

Charity Registration No. 1123267

Company Registration No. 06276431 (England and Wales)

**COMMUNITY ACTION WIRRAL
LIMITED**

**UNAUDITED FINANCIAL
STATEMENTS**

30 MARCH 2018

**Horner Downey & Company Limited
Chartered Accountants
10 Stadium Court
Stadium Road
Bromborough
Wirral
CH62 3RP**

COMMUNITY ACTION WIRRAL LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

The trustees

M. Dickson	
J. A. Anderson	(Appointed 24 July 2018)
P. B. Basnett	(Appointed 24 July 2018)
P. Crocker	(Appointed 8 November 2018)
W. R. Crocker	(Appointed 24 July 2018)
K. Livesey	(Appointed 24 July 2018)
C. Shaw	(Appointed 24 July 2018)
S. Dainty	(Resigned 17 July 2017)
M. Dibbert White	(Resigned 24 July 2018)
M. W. Hornby	(Resigned 19 November 2017)
I. Lowrie	(Resigned 17 July 2017)
I. Maxwell	(Resigned 24 July 2018)
C. Miles	(Resigned 24 July 2018)
R. Perry	(Resigned 24 July 2018)

Charity number

1123267

Company number

06276431

Registered office

The Lauries
142 Claughton Road
Birkenhead
Wirral
CH41 6EY

Independent examiner

Horner Downey & Company Limited
10 Stadium Court
Stadium Road
Bromborough
Wirral
CH62 3RP

COMMUNITY ACTION WIRRAL LIMITED

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COMMUNITY ACTION WIRRAL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 MARCH 2018

The Trustees, who are also the Directors for the purpose of company law, present their report and the unaudited financial statements of the charity for the year ended 30th March 2018.

Structure, governance and management

Governing document

The charity constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. The company's Memorandum and Articles of Association were amended in March 2018 and Wirral Chamber of Commerce and Industry became the sole member at that date.

Organisational Structure

Community Action Wirral is a charitable company limited by guarantee, incorporated on 12th June 2007. It is managed by a Board of Directors whose members are the Directors for the purposes of Company Law and charity Trustees for the purpose of Charity Law. The Trustees of the Charity meet at least twice per annum. The Board is responsible for setting the strategic direction of the organisation and monitoring the finances. The Trustees employ a Head of Service to pursue the Board's strategy and oversee the day to day operational activities.

Risk identification and management

There have been processes in place to ensure that risks have been identified and, where appropriate, mitigated. The Trustees had identified liquidity as one such risk and are pleased to note that the decision to sell the company's building at Liscard Road, Wallasey in April 2017 has addressed this by generating circa £120,000 of cash.

Public Benefit

When planning and programming activities for the local groups and organisations of Wirral, the Trustees of Community Action Wirral are mindful of the Charity Commissions guidelines on Public Benefit.

Objectives and activities

The charity's objectives and principal activities are the promotion of voluntary action and responding to the needs of the community. The company aims to: promote any charitable purposes for the benefit of the community in the local government district of Wirral and its neighbourhood and, in particular, the advancement of education, the protection of health and the relief of poverty, distress and sickness; organise co-operation in the achievement of the above purposes and to that end to bring together in council representatives of the voluntary organisations and statutory authorities within the area of benefit.

Development

Community Action Wirral supports the identification of assets and needs in the local community and facilitates innovation and improvements in service provision to address those needs.

Support

Community Action Wirral supports local groups and organisations to fulfil their aspirations.

Collaboration

Community Action Wirral facilitates effective communication and collaboration among groups and organisations and between different sectors.

Influence

Community Action Wirral supports local groups and organisations to influence policies, plans and practices that have an impact on their organisation and beneficiaries.

Vision

To work with and for our local communities, connecting people to create opportunities for lasting change, making Wirral a better place to live, work and volunteer.

COMMUNITY ACTION WIRRAL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2018

Mission

To provide high quality information, advice and guidance so that groups and organisations can develop solutions in collaboration with the private and public sectors, making a positive difference to local people.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

The company successfully bid for Wirral Council's 'Third Sector Infrastructure Support' contract which commenced on the 1st October 2017 and is worth circa £136,000 per annum for three years. Community Action Wirral also secured a £14,000 Big Local grant (payable over 2 years) to support volunteering within the Bidston, Beechway and Ballantyne community.

Financial review

The company made a loss for the year of c£42k vs a loss for the prior year of c£61k. The Trustees noted that incorporated within the loss for the year were redundancy costs of £30k ie the normalised loss was actually c £12k which encourages the Board to believe that a break even position can be established in the foreseeable future.

Reserves policy

The Trustees regularly review the organisation's reserves and have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ("free reserves") held by the charity should be at least 3 months of the resources expended. At this level they would be able to continue the current activities of the charity in the event of a significant drop in funding.

Plans for Future Periods

Community Action Wirral will continue to seek opportunities to source grants / bids that complement the company's work and where contract fulfilments can be completed within current capacity (e.g. a CCG contract for £42,000 is anticipated for engagement within the nine neighbourhoods of Wirral over a forecast 6 month period). The Board has appointed a new Head of Service who will be an additional employee and will start work early in 2019. The Board is aware that this new Head of Service will need to generate additional income to (at least) cover her salary over and above the current income stream. The Board is committed to returning the company to a break even or profitable position by financial year 2020/2021 if not before.

The Trustees' annual report and the strategic report were approved on and signed on behalf of the Board of Trustees by:

.....
P. B. Basnett

Trustee

Dated:

COMMUNITY ACTION WIRRAL LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES' OF COMMUNITY ACTION WIRRAL LIMITED

I report on the financial statements for the year ended 30 March 2018, which comprise the statement of financial activities (including income and expenditure account), statement of financial position and the related notes.

Respective responsibilities of trustees and examiner

The Trustees (who are also the Directors of the company for the purposes of company law) are responsible for the preparation of the financial statements. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales (ICAEW).

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006, and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met, or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Horner Downey & Company Limited

10 Stadium Court
Stadium Road
Bromborough
Wirral
CH62 3RP

Dated:

COMMUNITY ACTION WIRRAL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 MARCH 2018

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<u>Income from:</u>					
Donations and legacies	3	148,175	139,565	287,740	255,608
Charitable activities	4	-	-	-	27,537
Other trading activities	5	8,238	-	8,238	13,334
Investments	6	-	-	-	58
Total income		156,413	139,565	295,978	296,537
<u>Expenditure on:</u>					
Raising donations and legacies	7	200,709	136,565	337,274	356,484
Charitable activities	8	1,800	-	1,800	1,800
Other	11	(413)	-	(413)	(569)
Total resources expended		202,096	136,565	338,661	357,715
Net (expenditure)/income for the year/ Net movement in funds		(45,683)	3,000	(42,683)	(61,178)
Fund balances at 30 March 2017		66,904	62,020	128,924	190,102
Fund balances at 30 March 2018		21,221	65,020	86,241	128,924

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

COMMUNITY ACTION WIRRAL LIMITED

BALANCE SHEET

AS AT 30 MARCH 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	12		-		120,411
Current assets					
Debtors	13	68,365		2,507	
Cash at bank and in hand		233,502		88,546	
		<u>301,867</u>		<u>91,053</u>	
Creditors: amounts falling due within one year	14	<u>(128,228)</u>		<u>(24,929)</u>	
Net current assets			173,639		66,124
Total assets less current liabilities			173,639		186,535
Creditors: amounts falling due after more than one year	15		(87,398)		(57,611)
Net assets			<u>86,241</u>		<u>128,924</u>
Income funds					
Restricted funds			65,020		62,020
Unrestricted funds			21,221		66,904
			<u>86,241</u>		<u>128,924</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 March 2018. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The Trustees' acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees on

.....
P. B. Basnett
Trustee

Company Registration No. 06276431

COMMUNITY ACTION WIRRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 MARCH 2018

1 Accounting policies

Charity information

Community Action Wirral Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is The Lauries, 142 Claughton Road, Birkenhead, Wirral, CH41 6EY.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees' have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees' continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees' in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

COMMUNITY ACTION WIRRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2018

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Fixtures and fittings	20% straight line
IT equipment	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.6 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

COMMUNITY ACTION WIRRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees' are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Donations	-	-	-	4,877
Support services	-	-	-	2,714
Wirral borough council	85,661	-	85,661	102,793
Local offer	16,315	-	16,315	35,492
Big local	-	139,565	139,565	53,054
Link forum	4,000	-	4,000	16,531
General	17,132	-	17,132	-
Wirral well	20,833	-	20,833	-
Community listening	6,659	-	6,659	-
Big potential	38,680	-	38,680	-
	<u>148,175</u>	<u>139,565</u>	<u>287,740</u>	<u>255,608</u>
For the year ended 30 March 2017	<u>202,554</u>	<u>53,054</u>		<u>255,608</u>

COMMUNITY ACTION WIRRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 MARCH 2018

4 Charitable activities

	2018 £	2017 £
Sales within charitable activities	-	27,537
Analysis by fund		
For the year ended 30 March 2017		
Unrestricted funds		22,093
Restricted funds		5,444
		27,537

5 Other trading activities

	2018 £	2017 £
Infrastructure	-	1,764
Charity shop	3,705	8,428
Other	-	461
Training income	625	2,681
Trading activity income: other	3,908	-
Other trading activities	8,238	13,334

6 Investments

	2018 £	2017 £
Deposit account interest	-	58

COMMUNITY ACTION WIRRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2018

7 Raising funds

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Staff costs	96,153	29,006	125,159	152,477
Depreciation	3,673	-	3,673	7,236
Bank charges	110	-	110	173
Other costs	100,073	107,559	172,975	181,383
Management charges	35,357	-	35,357	15,215
	<u>200,009</u>	<u>136,565</u>	<u>337,274</u>	<u>356,484</u>
For the year ended 30 March 2017	<u>231,731</u>	<u>124,753</u>		<u>356,484</u>

8 Charitable activities

	2018 £	2017 £
Auditors' remuneration	<u>1,800</u>	<u>1,800</u>

9 Trustee remuneration and expenses

There were no Trustees' remuneration or other benefits for the year ended 30th March, 2018 nor for the year ended 30th March, 2017.

There were no Trustees' expenses paid for the year ended 30th March, 2018 nor for the year ended 30th March, 2017.

10 Employees

Number of employees

The average monthly number of employees during the year was:

2018 Number	2017 Number
<u>4</u>	<u>6</u>

COMMUNITY ACTION WIRRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2018

11 Other

	2018	2017
	£	£
Net loss on disposal of tangible fixed assets	(413)	(569)
	<u>(413)</u>	<u>(569)</u>

12 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	IT equipment £	Total £
Cost				
At 31 March 2017	144,566	7,279	21,307	173,152
Disposals	(144,566)	-	-	(144,566)
At 30 March 2018	<u>-</u>	<u>7,279</u>	<u>21,307</u>	<u>28,586</u>
Depreciation and impairment				
At 31 March 2017	27,828	7,279	17,634	52,741
Depreciation charged in the year	-	-	3,673	3,673
Eliminated in respect of disposals	(27,828)	-	-	(27,828)
At 30 March 2018	<u>-</u>	<u>7,279</u>	<u>21,307</u>	<u>28,586</u>
Carrying amount				
At 30 March 2017	<u>116,738</u>	<u>-</u>	<u>3,673</u>	<u>120,411</u>

13 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors (WBC Contract)	<u>68,365</u>	<u>2,507</u>

14 Creditors: amounts falling due within one year

	Notes	2018	2017
		£	£
Other taxation and social security		1,880	-
Deferred income	16	68,365	-
Trade creditors		46,426	23,004
Other creditors		1,134	125
Accruals and deferred income		10,423	1,800
		<u>128,228</u>	<u>24,929</u>

COMMUNITY ACTION WIRRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 MARCH 2018

15 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Deferred income (Big Local)	16	87,398	57,611

16 Deferred income

	2018 £	2017 £
Other deferred income	155,763	57,611

Deferred income is included in the financial statements as follows:

	2018 £	2017 £
Current liabilities (WBC Contract)	68,365	-
Non-current liabilities (Big Local)	87,398	57,611
	155,763	57,611

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 30 March 2018 are represented by:			
Current assets/(liabilities)	21,221	65,020	86,241
	21,221	65,020	86,241

18 Capital commitments

The company had no capital commitments at 30th March, 2018 (2017 - none) either contracted for or authorised by the directors but not contracted for.

19 Related party transactions

There were no disclosable related party transactions during the year (2017 - none).