

Title Page

Trustees' Report and Accounts for year ended 31 March 2021

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The trustees present their report and the audited financial statements for the year ended 31 March 2021.

Reference and administrative information set out on pages 5 and 6 form part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

About The Passage

For the past 40 years, The Passage has been based in the heart of Westminster, providing practical support and a wide range of services to help transform the lives of people who are street homeless. We are guided by our Vincentian values and offer our clients the resources and solutions to end their homelessness for good, including routes to employment, benefits and accommodation. We run a modern Resource Centre in Victoria, three residential and resettlement projects, outreach and health services, homelessness prevention schemes and a pioneering modern slavery referral programme.

Our Vision

Working with our clients, our partners and society as a whole we will play our part in ending street homelessness.

Our Mission

To provide resources which encourage, inspire and challenge people who are homeless to transform their lives.

Our Ethos

The Passage takes its values and ethos from the teachings and example of St. Vincent De Paul, a Christian and social reformer, who co-founded the Daughters of Charity in 1663. Vincent believed in action rather than words and in hands-on service to vulnerable people.

As a Vincentian organisation, The Passage strives to be inclusive; encompassing a diverse and rich culture from within our members, clients, volunteers and staff. Actively working with others across all aspects of society, seeking to have influence and be an advocate for people who are homeless, The Passage seeks to be a place of hope, aspiration, change and innovation, underpinned by values that reach back over four hundred years.

Our Values

- We assist homeless people to realise their own potential to transform their lives
- We act with compassion and kindness
- We are a voice for change and justice
- We build relationships based on trust
- We respect each other
- We are straightforward in all our dealings
- We believe in practical hands on-hard work
- We collaborate across all sectors of society

Chief Executive and Chair's Statement

This report details our progress against the strategic goals we set ourselves for the year ended March 2021. It also reviews the achievements and challenges we have faced during a time of crisis caused by the global Covid-19 pandemic.

In this, our 40th anniversary year, The Passage was needed like never before. Whilst the pandemic changed virtually every aspect of how we fulfil our mission, we did not allow it to define us or what we stand for. Our values have always fundamentally guided our approach and this year was no different.

When the Covid-19 pandemic hit, our immediate priority was clear; to keep our clients, staff and volunteers safe. We ensured that our frontline teams had plentiful supplies of protective equipment and we very quickly developed new protocols regarding additional cleaning and other safety measures. We were determined that all our services would remain open, even if that meant making some adaptations to ensure that a safe service could be provided.

We are extremely proud that The Passage was asked to play a pivotal role alongside other charities, local and central government in the *Everyone In* initiative. This ground-breaking programme created a safe route off the streets for many thousands of people across the UK. Here in London, we also provided practical support for clients in temporary hotel accommodation, helping them adjust to the difficult situation and facilitating the transition into permanent housing. At the height of the crisis, The Passage established and funded an emergency food hub, which has prepared and delivered an astonishing 90,000 meals.

Each and every one of our staff and volunteers have been absolute heroes and we would like to take this opportunity to recognise those, especially on the frontline, who put themselves at risk time and time again to ensure that our clients received the support they desperately needed. They share a deep passion to eradicate street homelessness and we pay tribute for the tremendous and tireless work they have carried out over the last 12 months and the incredible results they have achieved.

We also have the deepest respect for our clients - their courage, resilience and determination to succeed is truly remarkable.

Given the challenges of continuing to operate safely during a global pandemic, we couldn't be prouder of our outcomes - 80% of residents at Passage House achieving a positive move-on, 61 people gaining secure employment and 375 clients helped off the streets into sustainable accommodation - to highlight a few.

The challenge of keeping everyone safe in a pandemic inevitably resulted in increased costs and we are very fortunate to have a loyal group of supporters. We take our responsibility to be a good steward of income very seriously, with 93 pence of every £1 raised going directly to our frontline services.

We are also very grateful for the support of our partners in both local and central government for their financial backing of the services we provide.

The pandemic has led to much pain for so many people. The Passage too lost members of our volunteer family during this period and so we ask that you join us in remembering them and giving thanks.

This extraordinary year has shown what can be achieved if everyone pulls together. Quite simply, there is no place for street homelessness in 21st century Britain; we all have a role to play in ending street homelessness for good; we hope you will join us in doing so.

Mick Clarke, CEO

Mike Kelly, Chair

Trustees, Senior Management and Advisors

Founding Patron

Cardinal Basil Hume

Royal Patron

HRH The Duke of Cambridge

Patron

Cardinal Vincent Nichols

Chair of Trustees

Michael Kelly FICRS, FRSA

Board of Trustees

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Company Secretary

Jane Sandeman

Senior Management Team

Michael Clarke - Chief Executive

Emma Noble - Director of Income Generation and Communications

Jane Sandeman - Chief Operating Officer

Jenny Travassos - Director of Services and New Developments

Principal Bankers

HSBC Belgravia Branch

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Solicitors

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70 St George's Square

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Auditor

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Telephone 020 7592 1850

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Email info@passage.org.uk

Website www.passage.org.uk

Charity registration number 1079764

Company number 03885593

Kris's story

Kris was spotted on the streets by The Passage Outreach team a few weeks before the second lockdown. Following a family breakdown involving his long-term, alcoholic parents, Kris had come to London from Lithuania on the promise of employment and a new future. The job never materialized and 20-year-old Kris ended up homeless, alone and at risk on the streets, with no friends or relatives to turn to.

Our Outreach Worker made an initial assessment and referred Kris to our Resource Centre where he was able to shower, receive clean clothes and food, and access additional services to help resolve his homelessness.

Kris's best chance at securing a sustainable route off the street was through employment so he was introduced to our Employment, Training and Education (ETE) team. The team worked quickly to apply for Kris's National Insurance number and provided him with a UK mobile phone. Kris and the team talked through his skills and experience to determine the types of roles he would be most suited to. Although Kris was putting on a brave face, the team noticed that he was displaying signs of anxiety and appeared to have recent bruising to the face. They continued to work with him while closely monitoring his mental and physical health.

After a number of appointments, and with encouragement, Kris's confidence grew; he wanted his life back on track. The team helped him to write his CV and provided him with interview training. Meanwhile The Passage Immigration experts helped him to apply for pre-settled status.

In November, the UK went into a second lockdown. Knowing Kris would be vulnerable on the streets, the team supported Kris into emergency hotel accommodation. They visited daily, bringing food parcels, toiletries, clothing and checking on his welfare.

To keep Kris motivated and on the path to employment, he was loaned a tablet with internet access and spoke with his Key Worker every day. Eventually he was offered two interviews, but when it came to the day, he turned them down, claiming that he would prefer to be on the streets again. His Key Worker knew that there was more to the story, and immediately arranged a chat.

Kris revealed he had been suffering from depression and anxiety for a long time. There had been incidents of abuse over a number of years and the isolation of the second lockdown had taken a huge toll on his mental health. Kris was referred to the Passage Mental Health team who visited Kris in his hotel room and helped him to link with a GP for ongoing support. Our Mental Health and ETE teams continued to provide one-to-one support so that by December, Kris was in a better place and ready to attend another job interview. The ETE team kitted him out with suitable work clothes, shoes and travel expenses.

Kris was successful and offered a role in stock control. This was a huge step forward for him personally and major progress in his journey off the street.

The Passage continue to support Kris who is settling into his new job well. He is being supported by our Private Rented Sector team who are helping him to find suitable long-term housing and ensure he is equipped with a move-on pack including all the essentials to make his new place feel like home.

The Passage is very proud of how far Kris has come in just a matter of months. He tells us that he is hopeful for the future.

How we helped in 2020/21

- ❖ Across all residential and day services, we supported **375 people** experiencing homelessness into safe accommodation
- ❖ **511 people at risk of street homelessness were prevented from becoming homeless** through the support of our **Housing Solutions Service**, a partnership between The Passage, RMG and Shelter, assisting clients to navigate the statutory homelessness process; including advocacy, support around domestic abuse, managing money and moving into accommodation
- ❖ In April 2020, we set up an **emergency Food Hub** in response to the Covid-19 crisis. Our staff and army of volunteers have prepared and distributed over **90,000 meals** in the last 12 months
- ❖ **Passage House** provides an immediate route away from the streets and the team **secured settled homes for 104 people**, a **80% positive move-on rate**
- ❖ **Newman Street** residential project worked with 117 tenants in temporary accommodation and supported **48 to move into their own home**
- ❖ **Montfort House**, our Housing First project, **provided sustainable and safe accommodation for 16 people with complex needs of which 6 were supported to move on from the project into their own home**
- ❖ Our **Home for Good** homelessness prevention scheme saw **23 partnerships formed or maintained** and **34 people received further support** to maintain their tenancies during this challenging time
- ❖ **The Passage Resource Centre** provides a wide range of services to meet the varying and complex needs of those experiencing, or at risk of, homelessness. Last year, the centre achieved the following outcomes:
 - ❖ Our **Employment, Training and Education Team** supported **61 people to gain lasting jobs** which helped them to move away from homelessness; many of this group had no other route away from homelessness due to their immigration status
 - ❖ Our **Client Development Team** helped **105 people to reduce their debt** and to increase their confidence in managing money and supported **184 people to successfully navigate the benefits system**
 - ❖ **347 people worked with our Health and Street Outreach services** to take the first important steps towards recovery
 - ❖ **185 people were supported into accommodation**, of which **104 people were moved into their own tenancies** in the private rented sector in the midst of the pandemic
 - ❖ **32 people were reconnected and supported into accommodation**, both nationally and internationally
 - ❖ **105 EU citizens** were assisted to get pre-settled or settled status
 - ❖ **60 people with No Recourse to Public Funds** secured a route away from the street with the help of our in-house migrant support service

- ❖ **19 people were helped to resolve their immigration status** with our Immigration solicitor's advocacy
- ❖ **34 survivors were supported** by our **Modern Slavery Navigator service**
- ❖ **542 professionals and partners took part in webinars** to better understand the signs of **modern slavery** and learn best practice to **support survivors of modern slavery**
- ❖ **60 professionals fully trained** in developing a comprehensive multi-agency response for survivors of **modern slavery**.

Our response to the Covid-19 pandemic

Like everyone in the country, and indeed the world, when Covid-19 emerged it was a time of immense concern.

At The Passage we believed it was our duty to stay true to our values and ensure that we were there for those who were extremely vulnerable and needed us the most.

Working at a strategic level

The Passage was a key member of the Pan-London Strategic Emergency Response group, leading the conception and implementation of the '*Everyone In*' initiative during the first months of the pandemic. Bringing together local and central government with the homelessness sector, *Everyone In* resulted in many hundreds of people being moved off the streets into safe temporary accommodation, often hotels, where they could self-isolate. We also developed key messaging for how day centres and other voluntary groups across the country could operate safely, as well as providing staff and volunteer support for the hotel network across London.

Working at an operational level

The Passage worked collaboratively with other agencies and Westminster City Council to help hundreds of people off the streets of Westminster and into hotel accommodation. We also ensured that the clients living in our residential projects were safe and secure. As it was not safe to have large numbers of people inside, our day service were adapted and our teams went out to the streets to directly help people into accommodation. We also provided outreach to those in emergency or their own accommodation who were feeling isolated and in need of support and helped many people to move on from their hotel into long-term accommodation.

At the height of the crisis, The Passage set up an emergency 'food hub' from our kitchen in Victoria, preparing and delivering 350 hot meals daily for people self-isolating in temporary accommodation and unable to access any other food provision. The hub was resourced by volunteers working seven days a week and entirely funded from voluntary donations raised by The Passage. To date, we have supplied over 80,000 meals.

All of this was achieved thanks to our amazing staff, many of whom continued to provide frontline support despite their own personal risk. Ordinary people doing absolutely extraordinary things.

Everyone played a key role; not least our cleaning staff - who thanks to their efforts, combined with the diligence of our residential teams - ensured that not one person in any of our residential projects contracted Covid-19. The Passage was also extremely fortunate to benefit from large donations of PPE - from companies, charitable trusts and individuals - which helped our staff to operate as safely as possible.

Moving forward

Building on our experience of *Everyone In*, The Passage has developed *No Night Out*, a new rapid-response service which prevents people from becoming street homeless. Even one night on the street can have a devastating effect and make recovery and resettlement much more difficult; *No Night Out* provides safe, temporary accommodation and tailored support matched to a client's specific needs. Currently in a pilot phase, *No Night Out* focuses on people who are rough sleeping in Westminster, particularly those who may be recently homeless due to job loss, offering long-term solutions helping to help people quickly get back on their feet.

The whole world remains in uncertain times. We hope that with the development of vaccines we can learn to live with Covid-19. We all know of people who were ill or in some cases sadly lost their lives to this terrible virus; The Passage was not an exception, and we remember and pay tribute to those from The Passage family who lost their lives.

Despite the challenges, tragedy and sadness, something amazing also happened in those months. We saw that when there is the political will and resourcing and when all of society pulls together under a common cause, **we can end street homelessness.**

We can't go back. We must build on what we achieved and The Passage will do all it can to ensure that everyone in society - government, corporates, church, community groups and individuals - are able to play their role in ending street homelessness. In 21st century Britain, street homelessness should not exist; by working together as we did in those dark few months, we have shown that we can achieve that goal.

Review of Volunteering

The Covid-19 pandemic had an immediate impact on volunteering activity; services run from the Resource Centre had to quickly adapt to the crisis and as such, most regular volunteering roles were temporarily paused. As part of the *Everyone In* initiative, The Passage set up an emergency Food Hub to prepare and deliver meals seven days a week to rough sleepers now safely accommodated in six hotels across Westminster. Many of our existing volunteers were unable to volunteer for the Food Hub due to being clinically vulnerable, but the Volunteer Team successfully recruited **184 volunteers** to support this vital service.

The demand for Kitchen Volunteers as part of The Food Hub steadily rose between April and July 2020, starting with 12 volunteers per day rising to 18 and then 21 by mid-May to keep up with the rising numbers of clients in temporary accommodation. Through volunteer contacts, we were able to secure the use of two additional vans plus drivers to deliver meals which was invaluable to the success of the hub. **306 individuals volunteered a total of 9,265.5 hours for The Food Hub** either as kitchen support or delivery and driver volunteers. **184 of those volunteers were brand new** to The Passage and volunteered with us for this first time during the height of the pandemic.

The Food Hub ran until 28 March 2021, preparing and distributing over 90,000 meals and emergency food parcels. It has since been replaced with a small team of staff and volunteers who continue to provide food parcels and hot meals for clients.

The Passage also assisted with the recruitment of volunteers providing practical support for the many hotels set up as part of the pan-London *Everyone In* initiative.

At Passage House, five out of ten Reception Volunteers continued to volunteer generating a total of 3,666 hours.

Volunteer roles at Montfort House and for the Irish Group were able to continue virtually throughout lockdown using laptops and phones provided by The Passage.

The Volunteering Team developed role-specific Covid safety guidance and assessed every volunteer to identify personal risk factors relating to serious illness as a result of infection to ensure that we were not placing anyone at undue risk when they volunteered.

Processes relating to volunteer recruitment were improved via the introduction of an online application form in June 2020 and also significant improvements made to data analysis with the introduction of an upgraded CRM.

Paul's story

Paul, in his early thirties, had held a steady job for four years and then Covid-19 hit the UK. Initially, he was put on furlough for three months, but his position was then terminated completely. Without an income, Paul didn't know what to do. He lived in his car for a while, but couldn't afford the monthly instalments for his insurance and already had a maxed-out credit card.

He came to The Passage for help and advice and was referred to our Private Rented Solutions team. He met with Khai who explained his options through The Passage's network of private landlords and together they viewed and selected a suitable flat. Khai gently negotiated with the landlord to get the best deal for Paul's deposit and advance rent, which The Passage helped to pay.

Before signing the tenancy, the landlord carried out credit checks and discovered that Paul had accrued various debts in the past. Khai therefore referred Paul to The Passage's Money Advice Worker who arranged a manageable payment plan that would clear his debts over time and improve his credit history. With proof of this the landlord accepted and signed Paul's tenancy.

When it was time to move, Paul asked Khai if The Passage would be able to help him retrieve some of his belongings from storage. Khai was able to book a van to collect his items and help him to move into his new home. Paul then found that his Universal Credit was to be delayed as he was changing his address, and panicked that once again he would have no means to get by. Khai therefore arranged for a 'move-on pack' to be delivered the next day, consisting of various household items and some groceries he'd asked for.

Khai then referred Paul to The Passage's Employment team to help him return to work. He was given a donated iPad so he can maintain contact with his case workers and loved ones, and to help him pursue his job search from home.

Review of Strategic Objectives 2020-21

1. Develop and implement our co-production strategy across the organisation and further establish access to clinical psychologists across our services.

The voices of the people who use our services was prevalent in our pandemic response with a focus on safety, urgency, and increased communication during challenging times. It has also demonstrated that we can learn new ways of working; many of our clients have shared their ideas for how to improve our engagement with them, such as offering digital support. However, the crisis meant that we had to postpone formalising this work as we needed to prioritise supporting people to stay safe and find a permanent route away from the streets.

We have been gathering client feedback at every step of the way out of the emergency response which has led to The Passage recruiting a dedicated **Experts by Experience Facilitator**. This new role will work with clients to seek their feedback and directly involve them in shaping our services. They will facilitate a clear programme for involvement at every level.

We have implemented clinical mental health and psychology input at two of our residential services to great success, enabling one to one psychology input, assessment and advocacy. We will explore extending this across the remainder of our services in the final year of our current strategic plan, alongside our aim to develop a Trauma Informed Care approach across all of our services.

2. Develop our theory of change work, utilising our new In-Form system to capture the impact of our work and further develop our services.

In-Form has now been rolled out to our services. There is a cross departmental, internal team in place to support the programme to grow and to shape services in a proactive manner. Data is now being used to spot gaps in provision, celebrate successes and identify the impact our support has had on an individual's progression.

The pandemic has significantly changed how services work and the characteristics of the people we support. As such, we are now beginning the process of identifying The Passage's Theory of Change with our Trustees, service users and staff teams in order to clearly identify the outcomes that we are here to achieve.

3. Ensure effective systems and infrastructure are in place to enable all central services functions to provide the highest possible standards to support frontline service delivery.

A new cloud-based accounting system was introduced at the beginning of the year. This gives us the functionality to produce management accounts for budget holders within four working days of the month end.

Throughout the year, our primary focus for key systems and infrastructure has been to ensure that our employees could work from home where needed. We upgraded and increased our supply of IT equipment and like many other organisations, we had to quickly set up software and systems to ensure our workforce could operate remotely. This included Microsoft Teams and other virtual platforms.

4. *Finalise and implement a use of space strategy to improve the quality of surroundings for existing services, and to inform the planning for any future service developments/new projects.*

Due to the pandemic this objective was put on hold and the emphasis switched to ensuring our buildings and projects were Covid-secure. All services and departments were supported with a comprehensive risk assessment which enabled The Passage to adhere to Covid-secure best practice.

5. *Finalise and implement salary benchmarking and staff survey recommendations, (including developing an environmental policy and procedures), and roll out our Values and centralised Induction training programme for all new staff.*

The salary benchmarking exercise has been developed and the recommendations will be shared during quarter two of the next financial year. The development of an environmental policy and procedure was put on hold as we had to prioritise the implementation of new Covid procedures and policies.

The centralised Induction training programme could not take place this year due to Covid regulations, but the programme has been developed and will be rolled out when current restrictions allow.

6. *Commence the refurbishment of Bentley House to provide increased access to affordable housing.*

To ensure that we can continue to meet the current and emerging needs of those impacted by homelessness, we are upgrading our infrastructure and have embarked on a major capital works programme to refurbish Bentley House for which we own the freehold. During 2020-21, The Passage successfully negotiated the transfer of the leasehold on Bentley House from a third party.

The works are needed to continue providing vital resettlement services for those who are street homeless and to create new housing provision, thereby preventing clients from returning to the streets. Once complete, Bentley House will comprise 20 residential units located on the top floor of The Passage's St. Vincent's Centre in Victoria. Accommodation will be prioritised for those who have been long-term street homeless and for whom no other housing options are available.

The Passage has established a Development Committee and appointed a Project Manager and Quantity Surveyor to coordinate building surveys, produce an indicative cost plan and prepare a tender specification for prospective contractors. We have also commissioned an architect and secured pro bono legal support.

A full refurbishment programme is being drawn up, with the aim to carry out the works to both Bentley House, together with a major refurbishment of Passage House simultaneously. The aim is to commence work in July 2021 with the full construction programme to commence in October 2021. We envisage that the works on Bentley House will conclude by September 2022.

7. *Diversify and grow voluntary income in line with the current 3-year Fundraising strategy to meet organisational needs and the increasing demand for services. Continue to invest in resource and capacity to improve processes and establish a sustainable and reliable funding base.*

The second year of our current three-year Fundraising strategy coincided with the start of the Covid-19 pandemic and like so many charities, we had to rapidly adapt our plans in response to the unfolding crisis.

We have been greatly moved by the generosity shown to The Passage this year by so many - both existing and new individual supporters, corporate partners, charitable trusts and foundations,

schools, churches and community groups. It has also been a time of learning and testing new ideas, such as developing virtual events and digital appeals, which has given the charity a greater reach.

Every donation has enabled us to continue providing vital services for people living on the streets, who at the height of the crisis were facing an unprecedented public-health emergency. We would like to put on record our sincere thanks for this support, without which we simply would not have been able to achieve the outcomes highlighted on pages 8 and 9.

Despite the challenges caused by the pandemic, we have ended the year in a strong financial position. Our voluntary income, excluding legacies, has now doubled (since 2017) and we have achieved a more balanced funding portfolio. This growth is a result of investing in a professional Fundraising and Communications infrastructure and improvements to our systems and processes. We have also invested this year in upgrading our fundraising database to enable us to personalise and enhance our engagement with our supporters.

8. *Develop a strong and clear brand and communications plan for The Passage to engage effectively with stakeholders, demonstrate the success of our work, ensure people understand what we do and help us achieve our organisational objectives.*

The Covid-19 outbreak meant that we had to re-think some of our planned activity as the focus quickly shifted to ensuring we could keep our clients and staff safe from the virus. In the run-up to World Homelessness Day in October 2020, we were proud to collaborate with national homelessness charity, Crisis, to launch our first public-facing educational campaign, **#No Going Back**, with the aim of preventing street homelessness during the winter months.

The campaign was created in response to the number of people seeking help at The Passage Resource Centre, which in a matter of months had doubled. Rising unemployment leading to the loss of private rented tenancies was resulting in many people facing housing crisis, often experiencing homelessness for the very first time.

No Going Back had three clear aims:

- Both charities were calling on central Government to ensure that ring-fenced funding was made available to local authorities for a second ‘*Everyone In*’ initiative in the event of further lockdowns
- The Passage issued five *top tips for people in housing crisis*, so that those who needed it most were informed about the best steps to take
- Crisis encouraged people in housing crisis to *know their rights*.

The campaign also issued a rallying call to landlords, Government and local Councils regarding the temporary ban on evictions.

It was featured on both charity’s websites, a joint letter was sent to the Secretary of State for Housing, Communities and Local Government, we produced a campaign video and ran a social media campaign.

Other key communications activity includes the launch of the new Passage website, which went live on 1 April 2020 and our anniversary cookbook, *A Taste of Home*, was featured extensively in the national media.

9. *Harness the opportunities from The Passage's 40th anniversary to engage new supporters, launch new ways of generating funds (including The Passage's Giving Circle), increase awareness of our cause and develop a programme of recognition for clients and volunteers.*

The Passage marked its 40th anniversary in 2020, which of course coincided with a year of lockdowns and restrictions and a planned flagship event - the inaugural Passage Awards - has been postponed to later in 2021.

We were very fortunate to engage a passionate and committed Chair of our 40th Anniversary Ambassador Circle, who was joined by a number of founding members. Our anniversary cookbook, *A Taste of Home*, featuring 120 recipes donated from celebrities, Passage staff, clients and volunteers and a Foreword written by our Royal Patron, The Duke of Cambridge was launched in October 2020. It was, and still is, widely available in Waterstones, Amazon and independent bookshops across the country. We secured extensive media coverage including YOU magazine, The Spectator, Waitrose Weekend, Hello! and The Telegraph.

As mentioned above, we also launched our public educational campaign, *No Going Back*.

A Mass at Westminster Cathedral to mark the anniversary was also postponed to May 2021.

10. *Further develop The Passage's strategic contribution globally to the issue of modern slavery and homelessness.*

The Passage is a member of the Independent Anti-Slavery Commissioner's Advisory panel. In addition to establishing a Navigator project in partnership with Westminster City Council and the Ministry of Housing, Communities and Local Government to assist potential victims of modern slavery, we have also developed a strategic plan to share the learnings from our work in the area of homelessness and modern slavery on a global level.

11. *Develop The Passage's voice in the policy arena by capturing the wealth of knowledge and experience we have on the ground and sharing that externally at a policy level.*

The Passage has played a key role over the last year, working with local and central government to both formulate policy and strategy and respond to the Covid-19 pandemic. A particular highlight is the role we played in the *Everyone In* initiative, as well as setting out new approaches in our mission to end street homelessness. We have also led the way in identifying systemic solutions to the issue of modern slavery and homelessness.

Beth's story

Beth, aged 54, has a long history of trauma, PTSD, anxiety and depression. She was sharing a flat with her partner and daughter, but their relationship broke down during the pandemic. Beth was forced to give up the tenancy due to ill health and initially returned to her birth country in Eastern Europe to stay with family.

In November 2020, Beth returned to the UK with the intention of staying with her pregnant daughter. Beth experienced a severe mental health breakdown and she was admitted to hospital. Following her discharge and with nowhere to stay, she was signposted to The Passage for support.

Beth was assessed by our Key Worker, Nadia, who established that she was eligible for homelessness assistance from her local council and could apply for Universal Credit. Beth received professional advice from The Passage's Welfare Rights Worker whilst Nadia helped her to complete an online homelessness application, as she wasn't confident working through it on her own, nor did she have access to a computer.

The local council accepted Beth's homelessness application and she was offered a viewing for private rented accommodation. Nadia accompanied Beth to the viewing and they talked through her options. Beth decided to take the property, so Nadia accompanied her to the estate agent to sign the tenancy agreement. The studio was available the next day.

Nadia explained to Beth that due to a corporate grant, The Passage could help her to get some furniture to make her more comfortable and settled in her new home. Nadia visited Beth in the new studio the next day, and together they selected and bought the furniture she needed.

Beth is very grateful for the support and care she has received. This new start has given her the opportunity to focus on improving her health and look forward to becoming a grandmother.

Strategic Objectives 2021-22

1. Develop and implement our co-production strategy across the organisation, and further establish access to clinical psychologists across our services.
2. Develop our theory of change work, utilising our new Inform system to capture the impact of our work and further develop our services.
3. Using our Values as the foundation, develop a new framework to be used when taking forward new opportunities.
4. Roll out our Values and centralised Induction training programme for all new staff.
5. Build on the learning from the Covid secure day services pilot, to develop a new day services model, ensuring high quality and measurable outcomes for those using Passage day services.
6. Commence the refurbishment of Bentley House to create a new accommodation project for The Passage; and Passage House; to ensure the physical surroundings meet the high standards of the service provided.
7. Continue to diversify and grow voluntary income, and develop new statutory income opportunities, to meet organisational needs and the increasing demand for services.
8. Develop a strong and clear brand and communications plan for The Passage to engage effectively with stakeholders, demonstrate the success of our work, ensure people understand what we do and help us achieve our organisational objectives.
9. Expand The Passage's Home for Good model nationally, and share our learning around the issue of modern slavery and homelessness internationally.
10. Carry out a follow up staff survey to measure progress since the previous survey and continue to develop support and well-being structures for staff and volunteers.

Thank You

We are very grateful to the many people and organisations who support our work and share our vision of ending street homelessness, especially over the last 12 months which have been particularly challenging due to the pandemic.

3i
 29th May 1961 Charitable Trust
 AB Pollen Trust
 A&R Woolf Charitable Trust
 Albert Gubay Charitable Foundation
 Albert Hunt Trust
 Anthony du Boulay Charitable Trust
 AXA XL
 Barclays
 The Basil Samuel Charitable Trust
 Belpech Trust
 Blackrock
 Britwell Trust
 Bowkett Family Foundation
 CA Redfern Charitable Trust
 Capital Group
 City Bridge Trust
 City of Westminster Charitable Trust
 COFRA Foundation
 DMG Roper Charitable Trust
 Daley Trust
 Dandy Charitable Trust
 Daughters of Charity of St Vincent de Paul
 The David and Kathleen Harvey Trust
 David & Marie Grummitt Foundation
 Devonshire Healthcare
 EMS Charitable Trust
 Edward Harvist Trust
 The Embassy of Ireland
 The Emmaus (Wessex) Trust
 Findlay Park
 Foundation Bertarelli
 Garfield Weston Foundation
 Grace Trust
 Happy Charitable Trust
 The Haremead Trust
 Harriet's Trust
 The Hawthorne Charitable Trust
 Headley Trust
 Hobson Charity
 Hollyhock Charitable Trust
 HSBC
 Humble Trust
 Hyde Park Place Estate Charity
 ICAP
 Inner London Magistrates' Court's Poor Box Charity & Feeder Charity
 J.A.R. Charitable Trust
 The Jean and Hugh Dinan Charitable Trust
 John Eccles Trust
 John Studzinski CBE
 Julia and Hans Rausing Trust
 KSP Garden Project

Landsec
The Lindhals Fund
London Housing Foundation
London Oratory School
Manchester Square Partners
Marsh Christian Trust
Masonic Charitable Foundation
Maurice & Hilda Laing Charitable Trust
Mercers' Company
Ministry for Housing, Communities and Local Government
The National Lottery Community Fund
Nelsons
The Normanby Charitable Trust
Orsted
Permira
Perrigo
PIMCO
PJ Harper Trust
P&M Burgess Charitable Trust
The Porta Pia 2012 Foundation
Qube Research and Technology
Social Bite
Strand Parishes Trust
Swire Charitable Trust
Taurus Foundation
Theresa Fitt Charitable Trust
The Thompson Family Charitable Trust
The Toby and Regina Wyles Charitable Trust
The Tompkins Foundation
Trust for London
Victoria Business Improvement District
Vera Outhwaite Charitable Trust
Wellington Management
Westminster Cathedral
Westminster City Council
Williamson Charitable Trust
Wogen Anniversary Trust
Worshipful Company of Glovers (annual donation of winter gloves and gardening gloves for KSP)
Worshipful Company of Insurers Charitable Trust
Worshipful Company of Scriveners

Financial Review

Financial results for the year

In the current year there was a surplus of £617,235 (2020 - £54,542).

Income from charitable activities - Statutory bodies' grants

Statutory income was £2,026,562 in 2021 (£1,873,897 in 2020.) An analysis of this funding, and its uses, is in notes 19a and 19b. Statutory income forms 27% of the total income of The Passage.

Fundraising donations and legacies

The Passage relies on the generosity of our supporters to provide resources which encourage, inspire and challenge people who are homeless to transform their lives. Our supporters are at the heart of so much of what we do and this year more than ever we are truly grateful to the many individuals, companies, trusts and foundations, churches, schools and community groups whose donations make our work possible.

Despite the challenges of the global pandemic and the ongoing uncertainties of the external landscape, 2020/21 was in many respects a successful year. Donations (excluding legacies) grew by £1,191,086 to £4,233,952 (2020: £3,042,866), partly as a result of emergency grants, but also due to increased support from individual, trust and corporate donations.

The cost of raising donations and legacies was £703,749 (2020: £669,113). We have continued to invest in new staff posts, our supporter database and other marketing resources as part of a phased approach to building a professional team of fundraising and communication specialists to ensure that The Passage remains a sustainable organisation.

Expenditure

Employment costs remained steady as 66% of total expenditure for the charity (2020: 67%). Details of expenditure to deliver our services are given in note 5 of the financial statements.

Details of all restricted and unrestricted funds are given in note 19 of the financial statements.

Designated funds and reserves

The Board is aware of the need to maintain adequate reserves to ensure that the charity's work can be continued. Designated funds are set aside to enable the Trustees to develop specific areas of charitable work and to meet potential future obligations. In addition, the Board has to ensure that adequate resources are available to avoid disruption to the services for people who are homeless, which could happen as a result of the unpredictable nature of our income.

We are fortunate that our voluntary income continues to grow and we have a regular consistent donor base, with approximately 50% pledged voluntary income at the start of the financial year. The statutory grant provision remains stable and we assume that this will be maintained in the next two to three years.

We have three main aims in the next three years:

- 1) to maintain and improve current provision
- 2) a £9m project to refurbish two of our residential properties
- 3) to embark on a new 3-year strategy (2022-25) to invest in quality services with improved underlying processes and systems.

To ensure that services can be maintained in the short term, the Board has set aside a designated contingency fund of £1,750,000. There are also general undesignated funds of £1,466,000. Together, these total £3,216,000 which represents 5.7 months of running costs. The Board wishes to reserve between 3-6 months of running costs in a contingency and general reserve combined.

£2.7m of reserves have been designated to help fund the refurbishment of Passage House and Bentley House which is budgeted to be £9m.

£301,000 has been designated to strategy investment costs. These funds will be used to develop and implement the 2022-25 strategy for The Passage.

Going concern

Like all organisations, The Passage has been impacted by the Covid-19 crisis. We have continued to provide services throughout this period and have attracted funding, both voluntary and statutory, to support the increased needs of our client group. We also set aside reserves to help us remodel our services and support operations to adapt to the changed landscape. The Trustees believe that although the Covid-19 crisis will draw on the charity's reserves, it does not impact on its status as a going concern.

Refurbishment programme

In 2020 The Passage bought back the lease for 20 affordable housing units, Bentley House, located on the top two floors of St. Vincent's Centre, giving the opportunity to provide move on accommodation from our Housing First project (Montfort House) and accommodation for those coming off the streets.

The lease for Passage House, our rapid-response assessment centre, was returned in March 2021 after being let to a registered housing association for the past 25 years. The full results of operating Passage House are included in these accounts.

The cost of acquisition and refurbishment for both refurbishment programmes is estimated at £9 million.

Governance and Management structure

Passage 2000 ("The Passage") is incorporated in England as a company limited by guarantee, company number 3885593. The company is registered with the Charity Commission, registered charity number 1079764. For Companies Act purposes, the members of the Board of Trustees are the directors of the company.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

Board of Trustees and Committees

Under the Articles of Association, the election of the Board is in the power of the members of the company at the Annual General Meeting. The Sister Provincial of the Daughters of Charity of St Vincent de Paul ("the Provincial") and the Administrator of Westminster Cathedral ("the Administrator") are ex officio company members. They each have the right to serve on the Board of Trustees and each to appoint a second member of the Board of Trustees.

No member of the Board of Trustees received any remuneration or reimbursement of expenses during the year ended 31 March 2021. The company has purchased insurance to protect the charity from any loss

arising from the neglect or defaults of its Board of Trustees, employees and agents and to indemnify the Board or other officers against the consequences of any neglect or default on their part.

Three committees advise the Board on client services, finance, and risk and audit. They also assist the Board in monitoring the work of the company in these areas. The Board has resolved to set up a nominations committee to advise the Board on recruitment to the Board and Committees and a People, Performance and Culture Committee.

The Board has adopted a formal code of good governance - Good Governance - A Code for the Voluntary and Community Sector which can be downloaded from the Code Steering Group website <http://www.governancecode.org/full-code-of-governance/>

Selection and training of new Board members

In line with The Passage's diversity and equality policy and procedure, new Board members are recruited with appropriate skills and backgrounds following a regular assessment of the experience of current Board members and the areas in which additional expertise is required.

New members of the Board and its Committees see all aspects of the work of The Passage at first hand and have one-to-one meetings with senior employees. All Trustees are encouraged to undertake training, where necessary, to enable them to discharge their responsibilities more effectively.

Subsidiary companies

Passage 2000 has two fully owned subsidiary companies.

Passage Housing Services (PHS) is a company limited by guarantee, company number 9337431, charity number 1161696, and a registered provider of social housing number 4842.

During the year 2020/21, the leases for Bentley House and Passage House were assigned to PHS from other registered social landlords. Passage 2000 owns the freehold of both properties.

Passage Trading Services (PTS) is a company limited by shares, company number 9874011. PTS commenced trading activities in support of Passage 2000 in 2016/17. The main activity of Passage Trading is the operation of Cathedral View conference venue, located within St Vincent's Centre. Due to the pandemic, the venue has been closed since March 2020.

Other Information

Public benefit statement

The Trustees confirm that they have complied with their duty under sections 4 & 17(5) of The Charities Act 2011 to have regard to the public benefit guidance published by The Charity Commission. This report includes a detailed description of the activities undertaken by the charity during the year to further its charitable purposes for the public benefit.

The Board has referred to the Charity Commission's guidance on public benefit when reviewing its strategy and objectives, and in planning The Passage's future activities.

The assistance given to people who are homeless is proportionate to their needs. All members of the Board, Committees and senior employees complete an annual conflict of interest declaration. The Board has referred to the Charity Commission's guidance on public benefit and has planned The Passage's activities to avoid the granting of any private benefit other than one that is purely incidental to carrying

out The Passage's objectives. The Board believes it has followed the Charity Commission's guidance in this area.

Related parties

The subsidiary companies Passage Housing Services and Passage Trading Services are both related parties. The Administrator of Westminster Cathedral and the Sister Provincial of the Sisters of Charity of St Vincent de Paul, by virtue of their right to board membership and to each appoint a board member are also both related parties of the company. Full details of transactions and balances with these related parties are shown in note 9.

Pay policy for senior employees

The Board of Trustees delegate responsibility for the day to day operations of the charity to the Chief Executive and Senior Management Team. The pay of senior staff is reviewed annually and any increases are applied in line with the cost of living applied as part of the NJC salary scale. The Directors benchmark against pay levels in other similar charities.

Trustees and Committee members give their time freely and none have received remuneration or reimbursement of expenses in the past year.

Safeguarding of vulnerable adults

The Passage has a safeguarding policy regarding vulnerable adults. The organisation takes responsibility for identifying, preventing, investigating and responding to all allegations or incidents of abuse. If clients believe that they are subject to abuse of any kind, they are encouraged to speak to a member of staff or volunteer at the project, or to an external advocate. Risk assessments, needs assessments and support plans are implemented and agreed with clients, are reviewed on a regular basis, and are recorded and kept on file at the project. In addition, risk assessments that relate to all forms of abuse that may occur, detail potential risks to staff and volunteers, and to clients who use the service.

The Passage's recruitment and selection process aims to ensure that those short-listed and selected for job vacancies have the skills and experience that are relevant to the posts. Suitability is tested by means of an application form, and a formal interview with a panel of at least two senior members of staff. The Passage obtains Disclosure and Barring Service (DBS) checks on all staff members or volunteers who may be working with clients in unsupervised contexts.

Living wage

The Passage is an accredited London Living Wage Employer under a scheme organised by the Living Wage Foundation.

Fundraising Regulator

The Passage is registered with the Fundraising Regulator. We follow the Code of Fundraising Practice guidelines on best practice and are compliant with current data protection legislation. The safety and appropriate use of supporters' data is important to us and we will never share or sell personal details to another organisation for their own use. We have not received any formal fundraising complaints in the past financial year and there have been no fundraising compliance issues.

All our fundraising activities are carried out in-house by a team that is employed directly by The Passage and we do not use professional fundraisers or commercial participators to fundraise on our behalf. Our staff are expected to follow the standards in the Code of Fundraising Practice which forms part of their induction programme as well as monthly reviews. We do receive support from volunteers who assist with

public collections or collections at Passage events and they follow the required standards with regard to handling donations. A dedicated volunteer committee also supports our annual Night Under The Stars event.

We follow the Code of Practice guidelines in relation to the fair treatment of all donors to ensure that they can make an informed decision about their support. We take into account the needs of any possible donor who may be in vulnerable circumstances. Our policy, as per the Code, is to return any donations to a supporter that may not have the capacity to make an informed decision. This practice is also in line with The Passage's own values.

Principal Risks and Uncertainties

The Board of Trustees regularly assesses the major risks to which the company is exposed. The systems established to mitigate those risks are periodically reviewed to ensure that they continue to meet the needs of the company.

The Risk and Audit Committee meets regularly and reviews in greater detail the risks to which The Passage is exposed and the approach of the senior management team to mitigate such risks. A risk register highlighting high, medium and low risks is maintained and regularly reviewed; this is a vital tool in risk management. A risk-based internal audit approach is in operation.

The principal current financial risk is the potential impact of Covid-19 on voluntary income streams. To mitigate this risk the Board continues to develop appropriate fundraising and stewardship strategies to ensure continuity of income streams, particularly with a view to increasing the level of unrestricted reserves to provide a measure of security in the event of further adverse conditions arising.

Since the reacquisition of the lease of Bentley House, the major programme of refurbishment which is being undertaken is recognised as a significant capital investment risk. To mitigate this risk the Board has agreed a capital funding plan and designated a significant element of the general reserve to this project.

The Board has also identified a number of risks arising from staff retention and recruitment. To mitigate these risks a review will be carried out in 2021 to ensure that all relevant processes and procedures are in place and of a high standard.

Financial risk management objectives and policies

The Charity uses financial instruments in its operations including deposits with banks, loans, trade debtors and creditors and receivables which provide finance for the Charity's operations. There is a risk arising from the need to maintain sufficient liquidity to meet its liabilities as they fall due, and the movement in cash is analysed in full in the cash flow statement on page xx.

Under the terms of the Memorandum and Articles of Association, The Passage may invest monies not immediately required for application to its charitable objectives in any investments, securities or property, as appropriate. Surplus cash is held in interest-bearing deposits with UK banks and invested in a charitable investment fund.

Credit risk

The Charity's principal financial assets are cash, trade debtors, grants receivable and loans receivable. Bank balances are regarded as low risk due to good cash management and credit rating. The principal credit risk arises, therefore, from its grants receivable, trade debtors and loans receivable. Outstanding balances are reviewed and monitored through effective credit control procedures. Ageing of debtors and recoverability is considered and, where needed, provision is made as appropriate for slow payers. The

performance of outputs are monitored to ensure conditions of the grant are fulfilled and that the charity is entitled to the funds.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Passage 2000 for the purposes of company law) are responsible for preparing the Trustees' annual report including the strategic report and 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 that give a true and fair view of the state of affairs of the charitable company and group, and of the incoming resources and application of resources, including the income and expenditure of the charitable company and group 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 applicable Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP)
- make judgements and estimates that are reasonable and prudent
- 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 group, 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 group and, therefore, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- the Trustee has taken all the steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information, and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006. The Trustees are responsible for the maintenance and integrity of financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

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

The trustees' annual report which includes the strategic report has been approved by the trustees on 28 September 2021 and signed on their behalf by

Michael Kelly, Chair of Trustees

Independent auditor's report to the members of Passage 2000

Opinion

We have audited the financial statements of Passage 2000 (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Passage 2000's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise

explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend

to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Capability of the audit in detecting irregularities

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

- We enquired of management and the finance, audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

17 November 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

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

Passage 2000 (operating as The Passage)

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Income from:							
Donations and legacies	2	3,856,675	751,291	4,607,966	2,686,647	783,433	3,470,080
Charitable activities	3						
Grants from statutory bodies		–	2,026,562	2,026,562	–	1,873,897	1,873,897
Accommodation and prevention projects		617,473	–	617,473	616,713	–	616,713
Other income		79,652	–	79,652	18,926	–	18,926
Other trading activities	4	141,626	–	141,626	498,951	–	498,951
Investments		4,049	–	4,049	23,294	–	23,294
Total income		4,699,475	2,777,853	7,477,328	3,844,531	2,657,330	6,501,861
Expenditure on:							
Raising funds	5	703,749	–	703,749	669,413	–	669,413
Charitable activities	5						
Passage Resource Centre		2,395,878	757,990	3,153,868	1,655,136	1,327,808	2,982,944
Accommodation and prevention projects		961,975	2,043,097	3,005,072	1,597,415	1,197,547	2,794,962
Total expenditure		4,061,602	2,801,087	6,862,689	3,921,964	2,525,355	6,447,319
Net income / (expenditure) for the year	6	637,873	(23,234)	614,639	(77,433)	131,975	54,542
Transfers between funds		–	–	–	1,027,222	(1,027,222)	–
Net income / (expenditure) before other recognised gains and losses		637,873	(23,234)	614,639	949,789	(895,247)	54,542
Other gains / (losses)		2,596	–	2,596	–	–	–
Net movement in funds	19	640,469	(23,234)	617,235	949,789	(895,247)	54,542
Reconciliation of funds:							
Total funds brought forward		5,765,804	16,160,408	21,926,212	4,816,015	17,055,655	21,871,670
Total funds carried forward		6,406,273	16,137,174	22,543,447	5,765,804	16,160,408	21,926,212

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 18a to the financial statements.

Passage 2000 (operating as The Passage)

Balance sheets

Company no. 03885593

As at 31 March 2021

	Note	The group 2021 £	2020 £	The charity 2021 £	2020 £
Fixed assets:					
Tangible assets	11	17,201,876	16,809,498	15,826,653	16,059,626
Investments	12	302,596	–	302,696	100
		17,504,472	16,809,498	16,129,349	16,059,726
Current assets:					
Debtors	15	1,023,382	1,224,778	1,014,760	1,214,492
Cash at bank and in hand		5,083,091	4,259,157	5,001,598	4,161,258
		6,106,473	5,483,935	6,016,358	5,375,750
Liabilities:					
Creditors: amounts falling due within one year	16	(543,498)	(367,221)	(428,897)	(325,475)
Net current assets		5,562,975	5,116,714	5,587,461	5,050,275
Total assets less current liabilities		23,067,447	21,926,212	21,716,810	21,110,001
Loans to Subsidiaries	15	–	–	787,788	791,963
Creditors: amounts falling due after more than one year	16	(524,000)	–	–	–
Total net assets		22,543,447	21,926,212	22,504,598	21,901,964
Funds:	19a				
Restricted income funds		16,137,174	16,160,407	16,137,174	16,160,407
Unrestricted income funds:					
Designated funds		4,940,021	4,569,562	4,940,021	4,569,562
General funds		1,466,252	1,196,243	1,427,403	1,171,995
Total unrestricted funds		6,406,273	5,765,805	6,367,424	5,741,557
Total funds		22,543,447	21,926,212	22,504,598	21,901,964

Approved by the trustees on 28 September 2021 and signed on their behalf by

Michael Kelly
Chair of trustees

Passage 2000 (operating as The Passage)

Consolidated statement of cash flows

For the year ended 31 March 2021

	Note	2021 £	£	2020 £	£
Cash flows from operating activities					
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		614,639		54,542	
Depreciation charges		346,025		430,457	
Loss on disposals of fixed assets		–		17,441	
Interest income		(4,049)		(23,294)	
(Increase)/decrease in debtors		201,395		405,877	
Increase/(decrease) in creditors		700,278		(44,746)	
Net cash provided by / (used in) operating activities			1,858,288		840,277
Cash flows from investing activities:					
Dividends, interest and rents from investments		4,049		23,294	
Purchase of fixed assets		(738,403)		(178,529)	
Purchase of investments		(300,000)		–	
Net cash provided by / (used in) investing activities			(1,034,354)		(155,235)
Change in cash and cash equivalents in the year					
			823,934		685,042
Cash and cash equivalents at the beginning of the year			4,259,157		3,574,115
Cash and cash equivalents at the end of the year			5,083,091		4,259,157

1 Accounting policies

a) Statutory information

Passage 2000 is a charitable company limited by guarantee and is incorporated in England. Passage 2000 operates as The Passage.

The registered office address is at St Vincent's Centre, Carlisle Place, London SW1P 1NL. The Passage provides resources which encourage, inspire and challenge homeless people to transform their lives.

b) Basis of preparation

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

These financial statements consolidate the results of the charity and its wholly-owned subsidiaries Passage Trading Services Limited and Passage Housing Services on a line by line basis. Transactions and balances between the charity and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the parent charity and its subsidiaries entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

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.

Like all organisations, The Passage has been impacted by the Covid 19 crisis. As a charity we have been able to continue through the lockdown period by providing residential accommodation, providing a food hub for street homeless put into hotel accommodation in Westminster, and by continuing to support our clients in this difficult time. We are now key in ensuring that rough sleepers in hotels in Westminster find accommodation and have support to make that accommodation a home. As such, we have attracted funding, both voluntary and statutory to help us deliver those services. We also have reserves set aside to help us remodel our services and way of operating to manage the changed landscape. As such, the trustees believe that although the Covid crisis will draw up on the charity's reserves, it does not impact on its status as a going concern.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government 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.

1 Accounting policies (continued)

f) 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.

g) Interest receivable

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.

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. Revenue funding from statutory bodies is normally spent in its entirety during the year. Individual balances on the restricted funds relating to revenue expenditure funded by statutory bodies is not material and no further analysis is therefore given.

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 direct staff and support costs
- Other expenditure represents those items not falling into any other heading

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

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Facilities management costs are recharged on the basis of the use of the services, taking floor areas occupied, and the intensity of their use. Human resources overheads are charged on the basis of the number of staff engaged in each activity.

Governance costs are the costs associated with the governance arrangements of the charity.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

Notes to the financial statements

For the year ended 31 March 2021

1 Accounting policies (continued)

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £5,000. 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. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

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:

● Land	Not depreciated
● Freehold building	3–100 years
● Equipment	4–15 years

m) 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.

n) 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.

o) 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.

p) 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.

q) Pensions

The charity has arranged a group personal pension plan, which is a defined contribution scheme, for staff, the costs of which are charged to the Statement of Financial Activities in the year in which the contributions are payable. The charity has no liability for the ultimate benefits paid.

r) Investments

During 2020–21 the charity transferred £300k of current cash and short term deposits to a new COIF Charities Investment Fund, which seeks to provide medium to long-term growth and stability within a client-driven ethical investment framework. The investments are valued at bid price as at the balance sheet date.

Notes to the financial statements

For the year ended 31 March 2021

2 Income from donations and legacies

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Legacies	374,014	–	374,014	427,213	–	427,213
Individuals	1,786,939	2,711	1,789,650	1,262,578	9,213	1,271,791
Westminster Cathedral	18,871	–	18,871	12,805	–	12,805
Donations from related parties	2,100	–	2,100	288	–	288
Church and voluntary groups	65,496	–	65,496	115,215	–	115,215
Grants	850,329	421,477	1,271,806	346,162	642,845	989,007
Corporate donations	758,926	327,102	1,086,028	522,386	131,375	653,761
	3,856,675	751,291	4,607,966	2,686,647	783,432	3,470,080

3 Income from charitable activities

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Westminster City Council	–	1,894,393	1,894,393	–	1,675,035	1,675,035
Government of Ireland: Emigrant Support Programme	–	35,000	35,000	–	34,014	34,014
Brighton and Hove	–	34,249	34,249	–	38,000	38,000
Health Authorities	–	–	–	–	31,416	31,416
EUSS	–	17,920	17,920	–	48,604	48,604
London Housing Foundation	–	45,000	45,000	–	46,828	46,828
Sub-total for Grants from statutory bodies	–	2,026,562	2,026,562	–	1,873,897	1,873,897
Rent from Residential Services	617,473	–	617,473	616,713	–	616,713
Other Income	79,652	–	79,652	18,926	–	18,926
Accommodation and prevention projects	697,125	–	697,125	635,639	–	635,639

The total grant for the Government of Ireland: Emigrant Support Programme for the period 1 July 2020 to 30 June 2021 was £35,000, of which £30,633 was applied in the financial year 2020–21 under the following headings:

Staff costs: £27,942

Client costs: £2,633

Volunteers: £30

Administration: £28

4 Income from other trading activities

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Hire of meeting rooms and conference facilities	–	–	–	268,769	–	268,769
<i>A Taste of Home</i> (The Passage cookbook)	99,012	–	99,012	–	–	–
Sundry recharges	17,586	–	17,586	5,714	–	5,714
Fundraising events	25,028	–	25,028	224,468	–	224,468
	141,626	–	141,626	498,951	–	498,951

Passage 2000 (operating as The Passage)

Notes to the financial statements

For the year ended 31 March 2021

5a Analysis of expenditure (current year)

	Charitable activities						
	Raising funds £	Passage Resource Centre £	Accommodation and prevention projects £	Governance costs £	Support costs £	2021 Total £	2020 Total £
Staff costs (Note 7)	373,972	1,762,296	1,767,764	–	639,940	4,543,972	4,179,321
Other direct costs	230,102	913,418	794,843	–	–	1,938,364	1,722,605
Management and planning	–	–	–	16,255	4,390	20,645	52,778
Finance	–	–	–	–	39,230	39,230	31,031
Information resources	–	–	–	–	135,550	135,550	67,918
Human resources	–	–	–	–	5,982	5,982	5,383
Facilities management	–	–	–	–	178,945	178,945	196,922
	604,074	2,675,714	2,562,607	16,255	1,004,039	6,862,689	6,255,958
Support costs	99,675	470,026	434,338	–	(1,004,039)	–	–
Governance costs	–	8,127	8,127	(16,255)	–	–	–
Total expenditure 2021	703,749	3,153,868	3,005,072	–	–	6,862,689	
Total expenditure 2020	478,052	2,982,944	2,794,962	–	–		6,255,958
Passage Trading costs in fundraising		99,181					

Passage 2000 (operating as The Passage)

Notes to the financial statements

For the year ended 31 March 2021

5b Analysis of expenditure (prior year) restated*

	Charitable activities					
	Raising funds £	Passage Resource Centre £	Accommodation and prevention projects £	Governance costs £	Support costs £	2020 Total £
Staff costs (Note 7)	220,114	1,854,289	1,611,281	–	493,637	4,179,321
Other direct costs	168,704	569,288	984,612	–	–	1,722,605
Management and planning	–	–	–	13,092	39,685	52,778
Finance	–	–	–	–	31,031	31,031
Information resources	–	–	–	–	67,918	67,918
Human resources	–	–	–	–	5,383	5,383
Facilities management	–	–	–	–	196,922	196,922
	388,818	2,423,578	2,595,893	13,092	834,576	6,255,958
Support costs	89,234	552,820	192,522	–	(834,576)	–
Governance costs	–	6,546	6,546	(13,092)	–	–
Total expenditure 2020	478,052	2,982,944	2,794,961	–	–	6,255,958

Passage Trading costs in fundraising £191,361

*Analysis of expenditure for 2019–20 has been restated to align it with the revised cost allocation model applied in 2020–21. Total expenditure and the breakdown of that total by Raising funds and Charitable activities remain as previously stated.

Notes to the financial statements

For the year ended 31 March 2021

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2021 £	2020 £
Depreciation	346,025	430,457
Loss on disposal of fixed assets	–	17,441
Operating lease	–	4,788
Auditor's remuneration (excluding VAT):		
Audit	12,400	15,900
Audit fees for subsidiaries	6,000	2,200
Other services	7,400	–
	7,400	–

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

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	3,698,027	3,399,302
Social security costs	370,040	338,142
Employer's contribution to defined contribution pension schemes	153,792	145,423
Other staff costs (including agency costs)	201,947	198,188
Training and recruitment	78,727	56,805
Other costs	41,438	41,461
	4,543,972	4,179,321

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

	2021 No.	2020 No.
£60,000 – £69,999	–	1
£70,000 – £79,999	2	1
£80,000 – £89,999	–	–
£90,000 – £99,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £479,546 (2020: £426,471).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2020: £nil) incurred by nil (2020: nil) members relating to attendance at meetings of the trustees.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 121 (2020: 105).

Staff are split across the activities of the charity as follows:

	2021 No.	2020 No.
Raising funds	7.0	5.0
Passage resource centre	46.0	49.0
Prevention and accommodation	50.0	38.0
Support	18.0	13.0
	121.0	105.0

9 Related party transactions

The board of trustees ("The Board") manages the charitable activities of the company.

Passage Housing Services, Passage Trading Services, The Passage Trust, the Daughters of Charity of St Vincent de Paul ("the Sisters") and Westminster Cathedral are related parties.

Transactions with the Sisters

The Sisters made grants and donations of £2,100 (2020: £288) to The Passage. In the prior year they supplied the services of a full time chaplain without remuneration for the period March 2019–September 2019.

Transactions with Westminster Cathedral

Westminster Cathedral made grants and donations, and collected donations on behalf of The Passage amounting to £18,871 (2020: £12,805). No charge was made for the facilities provided by the cathedral for the collection of money to assist the work of The Passage.

Transactions with Passage Trading Services

During the year The Passage received repayment of £117,190 (2020: £160,492) from Passage Trading Services in loans and advances.

Aggregate donations from related parties were £138,161 (2020: £173,585).

10 Taxation

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

Notes to the financial statements

For the year ended 31 March 2021

11 Tangible fixed assets

The group

	Freehold property £	Equipment fixtures and fittings £	Total £
Cost			
At the start of the year	20,757,710	1,114,684	21,872,394
Additions in year	675,160	63,243	738,403
Disposals in year	–	(77,623)	(77,623)
At the end of the year	21,432,870	1,100,304	22,533,174
Depreciation			
At the start of the year	4,115,450	947,446	5,062,896
Charge for the year	304,565	41,460	346,025
Eliminated on disposal	–	(77,623)	(77,623)
At the end of the year	4,420,015	911,283	5,331,298
Net book value			
At the end of the year	17,012,855	189,021	17,201,876
At the start of the year	16,642,260	167,238	16,809,498

All of the above assets are used for charitable purposes.

	Freehold property £	Equipment fixtures and fittings £	Total £
The charity			
Cost			
At the start of the year	19,897,522	1,114,684	21,012,206
Additions in year	20,160	63,243	83,403
Disposals in year	–	(77,623)	(77,623)
At the end of the year	19,917,682	1,100,304	21,017,986
Depreciation			
At the start of the year	4,005,134	947,446	4,952,580
Charge for the year	274,916	41,460	316,376
Eliminated on disposal	–	(77,623)	(77,623)
At the end of the year	4,280,050	911,283	5,191,333
Net book value			
At the end of the year	15,637,632	189,021	15,826,653
At the start of the year	15,892,388	167,238	16,059,626

All of the above assets are used for charitable purposes.

12 Listed investments

	The group 2021 £	2020 £	The charity 2021 £	2020 £
Fair value at the start of the year	–	–	100	100
Additions at cost	300,000	–	300,000	–
Disposal proceeds	–	–	–	–
Net gain / (loss) on change in fair value	2,596	–	2,596	–
	302,596	–	302,696	100

Investments comprise:

	The group 2021 £	2020 £	The charity 2021 £	2020 £
UK Common investment funds	302,596	–	302,596	–
Investments in subsidiary undertakings	–	–	100	100
	302,596	–	302,696	100

Notes to the financial statements

For the year ended 31 March 2021

13 Subsidiary undertakings

The charity owns the funds of Passage Housing Services, a company registered in England and a Registered Social Landlord. The company number is 09874011 and the RSL number is 4842. The registered office address is St Vincent Centre, Carlisle Place, London SW1P 1NL.

This entity is used for residential services that cannot be run through the charity, however all activity is considered primary purpose. All activities have been consolidated on a line by line basis in the statement of financial activities.

A summary of the results is shown below:

	2021 £	2020 £
Income	25,105	150
Expenditure	(6,469)	(36)
Net income/(expenditure) for the year	18,636	114
Funds brought forward	206	92
Total funds carried forward	18,842	206
The aggregate of the assets, liabilities and reserves was:		
Assets	678,234	206
Liabilities	(659,392)	-
Reserves	18,842	206

The charity owns the whole of the issued ordinary share capital of Passage Trading services Limited, a company registered in England. The company number is 09874011. The registered office address is St Vincent Centre, Carlisle Place, London SW1P 1NL.

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

A summary of the results is shown below:

	2021 £	2020 £
Turnover	146,613	268,778
Cost of sales	(99,180)	(191,361)
Gross profit/(loss)	47,433	77,417
Interest on loan payable to parent undertaking	10,688	16,333
Profit / (loss) on ordinary activities before taxation	36,745	61,084
Taxation on profit on ordinary activities	-	-
Profit / (loss) for the financial year	36,745	61,084
Retained earnings		
Total retained earnings brought forward	23,047	1,963
Profit / (loss) for the financial year	36,745	61,084
Distribution under Gift Aid to parent charity	(39,785)	(40,000)
Total retained earnings carried forward	20,007	23,047
The aggregate of the assets, liabilities and reserves was:		
Assets	790,299	865,380
Liabilities	(770,192)	(842,233)
Reserves	20,107	23,147

Amounts owed to the parent undertaking are shown in note 14.

Notes to the financial statements

For the year ended 31 March 2021

14 Parent charity

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

	2021 £	2020 £
Gross income	7,413,693	6,289,426
Result for the year	558,942	33,468

15 Debtors

	The group		The charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	2,243	11,159	–	–
Other debtors	315,967	437,578	309,588	437,578
Amounts due from subsidiary undertakings	–	–	–	7,323
Prepayments	164,965	166,623	164,965	166,623
Accrued income	505,382	571,706	505,382	563,737
Sundry Debtors	34,826	37,712	34,826	39,231
Debtors over one year:				
Funding advance to Passage Trading Services Limited	–	–	722,288	791,963
Funding advance to Passage Housing Services Limited	–	–	65,500	–
	1,023,382	1,224,778	1,802,548	2,006,455

The Funding loan to Passage Trading Services Limited, a wholly owned subsidiary, represents funds advanced to enable the subsidiary company to renovate the conference space area which it now hires out. The loan has flexible repayment terms and carries a commercial rate of interest.

The funding loan to Passage Housing Services, a wholly owned subsidiary, represents the first year payment for the transfer of the lease for Bentley House, the freehold of which is owned by the parent charity.

16 Creditors: amounts falling due within one year

	The group		The charity	
	2021 £	2020 £	2021 £	2020 £
Trade creditors	128,692	83,683	128,692	69,562
Taxation and social security	110,588	100,763	108,056	95,003
Pension contributions	32,965	34,608	32,965	34,608
Other creditors	67,299	20,268	1,799	20,268
Amounts due to group undertakings	–	–	3,196	–
Accruals	195,313	113,876	145,740	102,796
Deferred income (note 17)	8,641	14,023	8,449	3,238
	543,498	367,221	428,897	325,475

Creditors greater than one year comprises amounts due for the buyback of the lease on Bentley House of £524,000 (2020: £nil) and is repayable over 9 years (until 2030) in equal instalments each year.

17 Deferred income

Deferred income comprises funds in advance from Housing benefits and room hire paid in advance

	The group		The charity	
	2021 £	2020 £	2021 £	2020 £
Balance at the beginning of the year	14,023	87,643	3,238	42,181
Amount released to income in the year	(14,023)	(87,643)	(3,238)	(42,181)
Amount deferred in the year	8,641	14,023	8,449	3,238
Balance at the end of the year	8,641	14,023	8,449	3,238

Notes to the financial statements

For the year ended 31 March 2021

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

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	1,380,985	189,021	15,631,870	17,201,876
Investment properties	–	–	–	–
Investments	302,596	–	–	302,596
Net current assets	306,671	4,751,000	505,304	5,562,975
Long term liabilities	(524,000)	–	–	(524,000)
Net assets at 31 March 2021	1,466,252	4,940,021	16,137,174	22,543,447

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

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	749,872	167,238	15,892,388	16,809,498
Net current assets	446,371	4,402,324	268,019	5,116,714
Net assets at 31 March 2020	1,196,243	4,569,562	16,160,407	21,926,212

19a Movements in funds (current year)

	At 1 April 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2021 £
Restricted funds:					
Immigration	4,000	–	(2,577)	–	1,423
Home for Good	50,865	130,197	(75,946)	–	105,116
Rough Sleeping Team	139,708	88,000	(14,633)	–	213,075
Passage House	8,407	6,250	–	–	14,657
Modern Slavery	–	80,000	(50,000)	–	30,000
Westminster Housing Project	23,057	35,000	(30,477)	–	27,580
Employment and training	–	46,000	(37,815)	–	8,185
Resettlement	–	100,000	(96,443)	–	3,557
Move On	–	100,000	–	–	100,000
Community Intervention Team	–	100,000	(100,000)	–	–
Covid-19 Food Hub	–	126,220	(126,220)	–	–
Other statutory grants	–	1,931,562	(1,931,562)	–	–
Other restricted funds	–	34,624	(32,913)	–	1,711
Building fund:					
St Vincent's refurbishment	9,835,330	–	(271,924)	–	9,563,406
St Vincent's Centre	4,004,030	–	(27,584)	–	3,976,446
General Building development fund	914,253	–	–	–	914,253
Passage House	1,138,775	–	(2,992)	–	1,135,783
Passage Resource Centre	41,982	–	–	–	41,982
Total restricted funds	16,160,407	2,777,853	(2,801,086)	–	16,137,174

Notes to the financial statements

For the year ended 31 March 2021

19a Movements in funds (current year continued)

Unrestricted funds:

Designated funds:

Funding Contingency	1,750,000	–	–	–	1,750,000
St Vincent's refurbishment	2,200,000	–	–	500,000	2,700,000
Statutory redundancy	452,324	–	–	(452,324)	–
Equipment	167,238	–	–	21,783	189,021
Strategy investment costs	–	–	–	301,000	301,000

Total designated funds	4,569,562	–	–	370,459	4,940,021
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General funds	1,196,243	4,702,071	(4,061,603)	(370,459)	1,466,252
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Total unrestricted funds	5,765,805	4,702,071	(4,061,603)	–	6,406,273
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Total funds	21,926,212	7,479,924	(6,862,689)	–	22,543,447
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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 2 April 2019	Income & gains	Expenditure & losses	Transfers	At 31 March 2020
	£	£	£	£	£
Restricted funds:					
Immigration	–	34,000	(30,000)	–	4,000
Destitution	–	15,000	(15,000)	–	–
Home for Good	–	153,983	(103,118)	–	50,865
Montfort House Services	–	3,500	(3,500)	–	–
Rough Sleeping Team	63,176	402,249	(325,717)	–	139,708
Passage House	–	21,207	(12,800)	–	8,407
Modern Slavery	6,068	40,000	(46,068)	–	–
Westminster Housing Project	–	46,828	(23,771)	–	23,057
Resource Centre	–	51,500	(51,500)	–	–
Employment and training	–	28,000	(28,000)	–	–
New Initiative evaluation	6,421	–	(6,421)	–	–
Chaplaincy	–	33,993	(33,993)	–	–
Other statutory grants	18,398	1,827,069	(1,845,467)	–	–
Building fund:					
St Vincent's refurbishment	10,515,458	–	–	(680,128)	9,835,330
St Vincent's Centre	4,280,914	–	–	(276,884)	4,004,030
General Building development fund	977,474	–	–	(63,221)	914,253
Passage House	1,096,582	–	–	42,193	1,138,775
Passage Resource Centre	91,164	–	–	(49,182)	41,982
Total restricted funds	17,055,655	2,657,329	(2,525,355)	(1,027,222)	16,160,407
Unrestricted funds:					
Designated funds:					
Funding Contingency	1,750,000	–	–	–	1,750,000
St Vincent's refurbishment	2,200,000	–	–	–	2,200,000
Statutory redundancy	397,495	–	–	54,829	452,324
Equipment	108,414	–	–	58,824	167,238
Total designated funds	4,455,909	–	–	113,653	4,569,562
General funds	360,106	3,844,532	(3,921,964)	913,569	1,196,243
Total unrestricted funds	4,816,015	3,844,532	(3,921,964)	1,027,222	5,765,805
Total funds	21,871,670	6,501,861	(6,447,319)	–	21,926,212

Purposes of restricted funds

The Running Costs Fund – Represents donations and grants received or receivable during the year to support the running of specific projects, which have not been entirely spent by the end of the year.

The St Vincent's Refurbishment Fund – Represents payments contributed by developers to The Passage for the refurbishment of St Vincent's Centre, plus interest earned on this fund.

The St Vincent's Centre Building Fund – Represents donations and grants made towards the cost of purchasing and improving St Vincent's Centre in respect of works completed before the current refurbishment.

The General Development Fund – Represents donations and grants made towards the cost of purchasing and improving St Vincent's Centre in respect of works completed before the current refurbishment.

The Passage House Fund – Consists of the historical cost of Passage House to The Passage Trust, less accumulated depreciation to 31 March 2021 (including the Lily Ann & William Wiggins Fund of £146,045, which the donor agreed could be used for this purpose), and grants payable to the company to develop Passage House.

The Passage Resource Centre Fund – Represents a legacy received by The Passage Trust for use in the Resource Centre, given to Passage 2000 for the development and maintenance of the Resource Centre.

Westminster City Council

Passage House Assessment Centre Grant – Contribution to the running of Passage House as an assessment centre for Westminster rough sleepers.

Supporting People Grant – Funding for workers giving general counselling and advice in Montfort House. Additional funding for night time support staff in Montfort House.

Housing Options Grant – Grant to provide housing advice and assistance to single homeless people.

Private Rented Sector Advice Grant – Grant to employ a staff team giving advice and assistance to homeless people to access private rented accommodation and related resettlement costs.

Guys and St Thomas' NHS Foundation – Funding to employ a worker to support homeless patients and hospital staff to improve patient experience and to ensure safe discharge, avoiding discharge to the street where this is possible.

Brighton and Hove Council – Grant to co-ordinate work by community and faith-based groups.

Irish Government–Department of Foreign Affairs and Trade – Funding to employ a worker to co-ordinate the Resource Centre's services to Irish clients and to research their needs.

EUSS – A partnership with Crisis to help EA nationals receive the right to remain in the UK.

London Housing Foundation – Supporting establishing a Westminster wide project to co-ordinate strategic interventions to end homelessness in Westminster.

Purposes of designated funds

Funding Contingency Fund – Ensures that adequate resources would be available to maintain services to beneficiaries in the short-term, having regard to seasonal fluctuations in income and the company's exposure to possible variations in future grant levels from major funders. It was not necessary to draw on this reserve during 2020–21.

St Vincent's Refurbishment Fund – Designated for future major cyclical maintenance of St Vincent's Centre and towards any costs of acquiring and refurbishing Bentley House, which cannot be funded through grants and donations.

Statutory Redundancy Fund – This has been closed and part-transferred to the Strategy Investment Fund, with the balance released to General Funds.

Strategy Investment Fund – Represents funds designated by the Board to develop and implement the 2022–2025 strategy for The Passage.

Equipment Fund – Represents the net book value of equipment, apart from equipment funded as part of the St Vincent's refurbishment project.

Notes to the financial statements

For the year ended 31 March 2021

20 Operating lease commitments payable as a lessee

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

	Equipment 2021 £	2020 £
Less than one year	–	4,190
One to five years	–	2,394
Over five years	–	–
	<u>–</u>	<u>6,584</u>