

**COMMUNITIES FIRST WESSEX**

**Company number: 08071971**

**REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2019**

# **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 2019**

Charity registration number: 1147527

Company registration number: 8071971

### **Business address & Registered office address**

Leigh Park Community Centre  
Dunsbury Way  
Leigh Park  
Havant  
PO9 5BG

### **Auditors**

Morris Crocker  
Station House  
50 North Street  
Havant  
PO9 1QU

### **Bankers**

Lloyds Bank PLC  
West Street  
Havant

### **Directors / Trustees during the year and to date**

Beverley Jones  
Trevor Lewis  
Jennifer Owens  
William Stevens  
Margaret Woodhead  
Dr John Evans  
Steve Irving  
Sue Bailey  
Denis Gibson  
Clive Graham

Chairman  
Vice chairman

Appointed 26.4.2018	Resigned 15.03.2019
Appointed 26.4.2018	Resigned 13.09.2018
Appointed 26.4.2018	
Appointed 18.7.2019	

### **Chief Executive Officer**

Tim Houghton

## **COMMUNITIES FIRST WESSEX**

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

### **TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2019**

#### **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, July 2017 and January 2018.

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. On 1st April 2018 Community First Wessex merged with Community Action Fareham bringing together two organisations with a similar vision and further expanding our services to cover Fareham and Gosport areas.

The Trustees of the Charity are also the Directors of the Company. 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 meet our Charity objects. The Executive Committee oversee the plans, ensuring there are appropriate resources including finance, operational staffing and business development, to implement these effectively. The Senior Management Team comprising CEO, Head of Finance, Head of Community Development and Head of Enterprise are responsible for the day to day running of the organisation and service delivery.

Communities First Wessex is an active 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 Trustees and Directors, matching these to the needs and activities of the business as set out in our strategic plan and business plan.
- Skill gaps are identified by the Executive Committee of the board with actions to address these are agreed by the board. Nominations to the Board of Directors are invited at the Annual General Meeting and throughout the year through contact with member groups, partners and
- Securing specific skills can require additional action such as advertising through local networks, contacts and companies.
- Following any merger, new directors from the merged entity are appointed to the Community First Board
- We are mindful of the need to ensure a diverse board reflecting the communities with which we work and the groups we support
- Directors are provided with background information about the organisation, our work and values and the wider role of serving as a charity Trustee using Charity Commission's recommended guidance.
- Prospective Directors are invited to attend board meetings as observers 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
- Directors are offered training and encouraged to attend events, meet staff to gain a good understanding of some of the challenges and opportunities we face

#### **Role of Local Authority Councillors and Observers**

Local authorities are important stakeholders and partners for Community First. In addition to day to day contact with key officers, councillors may be nominated to act as advisers and observers by our district/borough authorities and Hampshire County Council. Councillors do not serve as Directors or Trustees but provide support to the organisation and act as a point of communication allowing us to better inform local authorities about our work.

#### **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 Hampshire (including Portsmouth, Southampton and the Isle of Wight) 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.

## **COMMUNITIES FIRST WESSEX**

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

### **TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2019 (continued)**

#### **Delivering public benefit**

Communities First Wessex (CFW) supports a thriving, active and influential voluntary sector across Hampshire through our leadership of the Hampshire CVS network and direct delivery in East Hampshire, Havant, Winchester and Fareham. We also deliver transport services in Basingstoke and Deane and Gosport and Shopmobility in Chichester.

Our services include:

- Support for voluntary, community and social enterprise organisations (VCSE): Providing information, guidance, training and one-to-one support to voluntary and community groups, enabling them to develop their staff and volunteers, access funding, deliver better services, and measure their impact. We also provide leadership and a voice for VCSE groups increasing their influence and acting as a conduit for engagement with statutory partners including NHS, local authorities and others
- Health and Wellbeing; Support to enable commissioners and those working in local authority adult services, children's 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.
- Volunteering; working with individuals and voluntary groups to recruit, place, support and train community volunteers 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
- Management of and support for those managing community buildings
- Accessible and affordable community transport in Havant, Winchester, Basingstoke, East Hampshire, Fareham, Gosport and surrounding areas.
- Shopmobility; helping people stay mobile and active in town centres
- Specialist counselling supporting to those suffering or who have suffered sexual abuse and rape
- Providing advice and guidance and specialist support for young people with mental health, anger and anxiety management and gender issues and through our Rape and Sexual Abuse service to include counselling for young people under the age of 18 and to work with schools on awareness of risks which could lead to sexual abuse.
- Helping older and vulnerable people and those in crisis, meet their health needs, improve their quality of life and reduce the impact of isolation.

As an Independent membership organisation we believe we are stronger by working together. We have a membership of more than 600 voluntary and community organisations.

#### **Our specific aims in 2018– 2019 included:**

1. Enabling VCSE organisations to deliver greater impact and maintain viability. This included identifying and supporting funding bids, building partnerships and exploring commissioning with local authorities. We worked closely with Clinical Commissioning Groups, NHS bodies and local authorities to help communities build resilience and to reduce reliance on public sector services
2. To provide organisations with one-to-one support and advice on governance, income generation, restructuring, staff development and DBS checks.
3. To deliver quality training helping groups to up-skill, become sustainable and adapt service delivery models to meet funders' requirements. Through training and personal development, we also provided support for those who are seeking to return to work. We continued to deliver the Building Better Opportunities Programme (BBO) helping those who were long term unemployed to gain skills and move closer to finding work and supported volunteering opportunities.
4. To promote volunteering and support volunteering by increasing the number of people taking up volunteering for the first time and enabling those in need of additional support, including those with learning disabilities and mental health needs to take up volunteering. Our Positive Pathways programme in Leigh Park has helped more than 70 people with additional support needs to volunteer in their community, increasing participation in volunteering for those who are long term unemployed or who want to reconnect with their community but do not have the confidence to do it alone

## **COMMUNITIES FIRST WESSEX**

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### **TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2019 (continued)**

5. To deliver services to local communities including
  - a. Community Transport services across East Hampshire, Fareham, Gosport, Havant, Winchester and Basingstoke & Deane and deliver Shopmobility in Chichester, Fareham and Winchester.
  - b. Targeted youth work in East Hampshire and Winchester focusing support on vulnerable young people experiencing low level mental health and anxiety and those needing specialist support in LGBT issues.
  - c. Health and Wellbeing services through our Surgery Signposting, Home Help, gardening and voluntary car scheme
  - d. Support for community buildings and to manage and invest in Leigh Park Community Centre in Havant
6. Providing evidence of need and measuring and demonstrating the impact of the voluntary and community sector's intervention and support
7. Continuing to be the single contracted organisation and lead the CVS network for Hampshire. Funding from Hampshire County Council was secured at the end of the year for a further 2 years to March 2021

#### **Our performance in 2018/19**

CFW provided the following support for our member organisations and beneficiaries

- £901,000 raised for local groups and to support Community First services
- 170 training events for groups, with more than 1400 learners
- 490 volunteers placed in local organisations and we worked with more than 240 employees from local businesses
- Touched and made a positive impact on the lives of more than 550 young people through 670 1-1 and group sessions
- More than 285 groups provided with advice on policies and procedures, HR, volunteer recruitment and management and fundraising.
- We carried 156,000 passengers and covered almost £600,000 km on our transport fleet
- 350 clients benefitting from our Home Help service with over 500 hours of support provided by our Home Helps each week. 200 clients were matched with a gardener
- 450 people joined our walking for health programme with over 40 walks organised each month with our volunteer walk leaders.
- 6000 downloads of digital resources and toolkits and 50 editions of popular e-news reaching more than 1275 people
- More than 6000 enquiries on our RASAC helpline and 260 people benefitting from 2400 hours of RASAC counselling services.
- Organised more than 50 networking events, forums and meetings to promote collaboration, sharing good practice and learning with voluntary, community groups
- Managing community venues in Leigh Park and Fareham which provided 2000 hirings for 84 groups with more than 1800 people visiting each week
- 7,365 scooters hired out via our shopmobility services
- 77 people joined our Positive Pathways programme with 78% reporting improved confidence and mental wellbeing.

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### **TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2019 (continued)**

#### **Our role in community development and capacity building**

Our Community Development team provided tailored support for new and established groups, including guidance on governance and constitutions, HR, operating policies and procedures and creating business and fundraising plans. We advised and supported funding applications that raised more than £900,000 for local groups and services. 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 35 local organisations and carried out DBS checks on behalf of local groups.

We sent out a regular fortnightly e-news, disseminating local information, highlighting up-coming events and funding opportunities. We managed an on-line Help and Support Directory of Voluntary and Community Groups and set up a legal helpline in partnership with HCC.

#### **Volunteer services**

Our Volunteering Team focused on attracting more working age people into volunteering and supporting and enabling young people to volunteer. We engaged 165 young volunteers working with local colleges including Alton and 220 employees of local business through our successful employee volunteering scheme. Our aim is to enhance the volunteering experience by working with local colleges including Alton and Peter Symonds. We worked with 170 business volunteers running 18 events for local companies including skillshare workshops which enabled businesses to share expertise and talent with local charities. We invested in further upgrades to our online portal: Volunteer Wessex [www.volunteerwessex.org.uk](http://www.volunteerwessex.org.uk) to make it easier for people to find volunteering opportunities locally. Our Surgery Signposting services in Bordon and Havant helped patients access voluntary sector support in addition to regular GP services leading to better health outcomes.

#### **Training**

We provided 170 training events for charities, voluntary organisations and social enterprises attracting over 1,400 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 through our Skills to Grow brand, providing specialist legal advice and training in leadership and management.

#### **Transport**

We carried more than 156,000 passengers on our Community Transport, Dial a Ride, 'Call and Go' and SEN school services across E Hampshire, Fareham, Gosport, Havant, Winchester and Basingstoke, under contract to Hampshire County Council and with support of district and Borough Councils. Our accessible minibus fleet covered more than 600,000 km and we continued to offer vehicle hire and transport 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 provides a door-to-door bus service for residents with transport difficulties, who cannot get to or use the conventional public transport system. We also provided scheduled services in rural communities around Basingstoke in Overton and neighbouring villages.

#### **Youth service**

The Youth First service delivered specialist support for 500 young people including counselling in Anger and Anxiety Management and support for LGBT groups. We also delivered outreach work in Bordon, Alton and Winchester under our Street Safe initiative and provided 670 sessions with vulnerable young people.

#### **Health and Wellbeing and support for vulnerable adults**

We provided and continued to increase the scale of our Rape and Sexual Abuse Counselling (RASAC) Services supporting people who have suffered Rape and sexual violence. We're indebted to our dedicated volunteer counsellors

We delivered a Home Help service for residents in Fareham helping older and isolated people to live happily and healthy in their own homes benefiting more than 350 clients with 550 hours per week provided by 70 Home Helpers. We also provide gardening help from more than 200 clients and voluntary car scheme helping people access vital health appointments. We celebrated with 88 people at our Christmas day lunch thanks to wonderful support of our volunteers,

We delivered a Surgery Signposting service funded by SE Hants and G&F CCGs helping GPs and patients to access much needed support from the voluntary sector to improve their health and wellbeing

We ran a Healthy Walks programme helping more than 450 people to stay active with a programme of 40 walks each month

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### **TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2019 (continued)**

We also provided Shopmobility in Fareham, Winchester 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 provided more than 7,000 customer hires and raised more than £14,000 from donations from our one stop disability shop in Fareham

Our Positive Pathways project supported over 77 participants helping them build their confidence and to gain experience in volunteering and training in and around Leigh Park in Havant. 78% improved confidence, 4 moved into employment and a further 16 into independent volunteering roles. We launched our Play Cafe which provides training and employment opportunities for our supported volunteers and benefits parents and toddlers on a daily basis

#### **Community Buildings**

We further invested in Leigh Park Community Centre generating a footfall of more than 1800 each week and 963 events across the year. We have a vibrant and well used community centre with improved facilities including soft play for children and families, private venue hire, a cinema club and range of health and wellbeing exercise classes

#### **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 transport and mobility in relation to our health and wellbeing services.

We will increase our income from non local authority sources and take advantage of influencing new funding opportunities with the health sector via CCGs and the Sustainability and Transformation Plan with increasing recognition of the role that the voluntary and community services sector plays in supporting healthy communities. We will consolidate our merger with Community Action Fareham will plan for future merger with Community First New Forest from 2020. Both will allow us to extend our services and grow our influence and our impact.

We will continue to lead the Hampshire CVS network on behalf of Hampshire County Council having secured a further £1.1m over 2 years to deliver VCSE infrastructure support through our CVS network partners. We will continue to work towards consolidation within CVS network seeking ways to reduce duplication and increase effectiveness through merger and collaboration and will seek to sustain funding from HCC in response to need to reduce demand on local public services.

Community transport services will continue with new 2 years contracts in place until at least 2021 maintaining services across all areas albeit with 3% cut in funding

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 member organisations and service users, with innovative thinking being key to our future proposals and plans. 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.

#### **Financial Review**

During the year, we were successful with a number of funding bids and tenders with NHS, OPCC, HCC and others we were also successful in maintaining Community Development and Transport funding from local authorities. Trading income, including rental income, increased by 26% and our overall turnover at £2.829m increased by 31% from the previous year with expenditure increasing by 25%. The impact of merger combined with efficiency savings enabled us to post a surplus of £101k after taking into account actuarial gains of £127k against our defined salary pension fund deficit. Our net operational loss was (£26,000) which included expenditure and deficit £24,000 spent against our restricted projects in the year. We continued to invest in Leigh Park Community Centre and in shopmobility equipment and services and restructured some of our Fareham based programmes. We adjusted staffing levels to match our funded commitments in training and restructured our senior management and leadership team to ensure a clear focus on revenue generating activities and enterprise development. As a result we incurred £24,000 of redundancy costs during the year. We significantly reduced year on year losses and continue our progress toward break even and returning the company to a surplus.

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### **TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2019 (continued)**

The Charity has a defined salary pension scheme with Hampshire County Council. This was combined during the year with similar defined salary pension scheme operated by CAF and previous schemes inherited from prior merger with Winchester Area Community Action. We held a deferred pension fund liability of £840,000 (increase from £789,000 in the prior year) at 31 March 2019 less WACA reserve of £458,000 and CAF Reserve of £166,000 and costs of £66,000. The liability arising from obligations to this scheme has been reflected in the Charity's balance sheet as at 31 March 2019. The proportion of the deficit relating to former WACA employees is underwritten by a guarantee from Winchester City Council of approximately £458,000. The same applies to CAF which is underwritten by a guarantee from Fareham Borough Council. The company will continue to work HCC to address the pension deficit issue and work towards reducing this deficit particularly in light of further planned merger(s).

The charity will continue to take appropriate and considered steps to diversify its funding base, to manage costs and identify new sources of income and support and to build on its strengths and track record in public service delivery, including effective support for the local voluntary and community sectors. We continue to operate against a backdrop of further reductions in public sector funding impacting local authority budgets for both grants and commissioned services, particularly in some aspects of our core work providing support for community groups and volunteers. Merger has and will continue to make us more resilient resulting 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 investing in developing new enterprise models to develop and expand some of our youth and health and wellbeing services. Investment of reserves is required to support this transition which will continue in 19/20 and beyond.

This year we had 120 staff (by head count) operating across 8 locations across 5 local authority districts. With the proposed merger with Community First New Forest this will increase to circa 140.

Our Board remains 'business focused' and with the support of the CEO and experienced Head of Finance has provided appropriate fiscal management during the year. We will further restructure our SLT sustain and further investing in our Head of Enterprise to drive our development of our service delivery and development and will consider opportunities to rebrand our business in 2019/20

#### **Funding**

Communities First Wessex received grants from Hampshire County Council through investment in an agreed development plan to support HCC priorities in demand management, 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. Following the successful delivery of the 17-18 development plan Community First were appointed lead partner for 18-19 with responsibility for managing county wide CVS funding, monitoring and reporting to Hampshire County Council. The previous funding agreement with HCC ended at 31 March 2018 and was renewed for 2-year subject to delivery of a new development plan. East Hampshire District Council considered moving toward a commissioning approach but has chosen to continue the grant funding arrangement for a further 2 years. However, the subsidy for our E Hampshire office in Petersfield is now removed resulting in net reduction in support of 20%. The business will relocate to better premises in Bordon in 2019. However, we secured further investment for 2019/20 in youth work and service development of £36,000 from EHDC to offset this. We also continued to receive grant funding from both SE Hampshire and Gosport & Fareham CCGs.

Our other principal funds came from grants and contracts, including contracts with Hampshire County Council, supported by the Boroughs and Districts, 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, 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 The Big Lottery for Positive Pathways, ESF funding for Building Better Opportunities via Enterprise M3 LEP

We also receive rental income from Leigh Park Community Centre and fare income from passenger transport services. Donations and customer generated income for services including Home Help increased.

#### **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



## **COMMUNITIES FIRST WESSEX**

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### **TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2019 (continued)**

- 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. This enables us 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.

As At 31 March 2019 we have £652,734 in unrestricted reserves (before pension reserves of £774,000). Of this £109,153 is designated to support the development of on-going activities (see note 15). 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. The Board have reviewed the level of designated reserves and have created the concept of the Community First Investment Fund which will be used to support development of new funding streams and innovative ideas.

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.

#### **Remuneration and recruitment policy – senior management**

The Company's recruitment policy states that vacant posts for management positions should be externally advertised and that, where necessary, specialist recruitment agencies should be used. Agencies are verified on the company's equal opportunities priorities, and guidance on remuneration is sought by the company from those agencies which are best placed to benchmark salaries within specific job roles and industries."

#### **Managing risk**

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

#### **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. Expenditure is under close scrutiny and local authority grants and commissioned services are being squeezed, resulting in less money at a time whilst demand for our services and requests for support from our members is increasing. We are continuing to diversify our funding base, securing more income from commissioned services, reducing our reliance on core 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 possible future mergers and actively encourage our members to do likewise. We are also exploring opportunities for enterprise, particularly around transport, training and youth work and some aspects of our services for older or vulnerable people to enable them to continue to live healthy lives independently. As public sector funding continues to diminish more customer/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 with increasing recognition of the role the Voluntary and 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 review our financial procedures annually to ensure that authorisation levels remain appropriate and robust.

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. Protecting and safeguarding those who are vulnerable remains a high priority. Our highest risk services are:

- Transport: risk of road accidents and in helping frail and disabled passengers 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 : 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
- Home Helps: providing support for older people in their own homes

## **COMMUNITIES FIRST WESSEX**

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### **TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2019 (continued)**

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**

The first part of the year 2018/19 was very much about consolidation, following our merger with Community Action Fareham. Fully streamlining and coordinating all the strands of work from both organisations took time and energy, with a result that demonstrated greater efficiency and effectiveness in the delivery of our services, especially important at a time when funding is restricted. As an organisation we respond well to change and appreciate that survival for many voluntary organisations is about adapting quickly to changing circumstances and successfully evolving the way we operate.

Our Annual General meeting in early 2019, was held in Cosham, in very pleasant surroundings and attended by many of our members and supporters. We try each year to vary the location of our annual meeting so that many of our members, volunteers, friends and supporters of Communities First can attend. Thus, no area or group feels consistently disadvantaged by our wider geographical coverage. The AGM generated a great deal of enthusiasm amongst those attending to be a partner in a growing organisation, that continues to bring organisations together, where talent is pooled, duplication reduced on overhead costs, so more effort and resources are invested in help and services to member organisations and individuals. During this year we have led and supported application bids to secure, an extra £901,000 for some of our member groups.

We continue to be grateful for the financial support given to us by East Hampshire District Council, Fareham Borough Council, Havant Borough Council, Winchester City Council, and Hampshire County Council. We now cover and provide services across 50% of the county of Hampshire. We appreciate that both local and county councils make difficult choices regarding the financial support they can make available. We are therefore pleased that these councils continue to support us. Some support is via commissioning of services and therefore there is competition between providers, as to who can do the work, based on price and what must be delivered. We are most grateful to Basingstoke and Deane Borough Council for all their support with our growing transport operation within their area and Chichester District Council for their support for shopmobility. As an organisation, we meet all the necessary targets set in funding agreements and contracts. I would also like to thank the many small and large businesses in our area who support us with gifts and time in kind. Financial contributions are always welcome but some of the advice, training, expertise, solutions and ideas from several very large corporate companies, has been of immense value. These 'training' opportunities, we share with our member groups, which helps us all to 'grapple' with marketing, HR, financial matters, insurance, business planning and the development of staff.

In my report last year, I mentioned the County Council were seeking a new way of channelling funds to the various infrastructure organisations in the county. There used to be a coordinating infrastructure organisation in each of the 11 district and borough council areas, with one other giving special attention to rural areas. The original 12 organisations have reduced over the past years to 9. The County Council has for some time been interested in investigating a different way of channelling their support, mainly by identifying a single provider who could coordinate the work and disperse funds as appropriate. We were pleased that the result from the deliberations, indicated that the role, would best be done by Communities First. The year 2018/19 was the first year of a two-year deal to operating under this new arrangement with Hampshire and the early results have been very good.

We continue to be grateful for the grant funding given to us by East Hampshire District Council, Havant Borough Council and Hampshire County Council. We appreciate that like all organisations in the voluntary sector, our local councils have to manage with restricted funding. We are therefore pleased that these councils continue to support us. The support of course changes between the various councils. Some support is via commissioning of services and there is competition between providers as to who can do the work, based on pricing and what they require delivered. We are working closely with Winchester City Council under a 3 year agreement. We are most grateful to Basingstoke and Deane Borough Council for all their support with our transport operation within their area. As an organisation we meet all the necessary targets set in funding agreements and contracts. I would also like to thank the many small and large businesses in our area who support us with gifts in kind. Financial contributions are always welcome but some of the advice, training, expertise, solutions and ideas from several large corporate companies has been of immense value. These 'training' opportunities we share with our member groups, which helps us all 'grapple' with marketing/HR and financial matters/insurance and the development of staff.

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### TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2019 (continued)

I am very grateful to my fellow directors who contribute so much time and effort to our organisation. Their collective efforts have helped us develop an organisation with a very can-do attitude in developing and maintaining services. The board wants the organisation to thrive, to see it doing things differently, and to steer a way forward that enables us over the coming years to:

- Improve the wellbeing and health of communities in which we operate
- be a credible and preferred partner for funders, members and customers
- generate income to re-invest in developing our capacity, resilience and self-sufficiency, alongside that of the wider voluntary sector.
- continue to grow through mergers and partnerships.

We rely heavily on the contribution of our staff. I thank all our staff and volunteers for their hard work, their dedication and resilience. They do an amazing job for our organisation and for our clients, groups, members and partners. For his close coordination and management of what is now a very large workforce, I thank our Chief Executive, Tim Houghton, spends many hours getting the aspirations and strategic direction of the board of Community First, translated into operational plans and delivered via his staff team. Tim appreciates that we still need to change even more as an organisation over the coming years. Tim and the board are aware that with funding continuing to be squeezed, we owe it to our staff and clients to make change an imperative and to strive to make Community First a more responsive, lower cost and more 'commercial' focused business.

#### Directors' responsibilities

The trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- Select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

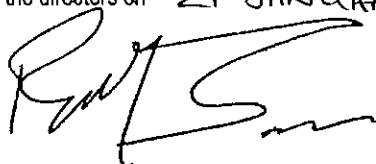
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

In so far as the trustees are aware:

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

This report was approved by the directors on 21 JANUARY 2020

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 FOR THE YEAR ENDED 31 MARCH 2019**

#### **Opinion**

We have audited the financial statements of Communities First Wessex for the year ended 31 March 2019 which comprise the Statement of Financial Activities, Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Policies) including FRS102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2019, 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

#### **Basis for opinion**

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

#### **Conclusions on going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs(UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for at least twelve months from the date when the financial statements are authorised for issue.

#### **Other Information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard

#### **Opinion on Other Matters prescribed by the Companies Act 2006**

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

- The information given in the trustees report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report included within the trustee's report have been prepared in accordance with applicable legal standards.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report included within the trustees' report.

## COMMUNITIES FIRST WESSEX

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

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMUNITIES FIRST WESSEX FOR THE YEAR ENDED 31 MARCH 2019

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

#### Responsibilities of trustees

As explained more fully in the trustees Responsibilities statement set out on pages 10, the 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

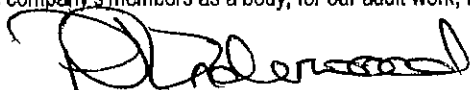
In preparing the financial statements, the trustees are responsible for assessing the company's ability to continue as a going concern disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit is conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the 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.



Paul Underwood (Senior Statutory Auditor)  
For and on behalf of Morris Crocker

Chartered Accountants & Statutory Auditor

Station House  
50 North Street  
Havant  
PO9 1QU

Date:

22 January 2020

**COMMUNITIES FIRST WESSEX**

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

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2019**

(Including Income and Expenditure Account)

	Note	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>INCOME</b>					
Donations and legacies	3	323,643	9,888	333,531	-
Investment income		4,139	-	4,139	158
Trading income					
Miscellaneous income		31,242	288	31,530	11,788
Charitable activities					
Grants & contracts	4	1,481,294	356,935	1,838,229	1,641,443
Fare revenue	4	245,886	305	246,191	197,784
Rental income	4	102,702	16,971	119,673	107,802
Other income	4	194,977	60,289	255,266	191,886
<b>TOTAL INCOME</b>		<b>2,383,883</b>	<b>444,676</b>	<b>2,828,559</b>	<b>2,150,861</b>
<b>EXPENDITURE</b>					
Fundraising		-	-	-	-
Charitable activities	6	2,223,401	465,084	2,688,485	2,281,894
Exceptional item:					
Obligation to fund Community Action Fareham pension liability expensed	18	166,000	-	166,000	-
<b>TOTAL EXPENDITURE</b>		<b>2,389,401</b>	<b>465,084</b>	<b>2,854,485</b>	<b>2,281,894</b>
<b>NET INCOME (EXPENDITURE) BEFORE TRANSFERS</b>		<b>(5,518)</b>	<b>(20,408)</b>	<b>(25,926)</b>	<b>(131,033)</b>
<b>ATTRIBUTABLE TO:</b>					
Net income (expenditure) before exceptional items		<b>(5,518)</b>	<b>(20,408)</b>	<b>(25,926)</b>	<b>(131,033)</b>
		<b>(5,518)</b>	<b>(20,408)</b>	<b>(25,926)</b>	<b>(131,033)</b>
<b>TRANSFERS BETWEEN FUNDS</b>	14,15	(2,553)	2,553	-	-
Actuarial gains/(losses) on defined benefit pension funds	18	127,000	-	127,000	(6,000)
<b>NET(EXPENDITURE)/INCOME FOR THE YEAR</b>		<b>118,929</b>	<b>(17,855)</b>	<b>101,074</b>	<b>(137,033)</b>
<b>FUND BALANCES BROUGHT FORWARD</b>		<b>(240,195)</b>	<b>208,457</b>	<b>(31,738)</b>	<b>105,295</b>
<b>FUND BALANCES CARRIED FORWARD</b>		<b>(121,266)</b>	<b>190,602</b>	<b>69,336</b>	<b>(31,738)</b>

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 2019**

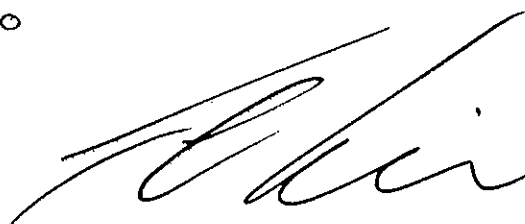
	Note	£	2019 £	2018 £
<b>FIXED ASSETS</b>				
Tangible assets	8		246,169	208,839
Investments	9		129,461	-
<b>CURRENT ASSETS</b>				
Stocks	10	-	1,098	
Debtors	11	358,159	361,263	
Cash at bank and in hand		431,824	413,413	
		<u>789,983</u>	<u>775,774</u>	
CREDITORS: amounts falling due within one year:	12	<u>(256,277)</u>	<u>(227,351)</u>	
<b>NET CURRENT ASSETS</b>			<u>533,706</u>	<u>548,423</u>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>			909,336	757,262
Defined pension scheme liability	18	(840,000)	(789,000)	
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>			<u>69,336</u>	<u>(31,738)</u>
<b>FUNDS</b>				
<b>UNRESTRICTED FUNDS</b>				
Designated funds	15		287,153	274,862
General funds	15		<u>(258,419)</u>	<u>(238,057)</u>
Unrestricted funds excluding pension liability			28,734	36,805
Pension reserve	15		<u>(150,000)</u>	<u>(277,000)</u>
Total unrestricted funds			<u>(121,266)</u>	<u>(240,195)</u>
<b>RESTRICTED FUNDS</b>	14		190,602	208,457
<b>TOTAL FUNDS</b>	14		<u>69,336</u>	<u>(31,738)</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 21 JANUARY 2020  
and signed on their behalf by:



Beverley Jones  
Chairperson



Trevor Lewis  
Trustee

**COMMUNITIES FIRST WESSEX**

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

Company number: 02960439

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019**

	2019	2018
Note	£	£
<b>Cash provided by / (used in) operating activities</b>	<b>50,380</b>	<b>(105,884)</b>
<b>Cash flows from investing activities</b>		
Interest Income	130	158
Purchase of tangible fixed assets	(35,299)	(48,378)
Sale of tangible fixed assets	3,200	0
<b>Cash provided by (used in) investing activities</b>	<b>(31,969)</b>	<b>(48,220)</b>
Increase/(decrease) in cash and cash equivalents in the year	18,411	(154,104)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>413,413</b>	<b>567,517</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>431,824</b>	<b>413,413</b>



## COMMUNITIES FIRST WESSEX

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

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

#### 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.

#### 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

Under an agreement with Winchester Area Community Action (1 May 2015) and Community Action Fareham (1 April 2018), certain funds were donated to Communities First Wessex and activities combined. These combinations are 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 and Community Action Fareham pension liabilities. These liabilities are recognised as a loss in the Statement of Financial Activities and is shown as an exceptional expense in the year of merger.

Communities First Wessex meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

##### (b) 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.

##### (c) 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.

##### (d) Tangible 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 the 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	33% reducing balance
Land and Buildings	Over the period of the lease

## COMMUNITIES FIRST WESSEX

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

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019 (continued)

**(e) Fixed Asset Investments**

Fixed asset investments are included at market value at the balance sheet date. Realised gains and losses are calculated as the difference between sales proceeds and their market value at the start of their year or their subsequent cost and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

**(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) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, deposits with banks and other short-term highly liquid investments and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings or current liabilities.

**(i) 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 Reporting Standards 5 and 12.

**(j) Unrestricted funds**

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

**(k) 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.

**(l) Operating leases**

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

**(m) 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.

**(n) 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 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 2019 (continued)****(o) Going Concern**

The trustees have prepared, reviewed and formally approved detailed trading and cash flow projections covering the period to 31 March 2021. On the basis of these projections they have assessed that CFW has adequate financial resources and the appropriate structures in place to manage its operational risks. In addition, the budgeting and forecasting process has taken account of the current economic and funding climate and its potential impact on our various sources of income and expenditure. Therefore, the Trustees are confident that there is a reasonable expectation that CFW has adequate resources and control mechanisms to continue in operational existence for the foreseeable future and, on this basis the Trustees believe, to the best of their belief and knowledge, that CFW remains a going concern for at least the period to March 2021 and, accordingly these financial statements have been prepared on the going concern basis.

**3 NET INCOME/(EXPENDITURE)**

Net (expenditure)/ Income is stated after charging / (crediting):

	2019	2018
	£	£
Donations	(323,643)	-
Depreciation	76,544	69,193
Loss on sale of assets	6,632	-
Unrealised gain on fixed asset investments	4,009	-
Auditor's remuneration - audit	7,000	7,980
Previous Auditor's remuneration - audit	1,850	-
Previous Auditor's remuneration - other	2,860	250

Under the terms of the merger agreement with Community Action Fareham effective 1 April 2018, the reserves of that organisation have been donated to Communities First Wessex

**4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Transport services	Information & support	Core activity	Total 2019	Total 2018
	£	£	£	£	£
Grants	112,048	445,018	302,810	859,876	765,286
Contracts	928,353	50,000	-	978,353	876,157
Fare income	245,886	305	-	246,191	197,784
Rental income	-	95,883	23,790	119,673	107,802
Other income	91,162	164,104	-	255,266	191,886
	<u>1,377,449</u>	<u>755,310</u>	<u>326,600</u>	<u>2,459,359</u>	<u>2,138,915</u>

Included in Grants above are the following amounts received from:

	2019	2018
	£	£
UK Government grants	648,568	630,419
Grants- other agencies	211,308	134,867
	<u>859,876</u>	<u>765,286</u>

UK Government grants includes £45,553 received from the Ministry of Justice for support for victims of Rape and Sexual Abuse (2018 £43,812)

Other grants includes £100,812 received from the BIG Lottery (2018 £41,168)

**5 STAFF COSTS**

	2019	2018
	£	£
Wages and salaries	1,497,054	1,178,571
Social security costs	96,016	78,676
Pension contributions	86,135	63,093
Redundancy costs	24,415	-
	<u>1,703,620</u>	<u>1,320,340</u>

**COMMUNITIES FIRST WESSEX**

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

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019 (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:

	2019	2018
Provision of services	101	79
Management & administration	9	7
	<u>110</u>	<u>86</u>

**Key management personnel**

	2019	2018
	£	£
Remuneration paid to key management personnel during the year (8), 2018 (6)	<u>312,679</u>	<u>233,502</u>

**5 VOLUNTEERS**

The charity relies on the invaluable contribution of unpaid volunteers who enable us to add value to our service providers.

Our volunteers act as drivers for community transport and our voluntary car scheme, they assist with Shopmobility and health and Well being services and support the activities in our community buildings.

**6 CHARITABLE ACTIVITIES**

	Transport services £	Information & support £	Core activity £	Total 2019 £	Total 2018 £
<b>COSTS DIRECTLY ALLOCATED TO ACTIVITIES</b>					
Staff costs	758,050	445,092	203,071	1,406,213	1,106,556
Volunteer costs	2,143	18,952	117	21,212	11,121
Transport costs	337,612	4,709	17	342,338	315,970
Administration	24,564	35,214	4,190	63,968	58,357
Depreciation and loss on sale of assets	76,013	4,401	2,760	83,174	69,193
Other direct costs	174,796	890	30,827	206,513	251,937
	<u>1,373,178</u>	<u>509,258</u>	<u>240,982</u>	<u>2,123,418</u>	<u>1,813,134</u>
<b>SUPPORT COSTS ALLOCATED TO ACTIVITIES</b>					
Rent, rates & utilities	60,478	74,068	29,811	164,357	125,032
Staff costs	87,793	55,322	92,292	235,407	164,784
Administration	24,998	15,752	30,486	71,236	97,723
Bank charges and interest	850	444	131	1,425	735
Governance Costs	10,681	5,080	2,881	18,642	18,486
Pension fund - current service cost			50,000	50,000	43,000
Pension fund - interest cost			24,000	24,000	19,000
	<u>184,800</u>	<u>150,666</u>	<u>229,601</u>	<u>565,067</u>	<u>468,760</u>
	<u>1,557,978</u>	<u>659,924</u>	<u>470,583</u>	<u>2,688,485</u>	<u>2,281,894</u>

All support costs have been allocated on the basis of actual costs incurred

**COMMUNITIES FIRST WESSEX**

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

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019 (continued)**

7	GOVERNANCE COSTS			2019	2018
				£	£
	Legal and professional fees			1,588	5,103
	Audit, accountancy and actuarial fees			11,710	8,230
	Cost of AGM and incidental trustee meetings			10,146	5,153
				<u>23,444</u>	<u>18,486</u>
8	TANGIBLE FIXED ASSETS				
		Land and Buildings	Plant and machinery including Motor Vehicles	Fixtures fittings and equipment	Total
		£	£	£	£
	<b>Cost</b>				
	At 1 April 2018	-	321,850	75,671	397,521
	Additions	14,696	84,630	24,381	123,707
	Disposals	-	(19,490)	-	(19,490)
	At 31 March 2018	<u>14,696</u>	<u>386,990</u>	<u>100,052</u>	<u>501,738</u>
	<b>Depreciation</b>				
	At 1 April 2018	-	150,198	38,485	188,683
	Charge for the year	3,305	58,985	14,254	76,544
	Eliminated on disposal	-	(9,658)	-	(9,658)
	At 31 March 2019	<u>3,305</u>	<u>199,525</u>	<u>52,739</u>	<u>255,569</u>
	<b>Net book value</b>				
	At 31 March 2019	<u>11,391</u>	<u>187,465</u>	<u>47,313</u>	<u>246,169</u>
	At 1 April 2018	<u>-</u>	<u>171,652</u>	<u>37,186</u>	<u>208,838</u>
9	INVESTMENTS				Unlisted Investments
					£
	<b>Cost or Valuation</b>				
	At 1 April 2018				-
	Additions				125,452
	Revaluation				4,009
	At 31 March 2019				<u>129,461</u>
10	STOCKS			2019	2018
				£	£
	Finished goods			-	1,098
11	DEBTORS			2019	2018
				£	£
	Trade debtors			251,062	248,863
	Other debtors			35,864	38,516
	Prepayments & accrued income			71,233	73,884
				<u>358,159</u>	<u>361,263</u>

# COMMUNITIES FIRST WESSEX

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

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019 (continued)

12 CREDITORS: amounts falling due within one year	2019 £	2018 £
Trade creditors	36,524	43,307
Other taxation and social security	65,756	57,713
Other creditors	10,603	7,758
Accruals & deferred income	143,394	118,064
Amounts held as custodian trustees (see note 12)	-	509
	<u>256,277</u>	<u>227,351</u>

### Deferred Income

Deferred income is grants received for future accounting periods

	2019 £	2018 £
Brought forward	102,308	50,101
Amounts released to incoming resources	(102,308)	(50,101)
Amounts deferred in year	101,519	102,308
Amounts carried forward	<u>101,519</u>	<u>102,308</u>

13 AMOUNTS HELD AS CUSTODIAN TRUSTEES	2019 £	2018 £
WASUP	-	259
Hampshire Working Group	-	250
	<u>-</u>	<u>509</u>

14 RESTRICTED FUNDS	At 1 April 2018 £	Incoming resources £	Outgoing resources £	Transfers between funds £	At 31 March 2019 £
Emsworth Centre	-	7,346	(13,634)	6,288	-
Shopmobility Chichester	(6,841)	36,382	(43,449)	-	(13,908)
DART	-	4,262	-	-	4,262
Access Group	-	2,770	-	-	2,770
Youth work	29,784	72,179	(76,395)	-	25,568
Skills to grow	10,808	-	(1,798)	(9,010)	-
RASAC	47,328	116,123	(120,051)	-	43,400
Positive pathways	-	96,208	(96,208)	-	-
Shopmobility Winchester	88,842	56,313	(49,551)	-	95,604
Shopmobility Winchester - asset fund	38,536	-	(9,910)	-	28,626
Silver linings	-	9,615	(10,274)	659	-
Building Better Opportunities ESF	-	22,194	(22,194)	-	-
Art Talk	-	-	-	4,280	4,280
Walking for Health	-	15,124	(15,460)	336	-
Tea, talk and Tonks	-	6,160	(6,160)	-	-
<b>Total restricted funds</b>	<u>208,457</u>	<u>444,676</u>	<u>(465,084)</u>	<u>2,553</u>	<u>190,602</u>

# COMMUNITIES FIRST WESSEX

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

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019 (continued)

### 14 RESTRICTED FUNDS (continued)

#### Comparative for funds movement

RESTRICTED FUNDS	At 1 April 2017 £	Incoming resources £	Outgoing resources £	Transfers between funds £	At 31 March 2018 £
Jubilee and Emsworth Centres	2,606	44,167	(58,986)	12,213	-
Jubilee lunch club	(3,037)	-	-	3,037	-
Shopmobility Havant and Chichester	(399)	33,534	(39,976)	-	(6,841)
Emsworth pre-visible	2,321	-	(1,440)	(881)	-
Positive changes	-	30,120	(25,615)	(4,505)	-
Hate crime	-	2,952	(2,830)	(122)	-
Youth work	9,546	-	2,091	18,147	29,784
Being Independent in later life (BILL)	5,435	-	-	(5,435)	-
Safe on the streets	-	17,531	(13,134)	(4,397)	-
Youth Grandparents	200	-	-	(200)	-
Youth troubled families	3,459	9,100	(8,104)	(4,455)	-
Skills to grow	15,259	5,615	(10,066)	-	10,808
Bordon Youth Club	-	22,539	(18,172)	(4,367)	-
Blke about	13,825	-	-	(13,825)	-
Domestic Violence Forum	2,234	-	-	(2,234)	-
RASAC	20,148	109,617	(102,437)	20,000	47,328
Positive pathways	-	24,449	(24,449)	-	-
Shopmobility Winchester	68,695	70,792	(50,645)	-	88,842
Shopmobility Winchester - asset fund	46,949	-	(8,413)	-	38,536
Silver linings	6,069	16,718	(16,718)	(6,069)	-
Winchester advocacy	21,016	4,556	(2,761)	(22,811)	-
Healthy Living	8,367	-	(3,549)	(4,818)	-
Positive pathways ESF	-	17,604	(17,604)	-	-
No limits	-	3,500	(3,399)	(101)	-
<b>Total restricted funds</b>	<b>222,693</b>	<b>412,794</b>	<b>(406,207)</b>	<b>(20,823)</b>	<b>208,457</b>

# COMMUNITIES FIRST WESSEX

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

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019 (continued)

### 14 RESTRICTED FUNDS (continued)

A current year 12 months and prior year 12 months combined position is as follows:

RESTRICTED FUNDS	At 1 April 2017	Incoming resources	Outgoing resources	Transfers between funds	At 31 March 2019
	£	£	£	£	£
Jubilee and Emsworth Centres	2,606	51,513	(72,820)	18,501	-
Jubilee lunch club	(3,037)	-	-	3,037	-
Shopmobility Chichester	(399)	69,916	(83,425)	-	(13,908)
Emsworth pre-visible	2,321	-	(1,440)	(881)	-
DART	-	4,262	-	-	4,262
Access Group	-	2,770	-	-	2,770
Positive changes	-	30,120	(25,615)	(4,505)	-
Hate crime	-	2,952	(2,830)	(122)	-
Youth work	9,546	72,179	(74,304)	18,147	25,568
Being independent in later life (BILL)	5,435	-	-	(5,435)	-
Safe on the streets	-	17,531	(13,134)	(4,397)	-
Youth Grandparents	200	-	-	(200)	-
Youth troubled families	3,459	9,100	(8,104)	(4,455)	-
Skills to grow	15,259	5,615	(11,864)	(9,010)	-
Bordon Youth Club	-	22,539	(18,172)	(4,367)	-
Blke about	13,825	-	-	(13,825)	-
Domestic Violence Forum	2,234	-	-	(2,234)	-
RASAC	20,148	225,740	(222,488)	20,000	43,400
Positive pathways	-	120,657	(120,657)	-	-
Shopmobility Winchester	68,695	127,105	(100,196)	-	95,604
Shopmobility Winchester - asset fund	46,949	-	(18,323)	-	28,626
Silver linings	6,069	26,333	(26,992)	(5,410)	-
Winchester advocacy	21,016	4,556	(2,761)	(22,811)	-
Healthy Living	8,367	-	(3,549)	(4,818)	-
Positive pathways ESF	-	17,604	(17,604)	-	-
Building Better Opportunities ESF	-	22,194	(22,194)	-	-
Art talk	-	-	-	4,280	4,280
Walking for Health	-	15,124	(15,460)	336	-
Tea Talk and Tonks	-	6,160	(6,160)	-	-
No limits	-	3,500	(3,399)	(101)	-
<b>Total restricted funds</b>	<b>222,693</b>	<b>857,470</b>	<b>(871,291)</b>	<b>(18,270)</b>	<b>190,602</b>

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.

#### 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

#### Rape and sexual abuse – RASAC

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

#### Shopmobility

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



# COMMUNITIES FIRST WESSEX

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

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019 (continued)

### 14 RESTRICTED FUNDS (continued)

#### 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.

#### Healthy Living

To promote healthy lifestyles in East Hampshire

#### Walking for Health

To promote exercise through organised walks

#### Positive Pathways

To support local residents who need assistance to volunteer in their community

#### Building Better Opportunities

To support those who need assistance to find work

#### Tea Talk and Tonks

A social activity involving petanque

#### DART

To provide disability awareness raising training

#### Access Group

To provide easy access path trails

### 15 UNRESTRICTED FUNDS

	At 1 April 2018 £	Incoming resources £	Outgoing resources £	Transfers between funds £	At 31 March 2019 £
<b>Designated funds</b>					
<b>Projects</b>					
Transport services Havant - asset fund	38,987	-	(9,747)	-	29,240
Transport Winchester - asset fund	21,729		(5,432)		16,297
Transport services East Hampshire - asset fund	36,146	9,975	(6,669)		39,452
Transport services East Hampshire - asset fund	-	32,219	(8,055)		24,164
	<u>96,862</u>	<u>42,194</u>	<u>(29,903)</u>	<u>-</u>	<u>109,153</u>
<b>Other</b>					
Required reserves policy	178,000	-	-	-	178,000
	<u>178,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>178,000</u>
<b>General funds</b>					
Community First Investment Fund	219,943	2,341,689	(2,193,498)	(2,553)	365,581
<b>Obligation to fund Winchester Area Community Action</b>					
Community action Fareham pension liability	15 (458,000)		(166,000)	-	(624,000)
	<u>(238,057)</u>	<u>2,341,689</u>	<u>(2,359,498)</u>	<u>(2,553)</u>	<u>(258,419)</u>
<b>Pension reserve (Deferred pension liability £840,000 less WACA reserve £458,000 and CAF reserve of £166,000 and costs of £66,000 included within support costs</b>	15 (277,000)		127,000		(150,000)
<b>Total unrestricted funds</b>	<u>(240,195)</u>	<u>2,383,883</u>	<u>(2,262,401)</u>	<u>(2,553)</u>	<u>(121,266)</u>

# COMMUNITIES FIRST WESSEX

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

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019 (continued)

### 15 UNRESTRICTED FUNDS (continued)

#### Comparative for funds movement

UNRESTRICTED FUNDS	At 1 April 2017 £	Incoming resources £	Outgoing resources £	Transfers between At funds 31 March 2018 £	£
<b>Designated funds</b>					
<b>Projects</b>					
Volunteer Services	17,784	37,873	(30,750)	(24,907)	-
Projects fund	29,059	-	-	(29,059)	-
Transport services Havant	34,674	158,778	(169,200)	(24,252)	-
Transport services Havant - asset fund	51,983	-	(12,996)	-	38,987
Malmesbury Lawn Day Centre - transport contract	17,364	507	(6,677)	(11,194)	-
Call and Go Havant	10,782	33,348	(32,110)	(12,020)	-
Learning Highways	55,060	122,247	(148,175)	(29,132)	-
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	21,504	50,000	(48,158)	(23,346)	-
Dial a Ride Winchester	36,675	148,479	(140,641)	(44,513)	-
Transport Winchester - asset fund	28,972	-	(7,243)	-	21,729
Transport Services East Hampshire	38,606	131,254	(128,451)	(41,409)	-
Transport services East Hampshire - asset fund	48,197	-	(12,051)	-	36,146
Transport Services Basingstoke	16,759	550,533	(536,043)	(31,249)	-
Transport Services Winchester	7,795	44,981	(35,882)	(16,894)	-
Wellbeing Advice Service	-	89,625	(86,127)	(3,498)	-
Leigh Park Community Association	5,471	83,132	(107,471)	18,868	-
	447,500	1,450,757	(1,501,975)	(299,420)	96,862
<b>Other</b>					
Required reserves policy	178,000	-	-	-	178,000
	178,000	-	-	-	178,000
<b>General funds</b>					
Development	(13,898)	106,474	(192,876)	100,300	-
CD EHDC	-	65,580	(65,580)	-	-
CD HCC	-	78,580	(78,580)	-	-
CD Havant	-	36,676	(36,676)	-	-
Community First Investment Fund	-	-	-	219,943	219,943
General funds excluding exceptional item	(13,898)	287,310	(373,712)	320,243	219,943
<b>Obligation to fund Winchester Area Community Action pension liability</b>	(458,000)	-	-	-	(458,000)
	(471,898)	287,310	(373,712)	320,243	(238,056)
<b>Pension reserve (Deferred pension liability £789,000 less WACA reserve £458,000 and costs of £54,000 Included within support costs)</b>	(271,000)	-	(6,000)	-	(277,000)
<b>Total unrestricted funds</b>	(117,398)	1,738,067	(1,881,687)	20,823	(240,195)

# COMMUNITIES FIRST WESSEX

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

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019 (continued)

### 15 UNRESTRICTED FUNDS (continued)

A current year 12 months and prior year 12 months combined position is as follows:

UNRESTRICTED FUNDS	At 1 April 2017	Incoming resources	Outgoing resources	Transfers between funds	At 31 March 2019
	£	£	£	£	£
<b>Designated funds</b>					
<b>Projects</b>					
Volunteer Services	17,784	37,873	(30,750)	(24,907)	-
Projects fund	29,059	-	-	(29,059)	-
Transport services Havant	34,674	158,778	(169,200)	(24,252)	-
Transport services Havant - asset fund	51,983	-	(22,743)	-	29,240
Malmesbury Lawn Day Centre - transport contract	17,364	507	(6,677)	(11,194)	-
Call and Go Havant	10,782	33,348	(32,110)	(12,020)	-
Learning Highways	55,060	122,247	(148,175)	(29,132)	-
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	21,504	50,000	(48,158)	(23,346)	-
Dial a Ride Winchester	36,675	148,479	(140,641)	(44,513)	-
Transport Winchester - asset fund	28,972	-	(12,675)	-	16,297
Transport Services East Hampshire	38,606	131,254	(128,451)	(41,409)	-
Transport services East Hampshire - asset fund	48,197	42,194	(26,775)	-	63,616
Transport Services Basingstoke	16,759	550,533	(536,043)	(31,249)	-
Transport Services Winchester	7,795	44,981	(35,882)	(16,894)	-
Wellbeing Advice Service	-	89,625	(86,127)	(3,498)	-
Leigh Park Community Association	5,471	83,132	(107,471)	18,868	-
	447,500	1,492,951	(1,531,878)	(299,420)	109,153
<b>Other</b>					
Required reserves policy	178,000	-	-	-	178,000
	178,000	-	-	-	178,000
<b>General funds</b>					
Development	(13,898)	106,474	(192,876)	100,300	-
CD EHDC	-	65,580	(65,580)	-	-
CD HCC	-	78,580	(78,580)	-	-
CD Havant	-	36,676	(36,676)	-	-
Community First Investment Fund	-	2,341,689	(2,193,498)	217,390	365,581
General funds excluding exceptional item	(13,898)	2,628,999	(2,567,210)	317,690	365,581
Obligation to fund Winchester Area Community Action and Community Action Fareham pension liability	(458,000)		(166,000)	-	(624,000)
	(471,898)	2,628,999	(2,733,210)	317,690	(258,419)
<b>Pension reserve (Deferred pension liability £789,000 less WACA reserve £458,000 and costs of £54,000 included within support costs)</b>	(271,000)	-	121,000	-	(150,000)
<b>Total unrestricted funds</b>	(117,398)	4,121,950	(4,144,088)	18,270	(121,266)

#### Development

Unrestricted funding for community development and other community services

#### Community First Investment 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 2019 (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

#### 16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	TOTAL 2019 £	TOTAL 2018 £
Fixed assets	343,561	32,069	375,630	208,839
Current assets	567,278	222,705	789,983	775,774
Liabilities	(1,032,105)	(64,172)	(1,096,277)	(1,016,351)
	(121,266)	190,602	69,336	(31,738)

#### 17 DEFINED CONTRIBUTION PENSION SCHEME

The company operates a defined contribution pension scheme. 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 2019 was £24,852 (2018: £15,578). There were forty-seven members in the scheme at the year end (2018: forty-four).

#### 18 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, which combined on 1 May 2015. In addition, on 1st April 2018, the company merged with Community Action Fareham, and the pension fund now includes members from that organisation.

The financial statements of CAF at 31 March 2018 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 £166,000. 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 2019.

The deferred pension liability of £840,000 included in the Balance Sheet at 31 March 2019 is derived from the pension scheme's actuarial report for that year. This report also provided comparative figures at the date that the two organisations combined on 1 April 2018. 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 2019 (continued)

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 2019, this amounted to approximately £420,000. (At 31 March 2018 £477,000). Fareham Borough Council has guaranteed to underwrite any deficit arising from the pension fund valuation in respect of those members of the scheme previously employed by CAF. At 31 March 2019, this amounted to approximately £146,000. (At 31 March 2018 £166,000).

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 3.7% per year and that the present and future pensions would increase at the rate of 2.2% per year.

The HCC Pension liability shown in the Accounts is based on the last HCC Pension Fund (the scheme) valuation dated 31st March 2016 and would have been the sum payable to the scheme had Community First exited the scheme at that date.

The scheme has a top-up payments arrangement in place to which scheme members, including Community First, contribute to ensure that the scheme becomes fully funded, without any need to incur exit liabilities, at the end of a 22 year period as specified by the HCC actuaries.

However, should Community First exit the scheme e.g. when the last active member leaves, before the end of the 22 year period, there would be a residual exit liability, the scale of which would depend on when the event occurs and the extent to which the top-up arrangements have reduced the outstanding exit liabilities.

Liabilities outstanding on exit are termed 'orphan liabilities'. HCC has recognised that many organisations would not be able to afford substantial exit payments, which could impact on an organisation's ability to continue, resulting in the loss of valuable community services.

Consequently, HCC has changed the basis on which investments are made using these organisations' funds, in future managing their investments in the same way as funds are managed for HCC and other large organisations in the scheme. The impact of this change, based again on an exit as at 31 March 2016, would be to reduce the total notional exit liability of Community First from £1,271,000 to £375,000, which becomes the material liability of the organisation.

The pension charge for the year was £61,484 (2018 £47,715), which includes £37,500 (2017 £28,600) 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.

	2019	2018
	£	£
<i>Value of scheme assets and liabilities</i>		
Fair value of assets	2,613,000	2,058,000
Present value of fund liabilities	(3,453,000)	(2,847,000)
Pension scheme deficit	<u>(840,000)</u>	<u>(789,000)</u>
<i>Movements in year</i>		
Current service cost	(50,000)	(43,000)
Interest cost	<u>(24,000)</u>	<u>(19,000)</u>
	(74,000)	(62,000)
Contributions	62,000	49,000
Actuarial gains/(losses) on assets and liabilities	<u>127,000</u>	<u>(6,000)</u>
Movements in the year	115,000	(19,000)
<b>Pension scheme deficit at 1 April</b>		
- WACA	(477,000)	(466,000)
- CFHEH	<u>(312,000)</u>	<u>(304,000)</u>
	(789,000)	(770,000)
Acquisition of pension fund deficit from CAF	(166,000)	-
Pension scheme deficit at 31 March	<u><u>(840,000)</u></u>	<u><u>(789,000)</u></u>

**COMMUNITIES FIRST WESSEX**

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

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019 (continued)****19 RELATED PARTIES**

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

**20 CONTROLLING PARTY**

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

**21 OPERATING LEASE COMMITMENTS**

As at 31 March 2019 the charity had future minimum lease payments under non-cancellable operating leases as follows:

Operating leases which expire:

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Within 1 year	79,529	55,594	4,080	6,288
Within 2 - 5 years	-	6,857	-	-
	<u>79,529</u>	<u>62,451</u>	<u>4,080</u>	<u>6,288</u>

Within the Statement of Financial Activities are expenses totalling £98,194 relating to operating leases (2018 £71,764)

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Net movement in funds	101,074	(137,033)
Add back depreciation charge	76,544	69,193
Add loss on disposal of fixed assets	6,632	-
Tangible Fixed Assets acquired from CAF	(88,406)	-
Investment acquired from CAF	(125,452)	-
Pension fund liability acquired from CAF	166,000	-
Deduct Interest Income shown in investing activities	(4,139)	(158)
Decrease/(Increase) in debtors	3,103	33,948
Increase/(decrease) in creditors	28,926	(90,834)
Movement in pension fund	(115,000)	19,000
Decrease in stock	1,098	-
<b>Net cash used in operating activities</b>	<u>50,380</u>	<u>(105,884)</u>

**COMMUNITIES FIRST WESSEX**

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

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019 (continued)****23 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES****STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2018  
(Including Income and Expenditure Account)**

	Unrestricted funds £	Restricted funds £	Total 2018 £
<b>INCOME</b>			
Donations and legacies	-	-	-
Investment Income	140	18	158
Trading Income			
Miscellaneous income	11,664	124	11,788
Charitable Income			
Grants & contracts	1,333,448	307,995	1,641,443
Fare revenue	195,238	2,546	197,784
Rental income	92,152	15,650	107,802
Other income	105,425	86,461	191,886
	<u>1,738,067</u>	<u>412,794</u>	<u>2,150,861</u>
<b>TOTAL INCOME</b>			
<b>EXPENDITURE</b>			
Fundraising	-	-	-
Charitable activities	1,875,687	406,207	2,281,894
<b>TOTAL EXPENDITURE</b>	<u>1,875,687</u>	<u>406,207</u>	<u>2,281,894</u>
<b>NET INCOME (EXPENDITURE) BEFORE TRANSFERS</b>	<u>(137,620)</u>	<u>6,587</u>	<u>(131,033)</u>
<b>ATTRIBUTABLE TO:</b>	<u>(137,620)</u>	<u>6,587</u>	<u>(131,033)</u>
Net Income (expenditure) before exceptional items	<u>(137,620)</u>	<u>6,587</u>	<u>(131,033)</u>
<b>TRANSFERS BETWEEN FUNDS</b>	20,823	(20,823)	-
Actuarial gains/(losses) on defined benefit pension funds	(6,000)	-	(6,000)
<b>NET(EXPENDITURE)/INCOME FOR THE YEAR</b>	<u>(122,797)</u>	<u>(14,236)</u>	<u>(137,033)</u>
<b>FUND BALANCES BROUGHT FORWARD</b>	<u>(117,398)</u>	<u>222,693</u>	<u>105,295</u>
<b>FUND BALANCES CARRIED FORWARD</b>	<u>(240,195)</u>	<u>208,457</u>	<u>(31,738)</u>