

COMMUNITIES FIRST WESSEX
Company number: 08071971

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016**

COMPANIES HOUSE



A13 *A5KHKRJV* 25/11/2016 #240

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The Tilmore Centre, 1 Tilmore Road, Petersfield, Hampshire GU32 2HG
Winchester Discovery Centre, Jewry Street, Winchester, Hampshire SO23 8SB
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Community First is the trading name of Communities First Wessex, Company Registered in England and Wales 8071971
At Langstone Technology Park, Langstone Road, Havant, Hampshire PO9 1SA Registered Charity no 1147527

COMMUNITIES FIRST WESSEX

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

REPORT OF THE DIRECTORS AND TRUSTEES FOR THE YEAR ENDED 31 MARCH 2016

Charity registration number: 1147527

Company registration number: 8071971

Business address

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

Auditors & Registered office address

Menzies LLP
4400 Parkway
Fareham
PO15 7FJ

Bankers

Lloyds Bank PLC
West Street
Havant

Directors / Trustees during the year and to date

Beverley Jones
Graham Lavender
Trevor Lewis
Josephine Harrap
Christine Holloway
Guy Millar
Jennifer Owens
William Stevens
Margaret Woodhead

Chairman
Joint Vice chairman
Joint Vice chairman, appointed 8 June 2015
Resigned 23 May 2016
Appointed 8 June 2015, resigned 26 January 2016

Appointed 8 June 2015

Chief Executive Officer

Tim Houghton

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TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2016

Structure, Management and Governance

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

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

The Directors of the Company are also the Trustees of the Charity. In this document they are referred to as Directors.

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

Recruiting Directors

The following methods are used in recruiting new Directors:

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

Director Induction and Training

New Directors are provided with background information about the organisation and our work. Prospective Directors are invited to attend board meetings to observe and ask questions followed by a meeting with the CEO and Chairman to gain greater understanding of their skills and interest and to explain more about the workings and strategy of the organisation.

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

Role of Local Authority Councillors and Observers

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

Objectives, Activities and Achievements

The charity's objects are:

(a) to promote any charitable purpose for the benefit of the public, principally but not exclusively in the local Government areas of Havant, East Hampshire and Winchester, as well as surrounding areas (hereinafter called the "area of benefit") and in particular, but not exclusively, the advancement of education, the protection of health and the relief of poverty, distress and sickness, and to provide them 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. The charity objects and area of benefit were reviewed and amended in 2015 following merger between Community First HEH and Winchester Area Community Action.

How our activities deliver public benefit

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

The charity carries out a wide range of activities in pursuance of its charitable aims. The Directors consider that these activities provided benefit to the wider communities of Havant, East Hampshire, Winchester and Basingstoke in 2015/16 and are summarised below:

- **Volunteering:** working with individuals and voluntary groups to recruit, place, support and train volunteers and the benefit they make to community and voluntary organisations.
- **Support:** Providing information, guidance, signposting and one to one support to individuals and voluntary and community groups enabling organisations to thrive.
- **Networks and Voice:** Sharing information and representing and supporting local voluntary and community groups to help shape policy and influence within their communities.

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

- **Training:** Development of staff, volunteers, members of the voluntary sector, community groups and other charities and individuals.
- **Services:** Meeting the needs of communities and other voluntary sector organisations by providing transport, mobility, specialist older people's services, health and wellbeing, youth work, management of community buildings and other services in keeping with our charity aims.

Our Aims and Objectives

Community First supports a thriving, active and influential voluntary sector throughout East Hampshire, Havant and Winchester.

We provide:

- Training and advice helping groups and individuals learn new skills, improve their own services and be as effective as they can be
- Volunteering leading to a significant increase in the number and range of people taking up volunteering for the first time.
- Accessible and cost effective transport to those in Havant, Winchester, Basingstoke, East Hampshire and surrounding areas

We support:

- Young people into adulthood by providing advice and guidance and raising aspirations
- Older and vulnerable people; meeting health needs, helping those in crisis and improving quality of life

As an independent membership organisation we believe we are stronger by working together. We have a membership of 600 local Voluntary Community and Social Enterprise (VCSE) organisations and groups.

Our specific aims in 2015-2016 were:

1. Giving a voice to the sector, enabling and helping VCSE organisations to become models of good practice and maintain viability. This will include identifying new funding bids, building partnerships and exploring commissioning with local authorities and other statutory partners. This included work with Clinical Commissioning groups, NHS and delivering services in neighbouring local authority areas including Winchester District.

2. To provide local groups with one to one support across a range of topics; including finance, governance, income generation, restructuring, staff training, HR and DBS checks

3. To deliver quality training opportunities to all sectors, helping groups to up skill, become sustainable and change services delivery to meet local authority and others requirements

4. To promote volunteering and support volunteering activity locally increasing the number and range of people taking up volunteering for the first time

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

a. Community Transport services across East Hampshire, Havant and Winchester and to explore new opportunities in Basingstoke and other areas and deliver Shopmobility in Havant, Chichester and Winchester

b. Youth work across East Hampshire and in Winchester but focusing on gaps in services and targeting intervention around vulnerable young people experiencing low level mental health and needing specialist support in LGBT issues.

c. Older persons services through BILL road shows (Being Independent in Later Life), and through lunch clubs and social activities delivered at Hewitt's in Emsworth

d. Develop community infrastructure and build capacity in VCSE sector in specific locations including Bordon, Leigh Park and Wecock Farm in Havant and Winnall and Stanmore in Winchester.

e. Support for Community Associations and community buildings

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

Our performance in 2015/16

CFW provided support for our membership of 600 voluntary and community groups through information, support and advice.

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

- 140 training events for groups with 1,500 learners participating
- £690,000 raised in funds for local groups and services with further £500,000 of new income secured for our own services
- 290 volunteers placed and more than 2000 referrals made to local organisations
- 500 unique groups supported with advice on policies and procedures, governance, HR and volunteer recruitment and management and fundraising
- More than 45,000 passenger journeys on our community transport, Dial a Ride and 'Call and Go' services
- Over 100 DBS (Disclosure & Barring Service) checks
- 20 editions of our popular e-news reaching 750 people on average each edition
- Organised 45 networking events and forums to share learning and promote partnership working and good practice with VCSE organisations

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

Our role in community development and capacity building

Our Development Workers provided tailored support for new and established groups, including guidance on governance and constitutions, HR and operating policies and procedures, and creating business plans.. We advised and supported more than 110 funding applications raising more than £690,000 for local groups and activities. We hosted network and funding advice events enabling local groups to come together to share ideas and experiences, while receiving briefings on topical issues.

We also delivered payroll services for 20 local organisations and carried out over 100 DBS checks on behalf of local groups. We worked with 6 Community Associations to provide specialist support to help review financial viability and legal arrangements to support continued use and viability of community Associations and other groups in financial difficulty.

We sent out a regular fortnightly e-news disseminating local information, events and funding opportunities and updated and maintained directories of Voluntary and Community Groups, Services for Older People and Services for Health sector in SE Hampshire.

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

Volunteer services

Our Volunteering Team directly recruited, placed and supported 290 volunteers 26 of whom were long term unemployed and dealt with nearly 1300 enquiries. We also engaged with 100 students at Alton College in volunteering and more than 200 employees of local business through our successful employee volunteering scheme. Our aim is to enhance the volunteering experience by working collaboratively with organisations and groups seeking volunteers and supporting them to develop their capacity. We provided guidance on good practice and advertised volunteering opportunities through interviews, events and publicity. We created a new online portal: Volunteer Wessex www.volunteerwessex.org.uk to make it easier for people to find volunteering opportunities locally.

We organised and hosted an award ceremony to celebrate and recognise the valuable contribution volunteers make in the community attended by 130 people and continued to support our V Team which gives extra support to people who have been unemployed, who lack confidence or have a mental health issue by helping them learn new skills, meet other people and put something back into their local community.

Training

We provided 140 high-value, low cost training events for charities, voluntary organisations and social enterprises attracting 1500 participants and learners. Courses were offered in project management, ICT, funding, marketing and tendering and MIDAS minibus driver training. We established an accredited training centre in partnership with Citizens Advice to provide specialist training to CAB advice workers and others seeking accredited training. This is being further developed as a Skills to Grow trading subsidiary jointly owned by Community First and CAB.

Transport

We made more than 45,000 passenger trips over total distance of nearly 500,000 miles through our Community Transport, Dial a Ride and a 'Call and Go' services in East Hampshire, Havant, Winchester and Basingstoke, under contract to Hampshire County Council and with support of district and Borough Councils. We secured a 4 year contract to deliver Service in Basingstoke and Deane in September 2015. Accessible minibuses are available for hire to local groups and organisations, in addition to the regular contracts provided for local schools, residential homes and day care schemes. Call and Go and Dial a Ride 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 provide some scheduled services in rural communities around Basingstoke.

Youth service

The Youth First service based in East Hampshire delivered specialist support for young people including counselling in Anger and Anxiety Management and support for LGBT groups. We also delivered outreach work in Bordon and Headley Down. During the year we secured funding to provide targeted support for families in need in Winchester.

Support for vulnerable adults

We provided and continued to increase the scale of our **RASAC** and **ISVA** Services supporting people who have suffered Rape and sexual violence. We developed specialist support for 13-19 year olds and promoted this through schools and colleges.

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

Our **Older Persons' Worker** provided information and support to older people's groups, working across East Hampshire and Havant worked with Health and Wellbeing Board as well as organising BILL (being Independent in Later Life) events and maintaining the Older People's Directory. We engaged more than 200 people through 10 events.

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

We also provided **Shopmobility** in Winchester, Havant and Chichester providing short and long term hire of electric scooters, and manual wheelchairs in order to provide greater freedom and independence to those with mobility problems. We served more than 300 customer hires and invested in new equipment and new mobile unit to increase the reach of our service in Winchester District.

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

Community Buildings

We continued to provide services for older people, the wider community and specialist training and employment through our partnership with Right to Work at Hewitt's in Emsworth. We secured a significant investment from lottery toward the end of the year to support our Silver Linings initiative to enable more people to benefit from support and social interaction at Hewitt's in addition to the successful lunch club and catering services provided by Right to Work.

Toward the end of the year we began discussions with Havant Borough Council to take on a lease at Leigh Park Community Centre resulting in a 21 year lease on peppercorn rent starting in May 2016.

Future Plans

We will continue to diversify our funding base to secure more income from commissioned services reducing our reliance on grants and diversifying our activities to attract new sources of income and looking at opportunities to develop an asset base. We are also exploring opportunities for enterprise particularly around training and some aspects of our support for older or vulnerable people. This will increase our income from non public sector sources but will also enable us to take advantage of new funding opportunities with the health sector via CCGs and NHS Vanguard programme with

Winchester City Council has us awarded a further 3 year contract worth £150,000 in March 2016. The existing funding agreement with Hampshire County Council ends in 2017 and EHDC is exploring opportunity to move toward a commissioning approach. We will continue to work closely with current funders and partner organisations, as stated above to secure further funding for our current activities. Our contract for Basingstoke transport services will continue for a further 3 years.

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

Financial Review

In May 2015 Community First HEH merged with Winchester Area Community Action to create Communities First Wessex, a larger more robust organisation operating across 3 local authority districts, coupled with and enabling a significant expansion of transport services into Basingstoke. This resulted in a significant change in our financial footprint during the year with turnover more than doubling to £2.35m. Costs also increased and by year end we had restructured the organisation and now have 75 staff operating from 8 locations across 4 local authority districts.

Despite the merger Communities First Wessex continues to operate against a backdrop of a reduction in public sector funding. Merger makes us more resilient but it is still difficult to plan with any degree of certainty for the long term. There is a continued 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. We secured a significant new 4 year Transport contract in Basingstoke further enhancing our status as the largest Community Transport operator in the county.

The charity continued to take appropriate and considered steps to diversify its funding base, to identify new sources of income and support and build on its strengths and track record in public service delivery combined with effective support for the local voluntary sector. An experienced and larger staff team led by an effective board has maintained appropriate financial management during a period of further change. Some investment from reserves to support our merger was required specifically in branding, marketing and ICT. This is ongoing into 2016/17. The funds of the charity increased during the year after the transfer of reserves from WACA following merger. Our operating results shows a (£20,900) deficit on a like for like basis and after taking into account investment in ICT, staff restructuring and development to support the merger and to develop and test new approaches to delivering services. We invested £34,000 during the year in exceptional development costs associated with merger and new models of delivery such as our Skills to Grow venture.

The Charity has a defined benefit pension scheme with Hampshire County Council. A valuation of the scheme was carried out at 31 March 2016 which showed that the fund had a deficit of £715,000. The liability arising from obligations to this scheme has been reflected in the Charity's balance sheet as at 31 March 2016. The proportion of the deficit relating to ex- WACA employees has been underwritten by a guarantee from Winchester City Council of approximately £433,000, thereby reducing the overall exposure of the Charity.

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

Funding

Communities First Wessex received grants from Hampshire County Council through investment in an agreed development plan to support priority work with Adults and Children's Services and from Havant Borough Council and East Hampshire District Council under partnership funding agreements. We also received income from Winchester City Council under contract from a commissioned service to support VCSE organisations in Winchester district. We were re-commissioned and awarded a further 3 year contract worth £150,000 in March 2016.

Our other principle fund came from grants and contracts including contracts with Hampshire County Council for Community Transport, Dial a Ride, Call and Go, Adult and Children's services, from Home Office, Ministry of Justice and Office of Police & Crime Commissioner for RASAC and ISVA, Hampshire Futures (HCC) for training, grants from Winchester City Council, Havant Borough Council & Chichester District Council and income from customers for Shopmobility, and funding from Big Lottery for a Silver Lining's programme to support older people at Hewitt's.

Reserves

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

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

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

At 31 March 2016 we have £543,927, (before a pension reserves of £690,000), in unrestricted reserves. Of this £543,927, £307,480 is designated to support the development of ongoing projects (see note 12). A reserve of £178,000 has been created to cover any unforeseen events as well as the possibility that funding might not always be obtained which together with our free reserves of £58,447 amount to 5 months average running costs.

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

Managing risk

Directors conduct an annual review of major risks to which the organisation is exposed. A Risk Register has been established to document the risks and actions taken to mitigate these. 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 including local authorities. Expenditure is under close scrutiny and local authority grants and commissioned services are being squeezed resulting in less money at a time when demand for our services and support from our members and constituents is increasing. As stated above, we are continuing to diversify our funding base securing more income from commissioned services reducing our reliance on grants. diversifying our activities to attract new sources of income and looking at opportunities to develop an asset base. We are also exploring opportunities for enterprise particularly around training and some aspects of our support for older or vulnerable people. This will increase our income from non public sector sources but will also enable us to take advantage of new funding opportunities with the health sector via CCGs and NHS Vanguard programme with increasing recognition of the role VCSE sector plays in supporting healthy communities.

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

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

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

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TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2016 (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. Accidents, incidents and 'near misses' are recorded and reviewed. Lessons are learnt which are used to amend procedures to provide a safe and enjoyable experience for service users, staff and volunteers.

CHAIRMAN'S REPORT

Last year we saw the birth of our new organisation - Communities First Wessex, following the merger of Winchester Area Community Action and Community First HEH, although the new entity will continue to trade as Community First.

By May 2015 we had completed the formal merger arrangements although there was much to do in 15/16 to ensure that the new organisation reflected the vision of a newly reconstituted board of directors. That vision is based on a realisation that in a climate where local authority services are increasingly being commissioned to any willing bidder and with grants in decline, we can only continue to succeed by increasing scale and capacity, to offer security of supply to commissioners and provide effective services to our members. We believe we are now a more effective and efficient organisation, with a significantly stronger infrastructure and the capacity to seek new work opportunities - without losing our commitment to our members and local community links.

I am grateful to my fellow Directors, who contributed so much in ensuring the organisation is strategically well led; continues to be financially sound; uses its resources in innovative ways; produces quality products and services; delivers plans on time and within budget and has ambitions to continue to develop at an appropriate pace.

At this time we need to offer more joint working and increased mutual support between local groups and supporters. In order to survive we may all have to do things 'differently'. Our board want to see Community First creating opportunities through innovation as a key function of our role and one that will help us support our membership groups. Innovative thinking is what many of our current and future funders want to see in our proposals and plans. Like all commercial organisations we have to change to survive.

Our staff have responded well during this period of change. The merger gave us the opportunity to restructure our staff in a way that fitted our strategy for the future. During the year we have completed the formation of a new senior management group to take responsibility for the management of our various business streams. This process has gone well and we have confidence that the individuals appointed to the senior management team are those that will drive the organisation forward and allow our chief executive to have the capacity to seek and assimilate new work. We have arranged our affairs so we can continue to invest in more front line support, by working and managing more effectively and combining and improving back office functions. As a newly merged organisation, we have looked carefully at every aspect of our business. Where we have had to make changes, we have consulted carefully and listened to views of members, staff and our volunteers.

I thank our Chief Executive and all our staff for their hard work, commitment and real enthusiasm to see our organisation as a leading player in Hampshire in delivering critical community services and building voluntary sector capacity. None of our current success would have been possible without the commitment and hard work of our Chief Executive.

Engaging fully with stakeholders and our partners is particularly important during these times of change. We are so very grateful for the support given to us by East Hampshire District Council, Havant Borough Council and Hampshire County Council. As mentioned our relationship with these councils is changing. During the year we have been requested to make plans in order to respond to what each council requires. In the future it is expected that each Council will ask for slightly different plan based on their local priorities.

During the year Winchester City Council again offered the opportunity for organisations to bid to provide certain support activities for the voluntary and community groups in their area. Having previously held the contract for this work, we were delighted to be entrusted with the work for a further 3 years. Apart from the contracted work, we have been delighted to work alongside Winchester City Council staff on some very useful projects including Housing, Supported Families and Health and Wellbeing.

On the community transport front we took the opportunity to secure Dial a Ride and other transport services in the Basingstoke and Deane Borough Council area. Securing such work involves a great deal of extra work, and as an organisation we were pleased that our bid was successful. Gaining this further work is of benefit to our business and gave us the opportunity to rethink and then re-engineer our total transport operation. Thus we have built efficiency changes into our transport operation allowing for there to be greater flexibility, a more reliable service and of course economies of scale. Basingstoke and Deane Council were very supportive of our approach and the comments gained from users of our new service in Basingstoke and Deane area have been positive.

Community First has been successful in meeting all the targets we have been set by our funding partners. We have a commitment to working with partners in various localities and results are very promising. As you can tell, we constantly have to make changes to our approach, style and methods of delivery, but our commitment to all our membership groups will remain strong.

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

We must continue to explain to many in our local communities about what we do and how we do our work and explain clearly the benefits of our work. Now is not the time to hide away our successes or even our existence. Our redesigned website will be operational in September 2016. We are currently discussing how we can improve our marketing operation. Some new marketing material will be launched in mid-2016. We are really pleased with the welcome our new Volunteer Wessex website has received, from both users and associate organisations.

We continue to talk and work with like-minded community organisations on projects and activities and are serious and committed to joint working.

We are also very conscious that our organisation now supplies services to 40% of the population of Hampshire. We are proud of this development. Your board is committed to managing carefully the strategies needed to shape and focus our business in these challenging times.

Directors' responsibilities

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

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

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

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

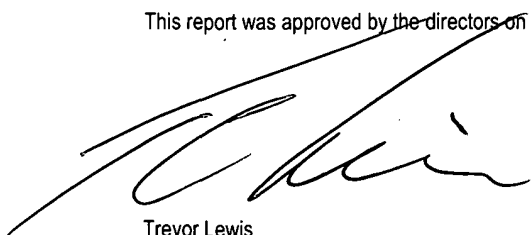
In so far as the directors are aware:

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

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

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

This report was approved by the directors on 2 November 2016



Trevor Lewis
Vice Chairman

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMUNITIES FIRST WESSEX

We have audited the financial statements of Winchester Area Community Action for the year ended 31 March 2016, which comprise the Statement of Financial Activities, Balance Sheet, and the related notes. 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).

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

BASIS FOR QUALIFIED OPINION ON FINANCIAL STATEMENTS

As explained in Note 15, the company contributes to a defined benefits pension scheme and the assets of which are held separately from those of the company in an independently administered fund forming part of the Local Government Pension Scheme.

The company was unable to recognise in its accounts its pension fund deficit of £298,000 at 31 March 2015 in the absence of an actuarial report. As explained in Note 15, the directors have not made a prior year adjustment because no actuarial valuations have been carried out at 31 March 2015 and 31 March 2014. Accordingly, if such an adjustment had been made, the net expenditure for the year should be reduced by £298,000 and fund balances brought forward should be reduced by £298,000.

In addition, as explained in Note 1 which sets out the basis of accounting of the combination of Winchester Area Community Action on 1 May 2015 and Note 15, the exceptional item of £458,000 in the Statement of Financial Activities relates to the pension scheme deficit in respect of certain employees of Winchester Area Community Action. The audit evidence available to us relating to this deficit was limited because no actuarial report was available for the Winchester Area Community Action part of the Local Government Pension Scheme at that date.

Due to the lack of actuarial assessment of the pension liability we were unable to obtain sufficient appropriate audit evidence regarding the exceptional item by using other audit procedures.

COMMUNITIES FIRST WESSEX

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMUNITIES FIRST WESSEX

QUALIFIED OPINION ON THE FINANCIAL STATEMENTS

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016, and of its income and expenditure, for the year then
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the trustees report for the financial year for which the financial statements are prepared is consistent with the

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In respect solely of the limitation on our work relating to the defined benefits pension scheme described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- the charitable company has not kept adequate accounting records.

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

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



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

23 November 2016.

MENZIES LLP

Statutory Auditor and
Chartered Accountants

4400 Parkway
Fareham
Hampshire PO5 7FJ

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

COMMUNITIES FIRST WESSEX

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2016

(Including Income and Expenditure Account)

	Note	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
INCOME					
Donations and legacies		-	-	-	300
Investment Income		547	-	547	933
Trading Income					
Rental income		14,541	-	14,541	6,400
Miscellaneous income		23,115	-	23,115	78,914
Charitable activities					
Grants & contracts	3	1,164,729	469,094	1,633,823	894,218
Memberships	3	-	-	-	-
Fare revenue	3	169,667	4,234	173,901	2,485
Other income	3	60,726	60,880	121,606	86,014
Exceptional item:					
Donation from Winchester Area Community Action	2	208,949	179,825	388,774	-
TOTAL INCOME		1,642,274	714,034	2,356,308	1,069,264
EXPENDITURE					
Fundraising		-	-	-	-
Charitable activities	5	1,446,226	523,336	1,969,562	1,105,309
Exceptional item:					
Obligation to fund Winchester Area Community Action pension liability expensed	15	458,000	-	458,000	-
TOTAL EXPENDITURE		1,904,226	523,336	2,427,562	1,105,309
NET INCOME (EXPENDITURE) BEFORE TRANSFERS		(261,952)	190,698	(71,254)	(36,045)
ATTRIBUTABLE TO:					
Net income (expenditure) before exceptional items		(12,901)	10,873	(2,028)	(36,045)
Exceptional items (£388,774 less £458,000)	2, 15	(249,051)	179,825	(69,226)	-
		(261,952)	190,698	(71,254)	(36,045)
TRANSFERS BETWEEN FUNDS	11,12	180,960	(180,960)	-	-
Actuarial gains/(losses) on defined benefit pension funds	15	66,000	-	66,000	-
Brought forward pension scheme liability	15	(298,000)	-	(298,000)	-
NET(EXPENDITURE)/INCOME FOR THE YEAR		(312,992)	9,738	(303,254)	(36,045)
FUND BALANCES BROUGHT FORWARD		166,919	273,047	439,966	476,011
FUND BALANCES CARRIED FORWARD		(146,073)	282,785	136,712	439,966

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

BALANCE SHEET AT 31 MARCH 2016

	Note	£	2016 £	2015 £
FIXED ASSETS				
Tangible assets	7		106,682	54,120
CURRENT ASSETS				
Stocks		1,098	1,098	
Debtors	8	631,650	435,218	
Cash at bank and in hand		<u>329,088</u>	<u>239,632</u>	
		961,836	675,948	
CREDITORS: amounts falling due within one year:	9	<u>(216,806)</u>	<u>(290,102)</u>	
NET CURRENT ASSETS			<u>745,030</u>	<u>385,846</u>
NET ASSETS EXCLUDING PENSION LIABILITY			851,712	439,966
Defined pension scheme liability	15	(715,000)		
NET ASSETS INCLUDING PENSION LIABILITY			<u>136,712</u>	<u>439,966</u>
FUNDS				
UNRESTRICTED FUNDS				
Designated funds	12	485,480		178,000
General funds	12	<u>(399,553)</u>		<u>(11,081)</u>
Unrestricted funds excluding pension liability		85,927		166,919
Pension reserve	15	<u>(232,000)</u>		-
Total unrestricted funds		<u>(146,073)</u>		166,919
RESTRICTED FUNDS	11	282,785		273,047
TOTAL FUNDS	13	<u>136,712</u>		<u>439,966</u>

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

Approved by the trustees on 2 November 2016
and signed on their behalf by:

 Beverley Jones
 Chairperson


 Graham Lavender
 Trustee

COMMUNITIES FIRST WESSEX

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1 ACCOUNTING POLICIES

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

(a) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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

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

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

The trustees remain in regular contact with sponsoring local authorities.

(c) Income

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

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

(d) Expenditure

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

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

(e) Fixed assets

Fixed assets are stated in the balance sheet at cost less depreciation. Fixed assets are capitalised for ongoing use within the company, where the individual cost of the asset exceeds £2,000.

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 useful lives of the assets, at the following rates:

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

(f) Stocks

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

COMMUNITIES FIRST WESSEX

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016 (continued)

(g) **Recognition of debtors**

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

(h) **Recognition of liabilities**

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

(h) **Unrestricted funds**

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

(i) **Restricted funds**

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

(j) **Operating leases**

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

(k) **Deferred income**

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

(l) **Pensions**

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

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

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

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

COMMUNITIES FIRST WESSEX

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016 (continued)**2 NET INCOME/(EXPENDITURE)**

	2016	2015
	£	£
Net (expenditure)/ income is stated after charging / (crediting):		
Exceptional item - Donation from Winchester Area Community Action	(388,774)	-
Depreciation	21,699	19,421
Auditor's remuneration - audit	5,700	4,275
Auditor's remuneration - other	-	-

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

3 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Transport services	Information & support	Core activity	Total 2016	Total 2015
	£	£	£	£	£
Grants	86,946	338,649	209,641	635,235	417,924
Contracts	752,011	242,363	4,213	998,587	476,294
Membership	-	-	-	-	-
Fare income	171,607	2,294	-	173,901	2,385
Other income	35,069	86,537	-	121,606	86,014
	<u>1,045,633</u>	<u>669,843</u>	<u>213,854</u>	<u>1,929,330</u>	<u>982,617</u>

Included in Grants above are the following amounts received from:

	2016	2015
	£	£
UK Government grants	576,999	414,916
Grants- other agencies	58,236	3,008
	<u>635,235</u>	<u>417,924</u>

4 STAFF COSTS

	2016	2015
	£	£
Wages and salaries	1,032,200	568,431
Social security costs	64,475	24,008
Pension contributions	42,317	12,936
Redundancy costs	-	-
	<u>1,138,992</u>	<u>605,375</u>

COMMUNITIES FIRST WESSEX

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016 (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:

	2016	2015
Provision of services	60	20
Management & administration	8	4
	<u>68</u>	<u>24</u>

5

CHARITABLE ACTIVITIES

	Transport services £	Information & support £	Core activity £	Total 2016 £	Total 2015 £
COSTS DIRECTLY ALLOCATED TO ACTIVITIES					
Staff costs	512,479	358,662	12,934	884,075	491,702
Volunteer costs	4,194	2,088	1,601	7,883	-
Transport costs	277,554	1,737	-	279,291	113,015
Administration	29,159	28,014	536	57,709	29,085
Depreciation	17,516	446	3,737	21,699	19,421
Other direct costs	5,442	209,435	5,582	220,459	159,838
	<u>846,344</u>	<u>600,381</u>	<u>24,390</u>	<u>1,471,116</u>	<u>813,061</u>
SUPPORT COSTS ALLOCATED TO ACTIVITIES					
Rent, rates & utilities	41,388	33,243	28,553	103,184	37,523
Staff costs	54,920	35,729	178,207	268,856	192,620
Administration	21,774	14,664	49,104	85,542	48,988
Bank charges and interest	-	-	434	434	-
Governance Costs	1,044	1,171	13,216	15,431	12,317
Pension fund - current service cost			41,000	41,000	-
Pension fund - Interest cost			22,000	22,000	-
Pension fund - contributions			(38,000)	(38,000)	-
Other expenses	-	-	-	-	800
	<u>119,126</u>	<u>84,807</u>	<u>294,514</u>	<u>498,447</u>	<u>292,248</u>
	<u>965,470</u>	<u>685,188</u>	<u>318,904</u>	<u>1,969,562</u>	<u>1,105,309</u>

COMMUNITIES FIRST WESSEX

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016 (continued)

6	GOVERNANCE COSTS			2016	2015
				£	£
	Legal and professional fees			10,156	6,705
	Audit, accountancy and actuarial fees			4,099	4,275
	Cost of AGM and incidental trustee meetings			1,176	1,337
				<u>15,431</u>	<u>12,317</u>
7	FIXED ASSETS				
	Cost				
	At 1 April 2015			81,587	108,609
	Additions			74,044	74,961
	Disposals			(700)	(700)
	Transfers			-	-
	At 31 March 2016			<u>154,931</u>	<u>182,870</u>
	Depreciation				
	At 1 April 2015			39,159	54,489
	Charge for the year			17,516	21,699
	Eliminated on disposal			-	-
	At 31 March 2016			<u>56,675</u>	<u>76,188</u>
	Net book value				
	At 31 March 2016			<u>98,256</u>	<u>106,682</u>
	At 1 April 2015			<u>42,428</u>	<u>54,120</u>
8	DEBTORS			2016	2015
				£	£
	Trade debtors			297,486	376,154
	Other debtors			257,695	15,684
	Prepayments & accrued income			76,469	43,380
				<u>631,650</u>	<u>435,218</u>
9	CREDITORS: amounts falling due within one year			2016	2015
				£	£
	Trade creditors			91,611	42,291
	Other taxation and social security			55,762	35,115
	Other creditors			4,548	1,172
	Accruals & deferred income			64,376	211,524
	Amounts held as custodian trustees (see note 10)			509	-
				<u>216,806</u>	<u>290,102</u>
10	AMOUNTS HELD AS CUSTODIAN TRUSTEES			2016	2015
				£	£
	WASUP			259	-
	Hampshire Working Group			250	-
				<u>509</u>	<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 2016 (continued)

11	RESTRICTED FUNDS	At 1 April 2015 £	Incoming resources £	Outgoing resources £	Transfers between funds £	At 31 March 2016 £
	Volunteer Centre	4,595			(4,595)	-
	Projects	29,059	-	-	(29,059)	-
	Open door	336	-	-	(336)	-
	Jubilee and Emsworth Centres	41,052	40,754	(64,926)	448	17,329
	Emsworth Lunch club	448	-	-	(448)	-
	Jubilee lunch club	261	2,216	(5,513)	-	(3,036)
	Transport Services Havant	23,949			(23,949)	-
	Malmesbury Lawn day centre	9,235			(9,235)	-
	Call and Go Havant	3,392			(3,392)	-
	Shopmobility Havant and Chichester	6,577	34,876	(40,277)	-	1,176
	Learning Highway	60,059			(60,059)	-
	Alton College	15,878	-	-	(15,878)	-
	Alton YSS	835	-	-	(835)	-
	Adult learners week	532	-	-	(532)	-
	Community Learning	23,023	-	-	(23,023)	-
	Liphook Youth Club	3,274			(3,274)	-
	Learning skills and employment	808			(808)	-
	Work club	2,453			(2,453)	-
	Bordon garrison youth project	4,102			(4,102)	-
	Liss Liphook NEET	1,052	-	-	(1,052)	-
	Teenage pregnancy	827			(827)	-
	Employee volunteering	1,681	-		(1,681)	-
	Emsworth pre-visible	2,321				2,321
	Wecock Big Local	161	39,213	(39,120)	(255)	(0)
	Bordon NEET	3,333	7,340	(6,733)	(3,940)	0
	Bordon Hub	6,596	16,001	(15,980)	(6,616)	0
	Alton and Petersfield NEET	3,142	6,640	(5,287)	(4,495)	0
	Headley Down	1,838	6,240	(5,408)	(2,670)	-
	Vteam	3,997	-	(13,553)	9,556	(0)
	Youth work	406	2	(9,229)	25,529	16,708
	Being independent in later life (BILL)	1,523	23,020	(15,233)		9,310
	Volunteer awards	140			(140)	-
	Winchester City Council project	15,829			(15,829)	-
	Anger and anxiety management	-	9,250	(10,483)	1,233	-
	Youth Grandparents	-	200	(137)	137	200
	Youth troubled families	-	6,717	(4,849)		1,868
	Skills to grow	-	33,079	(12,504)		20,575
	WAAFA		857	(857)		0
	ARC		18,371	(1,808)		16,563
	Bike about	-	16,454	(4,052)		12,402
	Domestic Violence Forum		2,306	(72)		2,234
	North Winchester Community forum		287	(287)		-
	RASAC	-	94,749	(71,205)		23,545
	ISVA	-	99,579	(67,703)		31,876
	Shopmobility Winchester	-	148,631	(45,037)	(17,823)	85,771
	Shopmobility Winchester - asset fund				17,823	17,823
	Silver Dreams	-	7,151	(7,151)	-	(0)
	Winchester advocacy	-	50,412	(24,728)	-	25,684
	Dementia Friendly		437			437
	Approved by you		39,500	(40,208)	708	-
	LGBT	333	9,750	(10,995)	912	-
	Total restricted funds	273,047	714,034	(523,336)	(180,960)	282,785

COMMUNITIES FIRST WESSEX

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016 (continued)

11

RESTRICTED FUNDS (continued)

The source of each fund is different and they are received from various bodies including Winchester City Council, Hampshire County Council and The Big Lottery. The funds are restricted to the purposes as listed. The Trustees have reviewed the funds as at 1 April 2015 and consider that due to the nature of the funding received certain of these funds previously classified as restricted should be more appropriately classified as designated and not restricted. The balances on these funds have therefore been reallocated to designated funds. Many of the funds have been consolidated.

Accessibility for the disabled / Support for carers / Older Peoples Forum (WAAFA)

Combined project providing administrative support in the above areas.

Hampshire ARC

Voluntary support from HCC Drugs and Alcohol Team.

Bike about

Push bikes to hire in and around Winchester.

Domestic Violence forum

Community First supports the administration of the Domestic Violence Forum.

Jubilee and Emsworth Centres

Provision of lunch clubs and Day Centre activities at Emsworth

V-team

Supporting volunteering activities for the long term unemployed

Approved by You (Formerly Have Your Say)

Funding supplied to Havant, East Hampshire and Winchester areas by HCC to support community projects voted for by the general public.

Youth Work

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

Being Independent in later Life

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

North Winchester Community Forum

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

Rape and sexual abuse – RASAC

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

Independent Sexual Violence Advocacy

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

Shopmobility

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

Skills to grow

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

Silver Dreams

BIG lottery funded project to support community cohesion by helping older Nepalese people to integrate through craft sessions with volunteers in

Advocacy

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

Wecock Big Local

Providing administrative support to the Big Lottery Big Local project at Wecock Farm (Waterlooville)

COMMUNITIES FIRST WESSEX

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016 (continued)

12	UNRESTRICTED FUNDS	At 1 April 2015 £	Incoming resources £	Outgoing resources £	between funds £	At 31 March 2016 £
	Designated funds					
	Projects					
	Volunteer Services	-	55,022	(55,930)	16,318	15,410
	Projects fund	-	-	-	29,059	29,059
	Transport services Havant	-	201,810	(170,065)	(9,067)	22,678
	Transport services Havant - asset fund	-	-	-	33,016	33,016
	Malmesbury Lawn Day Centre - transport contract	-	97,405	(93,914)	9,235	12,726
	Call and Go Havant	-	35,149	(31,820)	3,392	6,721
	Learning Highways	-	132,435	(145,181)	60,059	47,312
	Adult learners week and community learning	-	-	-	23,555	23,555
	Work Club and learning skills and employment	-	-	-	3,261	3,261
	Winchester City Council project	-	45,833	(43,508)	15,829	18,154
	Community Solutions	-	5,826	(6,082)	256	0
	Dial a Ride Winchester	-	154,030	(127,887)	-	26,143
	Transport Services East Hampshire	-	168,328	(117,360)	-	50,968
	Transport Services Basingstoke	-	313,270	(304,149)	-	9,121
	Transport Services Winchester	-	37,463	-(30,721)	-	6,743
	Volunteer Centre Outreach	-	4,801	-	(4,801)	-
	Leigh Park Community Association	-	3,317	(703)	-	2,614
		-	1,254,689	(1,127,321)	180,112	307,480
	Other					
	Required reserves policy	143,000	-	-	35,000	178,000
	Budget deficit	35,000	-	-	(35,000)	-
		178,000	-	-	-	178,000
	General funds					
	Development	(48,572)	301,585	(302,967)	88,401	38,447
	Property fund	37,491	-	-	(37,491)	-
	Merger fund	-	66,000	(15,938)	(30,062)	20,000
	Projects fund	-	20,000	-	(20,000)	-
	General funds excluding exceptional item	(11,081)	387,585	(318,905)	848	58,447
	Obligation to fund Winchester Area Community Action pension liability	15	-	(458,000)	-	(458,000)
		(11,081)	387,585	(776,905)	848	(399,553)
	Pension reserve (Deferred pension liability £715,000 less WACA reserve £458,000 and costs of £25,000 included within support costs)	15		(232,000)		(232,000)
	Total unrestricted funds	166,919	1,642,274	(2,136,226)	180,960	(146,073)

Development

Unrestricted funding for community development and other community services

Merger fund

This fund was set up to provide for the cost of the merger between Community First Havant and East Hants (CFHEH) and Winchester Area Community Action. The balance of this fund of £20,000 is equivalent to the funds remaining in the WACA bank account in case any unforeseen liabilities should arise in the next 12 months. At the end of this period the balance will be transferred to Community First Wessex.

Projects fund

To support new initiatives and projects

Volunteer Centre Outreach

The provision of a weekly drop-in session for Volunteers at the Winchester Discovery Centre.

COMMUNITIES FIRST WESSEX

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016 (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

13	ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	TOTAL 2016 £	TOTAL 2015 £
	Fixed assets	88,859	17,823	106,682	54,120
	Current assets	604,663	357,173	961,836	675,948
	Liabilities	(839,595)	(92,211)	(931,806)	(290,102)
		<u>(146,073)</u>	<u>282,785</u>	<u>136,712</u>	<u>439,966</u>

14 DEFINED CONTRIBUTION PENSION SCHEME

The company operates a defined contribution pension scheme on behalf of certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The annual pension commitment under this scheme is £3,377 (2015: £2,162). There are four members in the scheme (2015: three).

15 DEFINED BENEFIT PENSION SCHEME

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

The financial statements of WACA at 31 March 2015 and prior years, disclosed a pension fund deficit which had been derived from the pension scheme's actuarial report. The most recent full actuarial valuation of the employer's Local Government Pension Scheme funded benefits was at 31 March 2013, which has been updated to reflect conditions at the balance sheet date. At the date of the combination, the deferred pension liability was calculated by the actuary at £458,000. The inclusion of this liability in the accounts of Communities First Wessex has resulted in this amount being expensed as an Exceptional item in the Statement of Financial Activities.

The deferred pension liability of £715,000 included in the Balance Sheet at 31 March 2016 is derived from the pension scheme's actual report for that year. This report also provided comparative figures at the date that the two organisations combined on 1 May 2015. The movement in the fund shown below relates to the period since the entities combined.

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

COMMUNITIES FIRST WESSEX

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016 (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 2016, this amounted to approximately £433,000 (At 1 May 2015 £458,000).

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 2013, 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 3.2% per year and that the present and future pensions would increase at the rate of 1.7% per year.

The pension charge for the year was £37,494 (2015 £12,936), which includes £19,375 deficiency contributions to close the funding gap over a period of 25 years (2015 £5,900).

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.

Value of scheme assets and liabilities

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

16 RELATED PARTIES

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

17 CONTROLLING PARTY

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

18 OPERATING LEASE COMMITMENTS

As at 31 March 2016 the charity had annual commitments under non-cancellable operating leases as follows;

Operating leases which expire:

	Land and buildings		Other	
	2016	2015	2016	2015
Within 1 year	23,996	6,171	24,702	11,472
Within 2 - 5 years	<u>1,125</u>	<u>-</u>	<u>11,472</u>	<u>24,552</u>
	<u><u>25,121</u></u>	<u><u>6,171</u></u>	<u><u>36,174</u></u>	<u><u>36,024</u></u>