to find their own way home.

The Connection at St Martin's is led by our trustees, a dedicated team of volunteers who oversee the work that we do. Every year our trustees review the aims, objectives and activities of our charity.

This annual report looks at what we have achieved and the outcomes of our work for 2021/22. Our current strategic aims set out what the organisation is striving to achieve by March 2023 and are outlined on page 32.

This report shows how your support enabled people to move away from living on the street and towards a place to call home.

Thank you to everyone who has been involved with our work this year. We hope you enjoy reading this report.



**The Connection offers immediate help – a hot meal, a shower, access to a washing machine... but we also offer a way out of rough sleeping.**

Photos: Marc Gascoigne



Welcome

Overall 2021/22 has felt like a far more recognisably 'normal' year. Like many of you, The Connection at St Martin's is starting to recover from the pandemic and put things back together again after a disrupted and tumultuous time.

We have learned a lot from the *Everyone In* scheme and subsequent initiatives to place rough sleepers in hotels. We have been given a very valuable insight into how to provide emergency accommodation differently and we've also got the skills and experience to back this up. Having secure, stable and higher quality accommodation worked really well for people in the most complex situations. It provided a base for consistent support, stability and privacy. We continued to operate a hotel approach through The Bridge until January 2021 and have put plans in place to maintain this approach for the future.

“

**We work with people, not for them, at their pace.**

**Pam Orchard, CEO**

We have made other lasting changes to our services too, to make sure we are working with people in the most effective ways. Our post-pandemic service model was launched in July 2021 with a clear focus on people experiencing severe and multiple disadvantage. This has involved introducing two pathways for people – a short term approach through our Triage and Brief Interventions team and intensive casework for those who need more help over the long term. We introduced a new Recovery & Opportunities service and relaunched our activities programme.

Our main centre in Adelaide Street has seen fluctuating numbers depending on the measures in place to respond to the pandemic more widely but the general trajectory is up. This reflects the increase in rough sleeping we've seen and it's a cause for real concern.

We started working on our new Theory of Change this year, which lies at the heart of everything we do. The Theory outlines the importance of relationships in our work - we work with people, not for them, at their pace. We recognise that many of our clients have experienced, and are still experiencing, trauma, and so we support them in a way which takes this into account.

The Theory of Change also emphasises that the problem of rough sleeping should not be located just with individuals, but in wider society and the underlying causes of homelessness such as poverty, poor housing and limited access to treatment. This is also reflected in the findings of the government's Kerslake Commission which highlighted rough sleeping as a public health emergency.

We have achieved some fantastic things for our clients this year and as always we couldn't do it without our supporters, partners and Friends. These are uncertain times and we appreciate this even more than usual! I would like to take this opportunity to say thank you.

At the time of writing, everyone is concerned with the increasing cost of living and energy crisis, and wondering what the change of government will bring. We are particularly worried about the impact this will have on the future of homelessness. However, the one thing that won't change is that we will still be here for those that need us, for as long as it takes

*Pam Orchard*

**Pam Orchard, CEO**

## Why we're here

- All forms of homelessness damage people's health and wellbeing, both immediately and over the long term, stopping them from achieving their potential.**
- The most severe and visible form of homelessness is **rough sleeping**.
- People who are rough sleeping might be bedded down on the street, or in other open spaces or places, such as doorways, stairwells, parks or derelict buildings.
- There were 2,440 people estimated to be sleeping rough in England on a single night in autumn 2021, according to Ministry of Housing, Communities and Local Government.
- In London, there were 640 people estimated to be sleeping rough on a single night in autumn 2021. Nearly half (45%) of all people sleeping rough were in London and the South East.
- Westminster had the highest number of people sleeping rough of any authority (187). Westminster has consistently been the local authority with the highest number of people sleeping rough since the snapshot approach was introduced in 2010.
- During the day, Westminster's streets attract another group - people sleeping rough elsewhere or those in nearby hostels or other temporary accommodation.

## What we do

- Get to know people and help them identify what support they would like and how we can best work together to meet their goals and aspirations.
- Offer focused short-term support and advice which enables people to leave the streets, for example, by helping with finding and getting into work and accessing accommodation.
- Provide further assessments for people whose journey from the streets might be affected by mental health issues, substance misuse, and poor physical health and/or offending.
- We work intensively with these people over the long-term – supporting them to recognise their own strengths, recover from crisis and move away from the streets for good.

# 640

people estimated to be sleeping rough in London on a single night in autumn 2021

# 45%

of all people sleeping rough were in London and the South East

# 187

people were sleeping rough in Westminster, the highest number of any local authority



**We work intensively with people over the long-term... to recover from crisis and move away from the streets for good**

- Run specialist outreach services to connect with people living on the streets, get to know them, and encourage them to move away from rough sleeping.
- Enable people to access a full range of support services, such as housing and resettlement advice, substance misuse treatment and health services, to lift the pressures that force people into homelessness.
- Offer opportunities and activities that help people build the skills, confidence and resilience to recover from rough sleeping.
- Provide support to resolve migration issues and link in with specialist advice where needed.
- Offer practical services like showers and laundry facilities, hot meals, medical appointments and access to telephones and computers.

## Who we help

In 2021/22, we helped **1,125** people to move away from, and stay off, the streets of London.

### The people we support are:

- 84% male.
- 16% female.
- < 1% (3 people) non-binary.

### The people we support come from:

- UK 51%.
- European Economic Area 32%.
- Rest of the world 15%
- Not known 2%.

### Our clients' ages are:

- 18-25 6%.
- 26-65 91%.
- 65+ 3%.



**We help people build the skills, confidence and resilience to recover from rough sleeping**

**We offer practical services like showers, hot meals and access to computers**

# 38%

the increase in rough sleeping since 2010

# 51%

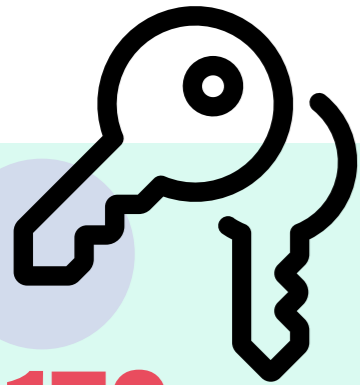
of the people we support come from the UK



**Our specialist outreach services connect with people on the streets, get to know them, and encourage them to move away from rough sleeping**

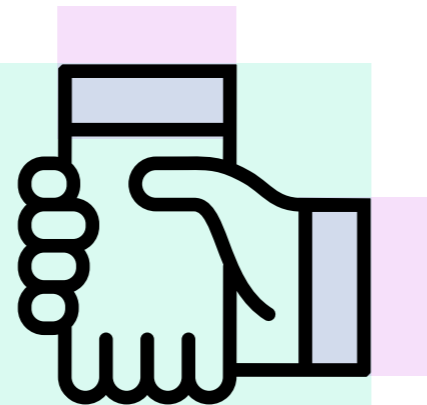
2021 / 2022

# At a glance



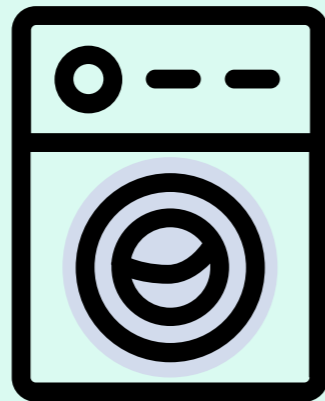
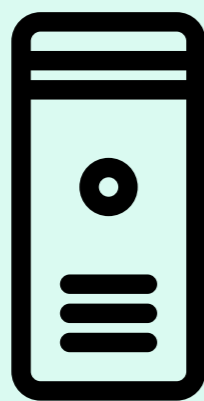
**178**

people moved into new accommodation with our support.



**575**

people helped into casework, the first step to accessing the support they need.



**1125**

people came into our centre to eat, shower, use the laundry and other essential services.

+ This year, our Street Engagement Team supported **318** people sleeping rough in Westminster. + **74** people attended our Outreach Prescribing Clinic for flexible support with drug and alcohol treatment. + **22** people were accommodated as residents in self-contained flats at our Clapham Common accommodation project, St Martin's House. + The Bridge provided emergency accommodation for **39** people. + **172** people were helped with their migration status. + **131** people attended our groups, including the art room, gardening group, women's group and others. + **41** people attended employment training or workshops. + **26** community volunteers gave their time to our clients.

# The importance of relationships

It often starts with a chat, a cup of tea and perhaps a hot meal or shower. The chance to use a washing machine, a computer, or to charge a phone. Simple things that aren't easy when you're living on the streets.

Then it's about listening to people, building up trust and understanding, so we can work out together what they need next. It could be advice on finding somewhere to live, opportunities to gain skills, grow their confidence, self-belief and chances of work.

At The Connection, we get to know each person we work with. People like Antonio, who grew up moving in and out of care, and has experienced traumatic events throughout his life. We met Antonio when he was sleeping on the streets near Trafalgar Square. It wasn't easy for Antonio to trust anyone, but over time he built up a real relationship with our staff. Eventually he felt able to accept help with his both his mental and physical health. Now he's moving off the streets into his own place and he's applied for volunteer work with a charity.

“

**It's about listening to people, building up trust and understanding, so we can work out together what they need next.**

**At The Connection, we get to know each person we work with.**



Zoe providing a warm welcome to The Connection.  
Photo: Marc Gascoigne

For people who have been pushed to the edge, like Antonio, it can be even more complicated. When you feel let down by the system, and by humankind, it's not always easy to find or accept help. So we stick with people, and find ways to get them what they need. That could be legal advice, medical treatment, mental health support or with help with drug or alcohol issues.

We don't do one size fits all, and we don't give up when things get tough.

It's always about treating every person as a human being with dignity. Giving them the opportunity to see that they have something to offer. Helping them rediscover their unique skills, passions, hopes and dreams – the things that make us all feel human, and help us find our path through life.

And ultimately, it's about supporting people to find a way off the streets and a place to call home.

“I didn’t come in at first. The fear factor and embarrassment - people thinking you’re a homeless woman. But the team kept coming to see me. They never gave up trying. So I wasn’t a complete stranger when I made it in. It gave me confidence.”

## How we build relationships

The impact of life on the streets is devastating – it puts people at risk of crime and violence, causes physical and mental health problems and seriously damages wellbeing. The average age of death on the streets is just 46 for men and 43 for women.<sup>1</sup>

85% of rough sleepers experienced abuse or trauma as children.<sup>2</sup> Life on the streets is a trauma in itself, meaning that many people continue a vicious cycle. People become isolated and can feel as though they don’t matter. They often experience violence and abuse and can develop harmful behaviours as a way of coping. In other words, they can ‘give up’ on themselves.

This means that people can be in very challenging situations – with very complex needs – and are likely to be resistant to engaging with support services. Our years of experience have taught us that the best way to build a meaningful relationship is by working at the right pace for people, building trust over time, and being consistent.



# 46/43

the average age of death for homeless men and women respectively

# 85%

of rough sleepers experienced abuse or trauma as children

Working with a Clinical Psychologist from South London and Maudsley NHS Foundation Trust (SLaM), we've developed a 'psychologically-informed environment' at our day centre. Trauma and poor mental health is one of the biggest barriers to people accessing support, so all of our services are designed to help people to overcome this to get the help they need. This can be as simple as painting the walls more soothing colours, or more complex, such as tailoring our support to take every person's trauma into account.

We have also been developing psychologically informed approaches to supporting people. This means considering the events and potential trauma that people have been through when working with them and tailoring the approach to each individual. This is particularly important for the people we support who may in the past have had negative experiences with institutions, such as the care system and prison.



Our outreach team supports people at their pace, and doesn't give up. Photo: Marc Gascoigne.



## Our Theory of Change

We have adopted a new 'Theory of Change' this year. A Theory of Change is a tool that allows us to clearly map out the process through which we believe we can most effectively support people to recover from homelessness.

Our Theory of Change has been developed and tested in partnership with staff, clients, psychologists, Westminster partners, homelessness sector partners like Homeless Link and external experts.

The Theory of Change outlines how we support people from feeling unengaged and uninterested in change, to feeling secure and stable with a place to call home and strong support networks for the future. All of our services are being reviewed to ensure that they align with our theory of change and everyone is clear about how their role fits into the overall aim of the organisation.

1. Deaths of homeless people in England and Wales - Office for National Statistics (ons.gov.uk): <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/deathsofhomelesspeopleinenglandandwales/2019registrations>  
2. Lankelly Chase Foundation, 2015: Hard Edges: Mapping severe and multiple disadvantage, England: <http://lankellychase.org.uk/wp-content/uploads/2015/07/Hard-Edges-Mapping-SMD-2015.pdf>



# What we have achieved this year

## Engaging with people

Our Street Engagement Team (SET) is a daytime outreach team in Westminster. We work very closely with local night-time outreach teams. Having both day and night-time outreach is really important because it allows us to engage with people who might otherwise have no support; people who bed down in hidden areas overnight can be missed by traditional night-time outreach. Women sleeping rough in particular are less visible at night, when it's more dangerous.

The role of the SET is to encourage people who aren't engaging with services to do so and begin their journey towards recovery. Staff go out and about getting to know people in the area and building relationships. This can be a lengthy process, and can vary enormously from person to person. This year, the team made 1390 street contacts with 356 individuals.

“

**We are very aware that many people that we meet on outreach have had contact with numerous services but are back sleeping rough because previous support hasn't worked for whatever reason. There is a lot of mistrust, so the relationship has to be built slowly, without conditions... there's no onus on the person to be motivated, it's our job to bring services to them.**

Tilly Scott, Street Engagement Team

As the relationship builds, the team can start to open a dialogue about what support can be offered, and how we can help the person get to where they want to be. This could be arranging health interventions, making accommodation referrals or doing activities together.

The team works closely with partner services, and runs two shifts a week with the Homeless Health Service who can offer prescriptions, make referrals to specialist services, and deliver wound care and other health services.

The team also goes out fortnightly with the Joint Homelessness Team, which can assess mental health needs, offer support, and arrange for Mental Health Act assessments to take place when the person is severely unwell. The team can also act as the person's care coordinator if needed, providing support and consistency through what can be a frightening time.

The Street Engagement Team runs the innovative Outreach Prescribing Clinic on Wednesdays. This is a flexible drop-in service that offers rapid prescription for people who require drug and alcohol treatment but struggle to turn up to formal appointments. Having this flexible approach

**318**

people sleeping rough in Westminster were supported by our Street Engagement Team this year

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**64**

were supported into accommodation

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**74**

were supported to attend our Outreach Prescribing Clinic for flexible support with drug and alcohol treatment, as well as other health interventions

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removes two major barriers – timekeeping and remembering appointments – and means we can work with people in an environment in which they feel comfortable. This is often a first step to supporting people to access other services too.



Outreach worker Paul is a crucial member of the team!  
Photo: Marc Gascoigne

We also partner with the Dr Hickey Surgery and Turning Point to get people into drug and alcohol treatment from the street as and when needed.

**This year 74 people attended the Clinic.**

**As well as treatment support, Clinic staff provided 171 non-drug related interventions, including dressing open wounds, referrals for broken bones, sexual health screening and vaccinations.**

We helped Steve into hotel accommodation during the first lockdown, and from there helped him to move on into independent accommodation. Steve was happy there for a few months but was asked to leave due to anti-social behaviour caused by his problems with alcohol. Steve returned to the streets.

## STEVE'S STORY

His Street Engagement Team worker didn't give up, and supported Steve into another housing placement and worked alongside him to address his drinking. Although Steve has not yet felt able to fully engage with alcohol addiction services, the support we have given him has made him feel much stronger and he has stabilised to the extent that he has been able to move into his own rented property, where he can retain his independence whilst working on a brighter future.

## Welcoming people into The Connection

At The Connection we know how important it is to feel welcome and safe. Our wide range of practical services at our Adelaide Street centre support immediate health and wellbeing needs. They also act as a platform from which more active engagement can develop and grow, supporting longer-term recovery.

Every morning, we welcome people to the centre and make sure that people can sit down for breakfast, use our showers and laundry service and know when and where their appointments are.

**1125**  
people came into our centre to use our essential services this year

**“I lost everything - had to scrape myself off the pavements. Coming through the door, I came somewhere warm and safe. I had my dinner, washed my clothes. I said to myself- this is the place.”**

The team gets to know people informally - when they hand over towels and toiletries, set someone up in front of a computer or perhaps escort someone to the nurse. Over time, these small actions of practical support and kindness help to foster trust, and initial small talk can make way for real conversations about people's lives. When it really matters, it means people are much more likely to approach staff, so that they can be supported to resolve and remove themselves from unhealthy or dangerous situations that are damaging to their recovery.


“

**I can't stress enough the importance of building relationships with clients... When you formulate a relationship with a client, what you find is a different level of respect for both parties, and if there are any issues, 9 times out of 10 you can navigate them together. It makes our jobs a lot easier, and it gives clients confidence in the worker, confidence to go to that person and talk to them about anything.**







**Peter Mason, Resource Centre Manager**

When people first come to us, staff work get to know them by doing a welcome assessment. This allows us to discuss what their goals are and what support they would like to help achieve those goals. Goals are hugely varied, which is why we work hard to ensure we get to know everyone as an individual.



 A hot meal is often a person's first step towards recovery. Photo: Marc Gascoigne

**We support people to:**

-  find accommodation;
-  access onward referrals or supported reconnection to anyone whose needs can be better met elsewhere;
-  resolve issues with their migration status and to make onward referrals when needed;
-  link in with other support services to help people to move away from the streets – like nurses, psychologists and substance misuse treatment specialists;
-  access activities and groups that help people to build the skills, confidence and resilience to recover from homelessness;
-  search for and get into work.

Depending on the person's situation, they are allocated a key worker who will support them into an action plan to achieve their goals. Key workers are at the heart of everything we do. Their patience, tenacity, understanding and hard work are essential to help people recover, solve problems, and get themselves where they want to be.

**575**

people were supported into casework. Speaking with a caseworker is the first step to accessing the support you need

Sometimes, people have relatively simple needs that can be resolved with the help of our Triage and Brief Intervention (TBI) service. The TBI team aim to resolve cases within 6 weeks. Of course, if things take longer than this then we will keep going!

Where situations are more complex, people will be referred to our Intensive Casework Service (ICS) or our specialist teams. ICS can provide further assessments where needed, and work intensively with people at their own pace. This often means coordinating input from different partners like health services, local authorities, or probation services. Having someone alongside them can make all the difference when encouraging people to navigate these complicated and often overwhelming situations.

**This year, the TBI team helped:**

**52**

people move into accommodation



**35**

people reconnect back to their home area



**5**

people successfully claim money they were entitled to



**This year, the ICS team helped:**

**119**

people move into accommodation



**7**

people reconnect back to their home area



**26**

people successfully claim money they were entitled to



## Finding somewhere to call home

Helping people to find accommodation is of course a vital part of what we do. Our Housing and Resettlement team worked with 280 people this year.

Moving into accommodation is not always the end of the story. Often our staff will keep in contact to make sure people are coping. For some, the thought of sleeping inside again can be terrifying. This year we supported 19 people to sustain their housing.



**I want to thank you and Connection for the amazing support and care you gave me when I was rock bottom feeling I had nowhere to turn.**

Sean was 71 when he came to us in February 2020 just before lockdown. He had been living in his car on and off for 20 years.

He was referred to our Department for Work & Pensions (DWP) worker who successfully got him his pension, back dated for 6 years. We also helped him apply for his adoption papers, passport and Freedom Pass. He had to reapply for his driving licence too as he needed an eye test.

Throughout lockdown, he wouldn't use a phone other than to call from a phone box, so keeping in contact with him was a challenge. His key worker regularly headed into Covent Garden to find him as this was where he would often stay.

He suffered from severe eczema in his legs and feet and was referred to Great Chapel Street Medical centre for treatment. Sean was offered many accommodation options but wouldn't leave his car until he got his driving licence back. Recently he moved into our supported accommodation in St Martin's House where he has his first room in two decades.

**178**

**people moved into new accommodation with our support this year**

**280**

**people were supported by our Housing and Resettlement team**

### SEAN'S STORY

**22**

**people were accommodated as residents in self-contained flats at St Martin's House**

## St Martin's House

St Martin's House supports people 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.

## The Bridge

The pandemic has had a huge impact on homelessness services – particularly emergency accommodation. After day and night centres were closed in the first lockdown, we saw a huge national focus on getting people into hotels to enable them to stay safe and well as part of Everyone In – with everyone pulling together to make this happen.

This new way of working showed us the success of this approach. For some people, it was the first time they'd had the stability of a roof over their heads and regular meals for many years. It gave us a solid foundation from which to work with them to provide the support they needed to move into longer term accommodation.

We know that for many people, simply providing a roof over their head is not enough. Many people have other needs that must be addressed to enable them to recover from homelessness and thrive in accommodation.



**There should be more places like this, this place has turned my life around, I'd be dead I think by now if I wasn't here, I was in a bad way when I got here. If you saw me [before] what I was like compared to now, it's like I'm two different people. This place saved my life.**

Learning from this, we partnered with Westminster Council to open The Bridge, our own accommodation project. All residents at the Bridge had a self-contained bedroom, a bathroom and cooking facilities, and our dedicated Emergency Accommodation team were on hand providing around the clock support. Residents were able to see nurses, psychologists, drug and alcohol specialists on site and access other support as needed.

Over the course of the year, The Bridge provided emergency accommodation for 39 people. 22 of these people successfully moved onto permanent accommodation, which was the primary aim.

## At The Bridge, we also helped:

**28**

**people see a nurse**

**29**

**people see a psychologist**

**15**

**people access drug and alcohol support with Turning Point**

**1**

**person see a speech and language therapist**

Before meeting us, Amy had been sleeping rough for 17 years. She'd been offered hostel places before, but had felt safer sleeping outside – but immediately knew The Bridge was different.

## AMY'S STORY

Moving in was a big step for Amy. She wasn't used to sleeping in the quiet so she'd put the TV or radio to create background noise. At first, she slept during the day and stayed up at night as that was what she was used to doing outside.

Amy adjusted well at The Bridge and has been working with our team to manage her alcohol and drug usage. She's also reconnected with her family. When The Bridge closed, we were able to help Amy move into her own flat.

Stella is an American citizen who came to the UK in the 1980s on a student visa. She experienced some difficulties and became addicted to heroin. Stella was sleeping rough in Westminster where our Street Engagement Team met her. The team were able to assist her with finding accommodation.

## STELLA'S STORY

As Stella has arrived in the UK before 1988, we were able to help her apply for Indefinite Leave to Remain under the Windrush scheme. This was quite a painstaking process, but her key worker managed to obtain sufficient evidence to show that Stella has been living here continuously since she arrived.

Stella's application was successful, and she has been granted Indefinite Leave to Remain in the UK, meaning she is now allowed to work and claim benefits.

The Bridge closed at the end of January as we were no longer able to use the building. We worked very closely with all residents to ensure they had alternative accommodation identified, so no one was left without a place to stay.

We are committed to developing a permanent service based on what we've learnt. We know this approach has been hugely successful in helping people in complex situations move away from rough sleeping. We're working with Westminster City Council to design this service and secure buildings for it, to bring the capacity for temporary and longer-term accommodation to support people away from the streets.

## Migration

Our dedicated migration team supports people who need help with their migration status. This service is vital because around half of all people rough sleeping in London are non-UK nationals – which can act as a barrier to accessing accommodation. Often, these people face additional challenges when recovering from homelessness, from lack of documentation to complex legal issues. These processes can be lengthy and require intensive support from our specialists along the way.

# 172

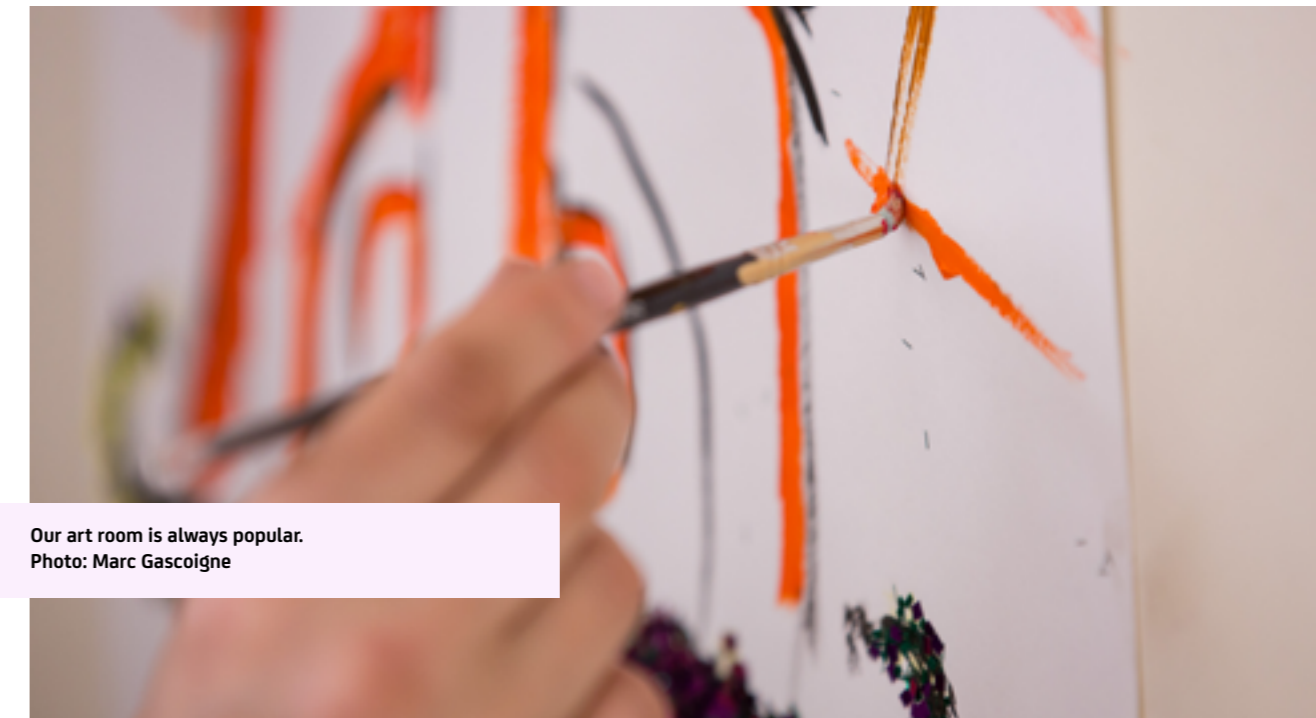
people were helped with their migration status this year

Our team can support people by:

- helping them understand their entitlements and routes to legal status in the UK;
- supporting them to obtain ID;
- advocating for their rights and supporting them through the immigration system;
- working with them if they seek to return to their country of origin.

## Helping people into further recovery...

Our individual skills, passions and interests are often the very things that make us feel human and resilient. But these may be the first parts of someone's life that are forgotten when they become homeless, and we know that this can contribute to feelings of isolation and poor mental health. Our recovery programme encourages people to develop essential skills and express themselves through art, music and discussion.



Our art room is always popular.  
Photo: Marc Gascoigne

Often this is a great way of helping people who have experienced trauma. Having access to these creative outlets can have a really positive effect on their recovery. It also gives people the chance to build confidence and skills in a safe environment that they can take forward into the future.

This year our Recovery and Opportunities service has retained a strong presence across all of our sites following a quieter period necessitated by the pandemic.

We started the year with the redesign of the volunteering programme, the continuation of art and gardening workshops and a sock competition that saw clients create new designs of socks to be sold to raise money for The Connection.

The Skills and Opportunities service has been able to support many clients gaining employment or beginning training opportunities across the hospitality, construction and advertising sectors. The BBC Radio 4 Christmas Appeal with St Martin-in-the-Fields highlighted St Martin's House resident Marian, who worked with our Skills and Employment Coordinator Marina to look for employment and found a job as a kitchen porter. However, he is a qualified mapping and surveyor graduate and as a result of the Appeal a surveying company reached out to make contact and offer him work in the sector – a huge success!

Client involvement and co-production has been at the heart of everything we have been doing. The highlight of our client involvement work has been our client interview panels, which have been a crucial part of all of our recruitment this year and have been invaluable for the organisation.

We have also seen 26 community volunteers give their time to our clients and we have been able to provide a range of fun trips and excursions including a trip to London Zoo, regular theatre and cinema trips and our weekly Walk & Talk sessions.

Our programme has also included:

- Weekly art therapy group sessions and weekly drop-in art sessions with a qualified art therapist;
- Art sessions and music workshops taking place in our weekly women only space to encourage these women to express themselves through art and have the chance to be heard;
- Regular weekly Skills and Opportunities surgeries with one-on-one training, job interviews and CV sessions at Adelaide Street and St Martin's House;
- Our weekly Walk & Talk group, which is an opportunity for our staff, volunteers and the people we support to get outside during their lunch hour for time to chat and improve wellbeing in the fresh air;
- Gardening sessions at St Martin's House, which have been thoroughly enjoyed by our residents there.

## This year:

131

people attended our groups, including the art room, gardening group, women's group and others

41

people attended employment training or workshops

15

people went on trips or events with us

26

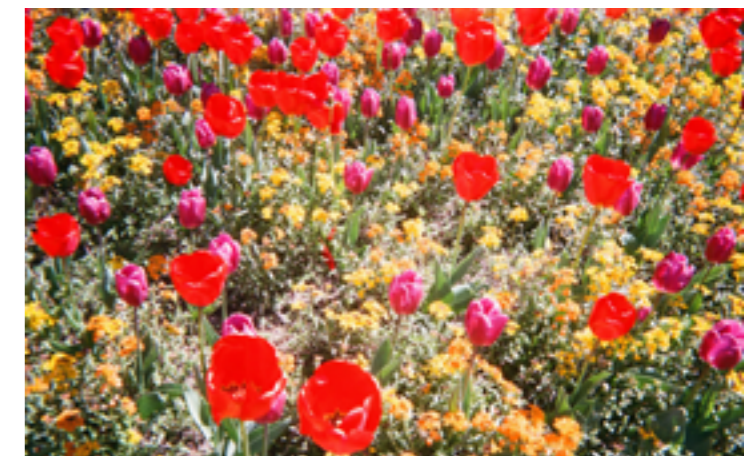
community volunteers give their time to our clients

## MITCH'S STORY

When Mitch first attended art therapy he struggled to sit at the table and would instead stand nearby. He gradually became comfortable enough to sit down, but he would often make artwork very quickly, show it to our staff, and then leave.

One day, he came to a session and stayed for a chat with the group, sharing a few things about his life, and then left. This was the most we'd heard him speak, and it seemed overwhelming for him. This made a difference though, and Mitch continued to attend sessions, showing a marked improvement in confidence. His art also showed a shift from simple drawings to freer use of clay and paint. Mitch continues to work with The Connection and following the success with the art group, we hope to encourage him to take part in other opportunities.

Over the summer, we ran a photography project titled Unlocking London with Jon Rees, a professional photographer and workshop leader with lived experience of homelessness. He spoke about how he used photography to help get off the streets and encouraged clients to take photographs of London as the lockdown restrictions lifted. This project ran across all three sites of The Connection and culminated in an exhibition in the St Martin's Crypt.



Above: work from 'Unlocking London', a photography project with Jon Rees. Photos, clockwise from top left: Scott Gibson, Tracy Louise, Mustafa Abdul Mola, David Hanecka

## Women's homelessness

Women's homelessness can be invisible. Many are too scared to sleep on the streets at night, so some sleep in the daytime and are therefore missed by nightly outreach teams. Others choose to stay on a bus or the Underground all night to avoid staying still.



Lorraine featured in last year's BBC Radio 4 Christmas Appeal with St Martin-in-the-Fields. Photo: Marc Gascoigne

Many women report being scared to use services that men take for granted. As few as 19% of the users of homelessness services are women - far below the total share of rough sleepers who are women. Only a quarter of homelessness charities have women's-only services: we're proud to be in that minority.

We responded to the crisis of women's homelessness by opening our Adelaide Street centre to women only each Wednesday, providing a space to feel secure and safe while seeking help. This year we have welcomed 34 regulars to this group.

### The Women's Development Unit

The Women's Development Unit finished its first year at the end of March 2022. The Unit was set up to advocate for and enhance the voice of homeless women in and improve services available to them. We work in partnership with Solace Women's Aid to deliver the Unit.

**19%**  
of homelessness  
service users are  
women – far fewer  
than the number  
sleeping rough

In its first year, the Unit spoke to a wealth of organisations, as well as women with lived experience of homelessness, using their perspectives to develop a strategy for women's homelessness in London.

The new [London-wide Strategy for Ending Women's Homelessness](#) brings together recommendations about the specialist services we need to expand, the different ways we can offer support and how we should all be thinking more about women.

The Unit also designed and delivered two new training packages on women's homelessness, which were very well received by the 209 practitioners who attended across the year.

The Unit is now continuing for a second year, engaging with stakeholders and advocating for implementation of the strategy. The Unit has received very positive engagement so far and is recruiting an additional part-time Public Affairs and Communications role to support its work to engage stakeholders.

### 18 Keys Project

The Women's Development Unit research work has shown that one of the biggest barriers is not having any safe accommodation to refer women to – particularly those who have more complex needs. There are very few women-only specialist accommodation services for women in London.

We have responded to this by developing the 18 Keys project, in partnership with the St Martin's Trust. This exciting project will transform St Martin's House into a dedicated space with 18 self-contained studio flats for those who identify as women. Our plans for the redevelopment include a communal space for people to come together. Intensive support will be available on site.

For more information, please visit [www.18keys.org](http://www.18keys.org).

### The Lark Project

Since January we have been working in partnership with the Toucan Foundation, Moving Stories and the Globe Theatre to bring the Lark Project to The Connection. Your Story Counts is a women-only drama workshop which explored the women's own stories, which they built into a short performance on stage at the Globe itself.

This project was warmly received by the women who took part, who reported that they felt able to express themselves and re-establish their sense of self in a safe space. We are delighted by the positive feedback and hope to continue running this project.

**ONLY 25%**  
of homelessness  
charities have  
women's-only  
services

## Systems Change

This year we have launched our Systems Change project, in collaboration with the Westminster Homeless Partnership.

The project brings together professionals from different organisations to act as system changers. They work to identify barriers to supporting people out of homelessness, and explore and implement practical actions to remove those barriers.

This year, the Systems Change project has conducted a number of 'action experiments' by making small changes to systems, which has seen improvements for over 100 clients by making their journey out of homelessness smoother.



**The Systems Change project conducted a number of 'action experiments', which has seen improvements for over 100 clients.**

## Equality, diversity and inclusion

Like many organisations, we have been reflecting on the extent to which The Connection is truly inclusive. To support this, staff worked together to appoint a consultant to explore issues of equality, diversity and inclusion. We wanted to identify how to improve our approach in three areas:

- 1 Recruiting and managing our workforce and volunteers;
- 2 Developing anti-discriminatory practice in everything we do;
- 3 Working towards excellence in being a diverse and inclusive charity.

Dr Ope Lori from PILAA worked with us for three months from January to March 2022. She held one-to-one conversations with clients, volunteers, trustees and around 75% of our workforce. Dr Lori then provided us with a full report and recommendations. From this we have committed to our Equality, Diversity and Inclusion plan, which we will implement in the coming year.

## Communications and advocacy

This year we achieved a step change in our communications work by completing a refresh of our messaging. This work was undertaken with the support of an external consultant and in consultation with clients, staff and supporters. We also completed a refresh of our branding, launching a new logo and an overhaul of our website.

We also introduced a dedicated Advocacy Coordinator role to develop our profile in this area. We are now working to explore drug and alcohol treatment options currently available for people in Westminster, and the barriers to accessing these options.

## Finance, facilities and human resources

We have continued to make incremental improvements to our back office during the year. As lockdown restrictions eased, we adopted a hybrid working approach for roles where this was possible. The Facilities and IT team worked to ensure that those who returned to the building were able to do so in a safe and supported way. As part of this work a full review of our systems was performed, and we will be taking forward the recommendations in the future.

The Finance team have continued to strengthen internal controls and processes. A new procurement process was launched which will ensure that best value for money is sought in our purchasing, whilst making sure that chosen suppliers are meeting the required environmental and ethical standards. We also updated our treasury and investments policy, implementing changes to our held investments so they match our strategic objectives.

The HR team launched an e-learning platform for all staff which included the basic mandatory organisational training. In addition, training to support the development of our organisational culture was put in place and delivered at our Annual Staff Training days. The annual Staff Survey was relaunched with the results shared with all staff and feedback taken on board.



Consultation with clients is an important part of our communications and advocacy work. Photo: Marc Gascoigne



# Looking ahead...

## Our key strategic aims set out what the organisation is striving to achieve by March 2023:



1

We will be providing services for 1500 people a year to help those who are rough sleeping, with complex and multiple barriers, to recognise their strengths, recover from crisis and move on.

2

We will have grown the quality and impact of our services, working with people to overcome rough sleeping, with a focus on those experiencing complex and multiple barriers to recovery.

3

We will have established Social Enterprise and Trading activity to increase income and our training offer to clients, particularly those moving into recovery.

4

We will have increased our fundraised income from £2 million a year to at least £3m a year.

5

We will have improved our profile and influence through excellent communications and evidence of impact.

6

We will have developed our governance and corporate services infrastructure to ensure we maximise our potential.

## Our four client outcomes are:



People access accommodation through receiving housing, migration and benefits advice, advocacy and help with ID;

People resettle through successful reconnection to an appropriate community / country and access to local treatment and support services;

People overcome problems with drugs, alcohol, mental, and physical health through clinical treatment and therapeutic group work;

People improve resilience and move towards work through volunteering, training, work experience and job search.

# Our valued supporters

Our supporters are incredibly important to helping us deliver our services as we rely on donations. Here are a few of the people who supported us to change lives this year:

## THE FRIENDS OF THE CONNECTION

We are grateful for the ongoing support of our sister charity The Friends of the Connection. The Friends raise funds towards our work through their membership subscription, cash appeals, and fundraising events. The Friends is governed by a voluntary trustee board who work hard to raise funds to support our services, and we would like to thank them all.

The Friends have been working more closely with the Fundraising and Communications team at The Connection this year and are working to engage with a wider audience and recruit more Friends. Their longstanding support of our work is extremely appreciated and we are grateful to them for their commitment.



**We have achieved some fantastic things for our clients this year and as always we couldn't do it without our supporters, partners and Friends. I would like to take this opportunity to say thank you.**

Pam Orchard, CEO

## ST MARTIN-IN-THE-FIELDS

Within the St Martin-in-the-Fields family is the St Martin-in-the-Fields Charity, who run the wonderful BBC Radio 4 Christmas Appeal every December, supporting people to take the next step towards a safe place to live. Their Making a Difference programme shares the powerful stories of some of the people that they support, including our clients.

In 2021/22, St Martin-in-the-Fields Charity made an £800,000 grant towards our Engagement and Assessment; Housing and Resettlement; Recovery and Opportunities and Triage and Brief Intervention teams. They also supported our temporary accommodation project, The Bridge, and essential training for our frontline workers. We are very grateful for their fantastic ongoing support.

## AMAZING INDIVIDUALS

**Jay Flynn** – We are hugely grateful to the never tiring Jay Flynn who has supported us as an ambassador for another year! Jay used our services after sleeping rough in Westminster several years ago and subsequently shot to fame after his Virtual Pub Quiz went viral in the pandemic. He has raised over £1million for a number of charities including The Connection and in 2021 was awarded an MBE for his efforts. Jay has never failed to highlight our work in TV appearances and interviews and we are grateful for his ongoing support.

**Ken Mason** – Longstanding Friend of The Connection Ken Mason undertook a supreme effort cycling 3,650 miles to raise funds to support The Connection. This extraordinary distance marathon was undertaken by cycling a target of 10 miles a day on his static bedroom bike. He met his target on 27th March 2022, his 85th birthday! Ken's efforts raised £9,000 in sponsorship – thank you Ken for your mammoth effort.

**Remembering Keith Busfield** – We'd like to take this opportunity pay tribute to Keith Busfield who was a Friend of the Connection and keen member of The Queen Eleanor Cycle Ride committee. Keith's dedication to fundraising for us was exceptional and he saw great success promoting the QECR, gaining coverage in a variety of media outlets. His fantastic efforts in fundraising were recognized by him receiving The Guy Mason award in September 2021. He is greatly missed.

## EXCELLENT EVENTS

Due to the pandemic, in 2021 we held an abridged 1-day version of our Annual Pilgrimage walk, rather than the usual 4-day event. We also gave participants the opportunity to participate in the event virtually. 75 participants joined the in-person event, and it was fantastic to have the opportunity to move back towards our usual format. The event raised in excess of £18,000.

The Friends of The Connection ran an extremely successful Queen Eleanor Cycle Ride over the August bank holiday, with 30 riders raising £30,000. We're very grateful for their wonderful continuing support.

March 2022 saw the inaugural The London Walk take place. This night-time walk saw the 25 homelessness charities that constitute the London Homeless Collective collaborate to raise funds to help people experiencing homelessness in the capital. Participants chose between either a marathon distance or 10km walk, walking together with a shared cause. We really valued this opportunity to work collaboratively with colleagues and supporters from across the sector.

## COMMITTED COPORATES

We are incredibly grateful for the continued support we received from the business community in London in 2021/22. As we began to recover from the effects of the pandemic, our corporate partners were by our side providing their expertise, gifts in kind and vital funding to keep our services running. We were also able to re-introduce volunteering towards the end of the year and want to thank our partners for all the hours their staff gave, helping in our kitchen and supporting with Christmas activities.

### Highlights

- + Coutts & Co and The Coutts Foundation continued their longstanding support for the charity, providing us with generous grants for both our core services and our Street Engagement Team. We remain grateful to Coutts for their support via the Thank You From Coutts scheme, whereby their clients can choose to donate reward points to The Connection; in 2021-22 this saw an income totalling £178,275.
- + 2021 saw us receive our last donation of £40,000 from the London Metal Exchange, bringing our three-year partnership with them to a close. We want to thank them for being wonderful supporters during this time. Despite the pandemic making volunteering and fundraising difficult, they raised a brilliant £123,809, had a member of staff take part in the London Marathon and supported at our post-race reception.
- + We continued to receive substantial support from our partners Intercontinental Exchange. As part of our three-year partnership, we received a final donation of £50,000 but were thrilled when they committed to supporting us for a further three years. Going forward, they will be funding our Recovery and Opportunities programme with an annual donation of £75,000 per year.
- + Our friends at Supreme supported our temporary accommodation hotel, The Bridge, with a generous grant in December 2021. The clothing and skating lifestyle brand are committed to giving back to their local community and were extremely impressed with the short term accommodation project after visiting it last year.

- + Many local businesses in Westminster choose to fund our Street Engagement Team who provide outreach work in their areas and we are hugely appreciative to Coutts, Heart of London Business Alliance, Shaftesbury Plc and Network Rail Charing Cross for their commitment to their local community.
- + We want to thank all our long-standing partners for their support over the last year, including Shell, Prudential Plc, Troy Asset Management and Generation Investment Management. We also welcomed new partners; JSS Search, IK Partners and Starwood Capital who we are excited to work with.

## VITAL VOLUNTEERS

Volunteers have always been a vital part of our work at The Connection. Our expert Board of Trustees gave their time very generously this year.

We were really pleased to be able to welcome volunteers back into the centre this year after a hiatus caused by the pandemic. 26 fantastic community volunteers gave up their time to support our work. We thank them all.

## TRUSTS AND FOUNDATIONS

We also received generous support from a number of charitable trusts and foundations in 2021/22. We have highlighted a few of these supporters on our website. We are grateful for all of this essential help from every organisation that has supported us this year.

# Thank you

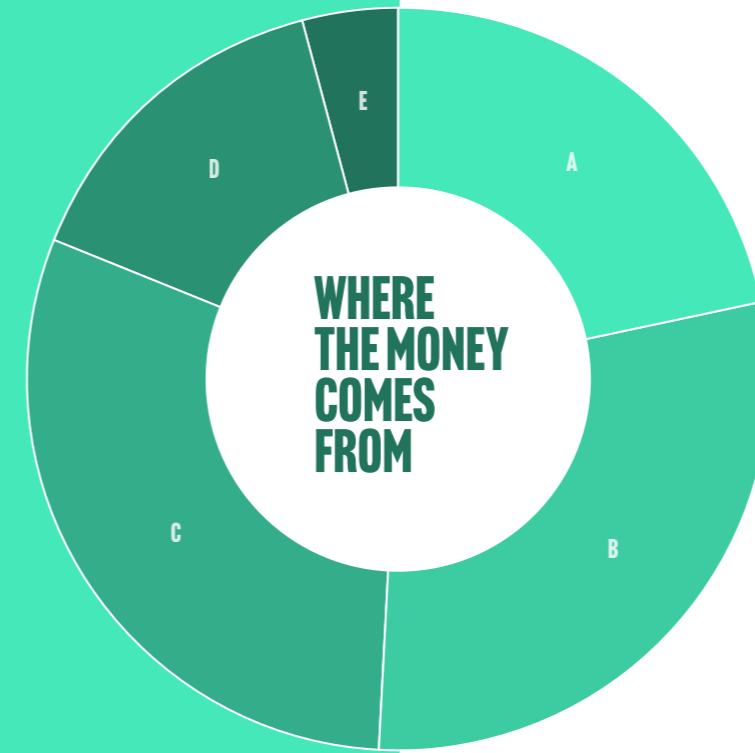


Thank you to all of our supporters, staff, clients, volunteers and all the organisations we have worked with this year. Because of you, The Connection is still a place for people to turn when they have nowhere else. Together, we can make London a city where nobody needs to sleep rough.

# How we manage our money and resources

All of the work you can read about in this report was made possible by the commitment and generosity of individuals, organisations, grant funders and companies who share our determination to end rough sleeping.

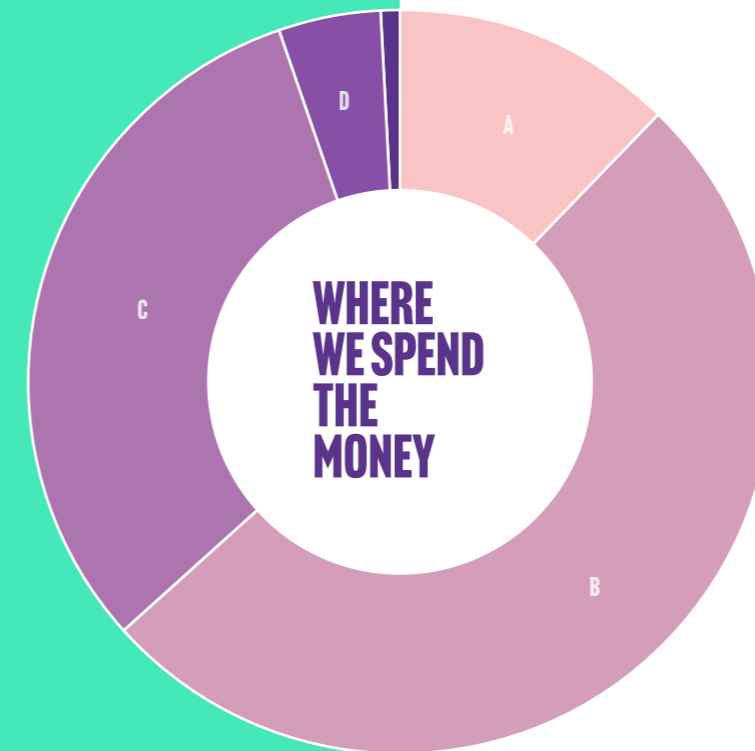
We can't thank you all enough for your support.



## Our resources

We raised **£5.4m** in 2021/22 (2021: £6.9m) from the following sources:

- A** Statutory: £1.175m (2021: £1.5m)
- B** Corporates, Groups, Trusts and earned: £1.572m (2021: £2.8m)
- C** Individuals and Events (inc. legacies): £1.615m (2021: £1.3m)
- D** St Martin-in-the-Fields Charity: £800k (2021: £1m)
- E** The Friends of The Connection of St Martin's: £213k (2021: £311k)



We spent **£5.6m** in 2021/22 (2021: £5.3m) to improve the lives of people who are homeless and sleeping rough:

- A** Fundraising costs: £701k (2021: £525k)
- Charitable activities**
- B** Engagement & Assessment: £2.871m (2021: £2.3m)
- C** Recovery: £1.764m (2021: £1.2m)
- D** Impact and Evidence: £252k (2021: £423k)
- E** Enterprise: £43k (2021: £520k)

Following the significant disruption in the 2020/21 financial year caused by the pandemic, the 2021/22 year saw the beginning of a return to normality in financial terms. More of our planned services under the new service model were able to be delivered, and we participated in fewer large-scale emergency initiatives. The budget for the year predicted a deficit of £261k, drawing on reserves to support the development of our service delivery under the new service model, as well as upgrading our back-office infrastructure.

The reported deficit of £256k (2021: £1.7m surplus) for the year was broadly in line with our budgeted results. We had anticipated that expenditure would increase as restrictions were eased, and that fewer emergency funding sources would be available in the year. In particular we did not continue to participate in the furlough scheme (which contributed £248k in 2020/21), and there was no cross-site emergency appeal carried out (we received £231k from the Keep Our Doors Open campaign in the prior year). Income was approximately £100k above budget, driven primarily by substantial legacy receipts (£898k). In addition to these, the final quarter of the year saw the receipt of funding for two large statutory funded projects – the Protect & Vaccinate scheme, and the Winter Pressures emergency fund. Funding for these schemes, in addition to the funding for The Bridge hotel accommodation project, contributed to the £1.2m of statutory income for the year. Additional expenditure was incurred in delivering the emergency projects, contributing to expenditure exceeding budget by approximately £100k.

As at 31 March 2022, the charity’s net assets were £3.6m (2021: £3.9m), reflecting the deficit incurred in the year. Further details are given in the discussion of our reserves.

Following the consultation and voluntary redundancy scheme undertaken in the 2020/21 financial year, the new service model was launched in July 2021. The resultant deficit for the year was the result of implementing the new structure, training staff and developing infrastructure to support the new service model. The Trustees have agreed a budget for the 2022/23 financial year that will return a small unrestricted surplus of £29k, whilst continuing to spend down a number of reserves designated for investment in service delivery and infrastructure. Since this budget was approved, wider global events have led to significant inflationary pressures on our cost base, with the cost of utilities a particular cause for concern. Our fundraising team have been working on additional campaigns to address these costs, but we anticipate having to support our work in the coming year by drawing down further from reserves than anticipated when the budget was set.

### Principal sources of income

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

- A** Income received from statutory sources totalling £1.2m (£1.5m 2021), which, while lower than in 2020/21, was still higher than usual due to the continuation of a number of coronavirus response projects. Further details of statutory income are provided in note 3B to the Financial Statements.
- B** A grant of £0.8m (£1.0m 2021) from St Martin’s Charity 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.
- C** Income from The Friends of The Connection of St Martin’s totalling £213k (£311k 2021) which was most gratefully received.

**£1.6M**  
came from  
corporate,  
community  
trusts and  
earned  
income

- D** Income from individuals and event income totalling £1.6m (£1.3m 2021). Included in this figure are the generous legacies referred to above of £898k which have again been higher than expected.
- E** Corporate, community, trusts and earned income of £1.6m (£2.8m 2021). The amount received in the 2020/21 year was exceptionally high due to a number of emergency funds opening during the pandemic, which were not replicated in 2021/22.

### Expenditure

Of our expenditure 88% was on charitable activities, with the rest expended on raising funds to support the organisation in delivering its mission. Fundraising costs have increased in the year as we invested in the resourcing within the team. We expect that this investment will result in greater income generation in the coming years, though we accept that it will take time for momentum to gather. Of total expenditure, 64% 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 £351k from last year largely reflecting the costs of pivoting our service delivery in response to the coronavirus pandemic.

**88%**  
of expenditure  
was on charitable  
activities

## 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 Director of Finance and Procurement. 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
Lack of strategic direction and does not respond to rough sleeping appropriately.	Clear, regularly monitored strategy, client involvement, stakeholder plans and knowledge management, good links to policy makers.
Difficulty working in partnership with the St Martin’s Charity and/or over-reliance on BBC Radio 4 Appeal.	Clear partnership agreement and regular monitoring, strong governance links, alternative funding sources developed alongside gradual reduction in income from St Martin’s Charity
Developments cause mission drift and/or too much strain on our back-office infrastructure and reserves.	Infrastructure plan in place, adopt full cost recovery model in all funding bids, link reserves policy to strategy and risk register, strategy being refreshed for launch in the 2023/24 year.

**The principal risks identified (continued):**

Risk	Response
Poor IT and information systems leading to data breach, poor quality evidence of impact and reputational damage.	Good policies and procedures covering GDPR and use of IT. Adoption of Outcomes Framework and development of new Case Management System.
Reputational damage caused by negative media coverage.	Communications strategy, policies/protocols to manage media relations, media training with key staff, use of external PR expertise.
Health and safety issues, safeguarding breaches and reputational damage, including that caused by antisocial behaviour outside the building.	Health and safety manual, use of specialist H&S advisors, regular training, regular reporting to QPC. Street Engagement Team activity, protocols for tackling incidents, regular communications across site, with neighbours & Police. Safeguarding policy, training & monitoring systems.
Financial fraud	Strong financial procedures and controls, and good audit in place.
Poor governance and leadership leading to loss of key positions, poor decision making and business disruption.	Regular review of board and CEO performance in the Remuneration and Nominations sub Committee, succession planning for key positions
Significantly increased operating costs resulting from the cost of living crisis and prevailing high inflation rates.	Regular oversight of financial performance and forecasts at the Finance Subcommittee

**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 2020/21, we had a team of 10 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 2021/22, we have reviewed our policies and procedures in line with all legal and 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 that relate to interactions with vulnerable individuals. Fundraising team members complete an adult safeguarding course and a data protection course in 2021/22, and all new starters complete this same training as part of their induction.

In 2021/22, we received one complaint about our fundraising. A supporter who receives communications from various charities on the St Martin's site wrote to us to communicate that our messages weren't joined-up enough. On investigation, we confirmed that this supporter was not on our database (and therefore not making donations to The Connection), but instead a supporter of other charities at St Martin's. We worked closely with one of these sister charities to provide an appropriate response letter to the donor.

2021/22 was the third year of a 4-year Fundraising Strategy, directly linked to the 5-year organisational strategy, which has resulted in a clear roadmap for fundraising actions, and has laid the foundations for greater collaboration with our wonderful supporters. In the year ahead we will be working towards the development of a new 5-year organisational strategy – for which we will be consulting a wide range of supporters and partner organisations.

**We would like to extend our thanks to all our generous supporters from 2021/22, without whom our work would not be possible.**

**Reserves policy and going concern****Going concern**

The Charity has sufficient reserves in place for the medium term. Given the highly uncertain fundraising environment, the approved 2022/23 budget had been prepared with prudent assumptions around fundraised income, and was expected to result in a small surplus. The full impact of the cost of living crisis on the Charity's finances is not yet clear, but early indications are that key operating costs such as utilities will be significantly higher than anticipated. The trustees are keeping the situation under review through regular review of financial data and forecasts, and are confident that the charity's reserves are adequate to meet these increased costs.

The charity's reserves policy has been reviewed in light of the results of the 2021/22 year, with some movements between designated funds. Trustees have also reviewed forecasts covering the next five years that are predicated on steep inflationary pressures, and have noted the impact this would have on reserve balances at the end of the period. This has provided comfort over the use of the going concern basis in the preparation of the financial statements.

**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. The Charity's reserves policy was reviewed at the 2021/22 year end.

Total funds amount to £3.6m (2021: £3.9m) of which £129k is restricted: £52k for three service delivery projects, £43k for improvement works to our showers at Adelaide Street, and £35k for the development project at St Martin's House.

The Connection's total unrestricted reserves excluding tangible fixed assets amount to £3.5m (2021: £3.8m) 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. As part of the review of the reserves policy, new designations were made to ensure that all identified risks are adequately covered. £300k that was previously designated for the cost of transferring our

emergency accommodation provision to a new home has been released into general funds as a variation of this project has been brought into the core budget for the 2022/23 year.

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

- a Capital Replacement Reserve (2022: £866k 2021: £825k), designated to cover the cost of maintaining the infrastructure at Adelaide Street over the medium term
- a Risk Reserve (2022: £910k, 2021: £941k), designated for the purposes of covering the cost of winding down the operations of the charity in the event of a sudden and irreparable drop in income. The cost includes the value of onerous contracts and obligated payments to staff and is recalculated at each year-end to ensure that the estimates remain valid
- Funding for new projects to innovate services including changes to our accommodation models (2022: £986k; 2021: £1.4m). At the year end, these include:
  - £140k (2021: £210k) to cover the roles of additional staff in our Resource Centre team;
  - £222k (2021: £166k) to invest in the resourcing within our fundraising team;
  - £149k (2021: £169k) to invest in our communications and advocacy work;
  - £150k (2021: £172k) to develop our corporate services team and IT infrastructure;
  - £203k (£80k) to increase the number of roles within our outreach team.

Full detail of reserves and designations are given in notes 19 and 20.

## 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.

### Our trustees

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

<b>Tim Jones</b>	Chair	– <b>Revd Dr Sam Wells</b>	
<b>Jill Kyne</b>	Treasurer	– <b>Maeve Walsh</b>	
<b>Chandra McGowan</b>		– <b>Catherine Cherry</b>	
<b>Joanne Owen</b>	Resigned: 13/09/2021	– <b>Luc Leclercq</b>	Appointed: 13/12/2021
<b>Simon Rawson</b>		– <b>Kunal Krishna</b>	Appointed: 13/12/2021
<b>Keith Starling</b>		– <b>Alicia Walker</b>	Appointed: 13/12/2021
<b>Peter Warren</b>		– <b>Frances Stainer</b>	Appointed: 13/12/2021

### Key management personnel

<b>Pam Orchard</b>	Chief Executive
<b>Charlotte Talbott</b>	Director of Services and Deputy CEO, resigned September 2021
<b>Sarah Makhoul</b>	Director of Services from September 2021
<b>Katy Daley</b>	Interim Director of Fundraising & Communications, July 2020 - May 2021
<b>Kit Lewis</b>	Interim Director of Fundraising, May – September 2021
<b>Elizabeth Charles</b>	Director of Fundraising & Communications, maternity leave – July 2020-September 2021
<b>Tony Wells</b>	Director of Finance & Procurement, appointed April 2022
<b>Auditors</b>	Sayer Vincent LLP, Invicta House, 108 – 114 Golden Lane, London, EC1Y 0TL
<b>Bankers</b>	Coutts, 440 Strand, London, WC2R 0QS
<b>Investment advisors</b>	CCLA, Senator House, 85 Queen Victoria Street, London, EC4V 4ET
<b>Solicitors</b>	Russell Cooke, 2 Putney Hill, London, SW15 6AB

### 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. During the year four new trustees were appointed following a recruitment process.

### 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 food from our Enterprise Kitchen in St Martin's Crypt café.

The related party who is able to exert influence over these is:

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

### Remuneration policy for key management personnel

The remuneration of the CEO is set on a National Joint Council (NJC) related scale so tied into other staff pay increases. The National Joint Council is the negotiating body which determines pay and conditions for local government services.

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.

### 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 groups of 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 our stated purposes.

When carrying out this review of the charity's aims, objectives and future plans, the trustees refer to the Charity Commission's guidance on public benefit. 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 the public benefit.

### 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 are liable 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 2022 was 13 (2021: 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 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)*.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

### 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 group financial statements section of our report. We are independent of the group and parent 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Connection at St Martin-in-the-Fields's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the trustees' annual report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the group financial statements themselves. 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 group and the parent charitable company and their 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 and Charities Act 2011 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 parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors 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 parent 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 group's and the parent 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 group or the parent 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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

## Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's/ group's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity/ group operates in, focusing on those laws and regulations that had a material effect on the

financial statements or that had a fundamental effect on the operations of the charity/group from our professional and sector experience.

- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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)**  
20/09/2022

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

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

## Statement of financial activities for the year ended 31 March 2022

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

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

For the year ended 31 March 2022

	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
<b>Income from:</b>							
Donations and legacies	2	3,122,359	116,690	<b>3,239,649</b>	3,932,184	251,813	4,184,697
<b>Charitable activities</b>							
Engagement & Assessment	3	-	1,248,421	<b>1,248,421</b>	293,116	1,514,640	1,808,256
Recovery	3	218,474	218,474	<b>665,756</b>	298,167	176,391	474,658
Impact & Evidence	3	-	12,500	<b>12,500</b>	5,999	-	5,299
Enterprise	3	1,309	64,500	<b>65,809</b>	5,180	35,000	40,380
Other trading activities	4	123,733	-	<b>123,733</b>	161,157	-	161,857
Government Furlough Reclaim		-	-	-	248,124	-	248,124
Interest receivable and Investments		19,385	-	<b>19,985</b>	17,154	-	17,554
<b>Total income</b>		<b>3,486,460</b>	<b>1,889,393</b>	<b>5,375,853</b>	<b>4,962,181</b>	<b>1,977,844</b>	<b>6,940,825</b>
<b>Expenditure on:</b>							
Raising funds	5a	698,789	-	<b>698,789</b>	524,144	-	524,744
<b>Charitable activities</b>							
Engagement & Assessment	5a	1,530,701	1,322,365	<b>2,853,066</b>	976,151	1,818,940	2,795,031
Recovery	5a	1,375,391	382,794	<b>1,758,685</b>	1,027,121	154,484	1,181,705
Impact & Evidence	5a	226,399	25,000	<b>251,399</b>	378,197	-	378,097
Employment	5a	-	-	-	234,128	-	234,828
Enterprise	5a	5,019	64,500	<b>69,519</b>	130,196	35,000	165,696
<b>Total expenditure</b>		<b>3,836,799</b>	<b>1,794,659</b>	<b>5,631,458</b>	<b>3,272,137</b>	<b>2,007,964</b>	<b>5,280,101</b>
<b>Net income/(expenditure) for the year and net movement in funds</b>	6	<b>(350,339)</b>	<b>94,734</b>	<b>(255,605)</b>	<b>1,690,144</b>	<b>(30,120)</b>	<b>1,660,724</b>
Net gains/(losses) on investments		42,344	-	<b>42,844</b>	92,185	-	92,085
<b>Reconciliation of funds:</b>							
Total funds brought forward		3,822,200	34,505	<b>3,856,705</b>	2,039,171	64,625	2,103,896
<b>Total funds carried forward</b>		<b>3,514,705</b>	<b>129,239</b>	<b>3,643,944</b>	<b>3,822,100</b>	<b>34,505</b>	<b>3,856,705</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 27a to the financial statements.

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

	Note	The Group		The Charity	
		2022 £	2021 £	2022 £	2021 £
<b>Fixed assets:</b>					
Tangible assets	10	58,781	69,944	58,781	69,944
Investments	12	842,961	550,117	844,961	552,117
		<b>901,742</b>	620,061	<b>903,742</b>	622,061
<b>Current assets:</b>					
Stock		11,273	8,034	11,273	8,034
Debtors	11	481,014	527,631	495,957	551,607
Cash at bank and in hand		2,638,177	3,097,018	2,635,209	3,081,573
		<b>3,130,464</b>	3,632,683	<b>3,142,439</b>	3,641,214
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	13	388,262	396,039	388,262	396,035
<b>Net current assets / (liabilities)</b>		<b>2,742,202</b>	3,236,644	<b>2,754,177</b>	3,245,179
<b>Total net assets / (liabilities)</b>		<b>3,643,944</b>	3,856,705	<b>3,657,919</b>	3,867,240
<b>The funds of the charity:</b>					
Restricted income funds	20	129,239	34,505	129,239	34,505
<b>Unrestricted income funds:</b>					
Designated funds		2,890,298	3,516,843	2,890,298	3,516,842
General funds		624,407	305,357	638,383	315,893
<b>Total unrestricted funds</b>		<b>3,514,705</b>	3,822,200	<b>3,528,681</b>	3,832,735
<b>Total charity funds</b>		<b>3,643,944</b>	3,856,705	<b>3,657,920</b>	3,867,240

Approved by the Trustees on 20 September 2022 and signed on their behalf by

Mr Tim Jones  
Chair of Trustees

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

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash provided by / (used in) operating activities	21	(228,825)	1,568,834
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		19,984	17,554
Purchase of fixed assets		-	(13,000)
Purchase of investments		(250,000)	
<b>Net cash provided by / (used in) investing activities</b>		<b>(230,016)</b>	4,554
<b>Change in cash and cash equivalents in the year</b>		<b>(458,841)</b>	1,573,388
Cash and cash equivalents at the beginning of the year		3,097,018	1,523,630
<b>Cash and cash equivalents at the end of the year</b>		<b>2,638,177</b>	3,097,018

## 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.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Show Your Connection Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of 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.

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 respect of the Coronavirus Job Retention Scheme is recognised in the month in which the related expenditure occurred. A total of £nil (2021: £248,124) was claimed in respect of this scheme in the year.

Income from sales of goods is recognised once the significant risks and rewards of ownership of the goods has been transferred to the buyer.

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.

### 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 two allocation methodologies below is used to allocate that expenditure to the appropriate activity. The percentages used for these allocations are shown below.

	Headcount FTE	Floor Area
Engagement & Assessment	50%	54%
Recovery	24%	25%
Impact & Evidence	4%	4%
Enterprise	1%	1%
Fundraising & Communications	11%	7%
Finance	3%	2%
Human Resources	2%	3%
Leadership & Governance	5%	4%

**1. Accounting policies (continued)****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.

**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 10 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. Income from donations and legacies**

	2022			2021		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Corporate	469,585	-	<b>469,585</b>	1,057,467	69,000	1,126,467
Community	10,547	-	<b>10,547</b>	31,904	-	31,904
Individuals	1,469,949	-	<b>1,469,949</b>	1,133,796	41,352	1,175,148
Trusts	147,176	-	<b>147,176</b>	145,201	141,461	286,662
St Martin-in-the-Fields Charity*	800,000	-	<b>800,000</b>	1,000,000	-	1,000,000
Friends of The Connection at St Martin's*	212,992	-	<b>212,992</b>	311,406	-	311,406
St Martin-in-the-Fields Development Trust*	-	116,690	<b>116,690</b>	199,890	-	199,890
Donations in Kind	12,710	-	<b>12,710</b>	53,220	-	53,220
	<b>3,122,959</b>	<b>116,690</b>	<b>3,239,649</b>	<b>3,932,884</b>	<b>251,813</b>	<b>4,184,697</b>

\*Related parties.

## 3. Income from charitable activities

	2022			2021		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
<b>Engagement &amp; Assessment</b>						
Corporate	-	290,462	<b>290,462</b>	-	474,180	474,180
Statutory	-	889,404	<b>889,404</b>	293,616	1,040,460	1,334,076
Friends of The Connection	-	46,472	<b>46,472</b>	-	-	-
Trusts	-	22,083	<b>22,083</b>	-	-	-
<b>Sub-total for Engagement &amp; Assessment</b>	-	1,248,421	<b>1,248,421</b>	293,616	1,514,640	1,808,256
<b>Recovery</b>						
Statutory	-	286,082	<b>286,082</b>	88,399	89,885	178,284
Corporate		110,000	<b>110,000</b>		86,506	86,506
Charges to residents	218,474	-	<b>218,474</b>	209,868	-	209,868
Trusts	-	51,200	<b>51,200</b>	-	-	-
<b>Sub-total for Recovery</b>	218,474	447,282	<b>665,756</b>	298,267	176,391	474,658
<b>Impact &amp; Evidence (I&amp;E)</b>						
Trusts	-	12,500	<b>12,500</b>	-	-	-
Statutory	-	-	-	5,299	-	5,299
<b>Sub-total for I&amp;E</b>	-	12,500	<b>12,500</b>	5,299	-	5,299
<b>Enterprise</b>						
Corporate	-	64,500	<b>64,500</b>	-	35,000	35,000
Earned	1,309	-	<b>1,309</b>	5,380	-	5,380
<b>Sub-total for Enterprise</b>	1,309	64,500	<b>65,809</b>	5,380	35,000	40,380
<b>Total charitable activities</b>	219,783	1,772,703	<b>1,992,486</b>	602,562	1,726,031	2,328,593

## 3b. Breakdown of Statutory income sources

Source	Nature	2022	2021
		Amount £	Amount £
Westminster City Council	Westminster Outreach Contract	<b>94,750</b>	78,000
Westminster City Council	Day and Night Centre Support	-	583,058
Westminster City Council	COVID Response	<b>262,743</b>	253,617
Westminster City Council	Additional Emergency Accommodation Funding	<b>579,651</b>	250,405
MHCLG via Homeless Link	Additional Emergency Accommodation Funding	-	100,350
National Lottery Fund via Homeless Link	Winter Transformation Fund	-	68,646
Westminster City Council	Migration services	<b>14,667</b>	7,333
Wandsworth Council	Supporting People Contract	<b>82,816</b>	82,816
Wandsworth Council	Discretionary COVID support	<b>27,936</b>	5,583
Other Statutory funding	Women's Development Unit	<b>112,923</b>	37,641
Greater London Authority	Mayor's Rough Sleeping Innovation Fund	-	19,793
Home Office	European Union Settlement Scheme	-	25,118
Information Commissioner's Office	ICO Project	-	5,299
		<b>1,175,486</b>	1,517,659

## 4. Income from other trading activities

	2022			2021		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Events	98,271	-	<b>98,271</b>	102,697	-	102,697
Trading income	4,767	-	<b>4,767</b>	28,652	-	28,652
St Martin's annual pilgrimage	4,780	-	<b>4,780</b>	612	-	612
Room bookings	15,915	-	<b>15,915</b>	29,896	-	29,896
	123,733	-	<b>123,733</b>	161,857	-	161,857

## 5a. Analysis of expenditure (current year)

	Raising funds £	Charitable activities					Governance costs £	Indirect costs £	2022 Total £	2021 Total £
		Engagement and Assessment £	Recovery £	Impact and Evidence £	Employment £	Enterprise £				
Staff costs (Note 7)	374,435	1,429,627	848,913	145,677	-	38,817	-	594,312	<b>3,431,781</b>	3,265,224
Non pay costs	138,155	414,846	430,552	33,122	-	3,837	12,600	129,761	<b>1,162,873</b>	872,024
Support costs - Staff (Note 7)	7,067	152,705	22,085	3,534	-	1,953	-	7,951	<b>195,295</b>	282,804
Support costs - Non Staff	70,683	465,651	193,186	31,238	-	8,414	-	72,337	<b>841,509</b>	860,049
	590,340	2,462,829	1,494,736	213,571	-	53,021	12,600	804,361	<b>5,631,458</b>	5,280,101
Indirect costs	106,742	384,094	259,794	37,233	-	16,498	-	(804,361)	-	-
Governance costs	1,707	6,143	4,155	595	-	0	(12,600)	-	-	-
<b>Total expenditure 2022</b>	<b>698,789</b>	<b>2,853,066</b>	<b>1,758,685</b>	<b>251,399</b>	<b>-</b>	<b>69,519</b>	<b>-</b>	<b>-</b>	<b>5,631,458</b>	<b>-</b>
Total expenditure 2021	524,744	2,795,031	1,181,705	378,097	234,828	165,696	-	-	-	5,208,101

## 5b. Analysis of expenditure (prior year)

	Raising funds £	Charitable activities					Governance costs £	Indirect costs £	2021 Total £
		Engagement and Assessment £	Recovery £	Impact and Evidence £	Employment £	Enterprise £			
Staff costs (Note 7)	309,495	1,268,124	568,941	274,538	202,723	54,330	-	587,073	<b>3,265,224</b>
Non pay costs	89,755	346,494	279,338	32,083	8,077	18,384	13,066	84,827	<b>872,024</b>
Support costs - Staff (Note 7)	10,002	195,438	25,004	3,001	2,000	38,358	-	9,001	<b>282,804</b>
Support costs - Non Staff	35,704	559,986	128,742	10,985	22,028	29,430	-	73,174	<b>860,049</b>
	444,956	2,370,042	1,002,025	320,607	234,828	140,502	13,066	754,075	<b>5,280,101</b>
Indirect costs	78,429	417,750	176,620	56,511	-	24,765	-	(754,075)	-
Governance costs	1,359	7,239	3,060	979	-	429	(13,066)	-	-
<b>Total expenditure 2021</b>	<b>524,744</b>	<b>2,795,031</b>	<b>1,181,705</b>	<b>378,097</b>	<b>234,828</b>	<b>165,696</b>	<b>-</b>	<b>-</b>	<b>5,208,101</b>



**6. Net income / (expenditure) for the year**

This is stated after charging / (crediting):

	2022 £	2021 £
Depreciation	11,164	19,420
<b>Operating lease rentals:</b>		
Property*	229,342	229,528
Other	15,402	15,402
<b>Auditors' remuneration (excluding VAT):</b>		
Audit	10,500	10,000

\* A licence fee is paid to St Martin's Church of £125,000 (2021: £135,000). In addition, St Martin's Church was reimbursed £104,342 (2021: £94,528) 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.

**7. Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	3,012,676	2,927,353
Redundancy and termination costs	89,153	104,996
Social security costs	308,072	289,032
Employer's contribution to defined contribution pension schemes	155,362	165,658
Agency staff (sickness and holiday cover and third party)	61,813	60,989

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	<b>3,627,076</b>	3,548,028
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The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2022 no.	2021 no.
£60,000 - £69,999	-	-
£70,000 - £79,999	-	1
£80,000 - £89,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £326,269 (2021: £267,162).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2021: £nil) incurred by no (2021: none) members relating to attendance at meetings of the trustees.

**8. Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 86 (2021: 85). The full time equivalent head count for the year was 79 (2021: 76).

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

	2022 no.	2021 no.
Raising funds	8.7	6.6
Engagement & Assessment	31.6	25.8
Recovery	20.5	15.4
Impact & Evidence	3.4	5.9
Employment	-	4.1
Enterprise	1.3	5.8
Support staff, including governance	13.7	12.6

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	<b>79.2</b>	76.2
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**9. Taxation**

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Show Your Connection Limited distributes under Gift Aid available profits to the parent charity.

**10. Tangible fixed assets (group and charity)**

	Freehold property & improvements £	Leasehold property £	Fixtures, fittings & equipment £	IT hardware £	Total £
<b>Cost or valuation</b>					
At the start of the year	87,595	1	127,421	257,840	<b>472,857</b>
Additions in year	-	-	-	-	-
At the end of the year	87,595	1	127,421	257,840	<b>472,857</b>
<b>Depreciation</b>					
At the start of the year	40,382	-	107,021	255,510	<b>402,913</b>
Charge for the year	-	-	8,833	2,330	<b>11,163</b>
At the end of the year	40,382	-	115,854	257,840	<b>414,076</b>
<b>Net book value</b>					
<b>At the end of the year</b>	<b>47,213</b>	<b>1</b>	<b>11,567</b>	<b>-</b>	<b>58,781</b>
At the start of the year	47,213	1	20,400	2,330	69,944

Property with a value of £87,595 (2020: £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.

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

**11. Debtors**

	The Group		The Charity	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	<b>248,385</b>	302,929	<b>248,385</b>	302,929
Prepayments	<b>153,817</b>	76,440	<b>153,817</b>	76,440
Accrued income	<b>72,524</b>	144,159	<b>72,524</b>	144,159
Amounts owed by group undertaking	-	-	<b>14,943</b>	23,976
Other Debtors	<b>6,288</b>	4,103	<b>6,288</b>	4,103
	<b>481,014</b>	527,631	<b>495,957</b>	551,607

**12. Investments (group and charity)**

	2022 £	2021 £
Market Value at beginning of year	<b>550,117</b>	458,032
Purchases during the year at cost	<b>250,000</b>	-
Proceeds of sales during the year	-	-
Gains / (losses) on re-measurement to fair value	<b>42,844</b>	92,085
<b>Market Value</b>	<b>842,961</b>	550,117
<b>Historical cost</b>	<b>750,000</b>	500,000

All current asset investments are units in shares held in the COIF Charities Investment Fund which is traded on a regular basis. The total gain recognised on these investments in the period was £42,844 (2021: £92,085) representing the fair value re-measurements shown above.

**13. Creditors: amounts falling due within one year**

	The Group		The Charity	
	2022 £	2021 £	2022 £	2021 £
Trade creditors	<b>60,741</b>	50,482	<b>60,741</b>	50,478
Taxation and social security	<b>87,732</b>	82,283	<b>87,732</b>	82,283
Accruals	<b>182,680</b>	160,945	<b>182,680</b>	160,945
Deferred income (note 14)	<b>35,000</b>	81,463	<b>35,000</b>	81,463
Other creditors	<b>22,109</b>	20,866	<b>22,109</b>	20,866
	<b>388,262</b>	396,039	<b>388,262</b>	396,035

**14. Deferred income**

Deferred income of £81,463 (2021: £90,782) represents grants and donations received in advance of the year end for intended application after 31 March 2022. No income was deferred for more than one year (2021: Nil)

	The Group		The Charity	
	2022 £	2021 £	2022 £	2021 £
Balance at the beginning of the year	<b>81,463</b>	90,782	<b>81,463</b>	90,782
Amount released to income in the year	<b>(81,463)</b>	(90,782)	<b>(81,463)</b>	(90,782)
Amount deferred in the year	<b>35,000</b>	81,463	<b>35,000</b>	81,463
<b>Balance at the end of the year</b>	<b>35,000</b>	81,463	<b>35,000</b>	81,463

**15. Creditors: amounts falling due after one year**

The charity has no liabilities falling due after one year.

**16. 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: 63.
- Scottish Widows Pension (DC). Members at year end date: 11.
- Friends Life#1 & #2. One member each at year end date in these DC schemes (Total 2).

**17. Subsidiary undertaking**

The charity owns the whole of the issued ordinary share capital of Show Your Connection Limited, a company registered in England. The company number is 12510611. The registered office address is 12 Adelaide Street, London WC2N 4HW.

The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line-by-line basis in the statement of financial activities. Available profits are distributed under Gift Aid to the parent charity.

The Trustee, Keith Starling, together with the Chief Executive and other staff are also directors of the subsidiary.

A summary of the results of the subsidiary is shown below:

	2021 £	2021 £
Turnover	47,196	28,652
Other Income	-	2,000
Cost of sales	534	1,786
<b>Gross profit/(loss)</b>	<b>46,662</b>	28,866
Administrative expenses	6,567	12,181
Management charge payable to parent undertaking	43,537	25,231
Other operating income	-	12
<b>Profit/(loss) on ordinary activities before interest and taxation</b>	<b>(50,104)</b>	(8,534)
<b>Profit / (loss) for the financial year</b>	<b>(3,442)</b>	(8,534)
<b>Retained earnings</b>		
Total retained earnings brought forward	(8,534)	-
Profit / (loss) for the financial year	(3,442)	(8,534)
Distribution under Gift Aid to parent charity	-	-
<b>Total retained earnings carried forward</b>	<b>(11,976)</b>	(8,534)
The aggregate of the assets, liabilities and reserves was:		
Assets	2,967	15,445
Liabilities	14,943	23,979
<b>Reserves</b>	<b>(11,976)</b>	(8,534)

Amounts owed to/from the parent undertaking are shown in note 11.

**18. Parent charity**

The parent charity's gross income and the results for the year are disclosed as follows:

	2022 £	2021 £
Gross income	5,414,757	6,913,935
<b>Result for the year</b>	<b>(209,186)</b>	1,656,794

**19a. Analysis of group net assets between funds (current year)**

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	58,781	-	-	58,781
Fixed asset investments	-	842,961	-	842,961
Net current assets	565,626	2,047,337	129,239	2,742,202
<b>Net assets at 31 March 2022</b>	<b>624,407</b>	<b>2,890,298</b>	<b>129,239</b>	<b>3,643,944</b>

**19b. Analysis of group net assets between funds (prior year)**

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	69,944	-	-	69,944
Fixed asset investments	-	550,117	-	550,117
Net current assets	235,414	2,966,725	34,505	3,236,644
<b>Net assets at 31 March 2021</b>	<b>305,358</b>	<b>3,516,842</b>	<b>34,505</b>	<b>3,856,705</b>

## 20a. Movements in funds (current year)

	At 1 April 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2022 £
<b>Restricted funds:</b>					
<b>Engagement &amp; Assessment</b>					
Day Centre	-	116,698	(116,698)	-	-
Street Engagement	-	391,238	(391,238)	-	-
Emergency Accommodation Services	-	730,094	(730,094)	-	-
<b>Recovery</b>					
Housing & Resettlement	-	76,907	(66,907)	-	<b>10,000</b>
St Martin's House	-	115,752	(115,752)	-	-
Migrant projects	-	-	-	-	-
Recovery & Opportunities	-	115,000	(100,000)	-	<b>15,000</b>
Women's Development Unit	22,005	139,623	(134,928)	-	<b>26,700</b>
<b>Impact &amp; Evidence</b>					
Systems Change Project	12,500	12,500	(25,000)	-	-
<b>Support Services</b>					
St Martin's House Development Project	-	66,690	(31,897)	-	<b>34,793</b>
Facilities	-	60,390	(17,644)	-	42,746
<b>Enterprise</b>					
Client Food Service	-	4,500	(4,500)	-	-
Enterprise Development	-	60,000	(60,000)	-	-
<b>Total restricted funds</b>	<b>34,505</b>	<b>1,889,392</b>	<b>(1,794,658)</b>	<b>-</b>	<b>129,239</b>
<b>Unrestricted funds:</b>					
<b>Designated funds:</b>					
Lease fund	30,000	-	-	(1,500)	<b>28,500</b>
Capital replacement fund	825,000	41,250	-	-	<b>866,250</b>
Jenny Joseph Legacy Garden Reserve	100,000	-	-	-	<b>100,000</b>
Future Deficit Reserve	260,823	3,488,055	(3,694,623)	(54,255)	-
Risk Reserve	940,911	-	-	(31,218)	<b>909,693</b>
St Martin's House Transition Reserve	117,268	-	-	-	<b>117,268</b>
Emergency Accommodation Bridging Reserve	300,000	-	-	(300,000)	-
Additional approved expenditure	942,841	-	(142,177)	67,923	<b>868,587</b>
Business Development Investment	-	-	-	-	-
<b>Total designated funds</b>	<b>3,516,843</b>	<b>3,529,305</b>	<b>(3,836,800)</b>	<b>(319,050)</b>	<b>2,890,298</b>
<b>General funds</b>	<b>305,357</b>	<b>0</b>	<b>0</b>	<b>319,050</b>	<b>624,407</b>
<b>Total unrestricted funds</b>	<b>3,822,200</b>	<b>3,529,305</b>	<b>(3,836,800)</b>	<b>-</b>	<b>3,514,705</b>
<b>Total funds</b>	<b>3,856,705</b>	<b>5,418,697</b>	<b>(5,631,458)</b>	<b>-</b>	<b>3,643,944</b>

## 20b. Movements in funds (prior year)

	At 1 April 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2021 £
<b>Restricted funds:</b>					
<b>Engagement &amp; Assessment</b>					
Day Centre	-	24,799	(24,799)	-	-
Street Engagement	63,775	512,180	(575,955)	-	-
Emergency Accommodation Services	-	1,065,371	(1,065,371)	-	-
<b>Recovery</b>					
Housing & Resettlement	-	125,192	(125,192)	-	-
Migrant projects	850	86,161	(87,011)	-	-
Women's Development Unit	-	37,641	(15,636)	-	<b>22,005</b>
<b>Impact &amp; Evidence</b>					
Systems Change Project	-	12,500	-	-	<b>12,500</b>
<b>Premises</b>					
Facilities	-	79,000	(79,000)	-	-
<b>Enterprise</b>					
Client Food Service	-	10,000	(10,000)	-	-
Enterprise Development	-	25,000	(25,000)	-	-
<b>Total restricted funds</b>	<b>64,625</b>	<b>1,977,844</b>	<b>(2,007,964)</b>	<b>-</b>	<b>34,505</b>
<b>Unrestricted funds:</b>					
<b>Designated funds:</b>					
Lease fund	31,500	-	-	(1,500)	<b>30,000</b>
Capital replacement fund	787,500	-	-	37,500	<b>825,000</b>
Jenny Joseph Legacy Garden Reserve	-	-	-	100,000	<b>100,000</b>
Future Deficit Reserve	-	-	-	260,823	<b>260,823</b>
Risk Reserve	-	-	-	940,911	<b>940,911</b>
St Martin's House Transition Reserve	-	-	-	117,268	<b>117,268</b>
Emergency Accommodation Bridging	-	-	-	300,000	<b>300,000</b>
Additional approved expenditure	-	-	-	942,841	<b>942,841</b>
Business Development Investment	422,904	-	-	(422,904)	-
<b>Total designated funds</b>	<b>1,241,904</b>	<b>-</b>	<b>-</b>	<b>2,274,939</b>	<b>3,516,843</b>
<b>General funds</b>	<b>797,367</b>	<b>5,055,066</b>	<b>(3,272,137)</b>	<b>(2,274,939)</b>	<b>305,357</b>
<b>Total unrestricted funds</b>	<b>2,039,271</b>	<b>5,055,066</b>	<b>(3,272,137)</b>	<b>-</b>	<b>3,822,200</b>
<b>Total funds</b>	<b>2,103,896</b>	<b>7,032,910</b>	<b>(5,280,101)</b>	<b>-</b>	<b>3,856,705</b>

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

## 20c. 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:

- Day Centre: Contributions to the running of the Day Centre at Adelaide Street during the COVID-19 outbreak and recovery.
- Street Engagement: Contributions to the operations of the outreach team.
- Emergency Accommodation: Contributions to the operation of the accommodation provided at The Bridge and hotels in place of the Night Centre at Adelaide Street.

Recovery Services received restricted donations for:

- Housing & Resettlement: Donations towards our Housing & Resettlement work.
- Migration: Donations towards our work with migrants.
- Recovery & Opportunities: Donations towards our recovery programme and employment work.
- St Martin's House Development Project: Donations towards the development project on our property at St Martin's House.
- Women's Development Unit: Contributions towards our work with female rough sleepers.

### 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.

#### 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. This fund was replaced by the new designated funds created in the year.

#### Jenny Joseph Legacy Garden Fund

This fund was designated to reflect the Charity's decision to use some of the funds left in a legacy in the creation of a memorial in the courtyard garden, and is intended for use within two years.

#### Future Deficit Reserve

This fund is designated to ensure that adequate reserves are held by the Charity to cover the budgeted deficit in the 2021/22 year, and was fully spent in the current year.

#### Risk Reserve

This fund is designated to ensure that adequate funds are held to enable the Charity to continue to meet its financial obligations in the event of a sudden and immediate decrease in income.

#### Capital Replacement Fund

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 14 years since the 2008 building renewal programme and the likelihood of wear-and-tear increases with time. A maintenance reserve of £750,000 has 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 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 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.

#### St Martin's House Transition Reserve

The reserve is held to cover the anticipated costs of the transition from the old service model at St Martin's House to the new in the next two financial years. Also included is a contingency for the cost of the garage development on site.

#### Emergency Accommodation Bridging Reserve

The reserve is designated to cover the expected additional costs of relocating the emergency accommodation service provided at The Bridge to a new site for a three-year period, after which time the costs will be subsumed into the core budget. Developments have meant that The Bridge service was wound down in the year, and this reserve is therefore no longer required.

#### Identified Additional Spend Reserve

This reserve is designated to fund additional innovations and projects which will further the charitable purpose of The Connection. In order for a project to be designated as part of this fund, an application must be submitted to and approved by the Board of Trustees.

## 21. Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2022 £	2021 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(255,605)	1,660,724
Depreciation charges	11,164	19,420
Dividends, interest and rent from investments, including unrealised gain	(19,985)	(17,554)
Loss of disposal of fixed assets	-	-
(Increase)/decrease in stocks	(3,239)	5,512
(Increase)/decrease in debtors	46,617	(106,075)
Increase/(decrease) in creditors	(7,777)	6,807
<b>Net cash (used in) operating activities</b>	<b>(228,825)</b>	<b>1,568,834</b>

## 22. 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	
	2022 £	2021 £	2022 £	2021 £
Less than one year	246,301	235,446	13,052	15,402
One to five years	1,026,567	1,009,873	42,136	44,848
Over five years	2,565,837	2,828,831	1,723	12,062
	<b>3,838,705</b>	<b>4,074,150</b>	<b>56,911</b>	<b>72,312</b>

### 23. Capital commitments

At the balance sheet date, the charity had committed to £nil (2021: £nil) capital commitments.

### 24. Contingent assets or liabilities

In September 2021 the charity received notification of a legacy, income from which would be transferred to the charity at a later date. The amount of the legacy was confirmed and £205,498 was received in July 2022. As no estimation of the value was provided at the year-end, the criteria for recognising income were not met and the legacy was therefore not accrued for at the year-end.

There were no contingent liabilities as at the Balance Sheet date.

### 25. 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.

### 26. Related parties

As disclosed in note 3, the charity received income from the Friends of St Martin's of £212,992 (2021: £311,648).

Show Your Connection Ltd is a wholly owned subsidiary of the Charity. One trustee of the Charity is also a director of Show Your Connection Ltd. During the year costs totalling £43,537 were recharged to Show Your Connection Ltd by the Charity, income totalling £42,429 was passed from the Charity to Show Your Connection Ltd, and at the year end amounts totalling £14,943 were owed to the Charity by Show Your Connection 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. As per note 7, the Connection at St Martin's makes annual licence fee payments to St Martin's Church of £125,000 (2021: £135,000), made payments of £104,342 (2021: £94,528) reimbursing St Martin's Ltd and St Martin's PCC for shared costs, as well as receiving receiving £800,000 (2021:£1,000,000) 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.



# Thank you

On behalf of all of our clients,  
staff and volunteers, we'd like  
to thank everyone who has  
supported us this year

Thanks to our many staff  
photographers and to:

**Marc Gascoigne**

[www.marcgascoigne.com](http://www.marcgascoigne.com)

All client names have  
been changed.








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[www.connection-at-stmartins.org.uk](http://www.connection-at-stmartins.org.uk)  
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 **TheConnectionAtStMartins**  
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**020 7766 5544**

Registered charity number: 1078201  
Company number: 3852519



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