



Trustees' Report and Accounts 2021/2022



Contents

Trustees, Senior Management and Advisors	1
About The Passage	2
Chief Executive and Chair's Statement	3
Peter's story	5
40th Anniversary Afternoon Tea and Awards	6
How we helped in 2021/2022	7-9
Review of Strategic Objectives 2021 - 2022	10-13
Theory of Change	14
Brenda's Story	15
Review of Volunteering	16
James' Story	17
Strategic Objectives	18
Special Mentions	19
Adam's Letter of Thanks	20
Financial Review	21-28
Independent Auditor's report	29-32
Consolidated Statement of Financial Activities	33
Balance Sheet	34
Consolidated Statement of Cash Flows	35
Notes to the Financial Statements	36-61

Founding Patron

Cardinal Basil Hume

Royal Patron

HRH The Duke of Cambridge

Patron

Cardinal Vincent Nichols

Chair of Trustees

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Jane Sandeman

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Jane Sandeman - Chief Operating Officer

Jenny Travassos – Director of Services and New Developments

Principal Bankers

HSBC Belgravia Branch

The Peak

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Solicitors

Pothecary Witham Weld

84 Eccleston Square

London SW1V 1PX

Auditors

Sayer Vincent LLP

Invicta House

108-114 Golden Lane

London EC1Y 0TL



The trustees present their report and the audited financial statements for the year ended 31 March 2022. Reference and administrative information set out on pages 19 – 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' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

About The Passage

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

Our vision

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

Our mission

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

Our ethos

The Passage takes its values and ethos from the teachings and example of St. Vincent De Paul, a Christian and social reformer, who co-founded the Daughters of Charity in 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 homeless people to realise their own potential to transform their lives
- We act with compassion and kindness
- We are a voice for change and justice
- We build relationships based on trust
- We respect each other
- We are straightforward in all our dealings
- We believe in practical hands-on-hard work
- We collaborate across all sectors of society

Chief Executive and Chair's Statement

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

During the pandemic, we saw that when society truly comes together to tackle an issue – such as with the Everyone In scheme – our vision is in fact achievable.

Over the past year, we have spent time reflecting on this and testing new ways of supporting people who are homeless. Much of this learning has led to The Passage adopting new approaches, as well as piloting programmes such as our No Night Out model, which provides immediate help to those in crisis through access to emergency accommodation and wraparound support. The results from our pilot show that 75% of those who used our programme have moved into permanent accommodation which they are still sustaining and No Night Out has now evolved into an established service.

A major achievement in the last year has been creating and developing our Theory of Change, which can be found on page 12. This means that The Passage now has a robust method to clearly capture and demonstrate our impact. We are very proud of the outcomes that our amazing staff and volunteers have achieved, often under challenging circumstances, and of course those who use our services, who never fail to inspire with their courage and resilience. In particular, we would like to pay tribute to 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.

You can find our outcomes listed on page 8.

The Passage also launched a £9 million capital programme to refurbish our Passage House assessment centre, providing 37 en-suite bedrooms, and to create a brand-new residential project, Bentley House, which will have 20 self-contained flats and provide 'forever' homes for people who have no other viable move-on option. These works will be completed autumn 2022.

At a strategic level, we have harnessed our convening power to bring together key cross-sector stakeholders to influence policy and practice and advocate for system change. In particular, our partnerships with other charities, central, regional and local government has resulted in more effective and joined-up winter provision for those on the streets. Also, our pioneering work to bring about systemic change regarding the links between modern slavery and homelessness has had a major impact.

We are fortunate that our vital frontline work is underpinned by highly efficient systems and a strong governance structure. We remain committed to measuring and sharing our impact and developing quality standards across all that we do. We also renew our commitment to Equality, Diversity and Inclusion and earlier this year, we established a People, Performance and Culture Committee to support and guide this commitment.



Mick Clarke, CEO



Mike Kelly, Chair

We are very grateful to our loyal supporters and funders who help make the world of difference and enable The Passage to continue providing services to those who need us most.

Unfortunately, with the ever-growing cost of living crisis, we fear that despite the incredible efforts and achievements of the last year, there is the potential in the coming months for street homelessness and destitution to rise to levels not seen in this country for many generations.

We know that the only way to tackle this crisis is by everyone working together - government, charities, corporates, community groups and individuals. As we move into the 2022/23 financial year, we will launch a new three-year strategy called No Going Back. It would be a tragedy to lose the momentum and progress already made as seen with the success of the Everyone In scheme, and we remain committed to playing our part to work with everyone in our society to end street homelessness.

In 21st Century Britain, street homelessness should not exist, and it certainly should not be increasing again. We hope you will continue to support The Passage to ensure that there is a place of security and safety for everyone who comes to our doors in need.

Address of charity and registered office

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

Telephone 020 7592 1850

Fax 020 7592 1870

Email info@passage.org.uk

Website www.passage.org.uk

Charity registration number 1079764

Company number 03885593

“Lynsey at The Passage helped me turn my life around. For the first time I felt believed and listened to. She gave me hope to see a future for the first time.”

Peter turned up at The Passage two years ago very frightened. He jumped at every noise.

It was quite unusual to see a 50-year-old man behaving childlike and he looked so timid as well. You could just tell something bad had happened to him.

He was met by a member of our Rough Sleeping team who did an initial assessment and found out that after an abusive childhood, he'd taken a job with a travelling family, was never paid, and was held captive for many years. Peter was forced to do a lot of horrendous criminal activities. He had a very traumatic life. After an injury he went to hospital and when he was discharged, he was found by the police and then referred to The Passage. We supported him to be referred into the NRM, which is the National Referral Mechanism.

Most countries in the EU have signed up to the European Convention on trafficking human beings. It means that these countries must provide an agreed level of support to anyone who's a victim of modern slavery and trafficking. Within the UK, the NRM is our system for providing that support, but also for identifying victims. Peter was then able to access support, including a safe house, financial advice and solicitors. We also supported him into a mental health hostel whilst finding him suitable housing which took us over two months. Within a few weeks of being there, he secured a room in a shared flat with three other people. He joined a gym. When we went to visit him this summer, he was beaming and in a very positive mood. He enjoyed showing off his new home and had so much more self-esteem and confidence. He's been helping a friend renovating flats and he said it made him feel important again.

He is starting an English course at college in September, he thinks this will be good to get him through the colder months. He goes walking on the beach every day and said he enjoys the fresh air. He said he sleeps well now that the flashbacks have stopped, and he isn't afraid of things anymore.

I asked him what had changed - he said it was being by the sea and having clean air and hope. He said moving to the coast is the best thing he has ever done, and he is moving forward with his life. I reminded him of when he told me that he was the unluckiest man alive and nothing good would ever happen to him.

He said he doesn't believe that anymore and his luck has turned. He said he will never forget The Passage as we have changed his life.

Name and details have been changed to protect his identity.

40th Anniversary Afternoon Tea and Awards

In September, we marked our belated 40th anniversary with a special Afternoon Tea and Awards to recognise the outstanding achievements of Passage clients and to thank our wonderful volunteers, staff, trustees, partners and supporters.

Originally planned for 2020 and postponed due to the pandemic, the event was held at our Cathedral View Conference Venue and rooftop garden and attended by our Royal Patron, The Duke of Cambridge accompanied by the newly-appointed Lord Chamberlain.

The Duke spent time chatting with guests and presented the two client awards before making a short speech. Having visited The Passage many times since he was a child, The Duke spoke of his great affection for the charity.

He said “every time I come here, I am touched by the warmth and friendliness, and the dignity and respect you show to everyone who comes through your door. I am always so impressed to see and hear the difference that The Passage makes to the lives of people who are experiencing homelessness. Thank you to everyone for your continuous work.”

The event received wide media coverage and enabled us to mark an important milestone in our history.

Below is a photograph of HRH The Duke of Cambridge with our special award winners and our award presenters.



How we helped in



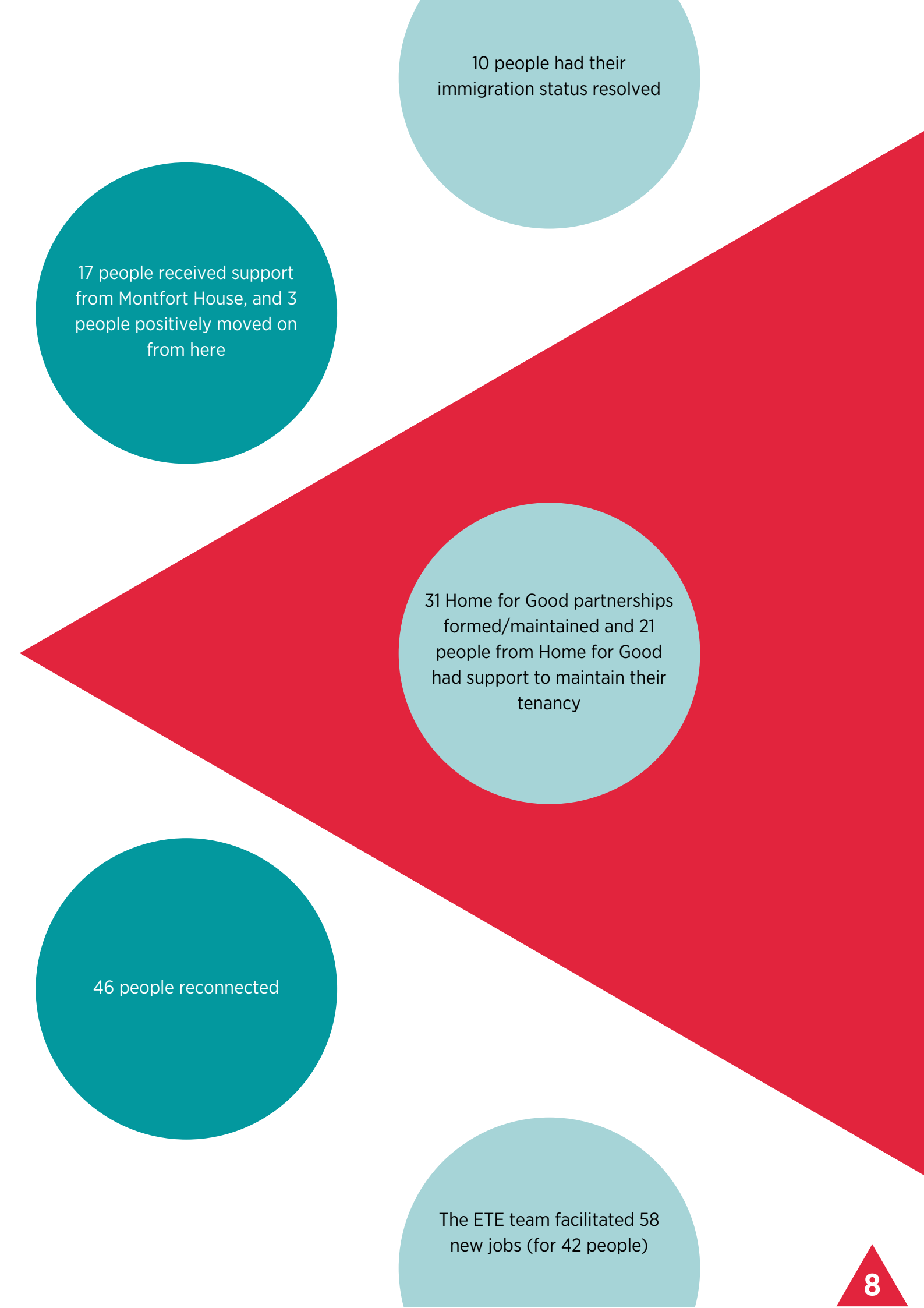
Across all residential and day services, we supported 418 people experiencing homelessness into safe accommodation



Our Housing Solutions Service prevented 643 people from becoming homeless

Passage House provides an immediate route away from the streets and the team secured settled homes for 75 people, a 73% positive move-on rate

99 people received support from Newman Street, and 33 people from Newman Street moved into their own home



10 people had their
immigration status resolved

17 people received support
from Montfort House, and 3
people positively moved on
from here

31 Home for Good partnerships
formed/maintained and 21
people from Home for Good
had support to maintain their
tenancy

46 people reconnected

The ETE team facilitated 58
new jobs (for 42 people)

103 were helped to reduce
debts/navigate benefits

491 people were helped by
our Health Team after being
located by our Community
Intervention Team

177 people moved into
accommodation, of which 76
signed tenancies with the
Private Rented Scheme Team

41 people found NRPF route
away from streets

55 survivors supported by our
Modern Slavery team

Review of Strategic Objectives 2021 - 2022

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

We appointed an Experts by Experience lead to facilitate the development of our new co-production programme and have formed an Experts by Experience Board whose membership includes people with lived experience of homelessness, both current and former clients. Together, members of the Board have created a co-production strategy, enabling them to influence how our services are designed and delivered. The Board also conduct peer research, sit on staff interview panels and chair focus groups.



We have mental health professionals operating across several of our services and residential projects. We have also implemented a refreshed reflective practice programme with psychologists across all services teams.

2. Develop our Theory of Change, utilising our new Inform system to capture the impact of our work in order to further develop our services.

Following an externally facilitated consultation process to gather feedback from staff, trustees and governance committees and people using our services, we developed a new Theory of Change model (see page 12) to capture and demonstrate the impact of our work. To support this, we implemented a new database, outcomes framework and quality assurance programme to proactively measure our impact. This has increased our ability to respond to emerging trends, thereby continuously informing how we develop existing and new services.

3. Roll out our Values and centralised Induction training programme for all new staff.

We piloted a new values-led centralised induction programme for new staff. This was evaluated and following positive feedback, the programme has now been formally established with regular induction days for all new starters.

4. Build on the learning from the Covid-secure day services pilot to develop a new day services model, ensuring high quality and measurable outcomes.

Following a comprehensive review that included consultation at every level within the organisation and in line with our learnings from the pandemic, we completed the rollout of a new service delivery model in our Resource Centre under the umbrella of Community Services. Our refreshed model is focused on working with a clear sense of urgency to end homelessness for good. It includes a wide range of services tailored to the needs of our clients, including Advice and Advocacy, Employment Strategy, Prevention and Partnerships, Housing Support Services, Primary Services and Health and Wellbeing.

5. Commence the refurbishment of Bentley House to create a new accommodation project for The Passage; and Passage House; to ensure the physical surroundings meet the high standards of the service provided.

Work commenced on our capital refurbishment programme. Passage House has been transformed, offering 37 en-suite rooms for those coming off the streets and enhanced facilities to help them into sustainable accommodation. We are also carrying out a major refurbishment of Bentley House, creating 20 new flats to become a home for those who have been in the temporary and supported housing system for many years. Passage House works were completed in August 2022 and Bentley House will be completed in November 2022.

Our housing services are governed by quality and governance standards set by Passage Housing Services, our newly formed Registered Provider, in line with the Regulator for Social Housing's guidance.

6. Continue to diversify and grow voluntary income, and develop new statutory income opportunities, to meet organisational needs and the increasing demand for services

The final year of our current three-year Fundraising strategy coincided with the aftermath of the pandemic, as our society began adapting to a 'new normal'.

In 2020-21, we were fortunate to exceed our voluntary income budget, partly due to increased emergency support and one-off donations in response to the pandemic. But with these income streams no longer available and many months of delays and disruption, it has been a tough year for fundraising – something that has affected the sector as a whole.

We are therefore extremely grateful for the generosity shown to The Passage this year by so many – both existing and new individual supporters, corporate partners, charitable trusts and foundations, schools, churches and community groups. Without this, we simply would not have been able to achieve the outcomes highlighted on page 8.

Despite the challenges, we have ended the year in a strong financial position. Since 2019, we have grown income by almost 50% on the previous 3-year period, largely due to the recruitment of a professional fundraising team, investment in marketing and communications resources and the introduction of new products, channels and activities which has also helped to create a more balanced fundraising portfolio.

A new three-year Fundraising and Communications Strategy was developed during the last quarter of the year.

In our local area, The Passage was successful in several applications for funding from the government's Rough Sleeping Initiative in partnership with Westminster City Council; for example, we have expanded our No Night Out project and secured revenue funding for Bentley House. We have also successfully secured long-term contracts to deliver services focusing on modern slavery and Home for Good in London, enabling us to widen our reach and provision outside of Westminster.

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

Our marketing and communications activities are focused on providing support for both our fundraising campaigns and our wider organisational objectives, helping to build the profile of The Passage and reach new audiences.

We invested in our digital marketing across various channels to help retain and engage new and existing supporters and began to develop a digital content strategy to attract new audiences to The Passage. As part of this, we implemented an external audit of our website which resulted in some major changes and improvements to the content and user experience. We also created new diverse and inclusive content for our social media platforms focusing on our services and the positive outcomes achieved by our frontline teams.

Our regular mailings to our warm supporters have been further developed in terms of the content, imagery and design which has made them more engaging and accessible.

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

The event took place in September 2021 attended by our Royal Patron, HRH The Duke of Cambridge, with a reception for our many loyal supporters and special Awards Ceremony to recognise the achievements of our clients, volunteers and staff. The event attracted significant attention on social media, with an Instagram post from Kensington Palace receiving over 161,000 likes and over 800 comments. We also held a special Mass at Westminster Cathedral to mark the anniversary.

8. Expand The Passage's Home for Good model nationally, and share our learning around the issue of modern slavery and homelessness internationally.

In partnership with SHP, another homelessness charity, we expanded our Home for Good service across multiple areas of North London and hope to further develop this service to have a larger presence in 2023/24.

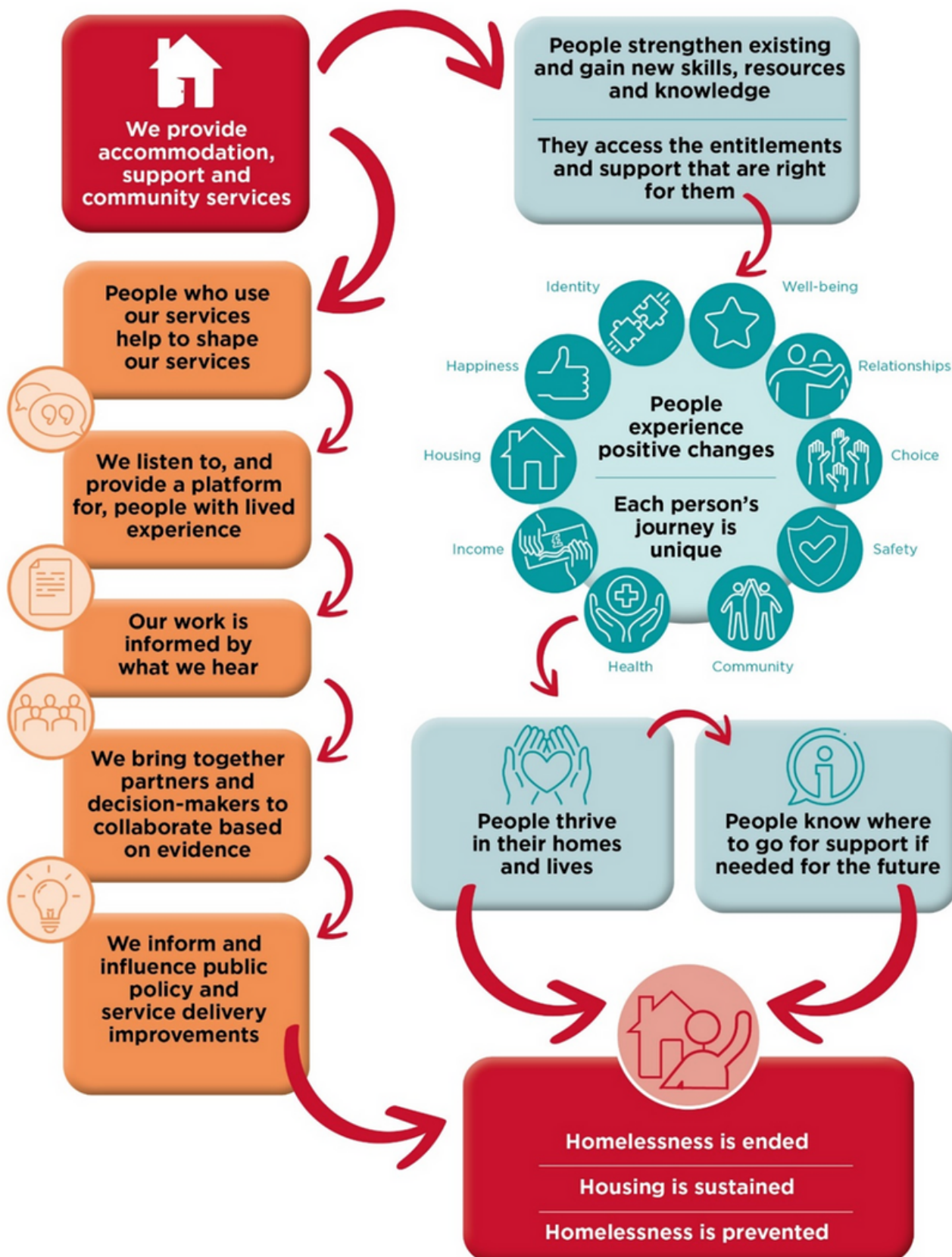
We began a programme of work with partners in the anti-slavery sector and government to develop a national toolkit to support charities, regional and local government to address the links between homelessness and modern slavery. Our work has focused on achieving a step-change in the assessment and support offered to potential victims of modern slavery and trafficking who are experiencing homelessness.

9. Carry out a follow up staff survey to measure progress since the previous survey and continue to develop support and well-being structures for staff and volunteers

As part of our Theory of Change consultation exercise and policy review workshops, extensive feedback was received from staff which has been invaluable to both inform support and well-being structures and improve communication mechanisms across the organisation.

The Passage Theory of Change

In March 2022, The Passage completed work on a new Theory of Change to capture and demonstrate the impact of our work. The process took several months and involved consultation with staff, volunteers, trustees and people with lived experience of homelessness. Our Theory of Change informs our strategy and shapes our services.



Brenda came to The Passage in March. She approached Westminster Housing Options who contacted Janet, Irish Person's Support Worker at The Passage, to provide additional support. Brenda was placed in temporary emergency accommodation on the same day because she was fleeing domestic violence.

The following day, Janet received a text from Brenda to say that she no longer needed our support because she has reconnected with her family. Janet called her immediately. Brenda assured Janet that she was ok. However, it later transpired her violent ex-partner had found her and had taken her to Scotland.

When Brenda next made contact, Janet invited her back. Janet organised emergency accommodation but this time in a project near to The Passage to keep her safe. Brenda was provided with clean clothes, toiletries, and food vouchers as she had no source of income. Janet helped Brenda to create a new email address and to apply for Universal Credit. This process took some time as Brenda had not previously applied for benefits and did not have a national insurance number. Brenda was referred to our in-house Domestic Violence worker for support who then connected her to several groups at The Passage where, over time, she made some supportive friendships.

Janet conducted daily welfare checks on Brenda and linked her to our Health and Wellbeing team as well as our Modern Slavery team because Brenda had endured years of being physically, sexually abused and being kept prisoner by her husband. The Modern Slavery team established a link with one of the commissioners who referred Brenda to a safe house. Brenda was also introduced to a counsellor as she had suffered abuse during her childhood and her years with living with a violent husband.



She had photographs of her injuries and has been hospitalised on more than one occasion. Brenda explained about the travellers' community which she belonged to and does not accept divorce. Even her family advised her to stay with her violent husband despite the numerous injuries. It made it very difficult for her to leave.

Brenda has proved to be artistic and took part in the art groups and was given materials so that she can create art to occupy her time.

She finally received her benefits and was able to buy clothes, toiletries, and food for herself. Staff at the safe house she moved to made an extra effort to make her feel at home.

Brenda is now safe and is working hard to establish a new life.

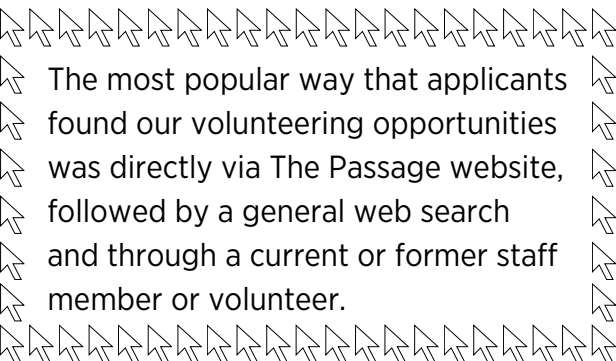
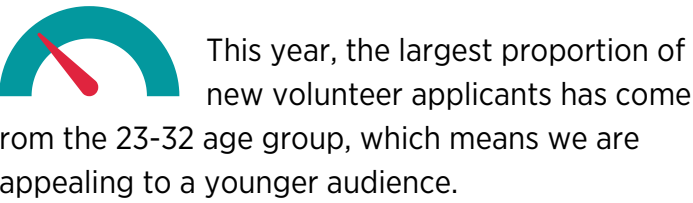
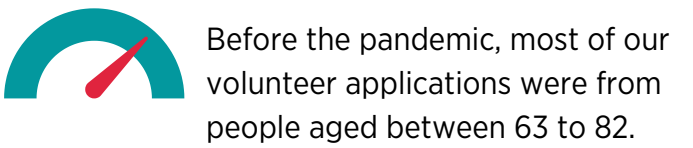
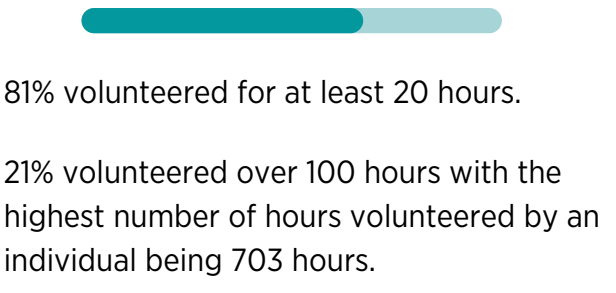
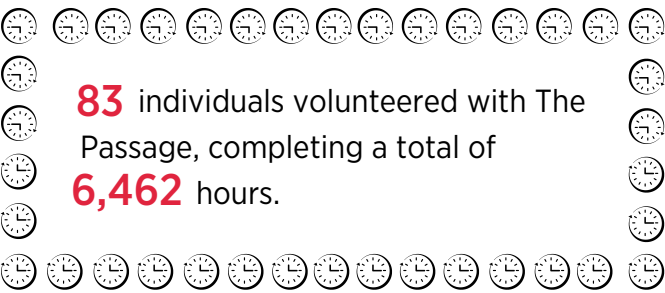
Name has been changed to protect the client's identity.

Review of Volunteering

Volunteering activity was affected during the first two quarters of the year by continuing social distancing measures and the cap on the number of people permitted in the Resource Centre. With the creation of the new Community Services model, three new volunteer roles were developed - Client Resettlement Welfare Volunteer, Service User Researcher Volunteer and Database Administrator Volunteer.

We have plans to develop additional volunteer roles to support our new Employment Strategy Team.

In 2021 - 2022:



It is encouraging to see that the number of volunteering hours in March 2022 is one of the highest in the year as this indicates growth for 2022/23, which aligns with the development of new volunteer roles.

James first came across The Passage in 2005 after his parents died. He travelled to London to get away from his place of birth.

As a day client of The Passage for several months James eventually became a resident at Passage House – our rapid-response facility.

After nine months of living at Passage House, James was supported into independent living and received help to get back into work.

When James retired in 2013, he started volunteering at The Passage as a Client Ambassador. A year later he moved over to help at Passage House – and the rest was history! Working as an Assessment Hub Reception Volunteer, James is one of four people who work on the desk, taking calls, handling post, letting residents in and out, and having a chat with them when they want to. He volunteers around eight days per fortnight and finds it a great way to keep his mind active.

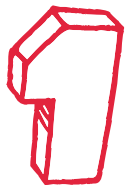
Being able to share his experiences with some of the residents and being able to act as part of a team with the rest of the staff is something James finds extremely fulfilling.

When asked what he would say to anyone who is thinking of volunteering at The Passage, James said: "It's a worthwhile experience. If you are younger and are looking to find work, this would be magnificent work experience placement for you. For anyone who is interested, it's great to feel part of the team and when I've been away and come back, they say 'we've missed you' which is lovely. They know that when I am here, they can leave me in charge of the reception without having to oversee what I do."

Sadly, following a short illness, James passed away in the summer. He is sorely missed by The Passage and in particular Passage House staff, volunteers and clients.



Strategic Objectives 2022 - 2023



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



Continue to grow and diversify our income.



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



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



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.



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

Special Mentions

The Passage is proud to have become a Registered Housing Provider: Passage Housing Services, and would like to thank all staff for their hard work in making this possible.

The funders listed below have been mentioned due to the size of their donation or as a special condition of their support.

- 29th May 1961 Charitable Trust
- 3i Group plc
- Capital Group
- Chestertons Foundation
- HSBC
- John Swires 1989 Charitable Trust
- Landsec
- Manchester Square Partners
- Nelsons
- Perrigo Foundation
- PIMCO Foundation
- Qube Research and Technology
- The National Lottery Community Fund
- The Northbank Business Improvement District
- The Thompson Family Charitable Trust
- Tompkins Foundation
- TR Wyles Charitable Trust
- Trust for London
- Tudor Capital
- Reed Foundation
- Victoria Business Improvement District
- Wellington Management Findlay Park

The Passage is very fortunate to be supported by many corporate businesses, trusts, foundations and individuals. We are hugely grateful to them all.

A special thanks also goes to Greater London Authority, The Headley Trust and Julia and Hans Rausing Trust for their kind contribution towards our Capital Appeal for Passage House and Bentley House.

Adam's Letter of Thanks

Adam came to The Passage recently and was supported by our new No Night Out service which was set up to immediately intervene to prevent someone from having to spend even one night on the street. Since then, he has been supported by us to find and settle in his own private rented accommodation. Adam wrote a moving letter to his case worker, Salma, which he is happy for us to share.

"Hello Salma,

Where do you start and where do you end with something like this?

The Passage is a special place. It gives real meaning to the need to continually learn. It's that dedication, that discipline. I feel it provides the very best that London has to offer.

The Passage brings clarity and a freshness, it's a new kind of politics leading from the front, united in what they know is morally right. I felt the issues that affect a person's satisfaction would be dealt with quickly and efficiently, it promotes best practise. The support team help their clients to deal with a huge quantity of life implications.

Salma, you help your clients take control of their own story, supporting people at some of the most important moments in their lives.

When they are dealing with big life decisions, you help them to understand their lives. I could see the direct and positive impact you were having on someone's life. Helping them to get their story across.

The Passage, this place is amazing. It's a fascinating change in terms of homeless people's perception of themselves. You could say being homeless is a difficult route and The Passage is a beautiful destination.

Talking things out with you, I thought for the first time that someone's actually agreed with what I've thought, and I've not had to battle at all. Whereas before I experienced your help, I was struggling for something that really didn't have to be a struggle.

Salma, I acknowledge the courage you have and I have huge respect for the type of person that you are, giving as much as you can in keeping with your love and duty. A true professional – consistently achieving high standards in both the work you do and the way you behave, and as a result I'm finding I'm the kind of person I was supposed to be. What I mean is through The Passage I became a better person, you brought that out in me.

There's a great deal of significance around working with someone like you, receiving such care and emotional support. You are my greatest champion. I trust you 100% and I feel without you none of this would have happened in quite the way it did. By that I mean so successfully.

Thank you Salma.

Thankfully yours,
Adam"

Thank
you!

Financial Review



Financial results for the year

In the current year there was a surplus of £2,326,294 (2021 – £617,235).

This was primarily generated by the inflow of restricted income which was applied to the capital project of refurbishment of Bentley House and Passage House. If the impact of the restricted income were removed (£3,001,500) and the additional revenue costs incurred for the project added back (£687,001), the net position would have been a surplus of £11,795, which is more in line with the expectation of a post-Covid recovery position for the Charity.

Income from charitable activities – Statutory bodies' grants

Statutory income was £2,579,839 in 2022 (£2,026,562 in 2021.) An analysis of this funding, and its uses, is in notes 19a and 19b. Statutory income (excluding capital grants) forms 24% of the total income of The Passage.

Expenditure

Employment costs declined slightly as 65% of total expenditure for the charity (2021: 66%). Details of expenditure to deliver our services are given in note 5 of the financial statements.

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

Fundraising donations and legacies

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

Due in large part to resilience and flexibility as the Charity emerged from the pandemic, donations (excluding legacies) grew by £1,008,844 to £5,242,795 (2021: £4,233,951), a significant part of which was a result of donations to support the refurbishment of Bentley House and Passage House.

The cost of raising donations and legacies was £714,282 (2021: £703,749). 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.

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

We have three main aims in the next three years:

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

To ensure that services can be maintained in the short term, the Board has set aside a designated contingency fund of £1,750,000. There are also general undesignated funds of £2,149,636. Together, these total £3,899,636 which represents six months of running costs. The Board wishes to reserve between 3-6 months of running costs in a contingency and general reserve combined.

£2m of reserves are designated to help fund the refurbishment of Passage House and Bentley House which is budgeted to be £9m.

£187,455 has been designated to strategy investment costs. These funds will be used to develop and implement the 2022-25 strategy for The Passage.

Going concern

During the Covid 19 crisis, The Passage was able to continue providing residential accommodation throughout, as well as a food hub for street homeless in hotel accommodation in Westminster. We continue to support our clients to ensure that they can find accommodation and make it their home. We have created new models for service delivery and continue to attract funding both voluntary and statutory to help us deliver those services. The trustees have set aside a level of reserves to enable us both to effect those changes and to ensure that we can continue to operate effectively in the changed and changing landscape. The trustees are reassured that the actions they took during the crisis enabled the charity to weather the storm and have not impacted its ability to operate as a going concern.

During the year The Passage commenced a Capital Refurbishment Programme. This was to ensure that Passage House was future proofed in its infrastructure, and that its rooms were en-suite to protect residents during the current Covid situation and for any future pandemics. Bentley House is also being refurbished. These are twenty units in the heart of Westminster which will be available to support people who have been homeless to have somewhere they can call home.

The project cost is £9m. The project started in February 2022 and is scheduled to be complete in November 2022. It is expected to be funded by monies raised for capital funding only and will not impact on operating income.

Refurbishment programme

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

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

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

Governance and Management structure

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

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Board of Trustees and Committees

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

No member of the Board of Trustees received any remuneration or reimbursement of expenses during the year ended 31 March 2022. The company has purchased insurance to protect the charity from any loss arising from the neglect or defaults of its Board of Trustees, employees and agents and to indemnify the Board or other officers against the consequences of any neglect or default on their part.

Three committees advise the Board on client services, finance, and risk and audit. They also assist the Board in monitoring the work of the company in these areas. During the year the Board set up a People, Performance and Culture Committee to assist the Board through its oversight of the Charity's People strategy.

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.

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

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

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.

Living Wage

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

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.

Fundraising Regulator

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

All our fundraising activities are carried out in-house by a team that is employed directly by The Passage and we do not use professional fundraisers or commercial participators to fundraise on our behalf. Our staff are expected to follow the standards in the Code of Fundraising Practice which forms part of their induction programme as well as monthly reviews. We do receive support from volunteers who assist with public collections or collections at Passage events and they follow the required standards with regard to handling donations. A dedicated volunteer committee also supports our annual Night Under The Stars event.

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



Principal Risks and Uncertainties

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

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

The principal risk at present is the need to secure full funding for the £9m capital refurbishment project. This risk has been mitigated by the securing of the greater part of the funds, with the remaining element secured in principle, as at the balance sheet date. As noted elsewhere, the Board has designated a significant element of the general reserve to this project which will ensure that any shortfall in capital funding can be met from the Charity's reserves.

Risks relating to staff retention and development have been identified, and a new Head of HR and Volunteering is to be recruited in 2022-23. In addition, a new People, Performance and Culture Committee has been put in place to advise the Board on the management of these and other related risks that may arise, and effect any mitigating actions that might be required.

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 34.

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 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 charity, and of the incoming resources and application of resources, including the income and expenditure of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the applicable Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP).
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charity will continue in operation.

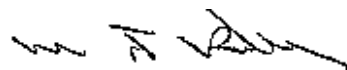
The Trustees are responsible for keeping proper and adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

Each of the Trustees confirms that:

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

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

Signed on behalf of the Board



Michael Kelly, Chair of Trustees

Approved by the Board on 27 September 2022

Opinion

We have audited the financial statements of Passage 2000 (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2022 and of the group's 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 are capable of detecting irregularities, including fraud are set out below.

Capability of the Audit in Detecting Irregularities

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

- We enquired of management and the finance, audit and risk committee, which included obtaining and reviewing supporting documentation, concerning group policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

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

Use of Our Report

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

Judith Miller (Senior statutory auditor)

24th November 2022

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

Sayer Vincent LLP

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

Passage 2000 (operating as The Passage)

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

For the year ended 31 March 2022

		2022			2021		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Note	£	£	£	£	£	£
Income from:							
Donations and legacies	2	3,557,985	2,011,500	5,569,485	3,856,675	751,291	4,607,966
Charitable activities	3						
Grants from statutory bodies		-	2,937,823	2,937,823	-	2,026,562	2,026,562
Accommodation and prevention projects		790,371	-	790,371	617,473	-	617,473
Other income		78,792	-	78,792	79,652	-	79,652
Other trading activities	4	213,537	-	213,537	141,626	-	141,626
Investments		2,809	-	2,809	4,049	-	4,049
Total income		4,643,494	4,949,323	9,592,817	4,699,475	2,777,853	7,477,328
Expenditure on:							
Raising funds	5	714,282	-	714,282	703,749	-	703,749
Charitable activities	5						
Passage Resource Centre		1,883,734	1,033,313	2,917,048	2,395,878	757,990	3,153,868
Accommodation and prevention projects		2,222,348	1,454,993	3,677,341	961,975	2,043,097	3,005,072
Total expenditure		4,820,364	2,488,306	7,308,670	4,061,602	2,801,087	6,862,689
Net income / (expenditure) for the year	6	(176,870)	2,461,017	2,284,147	637,873	(23,234)	614,639
Transfers between funds		-	-	-	-	-	-
Net income / (expenditure) before other recognised gains and losses		(176,870)	2,461,017	2,284,147	637,873	(23,234)	614,639
Other gains / losses		42,147	-	42,147	2,596	-	2,596
Net movement in funds	19	(134,723)	2,461,017	2,326,294	640,469	(23,234)	617,235
Reconciliation of funds:							
Total funds brought forward		6,406,273	16,137,174	22,543,447	5,765,804	16,160,408	21,926,212
Total funds carried forward		6,271,550	18,598,191	24,869,741	6,406,273	16,137,174	22,543,447

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.



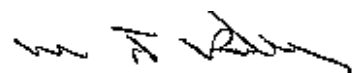
Passage 2000 (operating as The Passage)

Balance sheets

As at 31 March 2022

	Note	The Group		The Charity	
		2022	2021	2022	2021
		£	£	£	£
Fixed assets:					
Tangible assets	11	20,088,427	17,201,876	18,737,729	15,826,653
Investments	12	644,744	302,596	644,844	302,696
		20,733,171	17,504,472	19,382,573	16,129,349
Current assets					
Debtors	15	1,233,061	1,023,382	1,244,011	1,014,760
Cash at bank and in hand		4,895,994	5,083,091	4,803,714	5,001,598
		6,129,054	6,106,473	6,047,725	6,016,358
Liabilities:					
Creditors: amounts falling due within one year	16	(1,533,984)	(543,498)	(1,439,889)	(428,897)
Net current assets		4,595,070	5,562,975	4,607,836	5,587,461
Total assets less current liabilities		25,328,241	23,067,447	23,990,409	21,716,810
Loans to Subsidiaries	15	-	-	722,288	787,788
Creditors: amounts falling due after more than one year	16	(458,500)	(524,000)	-	-
Total net assets		24,869,741	22,543,447	24,712,697	22,504,598
Funds:	19a				
Restricted income funds		18,598,191	16,137,174	18,598,191	16,137,174
Unrestricted income funds:					
Designated funds		4,121,914	4,940,021	4,121,914	4,940,021
General funds		2,149,636	1,466,252	1,992,592	1,427,403
Total unrestricted funds		6,271,550	6,406,273	6,114,506	6,367,424
Total funds		24,869,741	22,543,447	24,712,697	22,504,598

Approved by the trustees on 27 September 2022 and signed on their behalf by



Michael Kelly
Chair of Trustees

Passage 2000 (operating as The Passage)

Consolidated statement of cash flows

For the year ended 31 March 2022

	2022		2021
	£	£	£
Cash flows from operating activities			
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	2,284,147		614,639
Depreciation charges	386,784		346,025
Loss on disposals of fixed assets	-		-
Interest income	(2,809)		(4,049)
(Increase) / decrease in debtors	(209,678)		201,395
Increase / (decrease) in creditors	924,986		700,278
Net cash provided by / (used in) operating activities	3,383,429		1,858,288
Cash flows from investing activities:			
Dividends, interests and rents from investments	2,809		4,049
Purchase of fixed assets	(3,273,335)		(738,403)
Purchase of investments	(300,000)		(300,000)
Net cash provided by (used in) investing activities	(3,570,525)		(1,034,354)
Change in cash and cash equivalents in the year	(187,097)		823,934
Cash and cash equivalents at the beginning of the year	5,083,091		4,259,157
Cash and cash equivalents at the end of the year	4,895,994		5,083,091



Notes to the financial statements

For the year ended 31 March 2022

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.

Notes to the financial statements

For the year ended 31 March 2022

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 changes resulting from the Covid 19 crisis can be effected and that continued operations in a changing environment can be sustained. The Capital Refurbishment Project, which will cost £9m, is expected to be funded by monies available for capital funding only and will not impact on operating income.

d) 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.

Notes to the financial statements

For the year ended 31 March 2022

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.

Notes to the financial statements

For the year ended 31 March 2022

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 allocations		Raising funds	PRC	Acc & Prevention
Management and planning	Use	14%	43%	43%
Finance	Use	25%	25%	50%
Information resources	Staff nos	7%	49%	44%
Human resources	Staff nos	7%	49%	44%
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 | 3 - 100 years
- Equipment | 4 - 15 years

Notes to the financial statements

For the year ended 31 March 2022

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 2021-22 the charity transferred £300k of current cash and short term deposits to a COIF Charities Investment Fund (2021: £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.

Notes to the financial statements

For the year ended 31 March 2022

2 Income from donations and legacies



	2022			2021		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Legacies	316,690	10,000	326,690	374,014	-	374,014
Individuals	1,565,775	-	1,565,775	1,786,939	2,711	1,789,650
Westminster Cathedral	6,502	-	6,502	18,871	-	18,871
Donations from related parties	400	-	400	2,100	-	2,100
Church and voluntary groups	117,007	-	117,007	65,496	-	65,496
Grants	621,317	2,001,500	2,622,817	850,329	421,477	1,271,806
Corporate donations	930,294	-	930,294	758,926	327,102	1,086,028
	<u>3,557,985</u>	<u>2,011,500</u>	<u>5,569,485</u>	<u>3,856,675</u>	<u>751,290</u>	<u>4,607,966</u>

Grants income includes £2,001,500 from charitable trusts for the refurbishment of Bentley House and Passage House. The charity received notification of legacies totalling approximately £455,681 (2021: £0) that did not meet the criteria for recognition as income in 2021 - 22 but which were expected to be received in 2022 - 23.

Notes to the financial statements

For the year ended 31 March 2022

3 Income from charitable activities



	2022			2021		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Westminster City Council	-	1,857,573	1,857,573	-	1,894,393	1,894,393
Government of Ireland: Emigrant Support Programme	-	35,000	35,000	-	35,000	35,000
Greater London Authority	-	1,000,000	1,000,000	-	-	-
Brighton and Hove	-	-	-	-	34,249	34,249
EUSS	-	-	-	-	17,920	17,920
London Housing Foundation	-	45,250	45,250	-	45,000	45,000
Sub-total for Grants from statutory bodies	-	2,937,823	2,937,823	-	2,026,562	2,026,562
Rent from Residential Services	790,371	-	790,371	617,473	-	617,473
Other Income	78,792	-	78,792	79,652	-	79,652
Accommodation and prevention projects	869,163	-	869,163	697,125	-	697,125

The total grant for the Government of Ireland: Emigrant Support Programme for the period 1 July 2021 to 30 June 2022 was £35,000 (2021: £35,000); £39,367 was applied in the financial year 2021 - 22 (2021: £30,633) under the following headings:

- Staff costs: £34,671 (2021: £27,942)
- Clients costs: £4,636 (2021: £2,633)
- Volunteers: £60 (2021: £30)
- Administration: £0 (2021: £28)

Notes to the financial statements

For the year ended 31 March 2022

4 Income from trading activities



	2022			2021		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Hire of meeting rooms and conference facilities	37,674	-	37,674	-	-	-
<i>A Taste of Home</i>						
(The Passage cookbook)	1,882	-	1,882	99,012	-	99,012
Sundry recharges	37,883	-	37,883	17,586	-	17,586
Fundraising events	136,098	-	136,098	25,028	-	25,028
	<u>213,537</u>	<u>-</u>	<u>213,537</u>	<u>141,626</u>	<u>-</u>	<u>141,626</u>



Notes to the financial statements

For the year ended 31 March 2022

5a Analysis of expenditure (current year)



	Charitable activities						
	Raising funds	Passage Resource Centre	Accommodation and prevention projects	Governance costs	Support costs	2022 total	2021 total
	£	£	£	£	£	£	£
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
	<u>597,390</u>	<u>2,400,248</u>	<u>3,194,002</u>	<u>16,652</u>	<u>1,100,378</u>	<u>7,308,670</u>	<u>6,862,689</u>
Support costs	116,892	508,474	475,013	-	(1,100,378)	-	-
Governance costs	-	8,326	8,326	(16,652)	-	-	-
Total expenditure 2022	<u>714,282</u>	<u>2,917,048</u>	<u>3,677,341</u>	<u>-</u>	<u>-</u>	<u>7,308,670</u>	
Total expenditure 2021	<u>703,749</u>	<u>3,153,868</u>	<u>3,005,072</u>	<u>-</u>	<u>-</u>		<u>6,862,689</u>

Passage Trading costs included in raising funds

57,482

Notes to the financial statements

For the year ended 31 March 2022

5b Analysis of
expenditure
(prior year)



Charitable activities

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

Passage Trading costs included in raising funds

99,181

Notes to the financial statements

For the year ended 31 March 2022

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):	2022 £	2021 £
Depreciation	386,784	346,025
Loss on disposal of fixed assets	-	-
Auditors remuneration (excluding VAT):		
Audit	13,400	12,400
Audit fees for subsidiaries	6,000	6,000
Other services	-	7,400
	<u> </u>	<u> </u>

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

Staff costs were as follows:	2022 £	2021 £
Salaries and wages	3,798,441	3,698,027
Social security costs	381,408	370,040
Employers contributions to defined contribution pension schemes	176,799	153,792
Other staff costs (including agency costs)	221,982	201,947
Training and recruitment	58,886	78,727
Redundancy payments	72,352	-
Other costs	41,744	41,438
	<u>4,751,612</u>	<u>4,543,972</u>

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

	2022 No.	2021 No.
£60,000 - £69,999	-	-
£70,000 - £79,999	3	2
£80,000 - £89,999	-	-
£90,000 - £99,999	1	1
	<u> </u>	<u> </u>

Notes to the financial statements

For the year ended 31 March 2022

The total employee benefits (including pension contributions and employer’s national insurance) of the key management personnel were £531,150 (2021: £479,546).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £0). No charity trustee received payment for professional or other services supplied to the charity (2021: £0).

Trustee’s expenses represent the payment or reimbursement of travel and subsistence costs totalling £0 (2021: £0) members relating to attendance at meetings of trustees.

The average number of employees (head count based on number of staff employed) during the year was 128 (2021: 121).

Staff are split across the activities of the charity as follows:	2021 No.	2020 No.
Raising funds	7	7
Passage Resource Centre	45	46
Prevention and accommodation	58	50
Support	18	18
	<u>128</u>	<u>121</u>

Notes to the financial statements

For the year ended 31 March 2022

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

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

Transactions with the Sisters

The Sisters made grants and donations of £400 (2021: £2,100) to The Passage.

Transactions with Westminster Cathedral

Westminster Cathedral made grants and donations, and collected donations on behalf of The Passage amounting to £6,502 (2021: £18,871).

Transactions with Passage Trading Services

During the year, The Passage received repayment of £11,198 (2021: £117,190) from Passage Trading Services in loans and advances.

Aggregate donations from related parties were £18,100 (2021: £138,161)

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



Notes to the financial statements

For the year ended 31 March 2022

11 Tangible fixed assets

The Group	Freehold property	Equipment fixtures and fittings	Total
Cost	£	£	£
At the start of the year	21,432,871	1,100,304	22,533,175
Additions in year	3,111,622	161,713	3,273,335
Disposals in year	-	-	-
At the end of the year	24,544,493	1,262,017	25,806,509
Depreciation			
At the start of the year	4,420,015	911,283	5,331,298
Charge for the year	313,137	73,647	386,784
Eliminated on disposal	-	-	-
At the end of the year	4,733,152	984,930	5,718,082
Net book value			
At the end of the year	19,811,340	277,087	20,088,427
At the start of the year	17,012,855	189,021	17,201,876

All of the above assets are used for charitable purposes

The Charity	Freehold property	Equipment fixtures and fittings	Total
Cost	£	£	£
At the start of the year	19,917,682	1,100,304	21,017,986
Additions in year	3,111,622	161,713	3,273,335
Disposals in year	-	-	-
At the end of the year	23,029,304	1,262,017	24,291,321
Depreciation			
At the start of the year	4,280,050	911,283	5,191,333
Charge for the year	288,612	73,647	362,259
Eliminated on disposal	-	-	-
At the end of the year	4,568,662	984,930	5,553,592
Net book value			
At the end of the year	18,460,642	277,087	18,737,729
At the start of the year	15,637,632	189,021	15,826,653

All of the above assets are used for charitable purposes

Notes to the financial statements

For the year ended 31 March 2022

12 Listed investments



	The Group		The Charity	
	2022	2021	2022	2021
	£	£	£	£
Fair value at the start of the year	302,596	-	302,696	100
Additions at cost	300,000	300,000	300,000	300,000
Disposal proceeds	-	-	-	-
Net gain / (loss) on change in fair value	42,147	2,596	42,147	2,596
Fair value at the end of the year	644,744	302,596	644,844	302,696

Investments comprise:

	The Group		The Charity	
	2022	2021	2022	2021
	£	£	£	£
UK Common investment funds	644,744	302,596	644,744	302,596
Investments in subsidiary undertakings	-	-	100	100
	644,744	302,596	644,844	302,696

Notes to the financial statements

For the year ended 31 March 2022

13 Subsidiary undertakings

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

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

A summary of the results is shown below:

	2022 £	2021 £
Income	131,000	25,105
Expenditure	(21,565)	(6,469)
Net income / (expenditure) for the year	109,435	18,636
Funds brought forward	18,842	206
Total funds carried forward	128,277	18,842
The aggregate of assets, liabilities and reserves was:		
Assets	673,094	678,234
Liabilities	(544,817)	(659,392)
Reserves	128,277	18,842



Passage 2000 (operating as The Passage)

Notes to the financial statements

For the year ended 31 March 2022

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 Vincents 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.

	2022 £	2021 £
Turnover	77,439	146,613
Cost of sales	(57,482)	(99,180)
Gross profit / (loss)	19,958	47,433
Interest on loan payable to parent undertaking	11,198	10,688
Profit / (loss) on ordinary activities before taxation	8,760	36,745
Taxation on profit of ordinary activities	-	-
Profit / (loss) for the financial year	8,760	36,745
Retained earnings	.	.
Total retained earnings brought forward	20,007	23,047
Profit / (loss) for the financial year	8,760	36,745
Distribution under Gift Aid to parent charity	-	(39,785)
Total retained earnings carried forward	28,767	20,007
The aggregate of the assets, liabilities and reserves was:		
Assets	806,555	790,299
Liabilities	(777,688)	(770,192)
Reserves	28,867	20,107

Amounts owed to parent undertaking are shown in note 15.

Notes to the financial statements

For the year ended 31 March 2022

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

	2022 £	2021 £
Gross income	9,568,723	7,413,693
Results for the year	<u>2,208,099</u>	<u>558,942</u>

	The Group		The Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	29,399	2,243	-	-
Other debtors	207,836	315,967	207,836	309,588
Amounts due from subsidiary undertakings	-	-	47,621	-
Prepayments	228,611	164,965	221,339	164,965
Accrued income	652,377	505,382	652,377	505,382
Sundry Debtors	114,837	34,826	114,837	34,826
Debtors over one year:				
Funding advance to Passage Trading Services Limited	-	-	722,288	722,288
Funding advance to Passage Housing Services Limited	-	-	-	65,500
	<u>1,233,061</u>	<u>1,023,382</u>	<u>1,966,299</u>	<u>1,802,548</u>

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

The funding loan to Passage Housing Services, a wholly owned subsidiary, in 2021, represents the first year payment for the transfer of the lease for Bentley House, the freehold of which is owned by the parent charity. This loan was converted to a grant from the parent charity in 2022.

Notes to the financial statements

For the year ended 31 March 2022

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

	The Group		The Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	229,335	128,692	228,934	128,692
Taxation and social security	130,148	110,588	122,755	108,056
Pension contributions	35,748	32,965	35,748	32,965
Other creditors	69,189	67,299	3,689	1,799
Amounts due to group undertakings	-	-	-	3,196
Accruals	1,050,514	195,313	1,037,139	145,740
Deferred income (note 17)	19,051	8,641	11,625	8,449
	<u>1,533,984</u>	<u>543,498</u>	<u>1,439,889</u>	<u>428,897</u>

Creditors greater than one year comprises amounts due for the buyback of the lease on Bentley House of £458,500 (2020: £524,000) and is repayable over 9 years (until 2030) in equal instalments each year.

Deferred income comprises funds in advance from Housing benefits and room hire paid in advance, and income received for the refurbishment of Passage House and Bentley House but not recognised in the current year.

**17 Deferred
income**

	The Group		The Charity	
	2022	2021	2022	2021
	£	£	£	£
Balance at the beginning of the year	8,641	14,023	8,449	3,238
Amount released to income in the next year	(8,641)	(14,023)	(8,449)	(3,238)
Amount deferred in the year	<u>19,051</u>	<u>8,641</u>	<u>11,625</u>	<u>8,449</u>
Balance at the end of the year	<u>19,051</u>	<u>8,641</u>	<u>11,625</u>	<u>8,449</u>

Notes to the financial statements

For the year ended 31 March 2022

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

	General unrestricted	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	1,590,185	171,460	18,326,782	20,088,427
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	<u>2,149,636</u>	<u>4,121,914</u>	<u>18,598,191</u>	<u>24,869,741</u>

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

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

Notes to the financial statements

For the year ended 31 March 2022

19a Movements in
funds (current
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
Prevention and Partnership	-	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 House	-	3,001,500	-	-	3,001,500
St Vincent's Centre	3,976,446	-	(17,976)	-	3,958,470
General Building development fund	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

Passage 2000 (operating as The Passage)

Notes to the financial statements

For the year ended 31 March 2022



	At 1 April 2021	Income & gains	Expenditure & losses	Transfers	At 31 March 2022
	£	£	£	£	£
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	<u>4,940,021</u>	<u>-</u>	<u>(687,001)</u>	<u>(131,106)</u>	<u>4,121,914</u>
General funds	<u>1,466,252</u>	<u>4,685,642</u>	<u>(4,133,363)</u>	<u>131,306</u>	<u>2,149,636</u>
Total unrestricted funds	<u>6,406,273</u>	<u>4,685,642</u>	<u>(4,820,364)</u>	<u>-</u>	<u>6,271,550</u>
Total funds	<u><u>22,543,447</u></u>	<u><u>9,634,964</u></u>	<u><u>(7,308,670)</u></u>	<u><u>-</u></u>	<u><u>24,869,741</u></u>

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

Notes to the financial statements

For the year ended 31 March 2022

19b Movements
in funds (prior
year)



	At 2 April 2020	Income & gains	Expenditure & losses	Transfers	At 31 March 2021
	£	£	£	£	£
Restricted funds:					
Immigration	4,000	-	(2,577)	-	1,423
Home for Good	50,865	130,197	(75,946)	-	105,116
Rough Sleeping Team	139,708	88,000	(14,633)	-	213,075
Passage House	8,407	6,250	-	-	14,657
Modern Slavery	-	80,000	(50,000)	-	30,000
Westminster Housing Project	23,057	35,000	(30,477)	-	27,580
Employment and training	-	46,000	(37,815)	-	8,185
Resettlement	-	100,000	(96,433)	-	3,557
Move On	-	100,000	-	-	100,000
Community Intervention Team	-	100,000	(100,000)	-	-
Covid-19 Food Hub	-	126,220	(126,220)	-	-
Other Statutory Grants	-	1,931,562	(1,931,562)	-	-
Other Restricted Funds	-	34,624	(32,913)	-	1,711
Building fund:					
St Vincent's refurbishment	9,835,330	-	(271,924)	-	9,563,406
St Vincent's Centre	4,004,030	-	(27,584)	-	3,976,446
General Building development fund	914,253	-	-	-	914,253
Passage House	1,138,775	-	(2,992)	-	1,135,783
Passage Resource Centre	41,982	-	-	-	41,982
Total restricted funds	16,160,407	2,777,853	(2,801,086)	-	16,137,174

Notes to the financial statements

For the year ended 31 March 2022



	At 1 April 2020	Income & gains	Expenditure & losses	Transfers	At 31 March 2021
	£	£	£	£	£
Unrestricted funds:		-			
Designated funds:					
Funding contingency	1,750,000	-	-	-	1,750,000
St Vincent's refurbishment	2,200,000	-	-	500,000	2,700,000
Statutory redundancy	452,324	-	-	(452,324)	-
Equipment	167,238	-	-	21,783	189,021
Strategy investment costs	-	-	-	301,000	301,000
Total designated funds	<u>4,569,562</u>	<u>-</u>	<u>-</u>	<u>370,459</u>	<u>4,940,021</u>
General funds	<u>1,196,243</u>	<u>4,702,071</u>	<u>(4,061,603)</u>	<u>(370,459)</u>	<u>1,466,252</u>
Total unrestricted funds	<u>5,765,805</u>	<u>4,702,071</u>	<u>(4,061,603)</u>	<u>-</u>	<u>6,406,273</u>
Total funds	<u>21,926,212</u>	<u>7,479,924</u>	<u>(6,862,689)</u>	<u>-</u>	<u>22,543,447</u>

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 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.

Notes to the financial statements

For the year ended 31 March 2022

The General Development Fund

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

The Passage House Fund

Consists of the historical cost of Passage House to The Passage Trust, less accumulated depreciation to 31 March 2022 (including the Lily Ann & William Wiggins Fund of £146,045, which the donor agreed could be used for this purpose), and grants payable to the company to develop Passage House.

The Passage Resource Centre Fund

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

Westminster City Council

- **Passage House Assessment Centre Grant**
Contribution to the running of Passage House as an assessment centre for Westminster rough sleepers.
- **Supporting People Grant**
Funding for workers giving general counselling and advice in Montfort House. Additional funding for night time support staff in Montfort House.
- **Housing Options Grant**
Grant to provide housing advice and assistance to single homeless people.
- **Private Rented Sector Advice Grant**
Grant to employ a staff team giving advice and assistance to homeless people to access private rented accommodation and related resettlement costs.
- **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.

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 2021-22.

St Vincent's Refurbishment Fund

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

Statutory Redundancy Fund

This was closed and part-transferred to the Strategy Investment Fund in 2021, with the balance released to General Funds.

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. 20 Capital commitments At the balance sheet date, the group had committed to £5.1m further expenditure relating to the refurbishment of Bentley House and Passage House (2021: £0)

At the balance sheet date, the group had committed to £5.1m further expenditure relating to the refurbishment of Bentley House and Passage House (2021: £0)



www.passage.org.uk

Charity Number 1079764

St Vincent's Centre, Carlisle Place, London, SW1P 1NL



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