



Trustees' Report and Accounts

2022 - 2023

The Passage 

Everyone deserves a place to call home

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Trustees, Senior Management and Advisors

Founding Patron: Cardinal Basil Hume

Royal Patron: HRH Prince of Wales

Patron: Cardinal Vincent Nichols

Chair of Trustees: Michael Kelly FICRS, FRSA

Board of Trustees:

- Michael Kelly FICRS, FRSA (Chair)
- Victoria Bevilacqua-Stephenson
- Sr Eileen Glancy
- Kevin Hyland
- Christopher Morris (Chair of Risk and Audit Committee)
- Roisin Murphy (Deputy Chair)
- Antonio Orlando
- Dr Iram Sattar (Chair of Client Services Committee)
- Christopher Williams (Treasurer, Chair of Finance Committee)
- Calvin Lau (appointed 14/3/23)
- Alex Godwin-Brown (appointed 14/3/23)
- Michael Broom (appointed 14/3/23)
- Joanna Hindley (appointed 14/3/23)

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 Housing and Services)

Principle Bankers: HSBC Belgravia Branch, The Peak, 333 Vauxhall Bridge Road, London, SW1V 1EJ

Solicitors: Potheary Witham Weld, 84 Eccleston Square, London, SW1V 1PX

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

Telephone: 020 7592 1850

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Website: www.passage.org.uk

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Charity registration number: 1079764

Company number: 03885593

Address: The Passage, St Vincent's Centre, Carlisle Place, London SW1P 1NL

The trustees present their report and the audited financial statements for the year ended 31 March 2023. Reference and administrative information set out on pages 17 - 50 form part of this report.

The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' and strategic 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.

Chief Executive and Chair's Statement: Directors' and Strategic Report

The Passage's vision is of a society where street homelessness no longer exists and where everyone has a place to call home.

Despite the ongoing challenges of the cost-of-living crisis over the last 12 months, the outcomes that we have achieved for, with and on behalf of our clients have been outstanding. And it has made us more determined than ever to work collaboratively with others in the sector and beyond to achieve our vision.

We are, however, greatly concerned that the crisis has resulted in a level of deprivation not seen in this country for decades. At the time of writing, interest rates are at a 15-year high coupled with the rise in energy costs and inflation seemingly unable to fall to acceptable levels. In particular, the rise in food prices is now a harsh reality and many households face the daunting prospect of being only one bill away from housing crisis.

Sadly, The Passage is not immune to the impact of these rising costs, which of course affect our day-to-day activities and operations. But our primary concern is for those people that we have supported off the streets and into their own accommodation and those who come to us in housing crisis. In the last year, we have seen a significant upturn of younger people and victims of domestic violence.

This is why our prevention services are so vital; in the last 12 months **The Passage has prevented 518 people from becoming street homeless** through our innovative Housing Solutions Service and No Night Out scheme.

Prevention is always better than cure; we recognise that people may sadly experience a housing crisis, but in 21st century Britain, it is unacceptable that anyone should experience street homelessness.

We are very proud of the outcomes that our amazing staff and volunteers have achieved, often under challenging circumstances. And those who use our services inspire us every day with their courage and resilience. In the last year, our Experts by Experience panel - who help to ensure that our service delivery, strategic direction and influencing work are delivered with those we support, not to those we support – has gone from strength to strength.

Despite the economic challenges, we are immensely proud to have completed a major £9 million capital programme; refurbishing our Passage House Accommodation Centre which provides 37 en-suite bedrooms and creating a brand-new residential project, Bentley House, which provides 20 self-contained flats, offering homes for life for people who have experienced homelessness. Both projects were launched in February 2023 by our Royal Patron, HRH The Prince of Wales, who said: "Both these projects give a vital route out of homelessness, ensuring those accessing these services have a place they can truly call home. Every time I come to The Passage I am always struck by the lasting impact of their work. The work that I have seen first-hand over many years is the reason I know that ending homelessness must be thought of as more than simply a wishful aspiration. Instead, it should be viewed as an achievable goal, one that working together we can and must accomplish."

At a strategic level, we have continued to work with government and others in the voluntary sector, harnessing our convening power to bring together key stakeholders to influence policy and practice. and advocate for systemic change. No single organisation can end homelessness alone, but by collaborating and working in partnership, we believe it can be achieved.

Our pioneering work to bring about systemic change regarding the links between modern slavery and homelessness continues to grow and have a major impact; and we are now sharing our learnings and best practice with partners internationally. It has also been immensely pleasing to see the real and tangible outcomes in our commitment to Equality, Diversity and Inclusion and quality standards throughout the organisation.

Of course, our work would simply not be possible without the support of our loyal donors, funders and volunteers who enable The Passage to continue providing services to those who need us most. We are incredibly grateful for their continuing support.

As we move forward, we are determined to remain bold and innovative in our approach to solving homelessness. In particular, we will focus on the opportunities for creating new housing options. To achieve this, we have allocated resources for this specific purpose, with the goal of providing new and sustainable solutions for those recovering from the trauma of homelessness.

Everything that we do at The Passage is underpinned by our values; they drive us forward, they inspire us and they encourage and challenge us to never accept that homelessness is inevitable.

Day in, day out we see first-hand that homelessness can be both prevented and ended. No one in this country is born on the streets; circumstances put people on the streets.

We believe that everyone deserves to have a place to call home. If you do too, please join us in our work to end homelessness.



Michael Kelly, Chair of Trustees



Mick Clarke, Chief Executive

Our vision, mission, ethos and values

Our vision is of a society where street homelessness no longer exists, and everyone has a place to call home.

Our mission is threefold:

- 1) Prevent street homelessness by intervening quickly before people reach crisis point.
- 2) End street homelessness by providing innovative and tailor-made services that act with compassion and urgency.
- 3) Advocate for those who feel they are not heard by amplifying their voice to bring about real systemic change.

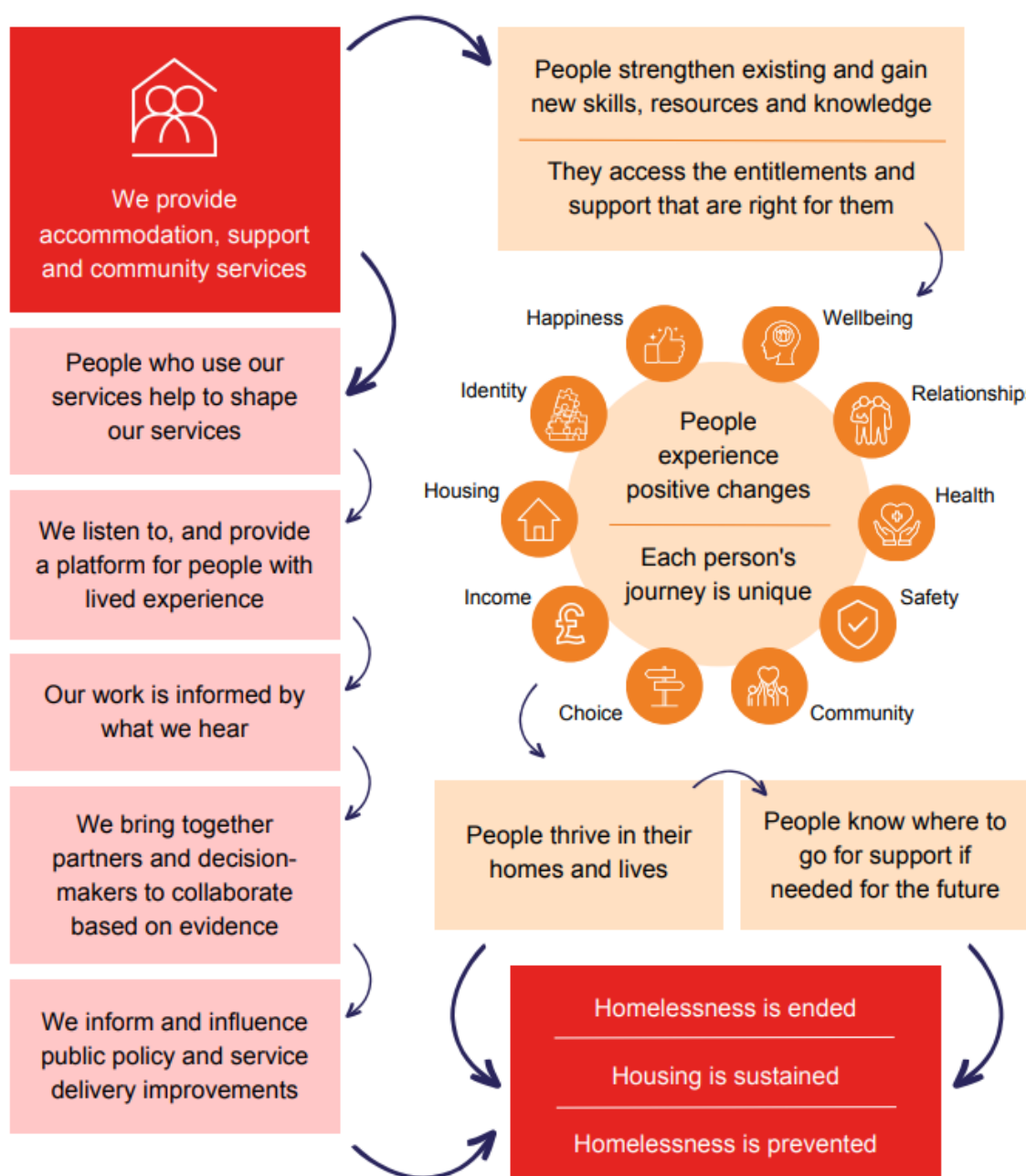
Our ethos comes from the teachings and example of St. Vincent De Paul, a Christian and social reformer, who co-founded the Daughters of Charity in 1633. Vincent believed in action rather than words and in hands-on service to vulnerable people. As a Vincentian organisation, The Passage strives to be inclusive; 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 people who have experienced homelessness 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.

Theory of change model

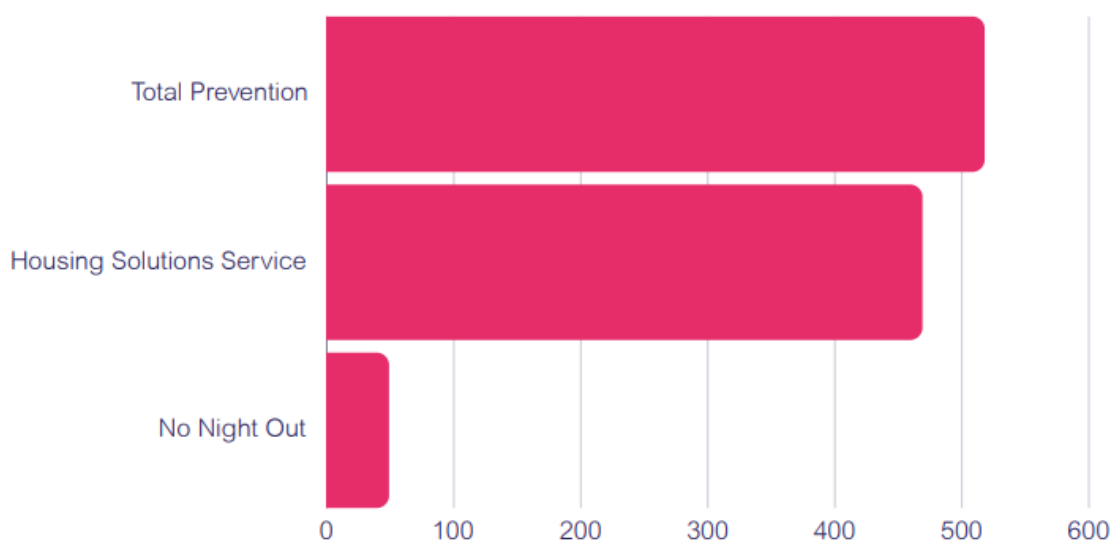
The Passage is based in the heart of Westminster, providing practical support and a wide range of services to help transform the lives of people who are at risk of street homelessness, who are homeless and those who are victims of modern slavery.



Our impact in 2022/23

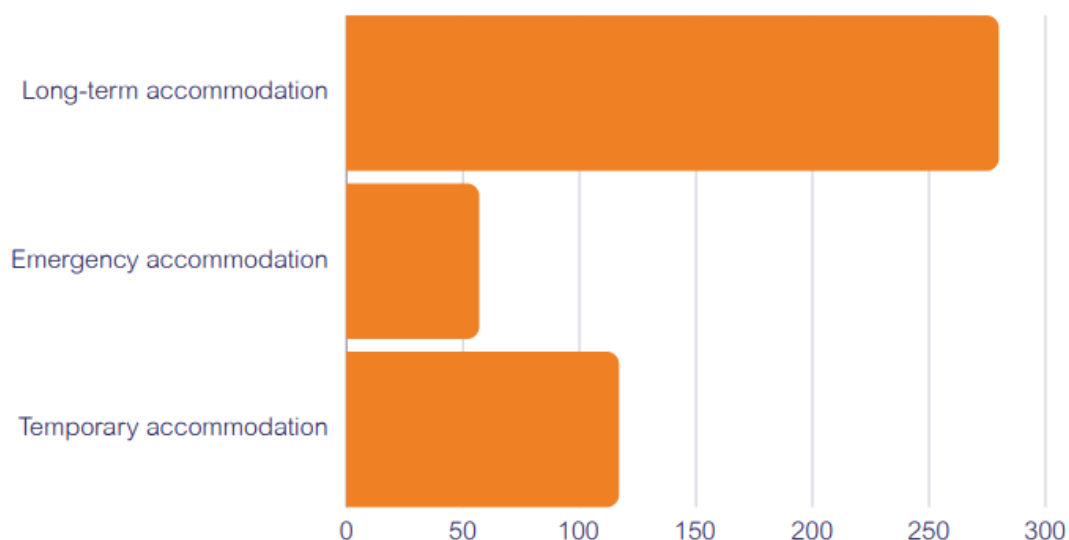
Prevention:

- 518 people were prevented from becoming homeless across the organisation.
 - o 469 people were prevented from becoming homeless by our Housing Solutions Service.
 - o 49 people were prevented from becoming homeless through our No Night Out scheme.



Accommodation outcomes:

- 280 people helped into long-term accommodation.
- 57 people helped into emergency accommodation.
- 117 people helped into temporary accommodation.



Advice and advocacy:

- 62 people with no eligibility for public funds were helped away from the street.
- 79 immigration cases were resolved.
- 39 survivors of modern slavery were supported by our Modern Slavery Team.
- 125 people were helped to access benefits and reduce their debts.

Health and Community Intervention:

- 554 people were supported by our Health and Outreach teams.
- 305 group sessions ran, including yoga, art and wellbeing walks with a total of 261 attendees.
- 809 Outreach sessions completed by our Community Intervention Team.

Education and Employment:

- 51 people were helped into employment by our Employment and Training Tracks Team.

Community Integration:

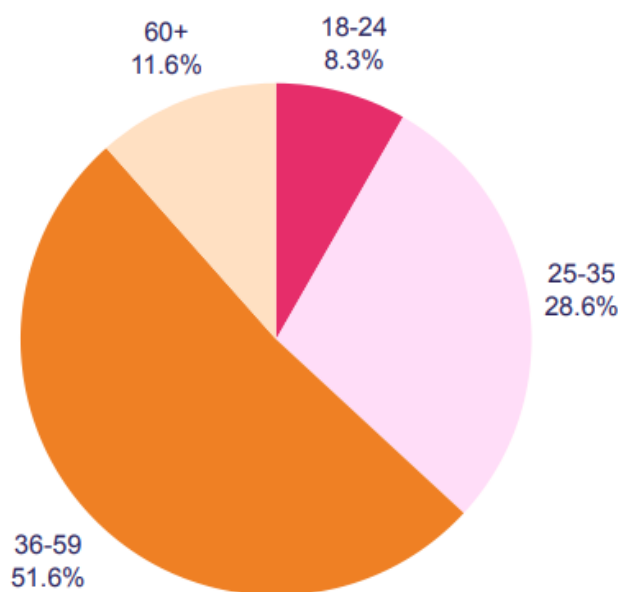
- 35 Home for Good partnerships were formed and maintained.

Demographics of those we supported

Below is the demographic data of those we supported in 2022/23, of those who provided this information.

Please note, some categories have been grouped together for ease in displaying this information.

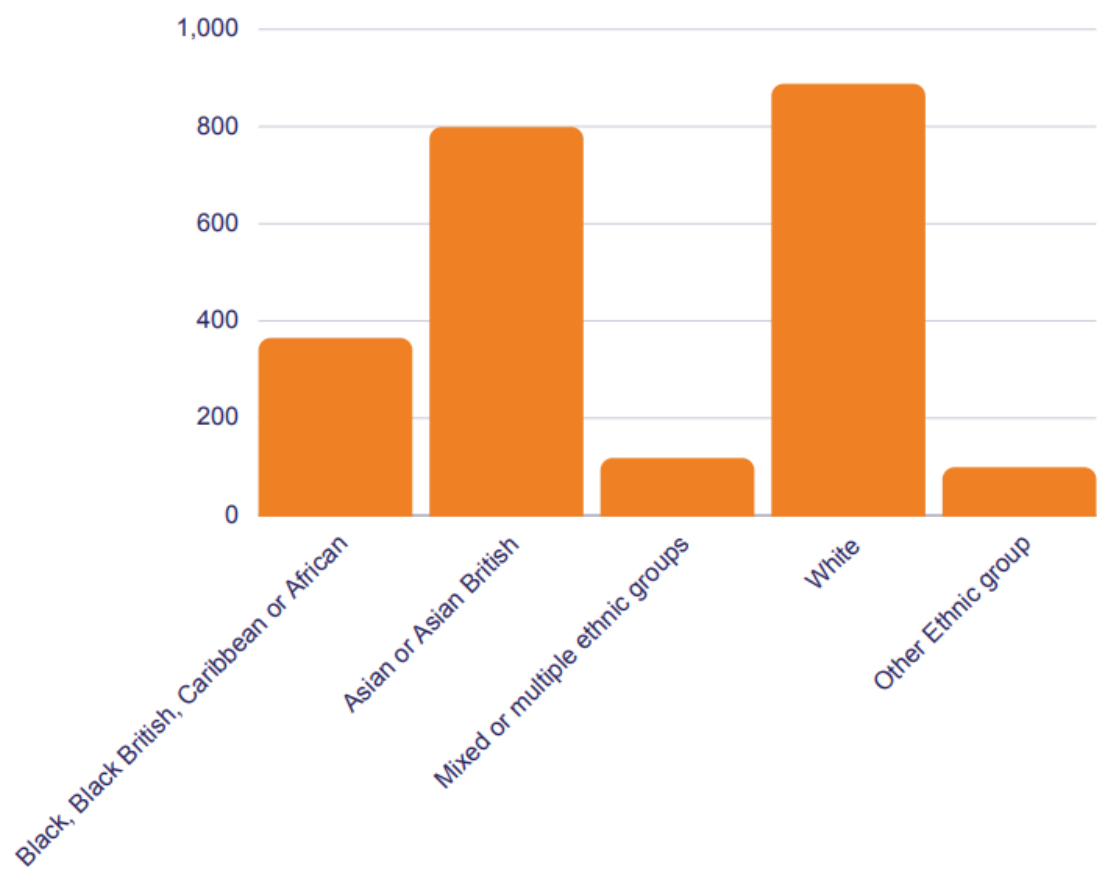
Age range:



Gender:



Ethnic group (as per census 2021 grouping):



Review of volunteering

In the year 2022 - 2023, our volunteer applications rose by 146%, averaging at 20 per month.

Together, 190 individuals volunteered a total of 11,770.5 hours: an increase of 54% on the previous year. The increase in volunteering activity is reflected by the 9 new roles that were created.

- | | |
|---------------------------------------|---------------------------------------|
| 1) Church Appeals Coordinator | 2) Database Administrator Volunteer |
| 3) ESOL Volunteer | 4) Migrant Group Facilitator |
| 5) Passage House Kitchen Support | 6) School Speaker Volunteer |
| 7) Service User Experience Researcher | 8) Textured Hair Specialist Volunteer |
| 9) Walking Group Facilitator (female) | |

Skills based roles have proved particularly successful with our ESOL conversation volunteer running weekly classes for service users to improve English language skills. Additionally, we have tapped into the language skills of our volunteers to translate documents into Arabic, Hungarian and French. We also recruited a Database Administrator volunteer who is applying their technical knowledge to enhance our outcomes reporting.

Inclusivity was at the forefront of the creation of the Textured Hair Specialist Volunteer and Walking Group Facilitator Volunteer (female).

Three Kitchen Support Volunteers began at Passage House on weekdays and weekends to support dinner service.

We have increased our schools network and now have a pool of School Speaker Volunteers who are trained to deliver assemblies and our Church Appeals Coordinator was created to increase our community fundraising reach.

We were able to hold a Christmas Party in December 2022, for the first time since 2019.



James Galbraith, a long-standing volunteer at both Passage House and the St Vincent Centre, sadly died in October 2022. James was a former service user and we honoured him with a memorial service led by our Chaplain Father Chinedu.

Review of strategic objectives

1) Explore and establish new service development opportunities to help more people to end their homelessness.

The Passage launched our new Community Services model in the Resource Centre, with a new focus on prevention and acting urgently to support the people we work with to end their homelessness for good. Within this, we now have several new services which include Tracks, the brand-new employment and training service that helped 59 people to achieve employment within 9 months. After piloting No Night Out, we established this as a 3-year commissioned services, which enabled us to prevent more individuals from spending a night on the streets. Bentley House was successfully commissioned by Westminster City Council to provide 20 people with extensive experience of homelessness, a Home for Life.

Our private rented sector service went from strength to strength and due to its outcomes, we were successful in the service being commissioned on a longer-term basis. We also focused on partnerships where we can add value to a wider service and successfully implemented employment and immigration support to the St Mungo's Roma Rough Sleeping Team, partnered with Shelter to provide a Network Rail funded outreach service in Victoria Station and partnered with SHP to provide volunteer led community-based support to people in their own accommodation. Finally, we launched our Registered Provider, Passage Housing Services, to continue to develop additional housing for those who are experiencing homelessness.



Tracks employment and training team

2) Continue to grow and diversify our income.

We have continued to diversify our income portfolio, including the launch of three new fundraising events and our first social media lead generation campaign, in the aim of reaching new, more diverse audiences. We introduced a new plan for our community fundraising, including resources for our school partners and our corporate income has grown by 36% in the last 12 months. The Passage was chosen as a charity partner for the 2022 TP ICAP Charity Day. We have also been generously supported by individual members of our Giving Circle as well as several major grants from a number of trusts and foundations including the Garfield Weston Foundation. 2022/23 has been a particularly 11 successful year for legacies, but this is not a predictable revenue stream, and it has therefore been important to focus on developing sustainable income opportunities across all other areas.

In January 2023, after extensive consultation with clients, volunteers and staff we launched a new brand for The Passage, including a new logo and strapline, tone of voice and key messaging, imagery, fonts and other marketing assets. We launched our website and social media channels with the new branding and updated content to help create a more engaging experience for clients, supporters and prospective donors. Our social media following continues to grow, with a significant increase in the last 12 months: Instagram = 23%, Facebook = 16%, Twitter = 7% (highest number of followers), LinkedIn = 68%.

3) Complete the capital works programme for the refurbishment of Passage House and Bentley House.

We completed a £9m capital refurbishment programme of both Passage House, our 37-bed rapid assessment and resettlement service and Bentley House, 20 refurbished flats, bringing 20 units of social housing back into use. These housing services are high quality places to live for people have experienced homelessness and our Royal Patron, The Prince of Wales, formally opened the buildings on 23rd February and had the opportunity to meet colleagues and residents from Passage House on the visit.



HRH Prince of Wales meeting Mark, Bentley House resident

4) Implement a more accessible and streamlined set of policies and procedures across the organisation.

To achieve this, we recruited a Quality Manager to oversee quite a significant change programme. By taking a listening approach with staff consultation groups from across all areas of the organisation, we successfully re-imagined and developed new policies that are fit for purpose, accessible to all colleagues and are grounded in good practice.

5) Moving out of the pandemic, further develop a 'one organisation' culture by empowering everyone to contribute to improving our internal communication and celebrating our rich diversity.

Coming out of the pandemic, The Passage believed it was important that everyone at The Passage had opportunities to meet with each other and have clear communication channels. We also wanted to have a dialogue in the organisation about how to achieve our 3 year strategy, particularly our "Excellence For All" project which needed to be informed by staff and clients.

To this end we had an all staff conference in May 2023 in which the staff developed key ideas around the Excellence For All project. We had an all staff meeting in which the new Passage branding was introduced. We have had regular all staff newsletters, looking at key initiatives taking part in The Passage. We are encouraging team away days, so that teams have the space to think about the wider issues in their areas. The CEO went to every team meeting in March 2023 and April 2023 to talk about the Annual Plan for 2023.2024 and to get feedback from the staff.

An Equality, Diversity and Inclusivity (EDI) work group was established. This has members from all across The Passage. It is developing initiatives such as ensuring the client areas feel inclusive and welcoming. It is reviewing what training would be effective to continue to develop the EDI culture in The Passage. Members of the group are leading on celebrating our diversity by having a range of activities on occasions such as Refugee week. The EDI Working group will launch an EDI staff survey in Q2 2023.2024 which will capture staff experience and gaps across the organisation. All client services committed to including 3 objectives in their annual plans for 23/24 that focussed on EDI, Co-Production, and internal joint working; a commitment to the concept of being one organisation working together to achieve excellence.

6) Capture and measure our impact in line with our theory of change model, infrastructure requirements and outcomes framework.

Our new services database has been developed and successfully implemented which has enabled us to report on and consistently review evidence to inform service development. In line with demonstrating impact, we developed our Outcomes Framework, enabling the organisation to link all of our activity to a set of outcomes for the people we work with. We also implemented a new housing management module to allow us to track maintenance, rental income and void management.

Striving to achieve excellence for all

Co-production:

The Passage recognises that the people who we work with are a great asset, and to deliver truly exceptional services we need to work with people who have lived experience of homelessness. Coproduction and client involvement is woven through what we do, and we remain committed to working with those who are experts by their own experience to tell us what it is they need and to hold us to account. Our Co-Production programme offers a wide variety of opportunities for our service users to give their feedback and steer us in what we do. From policy consultations & supporting with staff recruitment, through to peer research and volunteering, our service user and Experts by Experience work is embedded at every level of the organisation. This helps to make the Passage a more inclusive, accessible, and friendly place for the people with whom we work.

Our co-production work is spearheaded by our Experts by Experience panel who developed and are committed to delivering their mission statement “to use our experience of homelessness and using services to steer and improve the Passage and be a voice for the people that come here. We will be action focussed and ensure that what we do is led by the client perspective”.

The voice of lived experience has also been represented by the people we work with on several external platforms. Most notably, members of our Experts by Experience group supported the Passage at a multi-agency roundtable chaired by Network Rail, and some members are involved influencing central government on a DLUHC lived experience panel.

The Quality Programme:

Passage staff understand that the quality of the service that we deliver is everybody's responsibility, an essential part of our “day-job” where we all strive towards ambitious standards and focus on the needs of the people using our services. Our Theory of Change Model, alongside our Outcome Framework is helping us to better understand and report on the relationship between staff activity and an individual's journey through our services.

Updated policies, both operational and personnel, are being embedded to support staff deliver consistent support, tailored to our service-user's needs. Our policy refresh has been informed by staff and services users and the process of embedding these new policies is helping us to identify good practice so that we become an organisation that is continually learning and improving. The next stage of our Quality Programme is to formally articulate the delivery standards that we are all striving towards and to give our teams the tools to further improve how they monitor and report their achievements.

Equality, Diversity, and Inclusion (EDI):

EDI is a commitment to self-reflection and change. At The Passage, we are working to create an environment in which learning, and growth are encouraged. In May 2022 we shared our aims to develop an EDI working group at our staff conference, to ensure that The Passage holds a safe and welcoming EDI culture. Since this meeting, The Passage EDI Working Group has been established and now has 18 members from across the organisation actively working towards this goal.

The EDI Working Group have set out 3 key areas for focus in the annual plan for 23/24:

- **Staff Survey:** In order to best understand what we are doing well as an organisation and where we need to improve, as well as what staff learning needs are and who our workforce are, the Working Group has been working on developing a staff survey. The survey was announced at the 2023 staff conference in May and is currently going through a testing phase with the Working Group, ready to launch in August 2023.

- Training: The Working Group have developed the online EDI Training Module which is mandatory training for all staff, and will also be rolled out to all volunteers. The Working Group members have also been actively seeking out and attending external trainings related to EDI and will use the findings from the Staff Survey to identify the key learning needs and pull together a programme of relevant trainings to support this.
- EDI Policy: As part of the QAF Project, the organisational EDI Policy has been reviewed by both the Staff Consultation Group and the EDI Working Group. It has been amended following this consultation and following recommendations the Working Group are developing Best Practise Guides for all 9 of the Protected Characteristics. This is to support the organisational goal to be proactive in our work around EDI, rather than reactive.

Other achievements in EDI since the Staff Conference 2022:

- Organisational representation at the Diversity & Inclusion Practitioner Network meetings.
- Organisational representation at LDG (London, East & South East Diversity Group) meetings.
- Central EDI Sharepoint site developed for collation of training materials, resources, guidance and for sharing updates.
- Continued inclusion of service users on recruitment panels.
- Development of EDI Noticeboard within the Passage Resource Centre.
- Building accessibility assessments across all Passage sites have commenced.
- Diversity Calendar has been developed and work is underway to share organisationally through Outlook calendar.
- Development of an organisational Women's Strategy is underway.

Strategic objectives: 2023/24

- 1)** Evaluate our No Night Out and Housing Solutions Service and share our findings and recommendations with the wider sector and central/local government.
- 2)** Ensure that any additional infrastructure required to support the delivery of this plan is in place.
- 3)** Develop our Steps Home programme, ensuring sustainable routes off the streets for those using Passage services.
- 4)** Continue to develop our quality systems across the organisation (with SMG responsible for the central coordination across teams/departments), to capture the impact of our work, support our staff and reinforce our commitment to EDI in every aspect of The Passage.
- 5)** Further develop our work on the links between modern slavery and homelessness, including sharing the findings of our international mapping work in this area.
- 6)** Continue to develop our internal communications systems and forums and implement our new external communications and digital marketing strategy.
- 7)** Further develop our co-production work, ensuring we deliver our services with those we support, and not to those we support, further developing the influence of those we work with in our everyday work and decision making.

Financial review

Financial Results for the year ended 31st March 2023

In the current year there was a surplus of £3,465k (2022: £2,326k).

The surplus in both years was primarily generated by the inflow of restricted income which was applied to the capital project of refurbishing Bentley House and Passage House. The capital income in 2023 was £4.2m (2022: £3m). This created 37 refurbished ensuite rooms in Passage House and 20 new social housing units at Bentley House, providing homes for life for those previously sleeping on the streets.

When examining non-capital, unrestricted income, there was an unrestricted surplus of £150k (2022: £135k deficit). This is a very healthy result for the charity in a year when designated unrestricted funds were utilised on the capital project.

In the year £451k (2022: £687k) was spent on providing alternative accommodation during the refurbishment.

Income from charitable activities – Statutory bodies' grants

Statutory income was £5,228k (2022: £2,937k). An analysis of this income and its uses is in notes 19a and 19b.

Statutory income (excluding capital grants) forms 26% (2022: 29%) of the total income of The Passage.

Expenditure

Employment costs made up 60% of total expenditure in the year (2022: 65%).

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.

Fundraising donations and legacies

The Passage relies on the generosity of our supporters to help us achieve our vision of a society where street homelessness no longer exists, and everyone has a place to call home. Our supporters are at the heart of so much of what we do and we are truly grateful to the many individuals, companies, trusts and foundations, churches, schools and community groups whose donations make our work possible.

Donations (excluding legacies) in the year were £4,484k (2022: £5,243k).

£1,122k (2022: £2,001k) were capital grants and £3,632k (2022: £3,242k) related to other donations.

Legacy income in the year was £1,214k (2022: £327k).

The cost of raising donations and legacies was £955k (£2022: £714k). After deducting Passage Trading Services expenditure this is £807k (2022: £653k). We continue 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.

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 or have experience of being homeless.

There are general undesignated funds of £4,222k. After excluding fixed assets and long-term liabilities this is £1,883k which represents three months of core running costs. The Board wishes to reserve between 3-6 months for running costs in the general reserve.

There are three overriding aims in the next two years of our current 3-year strategy:

- 1)** To maintain and improve our current provision.
- 2)** To continue to review housing options to ensure there is decent housing for our client group.
- 3)** To deliver our 3-year strategy which will look at investing The Passage's services, processes and systems to ensure that we are meeting the needs of clients with quality solutions and agility.

The Board have designated £1.8m of unrestricted reserves to develop our housing options provision, with a plan to increase the fund to £2.3m, and £244k of unrestricted reserves for infrastructure development in order to meet these aims.

Going Concern

The trustees have set aside a level of reserves to enable us to continue to operate effectively in a changing landscape as well as to continue to develop and grow the organisation. We also continue to attract increasing amounts of funding, both voluntary and statutory.

The capital project completed in the year has future-proofed key parts of our infrastructure and further designated funds have been put aside to continue to cement our resilience.

Refurbishment programme

Our £9 million project to buy back leases for and refurbish Bentley House and Passage House was successfully completed in the year.

Bentley House now has 20 self-contained flats enabling us to provide a permanent home to those who have a long-term history of street homelessness.

Passage House rapid-response assessment centre focuses on finding sustainable accommodation for our clients as well as providing additional support services. Passage House now has 37 ensuite rooms to provide accommodation for clients accessing these services.

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 2023. 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.

Four committees advise the Board on:

- Client services
- Finance
- Risk and audit
- People, performance, and culture

They also assist the Board in monitoring the work of the company in these areas.

The Board is now looking at creating a Digital Marketing and Communications committee to support work to raise awareness of our brand and identify and encourage new audiences to support The Passage.

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:

<https://www.charitygovernancecode.org/en/pdf>.

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.

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.

PTS recorded a loss of £23k in 2023. This was due to the on-going impact of the Covid 19 pandemic. We are confident that the entity will be profit making in future years as normal trading activity has resumed.

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.

Risks relating to IT infrastructure have been identified and a new Head of IT has been recruited in 2023-24 who will develop a comprehensive IT strategy. In addition, a designated fund has been allocated for infrastructure development which can be used for IT investment if any IT infrastructure needs are identified.

The Cost of Living crisis may also impact our operational budget. To ensure this does not affect our ability to deliver services we are regularly reviewing our energy contracts to ensure that we are getting value for money from suppliers. The Board are confident that we have sufficient general reserves to deal with fluctuations in energy prices.

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 31.

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 is 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' 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.
- state whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper and adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and, 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.

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31.3.2023 was 13 (2022:9). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Signed on behalf of the Board:

Michael Kelly, Chair of Trustees

Approved by the Board on 26th September 2023

Independent Auditor's report

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 2023 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 2023 and of the group's and parent charitable company'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 can detect 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, finance, audit and risk committees, 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 or 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

12th October 2023

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.

Consolidated statement of financial activities

Passage 2000 (operating as The Passage)

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

For the year ended 31 March 2023

	Note	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Income from:							
Donations and legacies	2	3,854,622	1,843,847	5,698,469	3,557,985	2,011,500	5,569,485
Charitable activities	3						
Grants from statutory bodies		-	5,228,455	5,228,455	-	2,937,823	2,937,823
Rents and charges to residents		-	-	-	-	-	-
Accommodation and prevention projects		868,925	-	868,925	790,371	-	790,371
Other income		42,251	59,371	101,622	78,792	-	78,792
Other trading activities	4	411,552	-	411,552	213,537	-	213,537
Investments		16,631	-	16,631	2,809	-	2,809
Total income		5,193,981	7,131,673	12,325,654	4,643,494	4,949,323	9,592,817
Expenditure on:							
Raising funds	5	954,504	-	954,504	714,282	-	714,282
Charitable activities	5						
Passage Resource Centre		2,133,563	1,106,541	3,240,104	1,883,734	1,033,313	2,917,048
Accommodation and prevention projects		1,915,810	2,746,540	4,662,350	2,222,348	1,454,993	3,677,341
Total expenditure		5,003,877	3,853,081	8,856,958	4,820,364	2,488,306	7,308,670
Net income / (expenditure) for the year	6	190,104	3,278,592	3,468,696	(176,870)	2,461,017	2,284,147
Transfers between funds		(36,000)	36,000	-	-	-	-
Net income / (expenditure) before other recognised gains and losses		154,104	3,314,592	3,468,696	(176,870)	2,461,017	2,284,147
Other gains / (losses)		(3,525)	-	(3,525)	42,147	-	42,147
Net movement in funds	19	150,579	3,314,592	3,465,171	(134,723)	2,461,017	2,326,294
Reconciliation of funds:							
Total funds brought forward		6,271,550	18,598,191	24,869,741	6,406,273	16,137,174	22,543,447
Total funds carried forward		6,422,129	21,912,783	28,334,912	6,271,550	18,598,191	24,869,741

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 19a to the financial statements.

Balance Sheet

Passage 2000 (operating as The Passage)

Balance sheets

For the year ended 31 March 2023

Company number: 03885593

		The group		The charity	
	Note	2023 £	2022 £	2023 £	2022 £
Fixed assets:					
Tangible assets	11	24,518,218	20,088,427	23,135,699	18,737,729
Investments	12	741,219	644,744	741,319	644,844
		25,259,437	20,733,171	23,877,018	19,382,573
Current assets:					
Debtors	15	1,316,027	1,233,061	1,375,781	1,244,011
Cash at bank and in hand		2,804,734	4,895,994	2,700,704	4,803,714
		4,120,761	6,129,054	4,076,485	6,047,725
Liabilities:					
Creditors: amounts falling due within one year	16	(652,286)	(1,533,984)	(564,622)	(1,439,889)
Net current assets		3,468,475	4,595,070	3,511,863	4,607,836
Total assets less current liabilities		28,727,912	25,328,241	27,388,881	23,990,409
Loans to Subsidiaries	15	-	-	722,288	722,288
Creditors: amounts falling due after more than one year	16	(393,000)	(458,500)	-	-
Total net assets		28,334,912	24,869,741	28,111,168	24,712,697
Funds:	19a				
Restricted income funds		21,912,783	18,598,191	21,912,783	18,598,191
Unrestricted income funds:					
Designated funds		2,200,382	4,121,914	2,200,382	4,121,914
General funds		4,221,747	2,149,636	3,998,003	1,992,592
Total unrestricted funds		6,422,129	6,271,550	6,198,385	6,114,506
Total funds		28,334,912	24,869,741	28,111,168	24,712,697

Approved by the trustees on 26th September 2023 and signed on their behalf by

Michael Kelly, Chair of Trustees

Consolidated statement of cash flows

Passage 2000 (operating as The Passage)

Consolidated statement of cash flows

For the year ended 31 March 2023

	Note	2023 £	£	2022 £	£
Cash flows from operating activities					
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		3,468,697		2,284,147	
Depreciation charges		761,068		386,784	
(Gains)/losses on investments					
Loss on disposals of fixed assets		256,478		-	
Interest income		(16,631)		(2,809)	
(Increase)/decrease in debtors		(82,967)		(209,678)	
Increase/(decrease) in creditors		(947,199)		924,986	
Net cash provided by / (used in) operating activities		3,439,446		3,383,429	
Cash flows from investing activities:					
Dividends, interest and rents from investments		16,631		2,809	
Proceeds from the sale of fixed assets		-		-	
Purchase of fixed assets		(5,447,336)		(3,273,335)	
Purchase of investments		(100,000)		(300,000)	
Net cash provided by / (used in) investing activities		(5,530,705)		(3,570,525)	
Change in cash and cash equivalents in the year		(2,091,259)		(187,097)	
Cash and cash equivalents at the beginning of the year		4,895,994		5,083,091	
Cash and cash equivalents at the end of the year		2,804,734		4,895,994	

Analysis of cash and cash equivalents and of net debt

	At 1 April 2022 £	Cash flows £	Other non- cash changes £	At 31 March 2023 £
Cash at bank and in hand	4,895,994	(2,091,260)		2,804,734
a Total cash and cash equivalents	4,895,994	(2,091,260)		2,804,734

Notes to the financial statements

Passage 2000 (operating as The Passage)

Notes to the financial statement

For the year ended 31 March 2023

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 FRS102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Reserves have been set at a level to ensure that continued operations in a changing environment (including any impact of the cost of living crisis on utility costs and wage inflation) can be sustained. The Capital Refurbishment Project was completed in 2022-23 and will have no future impact on operating income.

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.

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.

Basis of allocation		Raising funds	PRC	Acc & Prevention
Management and planning	Use	14%	43%	43%
Finance	Use	25%	25%	50%
Information resources	Staff nos	7%	41%	51%
Human resources	Staff nos	7%	41%	51%
Facilities management	Use	1%	60%	39%
Governance		0%	50%	50%

Facilities management costs are recharged on the basis of the use of the services, taking floor areas occupied, and the intensity of their use. Information resources and 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) 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 | 20 - 100 years
- Fixtures and fittings | 5 - 20 years
- Equipment | 3 - 15 years

l) 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.

m) 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.

n) 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.

o) 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.

p) 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.

q) Investments

During 2022-23 the charity transferred £100k of current cash and short term deposits to a COIF Charities Investment Fund (2022: £300k), 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.

2) Income from donations and legacies

	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£	£	£	£	£	£
Legacies	1,214,482	-	1,214,482	316,690	10,000	326,690
Individuals	1,255,329	-	1,255,329	1,565,775	-	1,565,775
Westminster Cathedral	279	-	279	6,502	-	6,502
Donations from related parties	-	-	-	400	-	400
Church and voluntary groups	121,167	-	121,167	117,007	-	117,007
Grants	452,803	1,387,340	1,840,143	621,317	2,001,500	2,622,817
Corporate donations	810,562	456,507	1,267,069	930,294	-	930,294
	<u>3,854,622</u>	<u>1,843,847</u>	<u>5,698,469</u>	<u>3,557,985</u>	<u>2,011,500</u>	<u>5,569,485</u>

Grants income includes £1,122,430 (2022: £2,001,500) from charitable trusts for the refurbishment of Bentley House and Passage House.

The Charity received notification of legacies totalling £nil (2022: £455,681) that did not meet the criteria for recognition as income in 2022-23 but which were expected to be received in 2023-24.

3) Income from charitable activities

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Westminster City Council						
Capital Grants	-	2,100,000	2,100,000	-	-	-
Non-Capital Grants	-	1,884,818	1,884,818	-	1,857,573	1,857,573
Government of Ireland:						
Emigrant Support Programme	-	35,000	35,000	-	35,000	35,000
Greater London Authority						
Capital Grants	-	1,000,000	1,000,000	-	1,000,000	1,000,000
Non-Capital Grants	-	192,637	192,637	-	-	-
London Housing Foundation	-	16,000	16,000	-	45,250	45,250
Sub-total for Grants from statutory bodies	-	5,228,455	5,228,455	-	2,937,823	2,937,823
Rent from Residential Services	868,925	-	868,925	790,371	-	790,371
Other Income	42,251	59,371	101,622	78,792	-	78,792
Accommodation and prevention projects	911,176	59,371	970,547	869,163	-	869,163

The total grant for the Government of Ireland: Emigrant Support Programme for the period 1 July 2022 to 30 June 2023 was £35,000 (2022: £35,000); £28,057 was applied in the financial year 2022- 23 (2021-22: £39,367) under the following headings:

Staff costs: £26,175 (2022: £34,671)

Client costs: £1,814 (2022: £4,636)

Volunteers: £68 (2022: £60)

4) Income from other trading activities

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Hire of meeting rooms and conference facilities	148,678	-	148,678	37,674	-	37,674
<i>A Taste of Home</i> (The Passage cookbook)	1,930	-	1,930	1,882	-	1,882
Sundry recharges	64,424	-	64,424	37,883	-	37,883
Fundraising events	196,520	-	196,520	136,098	-	136,098
	411,552	-	411,552	213,537	-	213,537

5a) Analysis of expenditure (current year)

	Raising funds £	Charitable activities		Governance costs £	Support costs £	2023 Total £	2022 Total £
		Passage Resource Centre £	Accommodation and prevention projects £				
Staff costs (Note 7)	515,458	1,970,286	2,072,339	17,903	706,519	5,282,505	4,751,612
Other direct costs	311,044	661,779	1,997,385	-	-	2,970,209	2,198,401
Management and planning	-	-	-	-	37,665	37,665	37,612
Finance	-	-	-	-	27,551	27,551	25,637
Information resources	-	-	-	-	118,554	118,554	66,344
Human resources	-	-	-	-	35,112	35,112	18,287
Facilities management	-	-	-	-	385,362	385,362	210,778
	826,503	2,632,065	4,069,725	17,903	1,310,763	8,856,958	7,308,670
Support costs	128,001	599,088	583,674	-	(1,310,763)	-	-
Governance costs	-	8,952	8,952	(17,903)	-	-	-
Total expenditure 2023	954,504	3,240,104	4,662,350	-	-	8,856,958	
Total expenditure 2022	714,282	2,917,048	3,677,341	-	-		7,308,670

Passage Trading costs included in Raising funds: £147,976 (2022: £57,482)

5b) Analysis of expenditure (prior year)

	Raising funds £	Charitable activities		Governance costs £	Support costs £	2022 Total £	2021 Total £
		Passage Resource Centre £	Accommodation and prevention projects £				
Staff costs (Note 7)	367,436	1,763,561	1,862,242	16,652	741,722	4,751,612	4,543,972
Other direct costs	229,955	636,687	1,331,760	-	-	2,198,401	1,938,364
Management and planning	-	-	-	-	37,612	37,612	20,645
Finance	-	-	-	-	25,637	25,637	39,230
Information resources	-	-	-	-	66,344	66,344	135,550
Human resources	-	-	-	-	18,287	18,287	5,982
Facilities management	-	-	-	-	210,778	210,778	178,945
	597,390	2,400,248	3,194,002	16,652	1,100,378	7,308,670	6,862,689
Support costs	116,892	508,474	475,013	-	(1,100,378)	-	-
Governance costs	-	8,326	8,326	(16,652)	-	-	-
Total expenditure 2022	714,282	2,917,048	3,677,341	-	-	7,308,670	
Total expenditure 2021	703,749	3,153,868	3,005,072	-	-		6,862,689

6) Net income / (expenditure) for the year

This is stated after charging / (crediting)

	2023	2022
	£	£
Depreciation	761,068	386,784
Loss on disposal of fixed assets	256,478	-
Auditor's remuneration (excluding VAT):		
Audit	15,800	13,400
Audit fees for subsidiaries	8,140	6,000

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

Staff costs were as follows:

	2023	2022
	£	£
Salaries and wages	4,097,017	3,798,441
Social security costs	436,812	381,408
Employer's contribution to defined contribution pension schemes	182,333	176,799
Other staff costs (including agency costs)	382,258	221,982
Training and recruitment	92,991	58,886
Redundancy payments	25,009	72,352
Other costs	66,085	41,744
	5,282,505	4,751,612

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

	2023	2022
	No.	No.
£60,000 - £69,999	-	-
£70,000 - £79,999	-	3
£80,000 - £89,999	3	-
£90,000 - £99,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £620,851 (2022: £531,150).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2022: £nil) incurred by nil (2022: 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 128 (2022: 128).

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

	2023 No.	2022 No.
Raising funds	8	7
Passage Resource Centre	45	45
Prevention and accommodation	56	58
Support	19	18
	128	128

9) Related party transactions

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

Passage Housing Services, Passage Trading Services, 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 £nil (2022: £400) to The Passage.

The Passage recharged service charges of £20,606 (2022: £15,881) to The Sisters.

Transactions with Westminster Cathedral

Westminster Cathedral made grants and donations, and collected donations on behalf of The Passage amounting to £279 (2022: £6,502). 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 £25,666 (2022: £11,198) from Passage Trading Services in loans and advances.

Transactions with Passage Housing Service

The Passage recharged salary costs of £53,476 (2022: £nil) to Passage Housing Services.

Transactions with Director of Passage Trading Services

The Passage paid subscription fees of £1,715 (2022: £1,899) to a company of which a director of Passage Trading Services is also a director. These transactions occurred at arms length under normal market conditions.

Aggregate donations from related parties were £25,945 (2022: £18,100).

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. No distribution was made in 2023 as the entity made a loss. As a result of the recalculation of corporation tax due for the prior years in Passage Trading Services, a charge of £6,658 (2022: nil) has arisen in the current year.

11) Tangible fixed assets

The group	Freehold property £	Equipment fixtures and fittings £	Total £
Cost			
At the start of the year	24,544,493	1,262,017	25,806,510
Additions in year	4,978,277	469,059	5,447,336
Disposals in year	(1,654,427)	(137,152)	(1,791,579)
At the end of the year	<u>27,868,343</u>	<u>1,593,924</u>	<u>29,462,267</u>
Depreciation			
At the start of the year	4,733,152	984,930	5,718,082
Charge for the year	619,657	141,411	761,068
Eliminated on disposal	(1,411,748)	(123,353)	(1,535,101)
At the end of the year	<u>3,941,061</u>	<u>1,002,988</u>	<u>4,944,049</u>
Net book value			
At the end of the year	<u>23,927,282</u>	<u>590,936</u>	<u>24,518,218</u>
At the start of the year	<u>19,811,341</u>	<u>277,087</u>	<u>20,088,428</u>

All of the above assets are used for charitable purposes.

Westminster City Council hold a 30-year charge on Bentley House (part of St. Vincent's Centre) from 6th February 2023.

The charity	Freehold	Equipment	Total
Cost	property	fixtures and	
	£	fittings	£
At the start of the year	23,029,304	1,262,017	24,291,321
Additions in year	4,978,277	406,380	5,384,657
Disposals in year	(1,654,427)	(137,152)	(1,791,579)
At the end of the year	26,353,155	1,531,245	27,884,399
Depreciation			
At the start of the year	4,568,662	984,930	5,553,592
Charge for the year	595,130	135,080	730,210
Eliminated on disposal	(1,411,748)	(123,353)	(1,535,101)
At the end of the year	3,752,044	996,656	4,748,701
Net book value			
At the end of the year	22,601,110	534,588	23,135,699
At the start of the year	18,460,642	277,087	18,737,729

12) Listed investments

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Fair value at the start of the year	644,744	302,596	644,844	302,696
Additions at cost	100,000	300,000	100,000	300,000
Disposal proceeds	-	-	-	-
Net gain / (loss) on change in fair value	(3,525)	42,147	(3,525)	42,147
Fair value at the end of the year	741,219	644,744	741,319	644,844

Investments comprise:

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
UK Common investment funds	741,219	644,744	741,219	644,744
Investments in subsidiary undertakings	-	-	100	100
	741,219	644,744	741,319	644,844

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, per their lease, need to be run by a registered social housing provider. 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:

	2023	2022
	£	£
Income	156,824	131,000
Expenditure	(67,088)	(21,565)
	<hr/> 89,735	<hr/> 109,435
Net income/(expenditure) for the year		
Funds brought forward	128,277	18,842
	<hr/> 218,012	<hr/> 128,277
Total funds carried forward		
The aggregate of the assets, liabilities and reserves was:		
Assets	696,706	673,094
Liabilities	(478,694)	(544,817)
	<hr/> 218,012	<hr/> 128,277
Reserves		

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:

	2023 £	2022 £
Turnover	150,608	77,439
Expenditure	(141,318)	(57,482)
Gross profit/(loss)	9,290	19,957
Interest on loan payable to parent undertaking	(25,666)	(11,198)
Profit / (loss) on ordinary activities before taxation	(16,376)	8,760
Taxation on profit on ordinary activities	(6,658)	-
Profit / (loss) for the financial year	(23,034)	8,760
Retained earnings		
Total retained earnings brought forward	28,767	20,007
Profit / (loss) for the financial year	(23,034)	8,760
Distribution under Gift Aid to parent charity	-	-
Total retained earnings carried forward	5,733	28,767
The aggregate of the assets, liabilities and reserves was:		
Assets	818,305	806,555
Liabilities	(812,472)	(777,688)
Reserves	5,833	28,867

Amounts owed to the parent undertaking are shown in note 15.

14) Parent charity

	2023 £	2022 £
Gross income	12,109,390	9,568,723
Result for the year	3,398,471	2,208,099

15) Debtors

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	22,833	29,399	-	-
Other debtors	191,986	207,836	191,986	207,836
Amounts due from subsidiary undertakings	-	-	88,215	47,621
Prepayments	133,488	228,611	127,860	221,339
Accrued income	932,625	652,377	932,625	652,377
Sundry Debtors	35,095	114,837	35,095	114,837
Debtors over one year:				
Funding advance to Passage Trading Services	-	-	722,288	722,288
	1,316,027	1,233,061	2,098,069	1,966,299

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.

16) Creditors: amounts falling due within one year

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	98,563	229,335	96,743	228,934
Taxation and social security	119,102	130,148	108,936	122,755
Pension contributions	32,287	35,748	32,346	35,748
Other creditors	70,226	69,189	4,303	3,689
Accruals	327,434	1,050,514	319,294	1,037,139
Deferred income (note 17)	4,674	19,051	3,001	11,625
	652,286	1,533,984	564,622	1,439,889

Creditors greater than one year comprises amounts due for the buyback of the lease on Bentley House of £393,000 (2021: £458,500) 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 2023 £	The charity 2023 £	2022 £
Balance at the beginning of the year	19,051	11,625	8,449
Amount released to income in the year	(19,051)	(11,625)	(8,449)
Amount deferred in the year	4,674	3,001	11,625
Balance at the end of the year	4,674	3,001	11,625

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

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	2,731,348	156,382	21,630,488	24,518,218
Investment properties	-	-	-	-
Investments	741,219	-	-	741,219
Net current assets	1,142,179	2,044,000	282,296	3,468,475
Long term liabilities	(393,000)	-	-	(393,000)
Net assets at 31 March 2023	4,221,746	2,200,382	21,912,783	28,334,912

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

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	1,590,185	171,460	18,326,782	20,088,427
Investment properties	-	-	-	-
Investments	644,744	-	-	644,744
Net current assets	373,207	3,950,454	271,409	4,595,070
Long term liabilities	(458,500)	-	-	(458,500)
Net assets at 31 March 2022	2,149,637	4,121,914	18,598,191	24,869,741

19a) Movements in funds (current year)

	At 1 April 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2023 £
Restricted funds:					
Immigration	719	-	(719)	-	-
Advice & Advocacy	-	57,000	(7,000)	-	50,000
Health & Wellbeing	-	77,000	(36,627)	36,000	76,373
Prime Services	-	36,363	(14,873)	-	21,490
Private Rented Sector	-	30,000	-	-	30,000
Home for Good	39,571	45,610	(75,391)	-	9,790
Rough Sleeping Team	5,000	-	(5,000)	-	()
Passage House	14,657	-	(14,657)	-	-
Montfort House	-	5,000	(5,000)	-	-
Modern Slavery	-	-	-	-	-
Westminster Housing Project	32,007	17,250	(40,689)	-	8,568
Employment and training	50,000	89,650	(133,809)	-	5,841
Resettlement	2,009	-	(2,009)	-	-
Move On	-	-	-	-	-
Community Intervention Team	37,080	263,916	(297,771)	-	3,225
Prevention and partnership	52,964	170,000	(148,866)	-	74,098
Other statutory grants	-	2,112,455	(2,112,455)	-	-
Other restricted funds	37,402	5,000	(39,491)	-	2,911
Building fund:					
St Vincent's refurbishment	9,291,492	-	(271,287)	-	9,020,205
Passage House and Bentley House refurbishment	3,001,500	4,222,430	(356,789)	-	6,867,141
St Vincent's Centre	3,958,470	-	(17,977)	-	3,940,493
General Building development fund	914,253	-	-	-	914,253
Passage House	1,119,085	-	(272,671)	-	846,414
Passage Resource Centre	41,982	-	-	-	41,982
Total restricted funds	18,598,191	7,131,673	(3,853,081)	36,000	21,912,783
Unrestricted funds:					
Designated funds:					
Funding Contingency	1,750,000	-	-	(1,750,000)	-
St Vincent's refurbishment	2,012,999	-	(450,672)	(1,562,327)	-
Equipment	171,460	-	-	(15,078)	156,382
Strategy investment costs	187,455	-	-	(187,455)	-
Housing Options Development	-	-	-	1,800,000	1,800,000
Infrastructure Development	-	-	-	244,000	244,000
Total designated funds	4,121,914	-	(450,672)	(1,470,860)	2,200,382
General funds	2,149,636	5,193,981	(4,556,730)	1,434,860	4,221,747
Total unrestricted funds	6,271,550	5,193,981	(5,007,402)	(36,000)	6,422,129
Total funds	24,869,741	12,325,654	(8,860,484)	-	28,334,912

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

19b) Movements in funds (prior year)

	At 1 April 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2022 £
Restricted funds:					
Immigration	1,423	30,000	(30,704)	-	719
Home for Good	105,116	56,521	(122,066)	-	39,571
Rough Sleeping Team	213,075	68,762	(276,837)	-	5,000
Passage House	14,657	-	-	-	14,657
Modern Slavery	30,000	-	(30,000)	-	-
Westminster Housing Project	27,580	45,250	(40,823)	-	32,007
Employment and training	8,185	287,592	(245,777)	-	50,000
Resettlement	3,557	-	(1,548)	-	2,009
Move On	100,000	148,051	(248,051)	-	-
Community Intervention Team	-	117,773	(80,693)	-	37,080
Covid-19 Food Hub	-	70,000	(17,036)	-	52,964
Other statutory grants	-	1,064,140	(1,064,140)	-	-
Other restricted funds	1,711	59,735	(24,044)	-	37,402
Building fund:					
St Vincent's refurbishment	9,563,406	-	(271,914)	-	9,291,492
Passage House and Bentley	-	3,001,500	-	-	3,001,500
St Vincent's Centre	3,976,446	-	(17,976)	-	3,958,470
General Building development	914,253	-	-	-	914,253
Passage House	1,135,783	-	(16,698)	-	1,119,085
Passage Resource Centre	41,982	-	-	-	41,982
Total restricted funds	16,137,174	4,949,323	(2,488,306)	-	18,598,191
Unrestricted funds:					
Designated funds:					
Funding Contingency	1,750,000	-	-	-	1,750,000
St Vincent's refurbishment	2,700,000	-	(687,001)	-	2,012,999
Equipment	189,021	-	-	(17,561)	171,460
Strategy investment costs	301,000	-	-	(113,545)	187,455
Total designated funds	4,940,021	-	(687,001)	(131,106)	4,121,914
General funds	1,466,252	4,685,642	(4,133,363)	131,106	2,149,636
Total unrestricted funds	6,406,273	4,685,642	(4,820,364)	-	6,271,550
Total funds	22,543,447	9,634,964	(7,308,670)	-	24,869,741

Purposes of restricted funds:

- 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 Passage House and Bentley House Refurbishment Fund: Represents donations made specifically for the refurbishment of Passage House and Bentley House.
- 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 and loss on disposals to 31 March 2023 (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.

All other restricted fund balances represent 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.

Restricted funding includes the following grants:

- Westminster City Council
 - Passage House Grant: Funding to provide specialist triage, assessment and resettlement housing related support for people who were identified as new to rough sleeping in Westminster.
 - Montfort House Grant: Funding to provide specialist housing related support for people with a history of rough sleeping in Westminster.
 - Bentley House Grant: Funding to provide specialist housing related support for people with a history of rough sleeping or acute mental health issues in Westminster.
 - Newman Street Grant: Funding to provide on site support to residents in temporary accommodation.
 - 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.
 - No Night Out Grant: Funding to provide prevention of homelessness advice, support and resettlement.
 - Modern Slavery Grant: Funding towards a service to identify and support people who are homeless and survivors of modern slavery and trafficking.
 - Housing Solutions Service Grant: Funding for prevention activity, advice and assistance for people at risk of or who are currently homeless.
- Irish Government
 - Department of Foreign Affairs - Funding to employ a worker to co-ordinate the Resource Centre's services to Irish clients and to research their needs.

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 2022-23. The trustees have made the decision to transfer this fund to new designated funds and unrestricted reserves.
- 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. Full refurbishment of Bentley House was completed in 2022-23. The trustees have made the decision to transfer this fund to new designated funds and unrestricted reserves.
- Equipment Fund: Represents the net book value of equipment, apart from equipment funded as part of the St Vincent's refurbishment project.
- Strategy Investment Fund: Represents funds designated by the Board to develop and implement the 2022-2025 strategy for The Passage. It was not necessary to draw on this fund in 2022-23 and the trustees see no future requirement to draw on the fund. The trustees have made the decision to transfer this fund to new designated funds and unrestricted reserves.

- Housing Options Development Fund: Designated for future developments to the housing options that we can offer to ensure that decent housing is available for our client group as part of our 2022-2025 strategy.
- Infrastructure Development Fund - These funds are designated for projects that will improve our processes and systems to ensure that we are meeting the needs of clients with quality solutions and agility.

20) Financial commitments

	2023	2022
	£	£
Equipment:		
Obligations due within 1 year	16,605	16,605
Obligations due in 2-5 years	44,281	49,816
Total commitments	<u>60,886</u>	<u>66,421</u>

21) Capital commitments

At the balance sheet date, the group had no commitment to further expenditure relating to the refurbishment of Bentley House and Passage House (2022: £5.1m).