

COMMUNITIES FIRST WESSEX
Company Number: 08071971

REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

Langstone Technology Park, Langstone Road, Havant, Hampshire PO9 1SA

The Tilmore Centre, 1 Tilmore Road, Petersfield, Hampshire GU32 2HG

Winchester Discovery Centre, Jewry Street, Winchester, Hampshire SO23 8SB

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Community First is the trading name of Communities First Wessex, Company Registered in England and Wales 8071971 at Langstone Technology Park, Langstone Road, Havant, Hampshire PO9 1SA. Registered Charity no 1147527

COMMUNITIES FIRST WESSEX

(Company limited by guarantee and not having a share capital)

REPORT OF THE DIRECTORS AND TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017

Charity registration number: 1147527

Company registration number: 8071971

Business address

Bedhampton Suite
6000 Langstone Technology Park
Langstone Road
Havant
PO9 1SA

Auditors & Registered office address

Menzies LLP
3000a Parkway
Fareham
PO15 7FX

Bankers

Lloyds Bank PLC
West Street
Havant

Directors / Trustees during the year and to date

Beverley Jones
Graham Lavender
Trevor Lewis
Guy Millar
Jennifer Owens
William Stevens
Margaret Woodhead
John Evans

Chairman
Joint Vice chairman resigned 27 January 2017
Vice chairman
Resigned 27 January 2017

Appointed 20 October 2016

Chief Executive Officer

Tim Houghton

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TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2017

Structure, Management and Governance

Communities First Wessex (trading as Community First) is a Registered Charity and Company Limited by Guarantee. The company is governed by its Memorandum and Articles of Association which were established in 2012 and amended in May 2015.

Communities First Wessex was formed as a successor to HCCS Community Action (known as Community First HEH) following merger with Winchester Area Community Action (WACA) in May 2015. This in turn followed a previous merger between Community First East Hampshire and HCCS Community Action in October 2012 and has enabled us to create an organisation able to provide services across Havant, East Hampshire, Winchester and into other neighbouring districts and surrounding areas. Communities First Wessex continues to be known and trade as Community First.

The Directors of the Company are also the Trustees of the Charity. The Directors of the Charity meet at least 4 times a year with an Executive Committee comprising Chair, Vice-Chair and CEO, meeting monthly. The Directors are responsible for determining the strategy and establishing plans to implement this, in meeting our Charity objects. The Executive Committee oversee the plans, ensuring there are the right level of resources in terms of finance, operational staffing and business development, to implement these effectively. The CEO and Senior Management Team are responsible for the day to day running of the organisation and service delivery.

Communities First Wessex is a member of the National Association for Voluntary and Community Action (NAVCA) and National Council for Voluntary Organisations (NCVO).

Recruiting Directors

The following methods are used in recruiting new Directors:

- We review the skills and experience of existing Directors, matching these to the needs and activities of the business as set out in our strategic plan and business plans.
- Gaps in skills are identified by the Executive Committee of the board and discussed and agreed at full board meetings.
- Nominations to the Board of Directors are invited at the Annual General Meeting and throughout the year through contact with member groups, partners and individuals.
- Securing specific skills can require additional action such as advertising through local networks, contacts and companies.

Director Induction and Training

New Directors are provided with background information about the organisation and our work and the wider role of serving as a charity Trustee using Charity Commission's recommended guidance. Prospective Directors are invited to attend board meetings to observe and ask questions followed by a meeting with the CEO and Chairman to gain greater understanding of their skills and interest and to explain more about the workings and strategy of the organisation.

When in post Directors are encouraged to attend events and launches and to meet staff running services to gain an understanding of some of the challenges and benefits. Training for Directors is promoted and advertised.

Role of Local Authority Councillors and Observers

In addition to our Directors, we have local authority councillors nominated by Hampshire County Council, Havant Borough Council and East Hampshire District Council. Councillors do not serve as Directors or Trustees but provide support to the organisation and act as a conduit for communication and informing local authorities about our work. Councillors meet with the CEO and Directors but are not required to attend Board meetings.

Objectives, Activities and Achievements

The charity's objects are:

(a) to promote any charitable purpose for the benefit of the public, principally but not exclusively in the local Government areas of Havant, East Hampshire and Winchester, as well as surrounding areas (hereinafter called the "area of benefit") and in particular, but not exclusively, the advancement of education, the protection of health and the relief of poverty, distress and sickness, and to provide people with the necessary support, information and services to enable them to pursue or contribute to any charitable purpose.

(b) to promote, organise and facilitate co-operation and partnership working between third sector, statutory and other relevant bodies in the achievement of the above purposes within the area of benefit.

How our activities deliver public benefit

The Directors have referred to the Charity Commission general guidance on public benefit when reviewing the company's objectives and planning future activities.

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TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2017 (continued)

The charity carries out a wide range of activities in pursuance of its charitable aims. In particular and to further objects we deliver direct services where we see a need which is not fulfilled by others and to win commissions and develop social enterprises to enable us to re-invest any surplus in charitable activities. The Directors consider that these activities provided benefit to the wider communities of Havant, East Hampshire, Winchester and Basingstoke and surrounding areas in 2016/17 and are summarised below:

- **Volunteering:** working with individuals and voluntary groups to recruit, place, support and train volunteers who benefit the community through working for community and voluntary organisations. We provided programmes to enable those with additional support needs to volunteer successfully.
- **Support:** Providing information, guidance, signposting and one to one support to individuals and voluntary and community groups, enabling individuals to access information quickly and organisations to thrive.
- **Networks and Voice:** Sharing information and representing and supporting local voluntary and community groups to help shape policy and influence within their communities.
- **Training:** Development of staff, volunteers, members of the voluntary sector, community groups and other charities and individuals.
- **Services:** Meeting the needs of communities and other voluntary sector organisations by providing critical community services including transport, shopmobility, health and wellbeing including specialist rape and sexual abuse counselling, youth work, management of community buildings and other services in keeping with our charity aims.

Our Aims and Objectives

Community First supports a thriving, active and influential voluntary sector throughout East Hampshire, Havant and Winchester. We also deliver transport services in Basingstoke and Deane

We provide:

- Training and advice, helping groups and individuals learn new skills, improve their own services and be as effective as they can be
- Volunteering leading to a significant increase in the number and range of people taking up volunteering for the first time and providing opportunities for those needing support to volunteer
- Accessible and cost effective transport to those in Havant, Winchester, Basingstoke, East Hampshire and surrounding areas
- Support to enable commissioners and those working in local authority adult services, childrens services and in the NHS to access and utilise expertise in the voluntary and community sector to improve the health and wellbeing of local residents.
- Critical counselling support to those suffering or have suffered sexual abuse and rape

We support:

- Young people into adulthood by providing advice and guidance and specialist support with mental health, anger and anxiety management, and gender issues and by extending our Rape and Sexual Abuse service to include counselling young people under the age of 18 and to work with schools on awareness of risks which could lead to sexual abuse.
- Older and vulnerable people; meeting health needs, helping those in crisis and improving quality of life and reducing isolation.

As an independent membership organisation we believe we are stronger by working together. We have a membership of 550 local Voluntary Community and Social Enterprise (VCSE) organisations and groups.

Our specific aims in 2016-2017 were:

1. Giving a voice to the sector, enabling and helping VCSE organisations to become models of good practice and maintain viability. This included identifying new funding opportunities and bids, building partnerships and exploring commissioning with local authorities. This included work with Clinical Commissioning groups, NHS bodies and local authorities to help communities build resilience and reduce reliance on public sector services.
2. To provide local groups with one to one support across a range of topics; including finance, governance, income generation, restructuring, staff training, HR and DBS checks. We developed a self-assessment health check tool to enable organisations to identify and prioritise the support they need. We paid particular attention to unincorporated organisations where Trustees may be exposed to liabilities and financial risk if they are employing staff or managing property.
3. To deliver quality training opportunities to all sectors, helping groups to up skill, become sustainable and change services delivery to meet local authority and other commissioners requirements. Through training and other personal development, we also provided support to those who are out of work.
4. To promote volunteering and support volunteering activity locally increasing the number and range of people taking up volunteering for the first time and to enable those in need of additional support, including those with learning disabilities, mental health problems or other disadvantages to taking up volunteering.

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TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2017 (continued)

5. To enable service delivery to local communities: specifically this includes delivering:

- a. Community Transport services across East Hampshire, Havant, Winchester and Basingstoke and Deane and deliver Shopmobility in Havant, Chichester and Winchester
- b. Youth work across East Hampshire and Winchester Districts but focusing on gaps in services and targeting intervention around vulnerable young people experiencing low level mental health and anxiety and those needing specialist support in LGBT issues.
- c. Older persons services through Silver Linings Lunch and through lunch and social club and social activities primarily delivered at Hewitt's in Emsworth
- d. Develop community infrastructure and build capacity in the voluntary and community sector in specific locations including supporting regeneration in Bordon, at Leigh Park and Waterloooville, in Havant, and Winnall and Stanmore in Winchester.
- e. Support for Community Associations and community buildings including managing Leigh Park Community Centre in Havant.

6. Providing evidence of need and measuring and demonstrating the impact of Voluntary sector's intervention and support.

Our performance in 2016/17

CFW provided support for our membership of 550 voluntary and community groups through information, support and advice.

Our team of staff and volunteers responded to enquiries from local organisations on a broad range of issues including:

- 156 training events for groups with more than 1,360 learners participating
- £420,000 raised in funds for local groups and services
- At least 440 volunteers placed and responded to more than 1800 enquiries, registering 800 volunteer applicants and promoting 700 new vacancies.
- Worked with more than 200 employees of local businesses engaging them in volunteer activities.
- 47,000 passenger trips with our community transport fleet, covering more than 550,000 miles
- 100 DBS (Disclosure & Barring Service) checks
- 20 editions of our popular e-news reaching 775 people on average each edition
- Organised more than 50 networking events, forums and meetings to promote collaboration, sharing good practice and learning with Voluntary, community and other partner organisations

Our role in community development and capacity building

Our Community Development and Support team Workers provided tailored support for new and established groups, including guidance on governance and constitutions, HR and operating policies and procedures, and creating business and fundraising plans. We advised and supported more than 100 funding applications, raising more than £500,000 for local groups and activities. We hosted network and funding advice events enabling local groups to come together to share ideas and experiences, while receiving briefings on topical issues.

We also delivered payroll services for 25 local organisations and carried out DBS checks on behalf of local groups. We worked with 10 Community Associations to provide specialist support to help review financial viability and advice on legal structures to support continued use and viability of community Associations centres and buildings and other groups in financial difficulty.

We sent out a regular fortnightly e-news disseminating local information, highlighting upcoming events and funding opportunities. We created a new on-line Help and Support Directory of Voluntary and Community Groups.

We delivered specific support to groups in Winchester District under contract to Winchester City Council.

Volunteer services

Our Volunteering Team directly recruited, placed and supported 441 volunteers, 88 of whom were long term unemployed and dealt with 1,800 enquiries. We also engaged with 101 students at Alton College in volunteering and 220 employees of local business through our successful employee volunteering scheme. Our aim is to enhance the volunteering experience by working collaboratively with organisations and groups seeking volunteers and supporting them to develop their capacity. We provided guidance on good practice and advertised volunteering opportunities through interviews, events and publicity. We further developed our online portal: Volunteer Wessex www.volunteerwessex.org.uk to make it easier for people to find volunteering opportunities locally. This included sharing this technology with our colleagues in other CVS' in Hampshire.

We organised and hosted an award ceremony to celebrate and recognise the valuable contribution volunteers make in the community attended by 120 people and continued to support our V Team which gives extra support to people who have been unemployed, who lack confidence or have a mental health issue by helping them learn new skills, meet other people and put something back into their local community.

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TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2016 (continued)

Training

We provided 156 high-value, low cost training events for charities, voluntary organisations and social enterprises attracting over 1360 participants and learners. Courses were offered in project management, ICT, funding, marketing and tendering and MIDAS minibus driver training. We further developed our accredited training centre in partnership with Citizens Advice to provide specialist legal advice training to CAB advice workers and to others seeking accredited training. To further develop certified training services, Skills to Grow was established as a trading subsidiary towards end of the year and will be further developed in 17-18.

Transport

We made more than 47,000 passenger trips over total distance of nearly 500,000 miles through our Community Transport, Dial a Ride and a 'Call and Go' and SEN school services in East Hampshire, Havant, Winchester and Basingstoke, under contract to Hampshire County Council and with support of district and borough Councils. We secured a 4 year contract to deliver Service in Basingstoke and Deane in September 2015. Accessible minibuses are available for hire to local groups and organisations, in addition to the regular contracts provided for local schools, residential homes and day care schemes. Call and Go and Dial a Ride provide a door-to-door bus service for residents with transport difficulties, who cannot get to or use the conventional public transport system. We also provide two scheduled services in rural communities around Basingstoke in Overton and neighbouring villages

Youth service

The Youth First service delivered specialist support for 450 young people including counselling in Anger and Anxiety Management and support for LGBT groups. We also delivered outreach work in Bordon and Headley Down attracting more than 100 regular members

Support for vulnerable adults

We provided and continued to increase the scale of our **Rape and Sexual Abuse Counselling service (RASAC)** supporting people who have suffered Rape and sexual violence. We increased specialist support for 13-19 year olds and promoted this through schools and colleges. Towards the end of the year the ISVA (Independent Sexual Violence and Advocacy) service was transferred to another provider.

We provided specialist **Advocacy** support for vulnerable adults including those with LD and mental health needs in Winchester. We train volunteers to act as advocates for those who don't qualify for specialist support from local authorities but for whom daily life creates significant challenges.

We secured funds from Hampshire County Council Adult Health and Care and worked in partnership with Citizens Advice, Age Concern Hampshire and Autism Hampshire to deliver a **Wellbeing Advice Service** designed to improve co-ordination and co-operation between advice providers and those supporting vulnerable adults in need of care and support. The aim is to provide a 'no wrong door' service for people seeking advice and support but may not qualify for social care packages.

We also provided **Shopmobility** in Winchester, Havant and Chichester providing short and long term hire of electric scooters, and manual wheelchairs in order to provide greater freedom and independence to those with mobility problems. We served more than 350 customer hires and invested in new equipment and new mobile unit to increase the reach of our service in Winchester District.

We continued to support partners in providing services and **tackling homelessness** in Winchester and Havant. We facilitated the Supported Housing Partnership in Winchester which brings together partners tackling homelessness and housing needs and we supported a homeless partnership in Havant.

Community Buildings

We continued to provide services for older people, the wider community and specialist training and employment through our partnership with Right to Work at Hewitt's in Emsworth. Our Silver Linings initiative enabled more people to benefit from support and social interaction at Hewitt's in addition to the successful lunch club and catering services provided by people with learning disabilities employed and trained by the Right to Work.

We took over the lease at Leigh Park Community Centre in Havant in March 2016 and secured investment to improve and upgrade parts of the building, attracting new hirers and tenants and providing a range of group activities and critical community services in the neighbourhood. We attracted new volunteers and employed a dedicated staff team based at the Centre. We organised a successful celebration event at the year end showcasing what the Centre has to offer and the groups which use it. The event attracted more than 500 attendees who completed questionnaires profiling the range of services sought by the community.

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TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2016/7 (continued)

Future Plans

We will continue to develop services at scale and seek to innovate and diversify our funding base to secure more income from commissioned and marketable services reducing our reliance on grants and diversifying our activities to attract new sources of income, including looking at opportunities to develop an asset base. We will also continue to explore opportunities for enterprise particularly around training and transport some aspects of our support for older or vulnerable people especially in relation to new models of health and social care. We will increase our income from non public sector sources and take advantage of new funding opportunities with the health sector via CCGs and NHS Vanguard programme including the Sustainability and Transformation Plan with increasing recognition of the role voluntary and community sector plays in supporting healthy communities.

We will continue to deliver services on behalf of Winchester City Council under our 3 year contract which runs to 30 April 2019. The existing funding agreement with Hampshire County Council ended at 31 March 2017 and has been renewed for one year subject to delivery of a new development plan encouraging joint working, collaboration and streamlining of CVS services on a county-wide basis. We are playing a key role in this as the cluster lead for the Central and South East Hampshire Cluster. East Hampshire District Council is exploring the opportunity to move toward a commissioning approach from April 2018 and we are working with them to explore co-production and joint design of community services. We will continue to work closely with current funders and partner organisations, as stated above to secure further funding for our current activities. Our contract for Basingstoke transport services will continue for a further 2 years. Other transport contracts are being renewed on an annual basis, with a move toward following the Basingstoke model of packaging up Dial A Ride and Community Transport contracts together. Some commissioner planned changes may impact on the way school contract are procured, with single providers per school being one option under consideration

With grants in decline, the Trustees consider that we can continue to succeed only by increasing scale and capacity, to offer security of supply to commissioners and provide effective services to our members. We believe we are now a far more effective and efficient organisation, with a significantly stronger infrastructure and the capacity to seek new work opportunities - without losing our commitment to our members or our strong local community links. The Trustees see Community First in the future creating opportunities through innovation as a key function of the Charity's role and one that will help us support our membership groups and innovative thinking being key to our future proposals and plans.

Financial Review

This was our first full financial year since merger between Community First HEH and Winchester Area Community Action to create Communities First Wessex. During the year we have established ourselves, invested in a new management structure and significantly developed our IT capabilities in order to take advantage of the new economies of scale now possible. We continued to expand our service offer and were successful with a number of funding bids and tenders. We grew our like-for-like revenue by more than £350,000. Trading income, including rental income increased markedly, grants and contracts were up by 13% and fare revenues from Transport and other services nearly 30%, allowing us to maintain our overall turnover at £2.32M. By comparison our revenue in the prior year had been increased by the donation of reserves of £389,000 by Winchester Area Community Action following merger. The success in securing new income, combined with efficiencies in managing costs enabled us to maintain charitable expenditure at record levels, increasing this by a further £340,000 and enabled us to achieve an unrestricted surplus of £48,000 to invest in future years. Our overall surplus was £7,508. This includes a deficit of £41,000 spent against restricted projects where the income was brought forward from the prior year. Our unrestricted surplus reinforces the value of investment and justifies the previous year's decision to merge.

The Charity has a defined benefit pension scheme with Hampshire County Council. A valuation of the scheme was carried out at 31 March 2017 which showed that the fund had a deficit of £770,000, an increase of £55,000 on the prior year. The liability arising from obligations to this scheme has been reflected in the Charity's balance sheet as at 31 March 2017. The proportion of the deficit relating to ex- WACA employees has been underwritten by a guarantee from Winchester City Council of approximately £466,000, thereby reducing the overall exposure of the Charity.

The Charity has taken continued to take appropriate and considered steps to diversify its funding base, to secure new sources of income and support and to build on its strengths and track record in public service delivery, including effective support for local voluntary and community sectors. We continue to operate against a backdrop of further reductions in public sector funding impacting on local authority budgets for both grants and commissioned services. Merger has made us more resilient and has resulted in real cost savings and efficiencies but it remains challenging to plan with any degree of certainty for the long term as much of our work is based on short term contracts of 1 or 2 years. There is a continuing shift from grant funded to commissioned services opening up new business opportunities for the Charity which we continue to explore and take advantage of where we can and in particular around transport and training. We are also using our scale to develop more innovative solutions and attract large scale funding from The Big Lottery and charitable trusts.

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TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2017 (continued)

We structured and put in place an effective Senior Management Team to lead our wider staff and volunteer team. By year end we had more than 85 staff operating across 9 locations in 4 local authority districts

Our board remains 'business focused' and with the support of the CEO and experienced Head of Finance has provided appropriate fiscal management throughout the year. We continue to invest in order to maximise the benefits of the merger, particularly in marketing, web development and ICT systems. The year end demonstrates the impact that careful financial management combined with effective investment of reserves has on improving the quality of our offer and has led us to operating effectively and efficiently at scale.

Funding

Communities First Wessex received grants from Hampshire County Council through investment in an agreed development plan to support priority work with Adults and Children's Services and from Havant Borough Council and East Hampshire District Council under partnership funding agreements. We also received income from Winchester City Council under contract from a commissioned service to support Voluntary and Community Sector organisations in Winchester district. We were re-commissioned and awarded a further 3 year contract worth £150,000 in March 2016. The previous funding agreement with Hampshire County Council ended at 31 March 2017 and has been renewed for one year subject to delivery of a new development plan, and East Hampshire District Council is exploring opportunity to move toward a commissioning approach when our existing grant agreement expires at 31 March 2018. We also received funding from SE Hants CCG.

Our other principle fund came from grants and contracts including contracts with Hampshire County Council for Community Transport, Dial a Ride, Call and Go, Adult and Children's services, and from the Home Office, Ministry of Justice and Office of Police & Crime Commissioner for RASAC and ISVA. Hampshire Futures (HCC) for training, grants from Winchester City Council, Havant Borough Council & Chichester District Council and income from customers for Shopmobility, and funding from Big Lottery for a Silver Lining's programme to support older people at Hewitt's in Emsworth. We also receive rental income from Leigh Park Community Centre and our fare income from passenger transport services has also increased in 2016/17.

Reserves

The Board of Directors has determined that the Charity should seek to maintain a level of reserves to cover the following eventualities;

- Unrestricted reserves equivalent to 6 months of planned running costs
- The loss on realisation of any fixed assets and any additional contractual liabilities
- Designated reserves to accumulate funds for specific purposes as determined by the Board from time to time
- Restricted reserves to the extent that funds for restricted purposes have not been fully expended. No additional reserves will be established for restricted projects.

This policy is principally to enable the Charity to continue operations whilst awaiting receipt of grants, many of which are paid in arrears, to pay contractual liabilities in the event that grants are discontinued or significantly reduced whilst services are realigned and to recover the potential loss on fixed asset investments in the event that funding is withdrawn or contracts ended prematurely. The Charity will also seek to invest in innovative services which can be piloted and tested to better meet the needs of local vulnerable people.

At 31 March 2017 we have £611,603, (before a pension reserves of £745,000), in unrestricted reserves. Of this £447,501 is designated to support the development of ongoing projects (see note 14). A reserve of £178,000 has been created to cover any unforeseen events as well as the possibility that funding might not always be obtained which together with a small deficit on free (general) reserves (£13,898) equates to 4 months average running costs. Designated reserves will be further reviewed in 17/18 with a view to increasing the level of reserves in line with our reserves policy,

The level of reserves is reviewed annually against the policy. In addition and independent of any reserves, accruals will be established at the end of each year and reviewed quarterly thereafter, to cover any expenses that can reasonably be estimated, such as sickness pay, insurance claim excesses, equipment and services received but not invoiced.

Managing risk

A Risk Register has been established identifying the key risks and documenting actions taken to mitigate these which is reviewed regularly by the Directors and Senior Management. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces.

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TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2017 (continued)

Our significant risks

We face on going risk in terms of our funding and income which is predominantly from public sector sources and therefore subject to ongoing austerity cuts etc.. Expenditure is under close scrutiny and local authority grants and commissioned services are being squeezed resulting in less money at a time when demand for our services and support from our members and constituents is increasing. We are continuing to diversify our funding base securing more income from commissioned services, reducing our reliance on grants, diversifying our activities to attract new sources of income and looking at opportunities to develop an asset base. We are leading by example and continue to explore opportunities to further increase scale, impact and generate revenues, through partnership working, collaboration and potential future mergers and actively encourage our members to do likewise. We are also exploring opportunities for enterprise particularly around training and some aspects of our service for *older or vulnerable people to enable them to lead healthy lives independently*. As public sector funding continues to diminish more customers /beneficiaries may be asked to pay towards services but we are also seeking opportunities to maximise use of our assets and expertise to generate income which can be reinvested in essential community support and services. This will increase our income from non public sector sources but will also enable us to take advantage of new funding opportunities with the health sector via CCGs and NHS Vanguard via the Sustainability and Transformation Plan for Hampshire & IoW with increasing recognition of the role Voluntary Community Sector plays in supporting healthy communities.

We have maintained strict internal controls and procedures for authorising transactions and payments which reduce financial risks and risk of fraud. Only authorised signatories can sign or commit the organisation to enter into grant agreements and contractual or other liabilities.

We deliver services to vulnerable people including those who are elderly, frail, disabled, suffer mental illness or abuse or lack of confidence and to young people from a wide range of backgrounds. Our highest risk services are:

- Transport: risk of road accidents and in helping frail people on or off vehicles
- Supported Volunteering: providing work experience and support for people with mental illness and other health conditions including those with a history of substance misuse and ex-offenders; helping them rebuild their confidence and contribute to society
- RASAC and ISVA: providing specialist support for highly vulnerable people who have suffered historical or recent sexual violence and abuse
- Youth work: working with vulnerable young people including specialist support addressing anger and anxiety management, CSE and sexual health

We continue to invest in staff training to ensure full compliance with health and safety and operating procedures. Procedures are in place to ensure compliance and best practice with health and safety of staff, volunteers and our service users. These are reviewed regularly and in particular we continue to invest in further improving our safety record in Transport with significant investment in further training for drivers, ensuring all risks are carefully assessed and accidents, incidents and 'near misses' are recorded and reviewed. Lessons are learnt are shared openly with commissioners and partners and are used to amend procedures to provide a safe and enjoyable experience for service users, staff and volunteers.

CHAIRMAN'S REPORT

2016/17 was our first full year operating as Communities First Wessex, trading as Community First following the merger of Winchester Area Community Action and Community First HEH. During the year we designed and published our prospectus 'Serving your Community'. It was thought appropriate to tell our partners, members and supporters about our new mission and ambitions of Community First. Our prospectus has generated new conversations with our current partners and members and we have gained some new prospective partners. The new website is attractive and well used and our new 'Volunteer Wessex' website is making a contribution to matching volunteers with volunteering opportunities in an efficient and business-like fashion.

Community First is built on bringing together organisations, pooling talents, reducing duplication of overheads and delivering results. Our vision continues to be based on the knowledge that both local and national government financial support is reducing, grant support is in decline and our future success will be based on responding to commissioned work and gaining contracts, which we feel confident we can deliver. In these circumstances, we accept there are only two avenues for an organisation like Community First to follow. The first would be to retreat into the 'past', hoping that the financial climate will soon improve, live on reserves and constantly reduce operational capacity until the organisation becomes irrelevant. The second approach is to succeed by increasing scale and capacity and offer security of supply to commissioners and provide effective services to our members. The board of Communities First Wessex are committed to the second course of action.

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TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2017 (continued)

Our Annual General Meeting this year was held in Havant. We try each year to vary the location of our Annual General Meeting so that as many members can attend as possible. This year the attendance was high and there was an appetite amongst those who attended to investigate how we can do more developments together and support each other in these 'cash strapped' times. To assist this development it was agreed to set aside a further opportunity for members to relook at our membership policy and also how the business of an AGM could be streamlined. This work will continue at an event in July 2017.

I am grateful to my fellow Directors, who contributed so much to our organisation in time and effort. Through their efforts our organisation is financially sound and has a bold approach to defining strategies for our future development. At the end of the year we said goodbye to two of our founding directors. Graham Lavender was one of our Vice Chairmen and previously had been chairman of Havant Council of Community Services for many years. Graham was one of the main champions of bringing together the Havant and East Hampshire organisations into a new enterprise. Guy Miller was a founding trustee of East Hampshire Community First and again was a key leader in the process of merging East Hampshire and Havant. As an organisation we thank both Graham and Guy for their contribution to our success. They will both be missed.

For our staff the year has been challenging as the organisation began to re-model its staffing structure. It was important that we did this restructuring in a careful and creative way. As an organisation we rely heavily on the contribution our staff make to our success. So we took time and worked with staff to ensure our new organisational structure was really fit for purpose, using all the talents our staff had to offer. As a board, we wanted to create a strong and effective senior management team and concluded that process this year. We believe we have created a team of leaders who will take responsibility for different sections of the organisation's work and who will contribute to the development of the board's strategic thinking. The formation of the senior management group now allows our Chief Executive to have time and space to concentrate on gaining new business for the organisation.

I thank our staff and volunteers for their dedication and efforts this year. I thank our Chief Executive for his contribution. Our Chief Executive drives the board's strategy and ambition to grow the organisation further. None of our current success would have been possible without the contribution and hard work of our Chief Executive.

As an organisation we are grateful for the support given to us by East Hampshire District Council, Havant Borough Council and Hampshire County Council. All local authorities are under pressure financially and we are pleased that there is such a good working relationship between Community First and our council colleagues. We are also pleased to work closely with Winchester City Council under a 3 year agreement. We also thank Basingstoke and Deane Borough Council for their support of our transport operation within their area. Community First has been successful in meeting all the targets we have been set by our funding partners.

We have endeavoured over the last few years to reorder our structure so more resources can be targeted at frontline work. We have achieved this by reducing the cost of managing the operation, by integrating 'back office' functions, and introducing more cost-effective ways of working. Hampshire County Council supports the main voluntary and community infrastructure sector in the county and they want to see more collaboration between such organisations. This has resulted in the formation of 4 groupings or 'clusters' of providers across the county. Basically a northern cluster covering Rushmoor, Hart and Basingstoke; a south west cluster covering Eastleigh, Test Valley and New Forest with Community First leading the Central and South East Hampshire cluster covering Winchester, East Hants and Havant joined with Gosport and Fareham. All parties involved in our cluster suggested that greater collaboration and joint working could be developed, if we saw ourselves as one area. The new cluster arrangement became operational in April 2017. There will be three cluster groups in the county from 2017/18. The number of independent voluntary and community infrastructure organisations has been reduced over the past 4 years from 13 organisations to 10, through the creation of Community First.

COMMUNITIES FIRST WESSEX

(Company limited by guarantee and not having a share capital)

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2017 (continued)

We continue to talk and work with like-minded community organisations on projects and activities and are serious and committed to joint working. We are confident that the draft ideas and plans surrounding the thinking of Health and Social Care is an area of work where we can add value and engage with statutory organisations as very useful partners. During the year, many conversations and discussions have taken place on this subject and we hope that in the coming years we should be reporting back on actual work and results achieved. All these plans/ideas/strategies should help us to be part of the action to improve the quality of life for many people who live within our area.

Directors' responsibilities

Law applicable to charitable companies in England & Wales requires the directors to prepare the trustees report and financial statements for each financial year, which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year.

In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- 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 company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2011. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- There is no relevant audit information of which the company's auditors are unaware: and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

A combined directors and trustees report is being presented in order to meet company law requirements

This report was approved by the directors on 19 OCTOBER 2017

Beverley Jones
Chairman



COMMUNITIES FIRST WESSEX

(Company limited by guarantee and not having a share capital)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMUNITIES FIRST WESSEX

We have audited the financial statements of Communities First Wessex for the year ended 31 March 2017 set out on pages 13 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Policies) including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As described in the Statement of Directors Responsibilities, the company's trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 145 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017, and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

COMMUNITIES FIRST WESSEX

(Company limited by guarantee and not having a share capital)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMUNITIES FIRST WESSEX

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

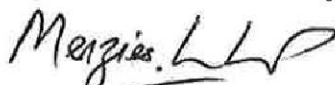
In our opinion the information given in the trustees report for the financial year for which the financial statements are prepared is consistent with the financial statements and such reports have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to

- returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's 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
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



Malcolm Lucas FCA
Senior Statutory Auditor
For and on behalf of:

MENZIES LLP
Statutory Auditor and
Chartered Accountants

8 December, 2017.

4400 Parkway
Fareham
Hampshire PO5 7FJ

Menzies LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

COMMUNITIES FIRST WESSEX

(Company limited by guarantee and not having a share capital)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2017

(Including Income and Expenditure Account)

	Note	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
INCOME					
Donations and legacies		-	-	-	-
Investment Income		491	78	569	547
Trading Income					
Rental income		83,278	-	83,278	14,541
Miscellaneous income		18,184	-	18,184	23,115
Charitable activities					
Grants & contracts	4	1,471,271	369,699	1,840,970	1,633,823
Memberships	4	-	-	-	-
Fare revenue	4	220,665	1,631	222,296	173,901
Other income	4	74,826	79,858	154,684	121,607
Exceptional item:					
Donation from Winchester Area Community Action	3	-	-	-	388,774
TOTAL INCOME		1,868,715	451,266	2,319,981	2,356,308
EXPENDITURE					
Fundraising		-	-	-	-
Charitable activities	6	1,820,221	492,176	2,312,398	1,969,562
Exceptional item:					
Obligation to fund Winchester Area Community Action pension liability expensed	17	-	-	-	458,000
TOTAL EXPENDITURE		1,820,221	492,176	2,312,398	2,427,562
NET INCOME (EXPENDITURE) BEFORE TRANSFERS		48,494	(40,910)	7,583	(71,254)
ATTRIBUTABLE TO:					
Net income (expenditure) before exceptional items		48,494	(40,910)	7,583	(2,028)
Exceptional items (£388,774 less £458,000)	3, 17	-	-	-	(69,226)
		48,494	(40,910)	7,583	(71,254)
TRANSFERS BETWEEN FUNDS	13,14	19,181	(19,181)	-	-
Actuarial gains/(losses) on defined benefit pension funds	17	(39,000)	-	(39,000)	66,000
Brought forward pension scheme liability	17	-	-	-	(298,000)
NET(EXPENDITURE)/INCOME FOR THE YEAR		28,675	(60,091)	(31,417)	(303,254)
FUND BALANCES BROUGHT FORWARD		(146,073)	282,785	136,712	439,966
FUND BALANCES CARRIED FORWARD		(117,398)	222,694	105,295	136,712

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities.

COMMUNITIES FIRST WESSEX

(Company limited by guarantee and not having a share capital)

Company number: 02960439

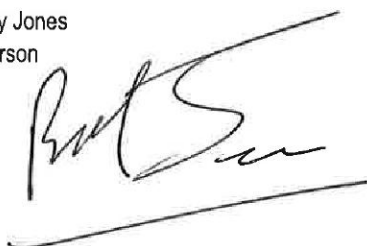
STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	8		229,654		106,682
CURRENT ASSETS					
Stocks	9	1,098		1,098	
Debtors	10	395,211		631,650	
Cash at bank and in hand		567,517		329,088	
		<u>963,826</u>		<u>961,836</u>	
CREDITORS: amounts falling due within one year:	11	<u>(318,185)</u>		<u>(216,806)</u>	
NET CURRENT ASSETS			<u>645,641</u>		<u>745,030</u>
NET ASSETS EXCLUDING PENSION LIABILITY			875,295		851,712
Defined pension scheme liability	17		(770,000)		(715,000)
NET ASSETS INCLUDING PENSION LIABILITY			<u>105,295</u>		<u>136,712</u>
FUNDS					
UNRESTRICTED FUNDS					
Designated funds	14		625,501		485,480
General funds	14		<u>(471,898)</u>		<u>(399,553)</u>
Unrestricted funds excluding pension liability			153,603		85,927
Pension reserve	17		<u>(271,000)</u>		<u>(232,000)</u>
Total unrestricted funds			<u>(117,397)</u>		<u>(146,073)</u>
RESTRICTED FUNDS	13		222,694		282,785
TOTAL FUNDS	13		<u>105,295</u>		<u>136,712</u>

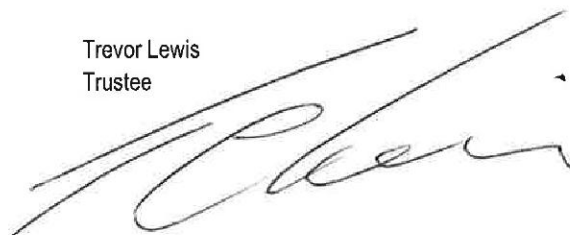
The accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with FRS 102

Approved by the trustees on 19/10/17
and signed on their behalf by:

Beverley Jones
Chairperson



Trevor Lewis
Trustee



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Cash provided by /(used in) operating activities	21	399,256	163,170
Cash flows from investing activities			
Interest income		491	547
Purchase of tangible fixed assets		(181,318)	(74,961)
Sale of tangible fixed assets		20,000	700
Cash provided by (used in) investing activities		(160,827)	(73,714)
Increase/(decrease) in cash and cash equivalents in the year		238,429	89,456
Cash and cash equivalents at the beginning of the year		329,088	239,632
Cash and cash equivalents at the end of the year		567,517	329,088

COMMUNITIES FIRST WESSEX

(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

1 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with FRS 102, 'The reporting standard applicable in the UK and Republic of Ireland', in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice.

2 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are as follows:

(a) Basis of accounting

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 FRS 102 and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Under an agreement with Winchester Area Community Action, certain funds were donated to Communities First Wessex on 1 May 2015 and its activities combined. This combination is in substance a gift and the excess of the fair value of the assets received or the liabilities assumed is recognised as exceptional income in the Statement of Financial Activities. Additionally, Communities First Wessex assumed an obligation to fund the Winchester Area Community Action pension liability. This liability is recognised as a loss in the Statement of Financial Activities and is shown as an exceptional expense in the comparative figures.

(b) Preparation of the accounts on a going concern basis

The trustees have a reasonable expectation that the charity has adequate resources to continue operational existence for at least the next 12 months. For this reason the trustees continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The trustees remain in regular contact with sponsoring local authorities.

(c) Income

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and it is probable that the economic benefits will flow to the charity and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations, legacies and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, when entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Investment income is included when receivable.
- Incoming resources from activities for generating funds, including those from a trading subsidiary, are accounted for when earned.
- Resources are deferred when, at the end of an accounting period, they have been received but the charity has yet to become unconditionally entitled to them.
- Income from the supply of services from contracts is recognised with the delivery of the contracted service. Contract income is recognised on the basis of the time spent in providing the service as a proportion of the total time to be spent to fulfil the contract. Where income is received in advance, the income is deferred until the service has been provided.

(d) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. It includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise of the costs associated with attracting voluntary income and the costs of fundraising.
- Charitable expenditure comprises of those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and the costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly.

COMMUNITIES FIRST WESSEX

(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

(e) **Fixed assets**

Fixed assets are stated in the balance sheet at cost less depreciation. Fixed assets are capitalised for ongoing use within the company, where Depreciation is provided so as to write off the cost of the fixed assets, less their residual value, in equal annual instalments over the estimated

Plant and machinery	25% reducing balance
Fixtures, fittings and equipment	25% reducing balance

(f) **Stocks**

Stock is included at the lower of cost or net realisable value after due regard for obsolete and slow moving items.

(g) **Recognition of debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

(h) **Recognition of liabilities**

A liability arises as soon as there is a legal or constructive obligation committing the charity to the expenditure as described in the Financial

(h) **Unrestricted funds**

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified

(i) **Restricted funds**

Restricted funds comprise funds granted or donated for specific purposes as laid down by the grantor or donor. Income generated from assets acquired from restricted funds is restricted in the same way as the original grant or donation. Expenditure which satisfies the restrictions is charged to the appropriate restricted fund together with a fair allocation of management and support costs.

(j) **Operating leases**

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.

(k) **Deferred income**

Income is deferred where the charity is not yet entitled to the use of the resources. When the pre-conditions for use are met then the income is recognised

(l) **Pensions**

The charity participates in a defined contribution pension scheme. Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

The charity also participates in a defined benefit pension scheme. The assets of the scheme are held and managed separately from those of the charity.

The requirements of Financial Reporting Standard 17 - Accounting for Retirement Benefits (FRS17) (as modified by the FRSSE) have been adopted. Current and past service costs, pension finance costs and actuarial gains and losses, as determined by the scheme's actuary, are charged to the statement of financial activities.

The deficit on the scheme, representing the shortfall on the value of the scheme assets below the present value of the scheme liabilities is recognised as a liability on the balance sheet to the extent that the employer charity is able to recover a surplus or has a legal or constructive obligation for the liability. A corresponding pension reserve is included within total unrestricted funds. A proportion of the deficit; that part relating specifically to the former employees of Winchester Area Community Action, is the subject of a guarantee from Winchester City Council.

COMMUNITIES FIRST WESSEX

(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)**3 NET INCOME/(EXPENDITURE)**

	2017	2016
	£	£
Net (expenditure)/ income is stated after charging / (crediting):		
Exceptional item - Donation from Winchester Area Community Action	-	(388,774)
Depreciation	47,517	21,699
Auditor's remuneration - audit	7,750	5,700
Auditor's remuneration - other	2,250	-
	<u>2,250</u>	<u>-</u>

In the prior year, under the terms of the merger agreement with Winchester Area Community Action effective 1 May 2015, the reserves of that organisation were donated to Community First Wessex.

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Transport services £	Information & support £	Core activity £	Total 2017 £	Total 2016 £
Grants	241,158	319,707	251,355	812,220	635,235
Contracts	850,111	178,639	-	1,028,750	998,587
Membership	-	-	-	-	-
Fare income	221,128	1,168	-	222,296	173,901
Other income	41,175	113,509	-	154,684	121,607
	<u>1,353,572</u>	<u>613,023</u>	<u>251,355</u>	<u>2,217,950</u>	<u>1,929,330</u>

Included in Grants above are the following amounts received from:

	2017	2016
	£	£
UK Government grants	769,926	576,999
Grants- other agencies	42,294	58,236
	<u>812,220</u>	<u>635,235</u>

5 STAFF COSTS

	2017	2016
	£	£
Wages and salaries	1,229,342	1,032,200
Social security costs	82,215	64,475
Pension contributions	49,964	42,317
Redundancy costs	-	-
	<u>1,361,521</u>	<u>1,138,992</u>

COMMUNITIES FIRST WESSEX

(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

No employees received emoluments over £60,000 during the current or prior year.

No trustee received any remuneration including pensions. During this or the prior year no trustees were reimbursed expenses.

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	2017	2016
Provision of services	83	60
Management & administration	8	8
	<u>91</u>	<u>68</u>

6 CHARITABLE ACTIVITIES

	Transport services £	Information & support £	Core activity £	Total 2017 £	Total 2016 £
COSTS DIRECTLY ALLOCATED TO ACTIVITIES					
Staff costs	637,060	371,747	144,593	1,153,400	884,075
Volunteer costs	1,607	6,802	1,267	9,676	7,883
Transport costs	344,869	4,426	-	349,295	279,291
Administration	31,493	26,435	7,957	65,885	57,709
Depreciation	43,962	2,519	1,036	47,517	21,699
Other direct costs	5,036	229,104	2,554	236,694	220,459
	<u>1,064,026</u>	<u>641,033</u>	<u>157,407</u>	<u>1,862,466</u>	<u>1,471,116</u>

SUPPORT COSTS ALLOCATED TO ACTIVITIES

Rent, rates & utilities	60,329	30,585	18,417	109,331	103,183
Staff costs	26,839	13,562	167,720	208,121	268,856
Administration	55,898	28,247	13,321	97,466	85,542
Bank charges and interest	365	125	121	611	434
Governance Costs	10,583	5,348	2,472	18,403	15,431
Pension fund - current service cost			36,000	36,000	41,000
Pension fund - Interest cost			23,000	23,000	22,000
Pension fund - contributions			(43,000)	(43,000)	(38,000)
	<u>154,014</u>	<u>77,867</u>	<u>218,051</u>	<u>449,932</u>	<u>498,446</u>
	<u>1,218,040</u>	<u>718,899</u>	<u>375,458</u>	<u>2,312,398</u>	<u>1,969,562</u>

7 GOVERNANCE COSTS

	2017 £	2016 £
Legal and professional fees	7,007	9,995
Audit, accountancy and actuarial fees	10,000	4,099
Cost of AGM and incidental trustee meetings	1,396	1,337
	<u>18,403</u>	<u>15,431</u>

COMMUNITIES FIRST WESSEX

(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

8	FIXED ASSETS	Plant and machinery including Motor Vehicles	Fixtures fittings and equipment	Total
		£	£	£
	Cost			
	At 1 April 2016	154,931	27,939	182,870
	Additions	157,848	23,470	181,318
	Disposals	(15,044)	-	(15,044)
	Transfers	-	-	-
	At 31 March 2017	297,735	51,409	349,144
	Depreciation			
	At 1 April 2016	56,675	19,513	76,188
	Charge for the year	40,518	6,999	47,517
	Eliminated on disposal	(4,215)	-	(4,215)
	At 31 March 2017	92,978	26,512	119,490
	Net book value			
	At 31 March 2017	204,757	24,897	229,654
	At 1 April 2016	98,256	8,426	106,682
9	STOCKS		2017	2016
			£	£
	Finished goods		1,078	1,078
10	DEBTORS		2017	2016
			£	£
	Trade debtors		275,862	297,486
	Other debtors		75,948	257,695
	Prepayments & accrued income		43,401	76,469
			395,211	631,650
11	CREDITORS: amounts falling due within one year		2017	2016
			£	£
	Trade creditors		72,225	91,611
	Other taxation and social security		64,804	55,762
	Other creditors		23,174	4,548
	Accruals & deferred income		157,473	64,376
	Amounts held as custodian trustees (see note 12)		509	509
			318,185	216,806
12	AMOUNTS HELD AS CUSTODIAN TRUSTEES		2017	2016
			£	£
	WASUP		259	259
	Hampshire Working Group		250	250
			509	509

COMMUNITIES FIRST WESSEX

(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

13	RESTRICTED FUNDS	At 1 April 2016 £	Incoming resources £	Outgoing resources £	Transfers between funds £	At 31 March 2017 £
	Jubilee and Emsworth Centres	17,329	34,919	(49,642)	-	2,606
	Jubilee lunch club	(3,037)	-	-	-	(3,037)
	Shopmobility Havant and Chichester	1,176	40,370	(41,945)	-	(399)
	Emsworth pre-visible	2,321	-	-	-	2,321
	Bordon Hub	-	15,865	(16,301)	436	-
	Headley Down	-	6,253	(5,940)	(313)	-
	Youth work	16,708	666	(6,843)	(985)	9,546
	Being independent in later life (BILL)	9,310	7,000	(10,875)	-	5,435
	Anger and anxiety management	-	9,750	(9,962)	212	-
	Youth Grandparents	200	-	-	-	200
	Youth troubled families	1,868	13,598	(12,007)	-	3,459
	Skills to grow	20,575	15,350	(20,666)	-	15,259
	ARC	16,563	1,810	(18,373)	-	-
	Bike about	12,402	5,800	(4,377)	-	13,825
	Domestic Violence Forum	2,234	-	-	-	2,234
	RASAC	23,545	75,676	(79,073)	-	20,148
	ISVA	31,876	83,114	(95,809)	(19,181)	-
	Shopmobility Winchester	85,771	70,947	(48,280)	(39,743)	68,695
	Shopmobility Winchester - asset fund	17,823	-	(10,617)	39,743	46,949
	Silver linings	-	31,777	(25,708)	-	6,069
	Winchester advocacy	25,684	3,386	(8,054)	-	21,016
	Dementia Friendly	437	-	(437)	-	-
	Healthy Living	-	21,000	(12,633)	-	8,367
	Celebrate Big Lottery	-	6,885	(6,885)	-	-
	LGBT	-	7,100	(7,750)	650	-
	Total restricted funds	282,785	451,266	(492,176)	(19,181)	222,694

COMMUNITIES FIRST WESSEX

(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

13

RESTRICTED FUNDS (continued)

The source of each fund is different and they are received from various bodies including Winchester City Council, Hampshire County Council and The Big Lottery. The funds are restricted to the purposes as listed.

Hampshire ARC

Voluntary support from HCC Drugs and Alcohol Team.

Bike about

Push bikes to hire in and around Winchester.

Domestic Violence forum

Community First supports the administration of the Domestic Violence Forum.

Jubilee and Emsworth Centres

Provision of lunch clubs and Day Centre activities at Emsworth

Youth Work

Service based in East Hampshire delivering support for young people who are NEET (Not in Education, Employment or Training)

Being Independent in later Life

Event based activities provided information and support to older people's group

North Winchester Community Forum

To provide a focus for ideas on improving community facilities in North Winchester.

Rape and sexual abuse – RASAC

Counselling and help line services for victims of rape and sexual abuse.

Independent Sexual Violence Advocacy

The provision of Advocacy Services for the victims of sexual abuse.

Shopmobility

Hire out of Shopmobility vehicles such as wheel chairs and electric scooters in Havant, Chichester and Winchester areas

Skills to grow

Collaboration with the Citizens Advice bureau to provide accredited work based learning

Silver Linings

BIG lottery funded project to support community activity days for the over 55s at Hewitts in Emsworth

Advocacy

Matches volunteer advocates with people who need help to liaise with statutory bodies etc.

Celebrate

BIG lottery funded project to support a community event in Leigh Park, Havant.

Healthy Living

To promote healthy lifestyles in East Hampshire

COMMUNITIES FIRST WESSEX

(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

14

UNRESTRICTED FUNDS

UNRESTRICTED FUNDS	At 1 April 2016 £	Incoming resources £	Outgoing resources £	Transfers between funds £	At 31 March 2017 £
Designated funds					
Projects					
Volunteer Services	15,410	26,967	(24,593)	-	17,784
Projects fund	29,059	-	-	-	29,059
Transport services Havant	22,678	168,504	(156,508)	-	34,674
Transport services Havant - asset fund	33,016	33,718	(14,751)	-	51,983
Malmesbury Lawn Day Centre - transport contract	12,726	97,819	(93,181)	-	17,364
Call and Go Havant	6,721	34,364	(30,303)	-	10,782
Learning Highways	47,312	142,833	(135,085)	-	55,060
Adult learners week and community learning	23,554	-	-	-	23,554
Work Club and learning skills and employment	3,261	-	-	-	3,261
Winchester City Council project	18,154	50,000	(46,650)	-	21,504
Dial a Ride Winchester	26,143	149,418	(138,887)	-	36,675
Dial A Ride Winchester - asset fund	-	29,588	(616)	-	28,972
Transport Services East Hampshire	50,968	124,236	(115,098)	(21,500)	38,606
Transport services East Hampshire - asset fund	-	32,300	(5,603)	21,500	48,197
Transport Services Basingstoke	9,121	528,864	(521,225)	-	16,760
Transport Services Winchester	6,743	37,702	(36,650)	-	7,795
Wellbeing Advice Service	-	23,875	(23,875)	-	-
Leigh Park Community Association	2,614	104,596	(101,739)	-	5,471
	307,480	1,584,784	(1,444,763)	-	447,501
Other					
Required reserves policy	178,000	-	-	-	178,000
Budget deficit	-	-	-	-	-
	178,000	-	-	-	178,000
General funds					
Development	38,447	104,376	(195,902)	39,181	(13,898)
CD EHDC	-	60,000	(60,000)	-	-
CD HCC	-	78,788	(78,788)	-	-
CD Havant	-	40,768	(40,768)	-	-
Merger fund	20,000	-	-	(20,000)	-
Projects fund	-	-	-	-	-
General funds excluding exceptional item	58,447	283,932	(375,458)	19,181	(13,898)
Obligation to fund Winchester Area Community Action pension liability	15	(458,000)	-	-	(458,000)
		(399,553)	283,932	(375,458)	19,181
Pension reserve (Deferred pension liability £770,000 less WACA reserve £458,000 and costs of £25,000 included within support costs)	15	(232,000)	(39,000)		(271,000)
Total unrestricted funds		(146,073)	1,868,716	(1,859,221)	19,181
					(117,397)

Development

Unrestricted funding for community development and other community services

Merger fund

This fund was set up to provide for the cost of merger between Community First Havant and East Hants (CFHEH) and Winchester Area Community Action. The balance of this fund of £20,000 is equivalent to the funds remaining in the WACA bank account. As no unforeseen liabilities have arisen in the last 12 months, the Trustees have approved the transfer to Community First Wessex.

Projects fund

To support new initiatives and projects

COMMUNITIES FIRST WESSEX

(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

Dial a Ride – DAR and Call and Go

Door to door bus services for the elderly and disabled.

Transport services

The provision of minibuses which are available to hire by voluntary/community groups, also the provision of The Call & Go service which provides a door to door bus services for the elderly or disabled in Havant, East Hampshire, Winchester and Basingstoke districts

Volunteer services

Direct recruiting, placing and supporting of volunteers working with individuals, organisations and groups including students from Alton College and local businesses

Winchester City Project

Winchester City council funded project to support community development in Winchester District

Training

Through Learning Highways and other projects, we provide high value low cost training events for charities, voluntary organisations and social enterprises

Leigh Park Community Centre

Management of community building and services

15	ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	TOTAL 2017 £	TOTAL 2016 £
	Fixed assets	179,851	49,808	229,659	106,682
	Current assets	724,003	239,818	963,821	961,836
	Liabilities	(1,040,034)	(48,151)	(1,088,185)	(931,806)
		(136,180)	241,475	105,295	136,712

16 DEFINED CONTRIBUTION PENSION SCHEME

The company operates a defined contribution pension scheme on behalf of certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension commitment under this scheme for 2017 was £6,625 (2016: £3,377). There were ten members in the scheme at the year end (2016: four). The Charity auto-enrolled its eligible employees on 1 April 2017 and therefore the contribution for future years will significantly increase.

17 DEFINED BENEFIT PENSION SCHEME

The company contributes to a defined benefits pension scheme run by Hampshire County Council providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension fund includes members from both Community First HEH and Winchester Area Community Action, the pre-combined entities.

The financial statements of WACA at 31 March 2015 and prior years, disclosed a pension fund deficit which had been derived from the pension scheme's actuarial report. The most recent full actuarial valuation of the employer's Local Government Pension Scheme funded benefits was at 31 March 2016, which has been updated to reflect conditions at the balance sheet date. At the date of the combination, the deferred pension liability was calculated by the actuary at £458,000. The inclusion of this liability in the accounts of Communities First Wessex resulted in this amount being expensed as an Exceptional item in the Statement of Financial Activities in the year ended 31 March 2016.

The deferred pension liability of £770,000 included in the Balance Sheet at 31 March 2017 is derived from the pension scheme's actual report for that year. This report also provided comparative figures at the date that the two organisations combined on 1 May 2015. The movement in the fund shown below relates to the period since the entities combined.

COMMUNITIES FIRST WESSEX

(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

No actuarial valuation had been carried out in respect of Communities First Wessex at 31 March 2015 and accordingly, no deferred pension liability had been recognised in the accounts for the year ended 31 March 2015. The directors held the opinion that it was not beneficial to make a prior year adjustment by restating the comparative figures due to the cost and length of time it would take to obtain an actuarial valuations at 31 March 2014 and 31 March 2015. Accordingly, the pension fund deficit in respect of Community First HEH at 1 May 2015 of £298,000 has been brought in as a charge in the previous year in the Statement of Financial Activities.

Winchester City Council has guaranteed to underwrite any deficit arising from the pension fund valuation in respect of those members of the scheme previously employed by WACA. At 31 March 2017, this amounted to approximately £466,000 (At 31 March 2016 £433,000).

The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. As mentioned above, the most recent full valuation was at 31 March 2016, which has been updated to reflect conditions at the balance sheet date. The assumptions that have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rate of increase in salaries and pensions. It was assumed by the actuaries that salary increases would average 3.5% per year and that the present and future pensions would increase at the rate of 2% per year.

The pension charge for the year was £43,339 (2016 £37,494), which includes £24,700 (2016 £19,375) deficiency contributions to close the funding gap over a period of 25 years.

The defined benefit scheme is closed to new members and so under the projected unit method the current service cost would be expected to increase over time as members of the scheme approach retirement.

	2017	2016
	£	£
<i>Value of scheme assets and liabilities</i>		
Fair value of assets	2,020,000	1,783,000
Present value of fund liabilities	(2,790,000)	(2,498,000)
Pension scheme deficit	<u>(770,000)</u>	<u>(715,000)</u>
<i>Movements in year</i>		
Current service cost	(36,000)	(41,000)
Past service cost	-	-
Interest cost	<u>(23,000)</u>	<u>(22,000)</u>
	(59,000)	(63,000)
Contributions	43,000	38,000
Actuarial (gains)/losses on assets and liabilities	<u>(39,000)</u>	<u>66,000</u>
Movements in the year	(55,000)	41,000
Pension scheme deficit at 1 April 2016 (1 May 2015)		
- WACA	(433,000)	(458,000)
- CFHEH	<u>(282,000)</u>	<u>(298,000)</u>
	(715,000)	(756,000)
Pension scheme deficit at 31 March	<u>(770,000)</u>	<u>(715,000)</u>

18 RELATED PARTIES

No other related party transactions have occurred other than those noted in the accounts.

19 CONTROLLING PARTY

The ultimate controlling party of the entity is deemed to be the Board of Trustees.

COMMUNITIES FIRST WESSEX

(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)**20 OPERATING LEASE COMMITMENTS**

As at 31 March 2017 the charity had future minimum lease payments under non-cancellable operating leases as follows;

Operating leases which expire:

	Land and buildings		Other	
	2017	2016	2017	2016
Within 1 year	36,855	22,406	18,064	22,572
Within 2 - 5 years	49,452	1,125	20,895	35,645
	<u>86,307</u>	<u>23,531</u>	<u>38,959</u>	<u>58,217</u>

Within the Statement of Financial Activities are expenses totalling £88,314 relating to operating leases (2016 £93,225)

21 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017	2016
	£	£
Net movement in funds	(31,417)	(303,254)
Add back depreciation charge	47,517	21,699
Deduct profit on disposal of fixed assets	(9,171)	0
Deduct interest income shown in investing activities	(491)	(547)
Decrease /(Increase) in debtors	236,439	(196,432)
Increase/(decrease) in creditors	101,379	(73,296)
Movement in pension fund	55,000	715,000
Net cash used in operating activities	<u>399,256</u>	<u>163,170</u>

22 FIRST TIME ADOPTION OF FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on Funds or Income or Expenditure.