



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

Annual Report 2018/19

Trustees

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

Rod Beadles	<i>Resigned: 15/05/18</i>
Jeff Claxton	<i>Resigned: 04/12/18</i>
Tim Jones	Chair
Jill Kyne	<i>Appointed as Trustee: 04/12/18</i> <i>Co-opted as Treasurer: 14/05/19</i>
Philippa Langton	Vice Chair
Chandra McGowan	<i>Appointed: 17/07/18</i>
Lucy McNulty	
Joanne Owen	<i>Appointed: 17/07/18</i>
Simon Rawson	<i>Appointed: 17/07/18</i>
Bally Sappal	
Keith Starling	<i>Appointed: 17/07/18</i>
Peter Warren	<i>Appointed: 17/07/18</i>
Ian Watson	<i>Treasurer Resigned: 17/05/19</i>
Revd Dr Sam Wells	
Octavia Williams	

Key management personnel

Pam Orchard	Chief Executive
Charlotte Talbott	Director of Services
Philip Blandford	Director of Finance & Corporate Services <i>Resigned 10/09/2019</i>
Adrian Sebastian	Director of Finance & Corporate Services <i>Appointed 30/09/2019</i>
Elizabeth Charles	Director of Fundraising & Communications <i>Appointed: 20/08/18</i> <i>[post vacant prior]</i>

Statutory Information

Company number: 3852519

Registered charity number: 1078201

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

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

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

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

Vision

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

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

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

Mission

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

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

Activities

The Connection helps thousands of people every year to move away from, and stay off, the streets of London. We do this by tackling the underlying causes of rough sleeping as well as offering practical help.

This year we have helped 2,683 people, through delivering a range of services, including an Engagement & Assessment service to thoroughly understand a person's situation, signpost, provide housing advice and support and access to healthcare where appropriate. We also provide a day centre which offers showers and laundry, hot food, access to computers, telephones and a postal address, and our temporary Emergency Accommodation to support people in their transition away from sleeping rough.

Our recovery-focused work includes a therapeutic group work programme and routes into mental health and drug and alcohol treatment; housing and resettlement advice including support to reconnect in the UK, immigration case work, supported accommodation and access to the private rented sector; and our Enterprise & Employment service including training, careers advice, volunteering, work experience and help to get a job.

We have developed our innovative new Street Engagement Team in response to the needs of a cohort of the street population in Westminster who were not accessing, or were failing to benefit from, existing service provision and were remaining entrenched in a street lifestyle.

Finally, we have developed our Knowledge & Innovation and Enterprise work this year, as well as continuing to work towards our ambitious fundraising targets.

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 its stated purposes.

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

Statutory Information:

Company number: 3852519

Charity number: 1078201

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

Country of registration: England & Wales

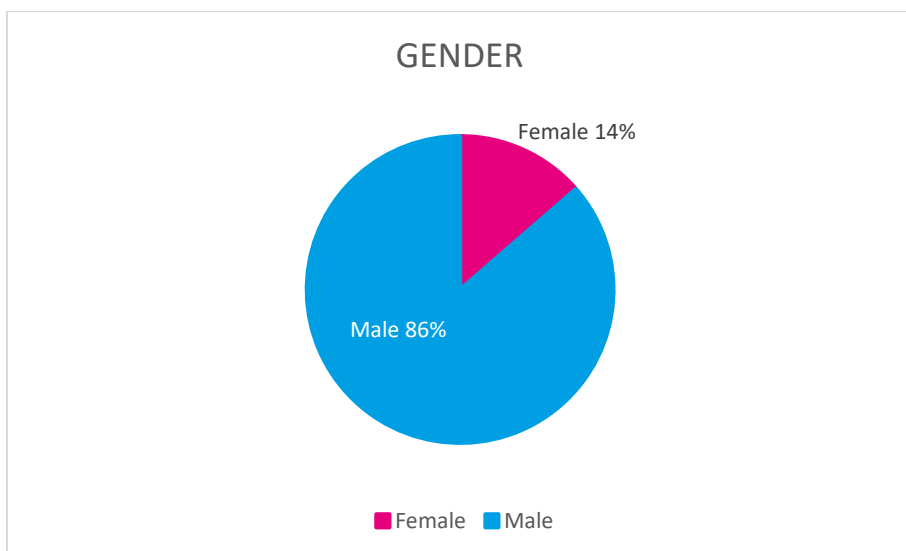
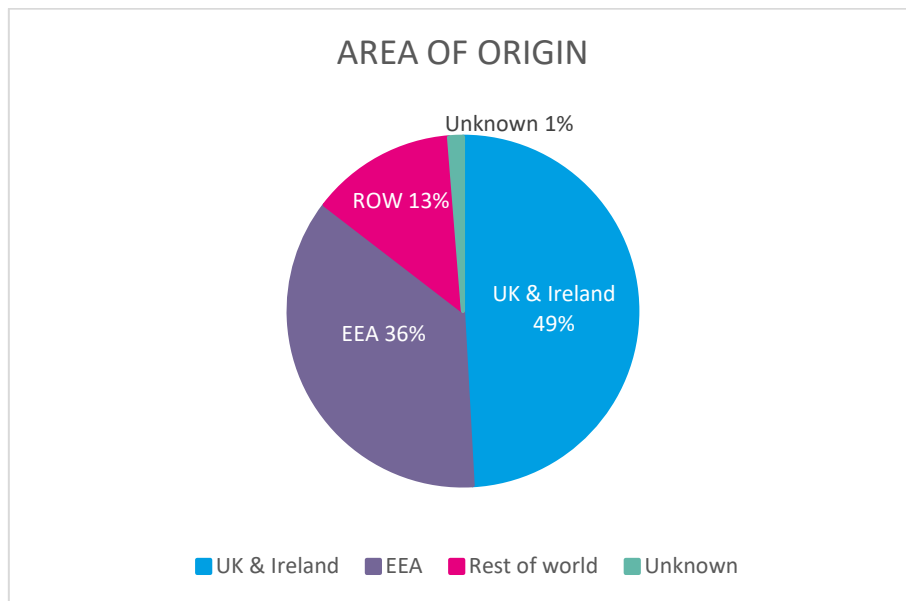
Country of incorporation: United Kingdom

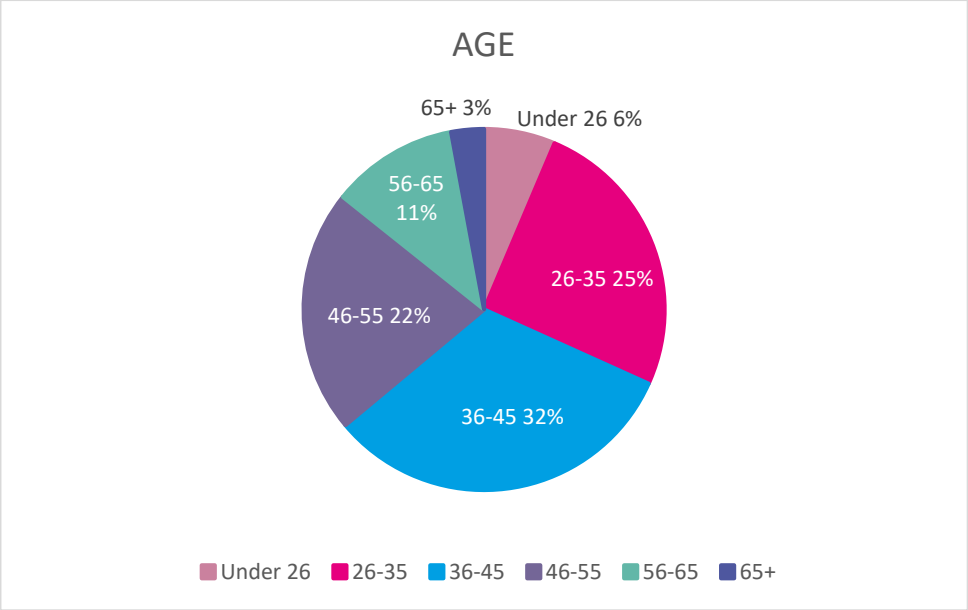
Disclose any other name that the charitable company uses: The Connection at St Martin's

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Who we work with





Executive Summary from Pam Orchard, CEO

2018/19 has been a year of major change for The Connection at St Martin's. We launched our ambitious 5 year strategy (2018 – 2023), which builds on the charity's very solid foundations.

A significant part of the year has been spent designing and implementing our new service model, which launched in October 2018. This has been developed at a time of rising homelessness to focus provision on working with clients to move away from the streets, from engagement, through recovery towards independence.

The implementation of a new service model provided the opportunity to embed important principles of co-production (working with our clients in partnership) and a strengths-based approach (acknowledging the skills and attributes of our clients as well as what has gone wrong) across all aspects of service provision.

We have worked with clients on the design, delivery and evaluation of services, recognising their expertise having used our services themselves to influence and shape our work. This has included launching a new Client Advisory Panel to represent client interests at Board level, re-designing our assessment materials and reception area and reviewing our Recovery Programme with clients. As a result we have developed new groups including creative writing, a book club and a very popular weekly music workshop with St Martin's Academy Orchestra and professional musicians.

Alongside changing our services, we have introduced some new activity. This has included our pioneering day time Street Engagement Team, who are working with some of the most vulnerable people in our community. The team has engaged with over 370 rough sleepers, many of whom were disengaged from services prior to our involvement. We also expanded our Emergency Accommodation from 45 to 75 beds, ensuring we can help more rough sleepers to transition away from the streets.

We know that supporting homeless people is a complex job and we can't do it alone. Therefore we've been working closely with other professionals including NHS nurses, and mental health and substance misuse specialists. We have also established new relationships including the development of a legal advice service with our partners at Release. We also worked closely with The Passage and West London Mission with a joint "Day Centre Collaboration Project". This was designed to share knowledge, resources and networks, develop good practice and participate in joint learning and training to create better services for clients.

We created a new Knowledge & Innovation team to support us to build our practice, identify new opportunities and demonstrate the impact of our work. This will be further aided by developing a new monitoring and evaluation framework to reflect our new service model. We also created a new communications strategy for the charity for 2019/ 20 onwards.

During the year, we prepared the ground for developing enterprise and trading activity. There is now an Enterprise Development Lead in place to take forward this work. We are also working with St Martin-in-the-Field Ltd (SMITFL) to develop the courtyard café through a gardening scheme which has been piloted during the year, and through plans to supply the Café in the Crypt from our own kitchen in the future. We also intend to create an on-line trading platform to sell merchandise, some of which will include design work from our clients.

This year, we completed a review of our fundraising strategy and appointed a new Director of Fundraising and Communications. We will be investing in the team over the next two years to complement existing support from key partners and develop new relationships. We have also invested in our governance, finance and corporate services teams to ensure we have the right infrastructure to support a growing, thriving charity long into the future.

Our clients, volunteers, staff, donors and stakeholders have been incredibly patient, constructive and positive about the changes we have made during the year. We are extremely grateful for all the support we have had.

Review of the Year 2018-2019

Over the last 12 months we have been working towards five strategic aims. The progress made is outlined throughout the review.

Aim 1: Provide services for 4,500 people a year by 2023 to help those who are experiencing homelessness recognise their strengths, recover from crisis and move on

2,683 people accessed our services this year.

Our staff conducted 2,373 assessments for 1,226 individual clients.

This figure is lower than the 3,776 people who accessed our services last year. There are a few reasons for this – firstly, as part of our new service model we are working more intensively with a smaller number of clients in order to most effectively help them to recover from homelessness and move towards independence.

Secondly, we no longer provide Westminster City Council with their street outreach contract, and are focusing instead on our own day time Street Engagement Team who provide intensive outreach and support to some of the most disengaged yet vulnerable people on the streets of Westminster. Many of the people we worked with last year are therefore now working with other organisations.

Engagement & Assessment

Assess 2,000 a year and provide services to help

The Engagement & Assessment team run The Connection's day centre. We work to make sure clients are assessed and supported to access the services they need to move towards recovery. We offer advocacy, advice and support, and work with each client individually to enable them to achieve their goals and get back on their feet.

As the first point of contact for clients, the team also provides immediate access to services to meet practical needs. This year our day centre remained very busy, providing an average of 140 people every weekday with showers and laundry facilities, hot meals, appointments with nurses and mental health specialists, and access to telephones, computers and a postal address.

Around 19% of clients this year were able to be immediately signposted to other services, or successfully reconnected back to their home towns, whilst others were referred to other services at The Connection for additional support.

Emergency Accommodation

Provide services to help 750 with emergency accommodation

- **This year we increased our Emergency Accommodation capacity from 45 to 75**
- **737 people made 16,042 overnight stays**

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

After securing additional funding from the Ministry for Housing, Communities and Local Government (MHCLG), administered through Westminster City Council, we successfully expanded our Emergency Accommodation in September 2018 - almost doubling our capacity from 45 spaces to 75 spaces, with an additional ten beds available during severe weather, enabling us to help more rough sleepers than ever before.

We have also increased our provision to women.

This year, 737 people made 16,042 overnight stays in our Emergency Accommodation before moving on, often into alternative housing or benefitting from reconnection support.

Recovery Programme

- **353 people took part in a range of activities and groups to build skills, confidence and aid recovery**

The Recovery Programme delivers a wide range of groups and activities aimed at supporting clients along their journey towards recovery. This year, 353 people have taken part, with our most popular groups and activities being the art room, the arts and crafts group, our Better Connected IT support sessions, mindfulness and anger management.

During the year, a comprehensive Programme review has been completed with input from staff, clients, volunteers and external programme facilitators. This review resulted in a programme that was designed (and rebranded) around the concept of 'recovery' - i.e. a progression route away from feeling 'stuck' in homelessness towards self-reliance and into a better life.

This review has led to the introduction of new groups and activities to the timetable including creative writing, a book club and music groups.

This year we have also offered weekly music workshops with St Martin's Academy Orchestra and professional musicians. These sessions have proven to be very popular and have received lots of positive feedback from clients.

In April we introduced our gardening project to the Recovery Programme. This project was funded by the Greater London Authority (GLA). Clients installed ten planters in the courtyard behind St Martin-in-the-Fields Church. Clients spent three days building, painting and filling

them, alongside some of our corporate volunteers. Following the success of the project, we recruited a gardening co-ordinator who led weekly gardening sessions to maintain the planters. Over the summer, clients were involved in installing a further eight in St Martin's light wells.

In November 2018, we recruited to a new Recovery Worker position. This post supports the delivery of the programme and provides case management support to clients. These clients are people who have been housed but continue to need support with developing confidence and the resources to move away from services and be more self-reliant.

Housing & Resettlement

Provide services to help 750 with housing advice and help to move into accommodation and 15 rough sleepers with supported accommodation at St Martin's House

- **Our specialist services helped 777 people with housing, benefits, mental health and drug and alcohol support**

This year has been very busy for the Housing & Resettlement team as we worked hard to develop the team's role within The Connection's new service model, as well as continuing to provide daily support for clients.

We now specifically work with homeless or vulnerably housed clients who present with multiple and complex needs, working intensively to identify an action plan that aims to provide support for their needs and end their homelessness.

Over the year, we helped 777 people with housing, benefits, mental health, drug and alcohol support – exceeding our target of 750.

21 people stayed at our long-term housing project at St Martin's House in Clapham. 123 were helped into accommodation or reconnected or referred to other services.

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

However, not everyone who presents to our service requires intensive support. Some are already working or are work-ready, and may have previously managed a tenancy. For these clients private rented accommodation is often most appropriate and so caseworkers will support clients to access this. This year our dedicated Private Rented Sector (PRS) Development Worker has set up a regular workshop for people to access support to search for and secure private rented accommodation. We also run a drop-in service which provides one to one advice and support, which 63 clients benefitted from this year.

Provide services to help 150 into drug, alcohol and mental health treatment and remodel the group work programme to support recovery and resilience

Drug and alcohol treatment

This year, 254 of our clients were assessed as having a drug or alcohol problem.

A significant gap has been identified in drug and alcohol treatment provision for clients who do not have a 'local connection' i.e. who do not have established links to Westminster. We have been working closely throughout the year with local authority commissioners and local treatment providers to explore potential solutions to this challenge, and we expect to see progress in this area next year.

Mental health

Last year, 279 of our clients were assessed as having a mental health problem.

An even higher number of clients evidence some form of undiagnosed mental health issue and our two dedicated mental health leads work closely with those who have the most complex needs. Work with these clients can be very challenging and they are likely to require an extended period of intensive support. This year, our mental health leads worked intensively with 60 clients.

This year we have continued with our weekly satellite service which is provided by the Joint Homelessness Team (JHT). The JHT is a multi-disciplinary community mental health service that works with Westminster rough sleepers with mental health issues. People referred to the team will usually have had a history of admissions to hospital, may possibly have been detained under the Mental Health Act and may have arrived from other countries or elsewhere in the UK. The team works with clients who are unwilling or unable to access mainstream mental health services and they aim to improve engagement and provide client-focussed packages of care.

A new development this year is the establishment of a weekly Mindfulness group which is supported by our dedicated mental health leads. This has proved to be popular and clients have reported that it has been very beneficial.

“The group is a break from reality and helps me to forget my problems, or think about them differently”

“The group is calm and peaceful, and helps me to relax...”

We also now have access to a counsellor once a week who is able to see people on a one to one basis if clients prefer.

Enterprise & Employment

Provide services to help 700 people access Education, Training and Employment support, with 50 engaged in Step Up volunteering, 400 in learning, job search and training, and 100 into work

- **749 people accessed employment support, with 123 people being supported into work and volunteering**

The Enterprise and Employment team works with clients to develop skills and confidence and to access and prepare for education, training, employment and/ or volunteering. We provide mock interviews and develop career action plans with clients.

Over the year, 749 people accessed employment support, with 123 people being supported into work and volunteering. Of the 749, 208 had a career interview and 418 actively engaged with us around job search.

58 undertook our accredited in-house IT training.

This year we focussed on developing our 'Get into Sector' workshops for sectors where many of our clients are looking for work, like hospitality, construction and customer service. In total we delivered 50 workshops. The majority of these were delivered in partnership with employers and provided a real boost to our clients as well as practical skills.

We continue to support the Step Up programme which helps clients complete placements across services at The Connection including Emergency Accommodation, the day centre, the kitchen, IT groups and fundraising. We also supported Step Ups taking part in the client panel who meet potential new members of staff as part of our standard recruitment process, providing the all-important client perspective on candidates. Overall, 26 people took part in Step Up this year – below our annual target but an increase on the previous year, showing that the programme continues to expand.

Our bursary scheme continues to provide clients with financial support up to £250 which helps bridge the gap between them and employment. This year, the bursary has provided kitchen knives, a CBT course for driving a scooter, a course on self-employment, and a diploma in music production.

We have also helped with travel costs for journeys to interviews, training courses, volunteering and for work. We have also supplied safety shoes, aprons, hard hats, SIM cards, ID photos and of course the all-important smart clothes for interviews and work. Sometimes, it is the practical support that makes all the difference!

In November we were re-assessed for the Matrix standard and were very pleased to be successfully re-accredited.

Nigel's story

We first saw Nigel in November last year. Although a British national, he'd been working abroad for many years and wasn't immediately entitled to benefits on returning to the UK – meaning he needed a bit of help getting back on his feet.

Nigel spent several nights with us in Emergency Accommodation whilst working with Employment & Enterprise to get himself ready for work. He attended one of our Nando's 'getting into the sector' workshops and enjoyed it so much that he later visited one of their local restaurants alongside several other clients for a 'shop day'. At the shop day Nigel learned about health & safety in the kitchen, and even made and ate his own meal at the end of the day.

During his time with us, we also helped Nigel to update his CV, search for jobs, and open a bank account.

In January this year, Nigel successfully got a job at a high end hotel and restaurant. However, our support didn't end there – we were also able to buy him a set of chef knives and a pair of kitchen safety shoes – everything he needed to start his new job!

Nigel is enjoying his new job and, after staying in our Emergency Accommodation to save some money, is now in accommodation which he found through one of his friends.

Street Engagement Team

Develop our day time street outreach team with support from partners to help rough sleepers into treatment and recovery

- **This year we worked with over 370 disengaged rough sleepers in Westminster**

One of the most significant developments this year has been the development of our day time Street Engagement Team (SET).

The SET is an innovative day-time street outreach team that works with the street population in Westminster, providing outreach, harm reduction advice and information, signposting and intensive community-based case management.

A day time count of the street population in Westminster in 2017 suggested that there are at least 350 people daily out on the streets. Many of these vulnerable people travel into central London during the day and might not stay here overnight, meaning they are likely to be missed by the night-time counts recorded in official CHAIN reports.

The majority of these people have multiple and very complex needs – our assessments indicate that 55% experience mental health issues, 37% alcohol problems and 39% drug problems – with one in six reporting all three.

Many of these people are also completely disengaged from homelessness services – even outreach – and are very entrenched. Despite their vulnerability and the complex nature of their needs, there were no services meeting the needs of this group.

Our Street Engagement Advisors proactively make contact with vulnerable people out on the streets, as well as carrying out intensive casework behind the scenes to help people off the streets.

The team has achieved some strong results in its first year, including engaging with over 370 rough sleepers in the borough, successfully supporting them towards a range of outcomes, including into accommodation or reconnection.

We have established regular joint shifts with NHS nurses and mental health and substance misuse professionals, which is hugely important in engaging clients with healthcare needs.

We have also established a regular ‘outreach club’, a specialist clinic which has proved to be a valuable new engagement tool – people who have never used any day centres before are attending this group, which enables them to access basic services such as showers and laundry, healthcare, hot food and more. It also allows us to meet clients in a quiet and calm environment to discuss their wider needs.

This year, we have also established West End Homelessness, a partnership between The Connection and the Westminster business community, which funds the Street Engagement Team. This collaboration has enabled us to work closely with our neighbours, collectively tackling a common concern which none of us would have been able to solve individually.

Meet Chloe

Chloe has been a Street Engagement Advisor since July 2018. Here, she tells us a bit about what it's like being a member of the team...

What do you like about your job?

It's incredibly varied. A combination of street shifts and case-working people with very complex needs means no day is ever the same. I'm very proud that I'm able to make a difference for vulnerable people who have experienced real difficulties in life – most of my clients aren't engaging with other services, so I'm basically it for them! That's a big responsibility and I take it seriously.

What are the main challenges?

Many people say 'go away' when I first approach them, and I have to respect that. A lot of clients are entrenched and have been on the streets for years. Building rapport and trust takes time, especially when previous experiences with support services may not have worked out for whatever reason.

However, I don't give up on them! More often than not, patience and persistence pay off. I continue to approach people politely and hopefully over time they realise that I'm there for them, that I'm reliable and that I genuinely want to help.

What's been the highlight or your proudest moment so far?

Working with a woman who had been sleeping rough for months, with a serious drug addiction and an abusive partner which made it very difficult for her to engage with us at first. Through months of persistent (almost daily) contact, we were finally able to get her into accommodation. She still needs a lot of support from us, but she's in a much safer place now, and I'm proud that I could help make that happen.



Street Engagement Advisors Chloe and Paul on an outreach shift.

Migration

Develop our services for vulnerable migrants

- We provided 67 homeless migrants with specialist support and advice, helping many of them to get legal advice, obtain ID and access accommodation
- We have also worked directly with Praxis to deliver immigration advice to 42 clients.

The Migration team deliver immigration casework, capacity building and service development activities to support The Connection to respond to migrant homelessness. Migrants represent about half of our client group here at The Connection, and the 2018/19 CHAIN report paints a similar picture across London.

Unfortunately, vulnerable migrants often find additional barriers when trying to end their homelessness. The Windrush scandal, and uncertainties surrounding Brexit have highlighted this in recent times.

We recognise that this vulnerable client group needs specialist support and advice more than ever, so this year we have increased our capacity within the new Migration team and developed new collaborations with other migration charities. In May 2018 a new Migration Caseworker joined us, bringing very valuable experience from the migrant sector.

In July 2018, we started a new project to help other services to better support homeless migrants through capacity building and specialist advice. Through funding from the GLA and in collaboration with Praxis, we have provided training and mentoring sessions to staff at The Jesus Centre, Salvation Army and Seymour Place. In October, a specialist immigration solicitor from Praxis was seconded to the team and provided legal advice to homeless clients in these day centres. This is an area of work we expect to further develop next year when we will be supporting other charities in Camden and Southwark.

Robert's story

In January, we met Robert, who had recently become homeless in Westminster. Robert was desperate for help because his visa had expired and he was no longer able to find work in the UK.

Robert had tried making an immigration application on his own but was unsuccessful because he had not submitted enough documents and used the wrong form. We supported Robert to get immigration advice and it became obvious that he had a strong case but that he just needed professional support to navigate the complex immigration system.

We worked intensively with Robert to ensure he was given accommodation while waiting for his immigration case to be resolved. We also helped him to volunteer with us and join our activity groups to keep him occupied whilst we helped him to work on his case.

After we supported him to collect documents to get evidence for his case, Robert was able to submit a new application. He then got a positive decision which means he now has the right to work and live in the UK permanently.

Robert is now thrilled to be housed in private rented accommodation – he is getting his life back on track and is even thinking of coming to work for The Connection!

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

Implement our new service model and demonstrate the impact of our work

A significant amount of the development work we have undertaken this year has focussed on the implementation of the new service model.

The new service model focuses on the organisation's four core outcomes – accommodation; reconnection & resettlement; health & wellbeing and skills & employability - and is designed around the concept of recovery journeys, from engagement, through recovery and towards independence.

We have also introduced a case management approach for all clients, replacing our previous crisis/ clinic-based model.

Parallel to the development of our new service model we have undertaken significant work to develop a robust and coherent monitoring and evaluation framework for our services. The framework will help to ensure that we understand the strengths, goals and needs of clients to inform service development and our longer term strategy, as well as ensuring high-quality service delivery, and identifying gaps in service provision.

We have commissioned Inform, a new client management database to replace our existing database, which will be implemented in 2019/20. The new system will support our new service model and casework practice as it is bespoke to our needs and service approach.

We have introduced monthly information bulletins for staff and created a reporting schedule for all funding bids so that we can be more proactive in providing evidence of our work and impact, and seeking to implement evidenced improvements to all that we do.

We are also working closely with other agencies in Westminster to establish how we can work together to share client data post-GDPR – which will enable us to provide a more holistic and better-informed service to our clients.

Integrate our new values, vision and mission statement in our frontline work through staff training, changes to the way we work with clients and development of our client involvement work

We have developed client involvement very significantly this year and have adopted co-production - including our clients in the design, delivery and evaluation of our services - as a fundamental part of our service delivery.

This work has included participating in strengths-based training with practitioners, putting in place a quarterly client forum and establishing focus groups on a range of pertinent issues such as enforcement, tents and service exclusions.

We have involved clients in several key working groups, including the day centre collaboration project and building our strengths-based approach. This approach means recognising the strengths clients bring. It can be counter-productive to look at our clients through the lens of what has gone wrong; our clients have strengths, skills and talents and we must see the whole person, not just a list of problems to be solved.

We have also formed a client panel via an election in which nine clients were appointed. Three of these clients are now also involved our Quality, Policy and Compliance Trustee Sub-Committee meetings to provide the all-important client perspective.

Clients have also been trained in evaluation techniques and involved in a review of our centre based on the principles of the Psychologically Informed Environment (PIE). A Psychologically Informed Environment is an approach to supporting people out of homelessness, in particular those who have experienced complex trauma or are diagnosed with a personality disorder. It also considers the psychological needs of staff: developing skills and knowledge, increasing motivation, job satisfaction and resilience.

We were successful in a bid to the Information Commissioner's Office to run a good practice project relating to client data. The project aims to find ways to communicate effectively with vulnerable people about how data about them is kept to ensure they fully understand how this might affect them.

We have also developed our workforce's capacity and skillset this year, through providing training and development opportunities like an intensive three-day facilitative working course attended by all members of staff.

Create a new Knowledge and Innovation team to build our practice and identify new opportunities

This year we have established a Knowledge & Innovation team. The team has a dedicated manager and includes the Evidence and Impact, Volunteering, Policy and Good Practice and Client Involvement Coordinator posts. Having this team in place will build the organisation's ability to drive forward key areas of our 5 year strategy.

Although the team was not fully recruited to until the end of the year, we have still seen significant progress in the areas that the team are taking forward. These include:

- Undertaking a procurement exercise and beginning a project to design and implement the new Inform case management system;
- Creating a new Monitoring and Evaluation Assistant post to ensure we have the capacity to implement the new system and can better monitor and evaluate our work;

- Establishing the Communications & Advocacy Working Group that has started researching the key systemic challenges faced by our clients and the potential to carry out advocacy to seek improvements;
- Refreshing our policies, practices and training, ensuring we are respecting client confidentiality and adhering to GDPR.

Review the charity's volunteering systems and take forward a refreshed approach

- **Our volunteers gave over 10,000 hours of their time this year**

Volunteering is a vital part of our work at The Connection, and our volunteering programme is going from strength to strength. This year, individual volunteers undertook a total of 8,465 hours of volunteering. Our corporate supporters also provided 1,759 hours of catering volunteering.

This year we undertook a comprehensive review of our volunteering programme, focusing on our three areas of volunteering:

- Community volunteering – volunteers involved in supporting our services and fundraising through regular shifts;
- Employer-supported or corporate volunteering – volunteers recruited from The Connection's corporate partners. These volunteers often support in the kitchen and in delivering Enterprise & Employment projects;
- Client volunteering (in the Step Up programme) – clients or former clients who volunteer to gain the experience, skills and confidence to re-enter the world of work.

Recommendations made through the review have been taken forward and incorporated into the plans for the development of the Volunteering Programme for the coming year. We now have designated staff members tasked to manage the three distinct strands of volunteering at The Connection and are establishing a group of volunteer staff leads to meet regularly to share learning, challenges and increase the consistency of volunteering experience across the organisation. We are also introducing volunteering 'champions' within teams.

We are looking forward to increasing the numbers of volunteers across the organisation in the coming years by an extra 30 - 50% with no loss in the value of the volunteer's experience in supporting our services.

Meet Phil

Phil first became aware of The Connection in 2004, when he came to London after leaving his home town up north. Last year, he came to us again, and we were able to help him into accommodation. Phil is now a Step Up volunteer.

What were your early experiences of The Connection?

When I was homeless in London before, I would occasionally come down to Westminster. That was where someone first told me about The Connection. I used to come down sometimes to use the computers, have a shower, get my laundry done – same as everyone.

I was given some accommodation through another charity, and things were OK for a bit. I had to leave that place after a while though, and moved around a few more times.

When I discovered a lump on my neck, I went to see a nurse at The Connection, who referred me to a doctor at Great Chapel Street. I had to go to hospital and have it removed. After that I went back home. It wasn't until much later that I came back to London.

And what happened when you came back to London for the second time?

When I came back to London again, I remembered how good The Connection had been to me the first time, so I came straight back here.

At first I just visited the day centre again – showers, laundry and food. But they start talking to you a bit more in The Connection. I don't know if something just clicked inside me, but I just thought to myself 'I really need to sort my life out.' So I opened up more this time, and I think that was the difference.

They got me into the night shelter and then found me my place in west London. I've been there for about four months now.

Tell us more about being a Step Up...

I found out about the Step Up volunteering a couple of weeks before I moved into my flat, and was really interested. I thought 'I'm here a lot anyway, so I might as well use that and really do something with it!'

Once I started, I realised how glad other clients were to see me back as a volunteer. They all said how much The Connection needed people like me who'd experienced homelessness myself.

I feel like with my experience I can sometimes talk to people more on their level which helps them to open up. When someone comes in for the first time, I know what it's like – you sit there and you don't really want to talk to anybody – but it comes naturally to me.

I love being a Step Up. I also go out with the outreach teams now – it's the first time a volunteer's done that! I know a lot of people on the streets round here, and staff have told me that there have been a lot of people who haven't wanted to talk to them straight away,

but after I've spoken to them, they've opened up a bit – because I've been there and done it, I understand.

I used to work in construction, but I can't do that anymore because of my health – but now I've figured out what I want to do, which is become an outreach worker. If I can help just one person, it's worth it.



Step Up Phil and Zoe, one of our Engagement & Assessment team.

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

Create a plan for development of social enterprise and trading to increase income

This year, the Board of Trustees agreed to invest some reserves into developing enterprise work, as they recognised the importance of developing our own income streams and creating employability routes and skills development for our clients. From this, we have successfully recruited an Enterprise Development Lead, who joined The Connection in March.

The Enterprise Development Lead has developed a plan to take forward enterprise activity. This work includes market research and business cases for a small pipeline of social enterprise activity to generate income and create training opportunities for clients. Current enterprise opportunities include working in partnership with St Martin-in-the-Field Ltd (SMITFL), the trading arm of the church, in their courtyard café; developing online trading; creating a gardening scheme and developing our kitchen for more commercial activity and the innovation of new products for sale.

Create an enterprise to employment model involving group work, training, Step Up volunteering, work experience and work

The enterprise plan includes activity to create an employment pathway which links a scaled-up Step Up programme, more formal training and paid employment with SMITFL. We have already entered into 'in principle' negotiations with SMITFL to make this happen. This is an area we are now in a strong position to progress next year, and we aim to create an employment route into SMITFL through things like the Café in the Crypt, the Crypt shop and concerts to name a few.

Develop core business skills in the management team, including finance, marketing, planning, networking and tendering

We held three days of staff training and workshops at an external venue in October, whilst our premises was closed for essential repairs and maintenance. Training covered key aspects of business planning, with sessions in marketing; networking; fundraising; finance, and income streams.

This was followed by a further day of training for managers in January, comprising a session on commissioning and tendering delivered pro-bono by one of our corporate supporters Capita, and in-house workshops on corporate and trust fundraising. Managers also took part in a series of sessions on planning and the planning cycle during the year.

Work with St Martin's Charity and the St Martin's Trust on the BBC Appeal and business engagement with neighbours

For over 90 years, our sister organisation St Martin-in-the-Fields Charity has partnered with the BBC to raise support from Radio 4 listeners to help homeless and vulnerably housed people. As a beneficiary of the Radio 4 Christmas Appeal, The Connection receives an annual grant which has a significant impact on the services that we are able to deliver. St Martin's Charity has enabled us to run both our essential ongoing services – providing significant funding towards our Engagement and Advice, Emergency Accommodation, Housing and Resettlement and Enterprise and Employment teams, and also a number of the developmental activities in our Knowledge and Innovation and Migration teams. We're extremely grateful for their ongoing support.

Our other neighbours are St Martin-in-the-Fields Trust, who have launched a £25m campaign "Building Futures" to raise funds for the maintenance and future development of the buildings – both the church, and the adjacent building in which our day centre and offices are based, as well as enabling new programmes of work at St Martin's. Their support will help us to carry out much needed refurbishment to our showers and reception areas, in addition to strategic maintenance to keep the buildings safe and secure.

Over the year, we have worked increasingly closely with our many brilliant neighbours, including the other charities on site, St Martin-in-the-Fields Church, and the onsite trading company, with whom we hope to develop innovative enterprise opportunities in the year ahead.

Aim 4: Create a detailed 5 year fundraising strategy based on our financial projections

Develop our policies and procedures including fundraising best practice, GDPR and Gifts in Kind

This year we have developed a four year fundraising strategy (2019 – 2023), based on our financial projections, which will provide the guidance and direction for us to ensure that all our services are fully funded in the face of rising homelessness and consequently greater need, as well as ensuring we are able to align fundraising with the organisation’s new overarching 2018 - 2023 strategy.

Our strategic aims are:

1. To increase our fundraised income from individuals, events, trusts and companies from £2m a year to at least £3m a year by 2023; consolidating, growing and developing a range of funding streams – decreasing dependence on any one funding source or mechanism;
2. To provide excellent stewardship and customer care to our supporters, putting their needs at the heart of our decision-making process;
3. To build the fundraising capacity of the wider organisation, empowering others to support and deliver fundraising and reporting activities;
4. To build on the excellent skills and knowledge within the Fundraising team, providing every member of the team with the capacity, tools and skills required to achieve their strategic objectives, as well as a conducive environment in which to do so;
5. To achieve further integration and collaboration with our partner organisations St Martin’s Charity; St Martin-in-the-Fields Trust and The Friends of the Connection, to increase fundraising across the site;
6. To work to best practice standards, implementing policies and procedures that enable efficient and effective work with supporters, colleagues, clients and partners.

By implementing this roadmap to enable us to increase income across a range of fundraising mechanisms, we will ensure that we can grow sustainably, and will mitigate the risk of over-dependence on any single funding source.

Support the Friends of The Connection to raise £150k a year

The Friends of The Connection is a membership organisation which raises funds on behalf of The Connection.

In 2018/19, The Friends of The Connection had a hugely successful year, raising just under £260,000. They fully funded all of our laundry services for the year through a Spring appeal which raised an incredible £25,000.

They also managed a particularly successful 10th anniversary edition of the Queen Eleanor Cycle Ride – a four day sponsored bike ride following the route of the Queen Eleanor crosses from Harby to Charing Cross.

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

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

Create a communications strategy that reflects our values and builds our reputation to people in positions of influence, including partnership working with larger homelessness charities

A new Communications & Advocacy Strategy is now in place to shape activity over the next four years. The strategy will help us to promote our work more effectively, be more proactive in our communications approach and help us to build our reputation.

The objectives of the new strategy are to:

1. Provide excellent communications which support the fundraising growth from £2 to £3 million by 2023 - including a heightened social media presence, development of the website, and promotion of our work with businesses, local residents and community organisations;
2. Develop and agree CSTM's 'voice' and brand to reflect our organisational values and use this to increase our profile in written, online and broadcast media, using evidence of our frontline expertise;
3. Advocate for systemic changes that improve the circumstances our clients, and people in similar situations, face by drawing on:
 - the experiences of our clients and practitioners;
 - our unique position as a local charity in a high profile area with a nationally recognised "brand";
 - the resources of our allies.
4. Promote CSTM as a great organisation to work with and one which is open for business as an innovative, exciting and well managed charity;
5. Embed core marketing skills in the staff and volunteer team to ensure people who need our help can find it easily and find the service interventions they were expecting.

A new Communications & Advocacy Working Group is also now in place to monitor progress of the strategy and to further develop our work around our advocacy priorities.

Improve our partnership work by mapping and building relationships

This year we have continued to build on existing relationships and develop new collaborations with partners to improve service delivery.

We have a partnership with ScotsCare to deliver services to homeless Scottish people in London. Release continues to deliver legal advice to our clients on site, and the Department for Work and Pensions (DWP) has staff based on our site working collaboratively with our keyworkers on welfare support and advice for our clients.

We also have a partnership with Praxis Community Project, a migrant charity providing advice and support to vulnerable migrants. The aim of the partnership is to deliver immigration advice in a proactive way and in collaboration with homelessness caseworkers. Immigration advisers have been able to provide advice from our day centre as well as from other centres in central London. This has been a great stepping stone for our plans to register our organisation in the future to be able to provide immigration advice directly.

Finally, we are active members of a range of local working groups such as the Homeless Health Group, Enhanced Vulnerability Forum and London Homelessness Charities Group.

This year we have also developed our relationships with local businesses and Business Improvement Districts (BIDS) through the West End Homelessness partnership which funds our day-time Street Engagement Team.

Support the development of Westminster Homeless Action Together (WHAT partnership) to tackle rough sleeping in the borough

We are a key member of the Westminster Homelessness Action Together (WHAT) partnership. WHAT brings together decision-makers from key charities and public sector organisations working in Westminster to discuss and collaborate on reducing the challenges that our clients face. This year the WHAT Group has been exploring alternative models for running services in Westminster alongside traditional commissioning by the local authority.

One of the projects WHAT has led on is the Day Centre Collaboration project. The project has successfully achieved several of its outcomes in its first year, including delivering comprehensive guidelines on how to form collaborative groups. This follows on from the joint Women Together group which brought female clients from all three day centres to socialise and take part in activities like cake decorating, dance workshops and arts and crafts. The group is a great opportunity for women to meet clients from other centres and develop friendships, as well as offering a relaxed space to have fun and discover (or re-discover) new interests, and has been very well received by clients.

The project has also improved exclusion policies following a full review to bring it more in line with PIE and strengths-based approaches.

Aim 6: Develop our governance and Corporate Services Infrastructure to ensure we maximise our potential

Provide support to our Board of Trustees to ensure excellent governance including new Terms of Reference, and Remuneration Committee

We have recruited six new Trustees this year, and said thank you and goodbye to two. We would like to take the opportunity to thank the Trustees who have stepped down, Rod Beadles and Jeff Claxton, for all of their support and hard work over the years.

We have also reviewed our governance structure to ensure they are fit to deliver our 2018 – 2023 corporate strategy. This has involved establishing two new Sub-Committees; the Remuneration & Nominations Sub-Committee and the Quality, Policy and Compliance Sub-Committee.

We also recruited a new Executive & Governance Assistant, who joined us in April 2019.

Put in place a new executive leadership team to take forward services, corporate services and fundraising

This year we established the role of Director of Finance & Corporate Services.

A new Director for Fundraising & Communications joined us in August 2018, completing the new executive leadership team.

Create 3-year financial forecasts which link to fundraising, strategy, capital expenditure, organisational development and growth

To facilitate our forecasting, a financial model has been developed for the organisation and a series of scenarios have been written which describe a range of paths for the organisation.

Put in place a new, refreshed intranet system to improve internal communications and ensure staff have access to the right internal information to perform well in their roles

During the year, a new accounting system has been put in place and a new HR system is being implemented. Both will improve the availability of internal information.

The refreshed intranet system has been delayed, however it is due to occur in the near future.

Create a 3-year buildings/facilities and IT plan to become a psychologically informed environment.

The buildings and facilities staffing structure has been revised and the staffing complement augmented. With site wide plans coming to fruition, attention will turn to writing a Connection-specific plan that integrates with the wider developments.

Plans for the Future

Strategic Aims 2019 -20

Below we outline our plans for the future which we will report on in next year's annual report.

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

Aim 2: We will have grown the quality and impact of our services, working with people to overcome homelessness;

Aim 3: We will have established Social Enterprise and Trading activity to increase income and our training offer to clients, particularly those in recovery

Aim 4: We will have increased our fundraised income from £2 million a year to at least £3m a year by 2023;

Aim 5: We will have improved our profile and influence through excellent communications and evidence of impact;

Aim 6: We will have developed our governance and Corporate Services Infrastructure to ensure we maximise our potential.

Financial review

This financial year has seen the introduction of a new service model for our service delivery functions. This has also resulted in planned restructures of the service delivery teams and the corporate services team. With this work planned for the year, the budgeted deficit of £325k for the year included significant assumptions about the outcome of the planned changes.

The reported deficit of £4.3k for the year is significantly better than our budgeted outcome. Both income and expenditure were approximately £300k above budget as result of additional statutory funding received during the year. As noted earlier, this allowed us to expand the number of beds in our emergency accommodation from 45 to 75 beds. In addition, the net increase in the surplus over budget of approximately £300k is due mainly to legacies, which are impossible to predict precisely in any one year, being some £300k above budget (total legacies were approximately £800k). Finally, our income from the Friends of the Connection and our corporate supporters were both slightly higher than budget.

As at 31 March 2019, the charity's net assets were £2.4 million. Further details are given under the discussion of our reserves.

In March 2019, the charity invested £100k in the COIF Charities Ethical Investment Fund. During 2019 / 2020, further investments to this Fund have been made. These investments are regularly monitored and are in accordance with the Connection's investment policy.

Moving forward, the Trustees have agreed a significant deficit budget of £333k that uses reserves in 2019/20 for the purposes of:

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

As a result of the changes in the structure of the organisation, the categories used in the presentation of the Financial Statements have been reanalysed so as to reflect the new structure which was in place from 1/10/2018.

Principal sources of income

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

- Statutory £825k (£1.3m 2018), which was higher than expected due to additional emergency accommodation funding (see above) received during the year. The decline from 2018 relates to evening outreach services that are no longer provided by the Connection under contract. Further details of statutory income are provided in note 4B to the Financial Statements.

- St Martin’s Charity provided a grant of £1.1m (£1.1m 2018) related to monies raised from the BBC Radio 4 Christmas Appeal. We continue to work closely with St Martin’s Charity to use the unique funds raised by them, to support our beneficiaries.
- The Friends of The Connection of St Martin’s provided £260k (£276k 2018) which was most gratefully received.
- Individuals and event income of £1.4m (£970k 2018). Included in this figure are the legacies referred to above of £742k which have been particularly high this year.
- Corporate, community, trusts and earned income £1m (£1.1m 2018).

Expenditure

Of our expenditure 91% was on charitable activities, with the rest expended on raising funds to support the organisation in delivering its mission. Of total expenditure, 65% 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 decreased by £300k from last year largely reflecting our restructuring in accordance with changes to our service delivery model (this includes the changes to our funded outreach services).

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 Corporate Services, who also reports to the Finance and Fundraising Committee. The Connection at St Martin’s additionally has a more detailed register of operational risks, which addresses the exposure of our staff and volunteers to risk through work with clients in potentially violent circumstances.

The principal risks identified are:

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

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

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 2018/19, we had a team of 6 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 2018/19, we have worked to further develop our policies and procedures in line with all legal best practice standards.

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

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

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

We would like to extend our thanks to all of our generous supporters from 2018/19.

Significant funders for the financial year include:

- The Monday Charitable Trust
- The Green Hall Foundation
- The French Huguenot Church of London Charitable Trust
- Streets of London

Corporate Support:

- This was the second year of our partnership with Berkeley St Edward. They exceeded their target by over £10,000 to raise in excess of £50,000 for The Connection. Alongside volunteering every Thursday morning in our kitchens, activity across the year included contributing to the launch of our Garden Project by donating raised boxes and providing 18 hours of volunteering. They also delivered a series of two workshops and a site visit to support clients into the construction industry.
- STASCO agreed a 3-year grant to fund our Employment & Training service, and continue to support clients with CV workshops.
- The Coutts Foundation agreed a 3-year unrestricted grant to fund core costs, which supported The Connection as we transitioned to our new service model in October.
- A local company, who wishes to remain anonymous, donated £50,000 to support the work of the centre.
- Charity of the Year partnerships raising in excess of £20,000 included Annington, Redburn, Centaur Media and Incisive Media – the latter have agreed to extend the partnership into the following year. This was also the first year of our 2-year partnership with Sarasin & Partners, which raised in excess of £25,000.
- This was the first year's delivery of our new day-time outreach service, and resource increased across the year. Following initial financial backing from Westminster City Council, areas of coverage were developed in close partnership with New West End Company, Heart of London Business Alliance and Shaftesbury Plc, all of whom were flagship funders in this service's launch.

Individuals and events:

- In conjunction with The Big Give - in which individuals' donations are matched- we ran a week-long campaign in November focussed on our Migration services, raising over £18,000.
- We held a Winter Exhibition in our building showcasing client art developed in our art room. This was showcased in the St Martin-in-the-Fields Crypt for the month of February.

- Working with St Martin’s Charity, we co-organised the second Christmas Appeal Carol Service at St Martin-in-the-Fields on the 5th December. This was a popular event which raised over £9,000.
- The fundraising Pilgrimage from London to Canterbury which is held over the last bank holiday weekend in May had another successful year. There were 120 walkers 25 volunteer helpers, and the event raised in excess of £44,000.

Reserves policy & going concern

Going concern

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

The Trustees have identified no known material uncertainties that would affect the Going Concern opinion.

Reserves

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

Total funds amount to £2.4m (2018: £2.4m) of which £2,500 is restricted to delivery of therapeutic work within our night shelter.

The Connection’s total unrestricted reserves excluding fixed assets amount to £2.2m (2018: £2.2m) and include both the general funds and those funds designated by the Board to develop specific areas of charitable work and to meet potential future obligations. It is recognised that, in the short to medium term, the charity may be exposed to unexpected increases or decreases of income. Given this factor, and the variations in costs and cash flows that may arise from changes in the demand for the charity’s services, the Board has a reserves policy that “free” unrestricted reserves shall be maintained at a level which provides adequate working capital and liquidity so that running costs (including any budgeted deficit related to the current year or expected in the subsequent years covered by the Connection five year strategy) can be met enabling the Connection to continue to operate in a stable environment in the event of unforeseen circumstances. Free unrestricted reserves exclude any of the Connection’s reserves invested in the fixed assets that are not available at times when liquid resources may be required. This risk based assessment results in a need for the Connection to have free unrestricted reserves of approximately £1.1 million or approximately 3 months of annual expenditure.

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

- A lease reserve (currently £33k, 2018: £34.5k) is designated from the lease payment received from London & Quadrant Housing Association for St Martin's House. This is being transferred to general reserves over the remaining life of the lease at a rate of £1,500 per annum.
- A Capital Replacement Fund, with a reserve of £750k has been established to meet the anticipated future medium / longer term costs of maintaining the infrastructure at 12 Adelaide Street which has been in place following the building renewal programme. It has now been 10 years since the 2008 renewal programme of the buildings occupied by the Connection and the likelihood of wear-and-tear increases with time. The monies supporting this fund are invested with our investment managers and the investment return will be a key component to our funding of these future costs expected to be incurred in years 6 through 15 of our lease on the properties. If donations are received for a portion of these costs the fund will be reduced accordingly. Over the next 5 years the site-wide Building Futures fundraising program is designed to cover such expected costs and as such no designated reserve has been put in place to cover the next 5 years. This effectively replaces the maintenance reserve held last year.
- A Business Development Investment Fund with £467k has been established 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 effectively replaces the legacy reserve held last year.

Structure, governance and management

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

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

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

Appointment of Trustees

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

Trustee induction & training

The induction process has been reviewed for the new Trustees. 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 licence fee for use of the building;
- Payments for our share of utilities and other cross-site costs;
- Receiving a grant from St Martin's Charity related to the BBC Radio 4 Christmas Appeal;
- A small amount of income from sales of cookies in St Martin's Crypt café.

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

- Sam Wells, Vicar of St Martin's, who has a governance role in each organisation on site, including as a Trustee of The Connection;
- There is a place on The Connection board for a Churchwarden of St Martin's, but that position was vacant during the year;
- Jeff Claxton, licensed Minister at St Martin's Church and Trustee of The Connection.

Other related party transactions:

- During the year, Ian Watson was a Trustee and Treasurer of The Connection and was for part of the year also a Trustee and Treasurer of Homeless Link, of whom The Connection is a member and from whom The Connection purchases training and recruitment.
- Jeff Claxton is Director of a catering business (Impeccable Taste), which The Connection has purchased services from in the previous year.
- Octavia Williams is Corporate Services Director at Dolphin Living Ltd. The Connection made payments to Dolphin Living Ltd totalling £56,367 under lease agreements for five flats that are leased and in turn rented to beneficiaries of The Connection. Octavia Williams is Director of Corporate Services at Dolphin Living. All the leases were taken out before Octavia joined Dolphin Living Ltd.

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

Remuneration policy for key management personnel

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

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

Statement of responsibilities of the Trustees

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

In so far as the Trustees are aware:

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

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

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

Auditors

Sayer Vincent LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report has been approved by the trustees and signed on their behalf by Tim Jones, Chair of Trustees

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

Opinion

We have audited the financial statements of The Connection at St Martin-in-the-Fields (the 'charitable company') for the year ended 31 March 2019 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

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

Judith Miller (Senior statutory auditor)

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

The Connection at St Martin-in-the-Fields

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

For the year ended 31 March 2019

	Note	Unrestricted £	Restricted £	2019 Total £	2018 Total £
Income from:					
Donations and legacies	3	3,065,641	31,250	3,096,891	3,034,721
Charitable activities					
Engagement & Assessment	4	858,892	86,592	945,484	1,326,709
Recovery	4	280,333	24,250	304,583	295,075
Knowledge & Innovation	4	9,933	13,208	23,141	-
Enterprise & Employment	4	-	185,117	185,117	118,485
Enterprise	4	23,863	150,000	173,863	23,911
Other trading activities	5	108,818	-	108,818	120,385
Interest receivable and Investments		6,957	-	6,957	2,391
Total income	2	4,354,437	490,417	4,844,854	4,921,677
Expenditure on:					
Raising funds	6	448,905	-	448,905	448,655
Charitable activities					
Engagement & Assessment	6	1,904,509	115,342	2,019,851	2,591,407
Recovery	6	1,165,770	44,606	1,210,376	985,598
Knowledge & Innovation	6	269,358	13,208	282,566	213,400
Enterprise & Employment	6	307,867	185,117	492,984	541,933
Enterprise	6	244,460	150,000	394,460	368,605
Total expenditure	2	4,340,868	508,273	4,849,141	5,149,598
Net expenditure for the year and net movement in funds	7	13,568	(17,856)	(4,288)	(227,921)
Reconciliation of funds:					
Total funds brought forward		2,372,690	20,356	2,393,046	2,620,967
Total funds carried forward		2,386,258	2,500	2,388,758	2,393,046

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

The Connection at St Martin-in-the-Fields

Balance sheet

Company no. 3852519

As at 31 March 2019

	Note	£	2019 £	£	2018 £
Fixed assets:					
Tangible assets	11		153,223		186,253
Investments	13		101,393		-
			254,616		186,253
Current assets:					
Stock		4,951		12,355	
Debtors	12	424,103		479,477	
Cash at bank and in hand		2,030,853		2,096,152	
		2,459,907		2,587,984	
Liabilities:					
Creditors: amounts falling due within one year	14	325,765		381,191	
Net current assets / (liabilities)			2,134,142		2,206,793
Total net assets / (liabilities)			2,388,758		2,393,046
The funds of the charity:	19				
Restricted income funds			2,500		20,356
Unrestricted income funds:					
Designated funds		1,250,000		665,814	
General funds		1,136,258		1,706,876	
Total unrestricted funds			2,386,258		2,372,690
Total charity funds			2,388,758		2,393,046

Approved by the trustees on and signed on their behalf by

Mr Tim Jones
Chair of Trustees

The Connection at St Martin-in-the-Fields
Statement of cash flows
For the year ended 31 March 2019

	Note	2019		2018	
		£	£	£	£
Cash flows from operating activities	20				
Net cash provided by / (used in) operating activities			67,931		(8,031)
Cash flows from investing activities:					
Dividends, interest and rents from investments		5,564		2,391	
Purchase of fixed assets		(38,793)		(209,072)	
Purchase of investments		(100,000)			
Net cash provided by / (used in) investing activities			(133,229)		(206,681)
Change in cash and cash equivalents in the year			(65,299)		(214,712)
Cash and cash equivalents at the beginning of the year			2,096,152		2,310,864
Cash and cash equivalents at the end of the year			2,030,853		2,096,152

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) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

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

c) Public benefit entity

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

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

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

e) Income

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

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

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

f) Interest receivable and investment income

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

g) Donations of gifts, services and facilities

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

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

1 Accounting policies (continued)

h) Fund accounting

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

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

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

i) Expenditure and irrecoverable VAT

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

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

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

j) Allocation of direct support and indirect costs

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

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

k) Operating leases

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

1 Accounting policies (continued)

l) Tangible fixed assets

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

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

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

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

m) Stocks

Stocks are stated at the lower of cost and net realisable value. Stock consists of Fundraising goods for sale (eg Christmas cards, tea towels) 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) Reclassification of comparative figures

Certain reclassifications have been made to the prior year comparative numbers contained in these financial statements to enhance comparability with the current year reflecting the new service model introduced by the charity during the year.

u) Financial instruments

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

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

	Unrestricted £	Restricted £	2018 Total £
Income from:			
Donations and legacies	3,034,721	-	3,034,721
Other trading activities	120,385	-	120,385
Charitable activities	1,457,729	306,451	1,764,180
Interest receivable and investments	2,391	-	2,391
Total income	4,615,226	306,451	4,921,677
Expenditure on:			
Raising funds	448,829	-	448,829
Charitable activities	4,389,705	311,064	4,700,769
Total expenditure	4,838,534	311,064	5,149,598
Net (expenditure) and net movement in funds	(223,308)	(4,613)	(227,921)
Transfers between funds	-	-	-
Net movement in funds	(223,308)	(4,613)	(227,921)
Total funds brought forward	2,595,998	24,969	2,620,967
Total funds carried forward	2,372,690	20,356	2,393,046

3 Income from donations and legacies

	Unrestricted	Restricted	2019 Total	Unrestricted	Restricted	2018 Total
Corporate	273,239	-	273,239	227,156	-	227,156
Community	10,044	-	10,044	-	-	-
Individuals	1,299,107	-	1,299,107	849,699	-	849,699
Trusts	104,573	-	104,573	572,824	-	572,824
St Martin-in-the-Fields Charity*	1,100,000	-	1,100,000	1,100,000	-	1,100,000
Friends of The Connection at St Martin's*	228,558	31,250	259,808	274,286	-	274,286
Donations in Kind	50,120	-	50,120	10,756	-	10,756
	3,065,641	31,250	3,096,891	3,034,721	-	3,034,721

* Related parties.

4 Income from charitable activities

	Unrestricted	Restricted	2019 Total	Unrestricted	Restricted	2018 Total
	£	£	£	£	£	£
Engagement & Assessment						
Corporate	161,950	29,000	190,950	-	68,144	68,144
Statutory	690,908	-	690,908	1,150,323	31,000	1,181,323
Friends of The Connection	-	25,592	25,592	-	2,000	2,000
Trusts	6,034	32,000	38,034	-	75,242	75,242
Sub-total for Engagement & Assessment	858,892	86,592	945,484	1,150,323	176,386	1,326,709
Recovery						
Statutory	123,762	-	123,762	92,827	-	92,827
Corporate	-	15,000	15,000	-	11,300	11,300
Charges to residents	155,736	-	155,736	190,948	-	190,948
Earned	835	-	835	-	-	-
Individuals	-	4,750	4,750	-	-	-
Trusts	-	4,500	4,500	-	-	-
Sub-total for Recovery	280,333	24,250	304,583	283,775	11,300	295,075
Knowledge & Innovation						
Corporate	-	-	-	-	-	-
Statutory	9,933	-	9,933	-	-	-
Trusts	-	13,208	13,208	-	-	-
Sub-total for K&I	9,933	13,208	23,141	-	-	-
Enterprise & Employment						
Corporate	-	164,117	164,117	-	102,000	102,000
Trusts	-	21,000	21,000	-	16,485	16,485
Sub-total for E&E	-	185,117	185,117	-	118,485	118,485
Enterprise						
Corporate	-	-	-	-	250	250
Earned	23,863	150,000	173,863	23,631	-	23,631
Individuals	-	-	-	-	30	30
Sub-total for Enterprise	23,863	150,000	173,863	23,631	280	23,911
Total charitable activities	<u>1,173,021</u>	<u>459,167</u>	<u>1,632,188</u>	<u>1,457,729</u>	<u>306,451</u>	<u>1,764,180</u>

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

During the year ended 31 March 2019 The Connection at St Martin's received a grant of £16,300 (2018: £16,000) from the Department of Foreign Affairs and Trade: Emigrant Support Programme. The grant covers the period running to 30 June 2019 and partially funded staffing and running costs for a project worker to work with clients of Irish origin.

4B Breakdown of Statutory income sources

2019	2018	Source	Nature
Amount (£)	Amount (£)		
120,000	720,000	Westminster City Council	Westminster Outreach Contract
506,172	359,828	Westminster City Council	Day and Night Centre Support
19,866	-	Westminster City Council	Day Centre Collaboration
82,816	82,816	Wandsworth Council	Supporting People Contract
2,000	-	Greenwich Council	Housing and Resettlement study placement
-	72,000	Westminster City Council via St Mungo	Westminster Hotspot Contract
16,300	16,000	Government of Ireland	Emigrant Support Programme
-	15,000	Greater London Authority	Gardening
8,484	16,561	NHS	Support Health Services
16,912	16,144	Other Statutory funding	Scottish Emigrant Support
13,107	-	London Homeless Charity Group (LHCG)	
38,946	-	Greater London Authority	Migration Support
	-		
824,603	1,298,349		

5 Income from other trading activities

	2019			2018		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Events (including card sales)	75,325	-	75,325	75,749	-	75,749
St Martin's annual pilgrimage	33,493	-	33,493	44,636	-	44,636
	108,818	-	108,818	120,385	-	120,385

6a Analysis of expenditure

	Charitable activities							2019 Total £	2018 Total £	
	Raising funds £	Engagement & Assessment £	Recovery £	Knowledge & Innovation £	Enterprise & Employment £	Enterprise £	Governance costs £			Indirect costs £
Staff costs (Note 8)	251,918	1,134,888	528,274	188,319	268,502	173,589	-	453,470	2,998,959	3,297,110
Non pay costs	72,770	77,993	350,944	23,376	18,909	105,225	11,186	78,268	738,671	820,082
Support costs - Staff (Note 8)	12,165	79,586	31,069	6,610	16,451	11,823	-	10,610	168,314	-
Support costs - Non Staff	62,037	434,439	153,615	28,535	131,961	68,097	-	64,513	943,197	672,406
Sub contract payments	-	-	-	-	-	-	-	-	-	360,000
	398,890	1,726,906	1,063,902	246,840	435,823	358,734	11,186	606,861	4,849,141	5,149,598
Indirect costs	49,110	287,644	143,823	35,079	56,126	35,079	-	(606,861)	-	-
Governance costs	905	5,301	2,651	647	1,035	647	(11,186)	-	-	-
Total expenditure 2019	448,905	2,019,851	1,210,376	282,566	492,984	394,460	-	-	4,849,141	-
Total expenditure 2018	448,655	2,591,407	985,598	213,400	541,933	368,605	-	-	-	5,149,598

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

6b Analysis of expenditure (prior year)

	Charitable activities								2018 Total £
	Raising funds £	Engagement & Assessment £	Recovery £	Knowledge & Innovation £	Enterprise & Employment £	Enterprise £	Governance costs £	Indirect costs £	
Staff costs (Note 8)	243,526	1,480,685	576,580	171,641	321,763	176,145	-	326,770	3,297,110
Non pay costs	124,579	106,434	221,072	15,981	16,336	73,340	22,812	239,528	820,082
Premises costs	18,059	407,538	60,197	-	126,415	60,197	-	-	672,406
Sub contract payments	-	360,000	-	-	-	-	-	-	360,000
	386,164	2,354,657	857,849	187,622	464,514	309,682	22,812	566,298	5,149,598
Support costs	59,983	227,624	124,783	20,759	75,138	58,011	-	(566,298)	-
Governance costs	2,508	9,126	2,966	5,019	2,281	912	(22,812)	-	-
Total expenditure 2018	448,655	2,591,407	985,598	213,400	541,933	368,605	-	-	5,149,598

7 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2019 £	2018 £
Depreciation	59,985	87,151
Operating lease rentals:		
Property*	274,979	258,843
Other	8,381	8,954
Auditors' remuneration (excluding VAT):		
Audit	10,000	8,600
	59,985	87,151
	274,979	258,843
	8,381	8,954
	10,000	8,600

* A licence fee is paid to St Martin's Church of £110,000 (2018: £105,000). In addition, St Martin's Church was reimbursed £164,979 (2018: £136,592) for costs incurred on behalf of the charity. St Martin's Church is regarded as a related party since two of the St Martin's Church Trustees are also Trustees of The Connection at St Martin's.

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

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	2,608,974	2,766,004
Redundancy and termination costs	68,556	58,090
Social security costs	252,063	256,965
Employer's contribution to defined contribution pension schemes	144,094	159,450
Agency staff (sickness and holiday cover and third party)	93,586	56,601
	3,167,273	3,297,110

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

	2019 No.	2018 No.
£60,000 - £69,999	1	1
£70,000 - £79,999	1	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £261,604 (2017: £341,116).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £66 (2018: £355) incurred by 1 (2018: 1) member relating to attendance at meetings of the trustees.

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 96 (2018: 110). The full time equivalent head count for the year was 85 (2018: 82).

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

	2019 No.	2018 No.
Raising funds	8.6	7.6
Engagement & Assessment	28.4	28.8
Recovery	26.3	25.3
Knowledge & Innovation	1.0	-
Enterprise & Employment	7.4	7.4
Enterprise	3.1	2.6
Support staff, including governance	10.2	9.9
	85.0	81.6

10 Taxation

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

11 Tangible fixed assets

	Freehold property & improvements £	Leasehold property £	Fixtures, fittings & equipment £	IT hardware £	Total £
Cost or valuation					
At the start of the year	87,595	1	96,448	240,481	424,525
Additions in year	-	-	16,587	22,206	38,793
Disposals in year	-	-	-	(11,838)	(11,838)
At the end of the year	87,595	1	113,035	250,849	451,480
Depreciation					
At the start of the year	40,382	-	72,139	125,751	238,272
Charge for the year	-	-	12,892	47,093	59,985
Disposals in year	-	-	-	-	-
At the end of the year	40,382	-	85,031	172,844	298,257
Net book value					
At the end of the year	47,213	1	28,005	78,004	153,223
At the start of the year	47,213	1	24,309	114,730	186,253

Property with a value of £87,595 (2018: £87,595) is included in freehold property and no longer depreciated because the directors are confident that the market value exceeds the net book value. The Connection at St Martin's owns the freehold on St Martin's House, which is on a long lease at a peppercorn rent to L&Q Housing. L&Q refurbished and manage the property and lease it back to The Connection at St Martin's.

11 Tangible fixed assets (continued)

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

All of the above assets are used for charitable purposes.

12 Debtors

	2019 £	2018 £
Trade debtors	143,227	237,430
Other debtors	-	14,409
Prepayments	77,334	59,159
Accrued income	203,542	168,479
	<u>424,103</u>	<u>479,477</u>

13. Investments

	2019 £	2018 £
Cost	100,000	-
Gains / (losses) on re-measurement to fair value	1,393	-
Market Value	<u>101,393</u>	-
Historical costs	<u>100,000</u>	-

All current asset investments are units in shares held in the COIF Charities Investment Fund which is traded on a regular basis. The total income recognised on these investments in the period was £1,393 (2018: Nil) representing the fair value re-measurements shown above.

14 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	127,597	216,691
Taxation and social security	867	88,931
Accruals	60,029	55,852
Deferred income (note 15)	137,272	19,717
	<u>325,765</u>	<u>381,191</u>

15 Deferred income

Deferred income of £137,272 (2018: £19,717) represents grants and donations received in advance of the year end for intended application after 31 March 2019. No income was deferred for more than one year (2018: Nil)

	2019 £	2018 £
Balance at the beginning of the year	19,717	32,118
Amount released to income in the year	(19,717)	(32,118)
Amount deferred in the year	137,272	19,717
Balance at the end of the year	<u>137,272</u>	<u>19,717</u>

16 Creditors: amounts falling due after one year

The charity has no liabilities falling due after one year.

17 Pension scheme

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

- Peoples Pension (DC). Members at year end date: 58
- Scottish Widows Pension (DC). Members at year end date: 23
- Aviva; Friends Life#1 & #2; Engage Mutual. One member each at year end date in these DC schemes (Total 4)

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

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

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

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	186,253	-	-	186,253
Net current assets	1,520,623	665,814	20,356	2,206,793
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets at 31 March 2018	1,706,876	665,814	20,356	2,393,046

The Connection at St Martin-in-the-Fields
Notes to the financial statements
For the year ended 31 March 2019

19a Movements in funds (current year)

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

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

19b Movements in funds (prior year)

	At 1 April 2017 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2018 £
Restricted funds:					
Recovery	24,969		(4,613)		20,356
Engagement & Assessment	-	187,966	(187,966)	-	-
Employment and Education	-	118,485	(118,485)	-	-
Total restricted funds	24,969	306,451	(311,064)	-	20,356
Unrestricted funds:					
Designated funds:					
Lease fund	36,000	-	-	(1,500)	34,500
Legacies equalisation fund	806,220	220,329	-	(445,235)	581,314
Capital replacement fund	50,000	-	-	-	50,000
Total designated funds	892,220	220,329	-	(446,735)	665,814
General funds	1,703,778	4,394,897	(4,838,534)	446,735	1,706,876
Total unrestricted funds	2,595,998	4,615,226	(4,838,534)	-	2,372,690
Total funds	2,620,967	4,921,677	(5,149,598)	-	2,393,046

19c Purposes of restricted funds

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

Engagement & Assessment Services received restricted donations for:

- Client Food Service. The provide hot food for our night service clients.
- Night Shelter Therapeutic Work. For an additional stream of work to support night service clients.
- Laundry Service. A donation to specifically support the laundry service.

Recovery Services received restricted donations for:

- Gardening. Donations specifically for our gardening project.
- Housing & Resettlement. Donations towards our Housing & Resettlement work.
- Migration. Donations towards our work with migrants.

Enterprise & Employment

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

Enterprise received restricted donations for:

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

Facilitation Training

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

19c Movements in funds (continued)

Purposes of designated funds

Lease fund

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

Legacies equalisation fund

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

Business Development Investment Fund

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

Capital replacement fund

During 2019 this reserve was reassessed. The reserve was initially established to meet costs in the short to middle-term of maintaining the infrastructure at 12 Adelaide St. It has now been 10 years since the 2008 building renewal programme and the likelihood of wear-and-tear increases with time. A maintenance reserve of £750,000 has now been established to meet the anticipated future medium / longer term costs related to maintaining the infrastructure at 12 Adelaide Street. The monies supporting this fund will be invested with our investment managers. The investment return will be a key component to cover the costs of our buildings liability. We expect these costs to be incurred in years 6 through to 15 of our lease on Adelaide Street. 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.

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

	2019	2018
	£	£
Net (expenditure) for the reporting period (as per the statement of financial activities)	(4,288)	(227,921)
Depreciation charges	59,985	87,151
Dividends, interest and rent from investments, including unrealised gain	(6,957)	(2,391)
Loss of disposal of fixed assets	11,838	17,639
(Increase)/decrease in stocks	7,404	(2,025)
(Increase) in debtors	55,374	76,307
Increase/(decrease) in creditors	(55,426)	43,209
Net cash (used in) operating activities	67,931	(8,031)

21 Operating lease commitments

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

	Land and buildings		Equipment	
	2019 £	2018 £	2019 £	2018 £
Less than one year	225,248	206,566	9,695	9,695
One to five years	956,712	763,219	12,046	21,740
Over five years	3,342,039	2,984,868	-	-
	4,523,999	3,954,653	21,741	31,435

22 Capital commitments

At the balance sheet date, the charity had committed to £nil (2018: £nil) capital commitments.

23 Contingent assets or liabilities

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

24 Legal status of the charity

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

25 Related parties

As disclosed in note 3, the charity received income from the Friends of St Martin's of £259,808 (2018 £274,286).

During the year, the charitable company made payments to Homeless Link in the year totalling £11,754 for membership, training and recruitment (2018: £4,985). Ian Watson, Director and Treasurer of The Connection at St Martin's was also a Trustee and Treasurer of Homeless Link.

During the year, the charitable company made payments to Dolphin Living Ltd totalling £56,367 (2018: £70,910) under lease agreements for five flats that are leased and in turn rented to the companies beneficiaries. Octavia Williams is Director of Corporate Services at Dolphon Living. All the leases were taken out before Octavia joined Dolphin Living Ltd.

As the vicar of St Martin's Church, Sam Wells is able to directly influence the Parochial Church Council and the St Martin's group of organisations. There is a board vacancy for a member of the Parochial Church Council of St Martin's Church. Jeff Claxton is a licensed Minister at St Martin's Church. As per note 7, the Connection at St Martin's makes annual licence fee payments to St Martin's Church of £110,000 (2018 : £105,000), made payments of £164,979 (2018: £139,787) reimbursing St Martin's Ltd and St Martin's PCC for shared costs, as well as receiving receiving £1,100,000 (2018:£1,100,000) from St Martin-in-the-Fields Charity in relation to the BBC Christmas Appeal (see note 3).

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