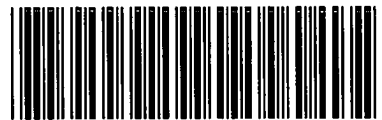


# **COMMUNITIES FIRST WESSEX**

Company number: 08071971

## **REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

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## **COMMUNITIES FIRST WESSEX**

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

### **TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2020**

**Charity registration number:** 1147527

**Company registration number:** 8071971

**Registered office address**  
Leigh Park Community Centre  
Dunsbury Way  
Havant  
Hampshire  
PO9 5BG

**Auditors**  
Morris Crocker  
Station House  
North St  
Havant  
PO9 1QU

**Bankers**  
Lloyds Bank PLC  
4 West Street  
Havant  
PO9 1PE

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

Beverley Jones	Chairman
Trevor Lewis	Vice Chairman
Jennifer Owens	
William Stevens	Retired 24.01.2020
Margaret Woodhead	
Dr John Evans	
Denis Gibson	
Clive Graham	
David Eley	Appointed (Co-opted) 14.05.2020
Paul Kirkland	Appointed (Co-opted) 14.05.2020

**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 2020

### Chairman's Foreword

Welcome to this Annual Report of the Trustees and Directors of Communities First Wessex for the year ending March 2020.

It was a year that started with much promise and potential, but which ended with the global pandemic and Coronavirus outbreak forcing us and many other charities to drastically revise our plans and almost overnight mobilise new services and activities to support the voluntary sector's response. As challenging and impactful as this was coming right at the end of the financial year, we shouldn't let it overshadow the significant progress and achievements of the full year. In hindsight it's testimony to some of the changes we made and challenges we addressed in the first 9 months of the year that enabled us to react with the speed and effectiveness that we did once the pandemic took hold and the full extent of the support that was needed to help vulnerable people was known. It showed the value of managing centrally whilst delivering locally; allowing Community First to play a strategic and leadership role for the CVS network and voluntary sector within the Local Resilience Forum, whilst delivering effective local support by mobilising volunteers and coordinating the work of many mutual aid and community groups in each district.

Prior to Coronavirus we set out ambitious plans to further expand our reach by growing our services for members and creating financially sustainable enterprises to deliver critical community and social value services under the Community First banner. As an organisation we respond well to change and appreciate that survival for many voluntary organisation is about adapting quickly to changing circumstances and successfully evolving the way we operate. During the year we undertook due diligence and development work that led to a further successful merger with Community First New Forest at the end of the year. We are now covering more than 50% of the county by area and population served.

We continued to show leadership for the CVS network operating as the Single Contracted Organisation for Hampshire County Council's infrastructure grant funding. We encouraged further investment in joint activities with our CVS partners recognising the importance of collaboration and delivery of consistent services and support at scale. The success of our approach led to HCC committing further funding at the same level as prior years for 20/21 year. Almost unprecedented given the financial pressures facing local authorities but recognition of the value added by the sector and the importance of having a modern and effective infrastructure organisation leading this work.

We strengthened our Senior Leadership Team bringing in a new Head of Enterprise with commercial and marketing expertise and we continued to win service contracts and commissions including a new contract with Winchester City Council to deliver a further 2 years of targeted support for the voluntary and community sector. We identified opportunities to expand our portfolio of health and wellbeing services and spent time nurturing our partnerships with Clinical Commissioning Groups and NHS bodies. Our co-leadership of the Hampshire & IOW Social Prescribing Network was particularly effective in bringing partners together, sharing expertise and raising the profile of the role of VCSE organisations in delivering health outcomes.

Our Annual General Meeting in early 2020 was held at the Ageas Bowl and attended by many members and supporters. We shone a spotlight on volunteering; highlighting the important role volunteers play supporting statutory services and the need to increase the scope and number of people offering their time which in hindsight was particularly appropriate given the significant upsurge in volunteers and the appetite for volunteering we saw less than two months later as Coronavirus response was mobilised.

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We also attracted much interest in our growing organisation, bringing organisations together, reducing duplication in central and overhead costs and pooling talent so more can be invested in helping member organisations and individuals. During this year we have led and supported funding bids to secure a further £917,000 for some of our member groups; a considerable return on the infrastructure funding invested in us.

We continue to be grateful for the financial and other support of all partners including Hampshire County Council, East Hampshire District Council, Fareham Borough Council, Havant Borough Council, Winchester City Council, and now New Forest District Council. 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. We are also grateful to Basingstoke and Deane Borough Council for their continued support for transport services and Chichester District Council for their support for shopmobility. I would also like to thank the many businesses in our area who support us and our member groups through our SkillShare initiative, with time and expertise. Financial contributions are always welcome but some of the advice, training, expertise, solutions and ideas from local business has been of immense value. We share these 'training' opportunities, with our member groups, helping all to improve marketing, HR, financial matters, business planning and the development of staff.

I am very grateful to my fellow directors for contributing their time and effort in helping us develop an organisation with a very can-do attitude in maintaining and developing new 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 and surplus from our enterprises 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.

I also thank all our staff and volunteers for their hard work, dedication and resilience recognising that this has been tested to the limit in more recent months and since the end of the year. There is a real sense of shared purpose and they do an amazing job for our organisation and for our clients, groups, members and partners. I thank our Chief Executive Tim Houghton and his Senior Leadership Team for delivering high quality services and effective plans which reflect the aspirations and strategic direction set by the board of Community First.

We know that we are needed more than ever. Leadership and capacity of the voluntary sector is vital if we are to rebuild support in our communities post the pandemic. We will no doubt need to change further and have already spent time in 2020 reviewing and refreshing our strategy. Change will continue to be an imperative and in what will no doubt be extraordinarily challenging times ahead we will strive to make Community First a more responsive, more efficient and more 'commercially' minded organisation putting our beneficiaries and members at the heart of all we do.



Beverley Jones  
Chairman

## **COMMUNITIES FIRST WESSEX**

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

### **TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2020**

#### **Management and Governance**

Communities First Wessex (CFW) (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 subsequently amended by special resolution in May 2015, July 2017 and January 2018.

Communities First Wessex has been created following merger of 5 district CVSs (Councils of Voluntary Service); incorporating Havant Council of Community Service and Community First East Hampshire (2012), Winchester Area Community Action (2015), Community Action Fareham (2018) and Community First New Forest (2020). We operate at scale with central management and governance but whilst retaining local teams and services tailored to our communities and member groups.

#### **Board of Directors and Senior Management**

The Trustees of the Charity are the Directors of the Company. The Directors meet 4 - 6 times each year with an Executive Committee comprising Chair, Vice Chair and CEO, meeting monthly. Additional working parties, task and sub groups are created when required and Directors are invited to support specific programmes where they have relevant expertise and knowledge.

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 capacity, to implement these effectively. The Senior Leadership Team comprising Chief Executive, Head of Finance, Head of Community Development and Head of Enterprise are responsible for the day-to-day management of the organisation and service delivery.

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

#### **Recruiting and Supporting Directors**

- We draw on the skills and experience of existing Directors matching these to the needs and activities of the business set out in our strategy
- Skill gaps are identified by the Executive Committee and actions to address these are agreed by the board. Nominations are invited throughout the year through contact with member groups, partners and individuals with the requisite skills and experience.
- Securing specific skills can require additional action such as advertising through local networks, contacts and companies.
- New directors may be appointed after merger with representatives of boards of those we are merging with joining 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. Further work on this is planned for 2020/21
- 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 meetings 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.

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- Directors are offered training and encouraged to attend events and meet staff to gain a good understanding of some of the challenges and opportunities we face

#### Local Authority Councillors

Local authorities are important stakeholders and partners for Community First. In addition to day to day contact with key officers, Councillors may be nominated by our local authority partners to act as advisers or observers providing additional support to the organisation and acting as a point of communication allowing better understating of our work and in identifying and responding to priorities in local communities

#### Aims, Objectives, Activities and Achievements

The Charity's objects are:

- a) to promote any charitable purposes for the benefit of the public in Hampshire including 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 charitable purposes
- b) to promote, organise and facilitate co-operation and partnership working between third sector, statutory and other relevant bodies in Hampshire.

#### 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, Fareham and since April 2020, the New Forest. We also deliver transport services in Basingstoke & Deane and Gosport and shopmobility services in Chichester.

#### Our activities and 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 and local authorities.
- **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
- **Health and Wellbeing;** Support to enable commissioners and those working in local authority health & social care, children's services and in the NHS to access and utilise expertise in the voluntary and community sector to deliver better health and wellbeing outcomes for residents including older and vulnerable people and those in crisis.
- **Community buildings;** operating community facilities and advising those managing community buildings

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- **Accessible and affordable community transport** in Basingstoke, East Hampshire, Fareham, Gosport, Havant, New Forest, Winchester and surrounding areas. We also provide services helping young people to get to work.
- **Shopmobility**; helping people stay mobile and active in town centres
- **Specialist counselling** supporting those who have suffered sexual abuse, rape and trauma
- **Young people**; Providing advice, guidance and support for young people including young carers

As an independent membership organisation we believe that we are stronger by working together. We have a growing membership of more than 700 voluntary and community organisations

Our specific aims in 2019– 2020 were to:

1. Enable VCSE organisations to deliver greater impact and maintain viability, including identifying and supporting funding bids, building partnerships and exploring commissioning with local authorities. We work closely with Clinical Commissioning Groups, NHS bodies and local authorities to help communities build resilience and to reduce reliance on public sector services.
2. Provide organisations with one-to-one support and advice on governance, income generation, restructuring, staff development and DBS checks.
3. 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 provide support for those seeking to return to work.
4. Promote 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 75 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.
5. Deliver services to local communities and develop new enterprises to expand and develop these:
  - a. Community Transport services across East Hampshire, Fareham, Gosport, Havant, Winchester, New Forest 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 social prescribing, 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. Rebrand our organisation, invest in marketing and communications to better measure and demonstrate the impact of the voluntary and community sector's intervention and support
7. Be the single contracted organisation and lead the CVS network for Hampshire.

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### TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2020

8. Complete our merger with Community First New Forest at end of 2019/20

#### Our performance and achievements in 2019/20

- £917,000 raised for local groups and to support Community First services
- 157 training events for groups, benefitting more than 1750 learners
- 600 volunteers placed in local organisations and we attracted more than 950 to support coronavirus response at year end and 300 employees from local businesses.
- 619 groups provided with advice on policies and procedures, HR, volunteer recruitment and management and fundraising.
- We carried 157,000 passengers and covered 585,000m on our transport fleet
- 1031 journeys made by 11 volunteer drivers enabling 226 people to access healthcare appointments
- 320 clients benefitting from our Home Help service with over 450 hours of support provided by our Home Helps each week. 190 clients were matched with a gardener
- More than 1000 people joined our walking for health programme with 52 Walk Leaders
- 6000 downloads of digital resources and toolkits, 50 editions of popular e-news reaching more than 1500 people and 9000+ social media followers
- A further 2000 enquiries on our RASAC helpline and 250 people benefitting from 1650 counselling sessions.
- Organised and co-ordinated 50 networking events, health & wellbeing forums and meetings to promote collaboration, sharing good practice and learning with voluntary, community groups.
- Managing Leigh Park Community Centre which attracted 2700 visitors per month and catered for 937 room hires and functions.
- 55 children and parents attended our Park Play and Cafe facility in Leigh Park each week
- 6,000 scooter hires benefitting 1330 customers via our shopmobility services
- 28 mopeds hired out via Community First New Forest helping 50 young people get to work
- 77 people joined our Positive Pathways programme and undertook more than 40 events and activities, with 80% reporting improved confidence and mental wellbeing.
- Delivered a rebranding and introduced new logo, improved website and marketing material

#### 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 raising £917,000 for local groups and services. We hosted network events, enabling local groups to come together to share ideas and experiences, while receiving briefings on topical issues. We sent out a regular fortnightly e-news, disseminating local information, highlighting up-coming events and funding opportunities and we managed an on-line Help and Support Directory of Voluntary and Community Groups.

We also delivered payroll services for 34 local organisations and carried out 600 DBS checks on behalf of local groups.

#### Volunteering

Our Volunteering Team focused on attracting more working age people into volunteering and supporting and enabling younger people to volunteer. We co-hosted a successful Havant Volunteer Awards in June 2019 with Havant BC. We launched a Volunteer Managers Network at our "Building Sustainable Volunteering Communities" launch event in February 2020 and helped Woolmer Forest Timebank

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### TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2020

initiative secure more than £300,000 from the National Lottery to support and expand the Timebank over the next five years.

*"We just wanted to say a great big thank you to HBC and Community First for a wonderful awards evening. It was very inspirational and moving and we are so lucky to have so many volunteers helping everyone." Tania Jones, HICCA*

*"I really enjoy doing it, it just gives me a sense of worth. I recommend volunteering for anybody wanting to gain confidence and help." One of our many volunteers*

We enabled businesses across Hampshire to take part in volunteering team challenges and SkillShares in support of the voluntary sector organising 25 team events for 300 employees from and 3 skill share workshops with businesses sharing their expertise with the voluntary sector

#### Training

We provided 157 training events for charities, voluntary organisations and social enterprises attracting over 1,750 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 and developed an online offer making it easier for people to attend and benefit.

The Alliance Programme's Building Better Opportunities completed after 2.5 years. The project exceeded expectations. Together with other providers we helped 181 unemployed people: 45% into work roles, 18% into skilled training and the remainder into soft outcomes.

#### Transport

We carried more than 156,000 passengers on our Community Transport, Dial a Ride, 'Call and Go' and SEN school services 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.

*"I wish to thank you for your exceptional support and service. You have been an integral part of the project and enabled us to take some very lonely and isolated people out on some great trips." Wessex Heritage Trust*

*"Without this service, life wouldn't be worth living. I'm not steady on my feet, and they help me on and off the bus and take my shopping to the door. It's absolutely marvellous." DAR customer*

#### 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 responding to 2000 helpline enquiries and supporting 250 clients. We launched a new peer support programme through our STEP's programme to provide further support to both female and male victims of abuse and ran 55 peer support sessions. We're indebted as always to our dedicated volunteer counsellors.

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*"I am now in control of my thoughts and my life. I have gained self-confidence in so many ways and am no longer haunted by the past." RASAC Client*

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 300 clients with 450 hour 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 over 90 people at our Christmas day lunch thanks to wonderful support of our volunteers,

We launched a social prescribing programme in partnership with St John and Winchester City Primary Care Network helping older and vulnerable residents to engage with wider VCSE services to social interaction and support.

We ran a **Healthy Walks** programme helping 1,000 people to stay active with a programme of 40+ walks each month and fantastic support of 52 volunteer walk leaders

*"Walking 4 Health is not just about the walking but the sociability that it can bring."*

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 6,000 customer hires benefitting 1330 customers.

*"Great service and very friendly staff. Drive up to blue badge parking, grab a scooter, go. They also validate parking. Had a great day with my grandparents thanks to this service."*

Our **Positive Pathways** project supported over 70 participants helping them build their confidence and to gain experience in volunteering and training in and around Leigh Park in Havant. 80% improved confidence, 4 moved into work and a further 18 gained meaningful volunteering and training with many working as volunteers and gaining valuable work experience and training placements in our Play Café.

#### Community Buildings

We further invested in Leigh Park Community Centre generating a footfall of more than 2700 visitors per month and 937 events across the year. We have a vibrant and well used community centre with improved facilities including a new café and soft play facility called Heart of the Park, for children and families, private venue hire, a cinema club and range of health and wellbeing exercise classes.

*"Congratulations to you and your incredible team, the Heart the Park is where it was all happening, children playing, people catching up with friends, new friendships being made, wonderful atmosphere, food and drinks. Well done to everyone involved who made it happen." Parent from Park Play*

#### Future Plans

We will implement our merger with Community First New Forest further extending our influence and impact and growing our membership. Membership will be at the heart of what we do and how we operate. We will strengthen our offer to members ensuring they have the platform to influence and engage partners and funders.

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We will continue to support our partners in responding to the Coronavirus pandemic, mobilising volunteers and coordinating VCSE to provide emergency response and welfare support to the most vulnerable in our communities. We know this is likely to be for long term and we recognise the damage and impact this will have on our members and our sector. We will develop plans and prioritise activity to support recovery when it safe to do so. We will build on the momentum and upsurge in volunteering and appetite for social action which is now prevalent in our communities. We will take account of some of the key recommendations made by Danny Kruger MP in the Report on Levelling up our Communities; 'Proposals for a new Social Covenant' and maintain our drive to modernize infrastructure support and ensure communities are empowered and supported to take action themselves and build longer term resilience

We will continue to lead the Hampshire CVS network in our role as the Single Contracted Organisation for Hampshire County Council as we enter the second year of a two-year deal worth £1.1m to deliver VCSE infrastructure support through our CVS network partners. We will continue to work towards collaboration within CVS network seeking ways to reduce duplication and increase effectiveness and will seek to secure further investment to succeed the current agreement from 2021

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. We will continue to explore opportunities for enterprise, particularly around transport and mobility and as we increase our range our health, wellbeing and social prescribing activities.

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 seek to develop new Enterprises including taking on management of community buildings and premises where appropriate and expanding our Home Help Services recognising the value and importance of supporting people in their own homes as the impact of coronavirus highlights vulnerabilities and demand.

Community transport services will continue as we enter the second year of new contracts and we will further pursue opportunities to deliver SEN school contracts and to find cost effective ways of delivering Adult service and other contracts. We will also further develop our offer to support SCAS and non-emergency patient transport and hospital discharge services.

Directors are committed to reviewing our strategy building on our success of combining services and infrastructure bodies to create a multi-faceted organisation which can lead and champion the sector with innovative thinking, ideas and application being key to our future proposals and plans.

#### Financial Review.

Despite a challenging trading environment our revenues remained strong with total income of £2.46m. However, we planned for and invested further in our senior and operational management team following merger in the prior year, alongside further investment in modernising our ICT systems and digital services. The impact of this planned investment combined with the unforeseen challenge of Coronavirus

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in the fourth quarter resulted in an operating loss of (£122k). This included losses on our investments of £11.6k as a direct result of Coronavirus impacting the financial year end and loss of fare and rental income from services through February and March 2020 and before any new COVID grant income could be secured. Some of these losses will be partially recovered in 2020 including, we anticipate a recovery in our investment.

The Charity has a defined salary pension scheme with Hampshire County Council. Coronavirus also impacted our pension deficit with an actuarial loss of (£105k) in 19/20 compared to a gain of £127k in the prior year - a shift (£232k) in a single year. A new agreement has been created to consolidate scheme members following mergers with Winchester Area Community Action (WACA) and Community Action Fareham (CAF). Whilst closed to new members we hold a deferred pension fund liability of £955,000 (increase from £840,000 in the prior year) at 31 March 2020 less WACA reserve of £458,000 and CAF Reserve of £166,000 and costs of £76,000. The liability arising from obligations to this scheme has been reflected in the Charity's balance sheet as at 31 March 2020. 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. Following merger with Community First New Forest (CFNF) the proportion of deficit relating to former CFNF employees is also underwritten by CFNF. The company continues to work with HCC to address the pension deficit issue and work towards reducing this deficit. Progress is being made on this and full details of the financial risk and the steps taken to mitigate this are explained in Note 18 to the accounts. As a result the material liability is significantly less than the deferred pension liability and we continue to pay additional charges and top up payments (£38.7k in 2019/20) in deficiency contributions to close the funding gap over a period of 25 years.

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. Emergency funding for Coronavirus is helping offset some of the lost income and additional costs but is recognised as being short term and will likely impact on longer term public funding. Merger with New Forest will generate efficiencies and offers potential for expansion and growth of services across wider area, 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 health & wellbeing, transport and training. We are investing in developing new enterprise models to develop and expand our health and wellbeing services.

This year we had 115 staff (by head count) operating in 8 locations across 7 local authority districts. Following merger with Community First New Forest this will increase by a further 15.

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. Following merger, we will invest in strengthening our second tier of management to ensure we have effective operational services

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#### Funding

During the year, we were successful with a number of funding bids and tenders with local authorities, Community Lottery, Office of Police & Crime Commissioner and Clinical Commissioning Group and we were also successful in maintaining Community Development and Transport funding from Hampshire CC and district partners.

Specific and principal funding included;

- Infrastructure grant from Hampshire County Council through investment in an agreed development plan and a single contracted organisation to deliver infrastructure support for VCSE and encourage volunteering and from Havant Borough Council and East Hampshire District Council under partnership funding agreements.
- Contract income Winchester City Council for a new commissioned service to support Voluntary and Community Sector organisations in Winchester District which started in January 2020.
- We also continued to receive grant funding from both SE Hampshire and Gosport & Fareham CCGs and investment from Hampshire & IOW Partnership of CCGs to support co-ordination of the Social Prescribing Network.
- Hampshire County Council contracts supported by the Boroughs and Districts, for Community Transport, Dial-A-Ride, Call and Go and SEN school transport contracts. Further income was generated from fares.
- Ministry of Justice grant (administered via the Office of Police & Crime Commissioner), HCC and NHS grant for RASAC.
- Hampshire Futures (HCC) for training
- Grants from Winchester City Council, Fareham Borough Council & Chichester District Council and hire income from customers for Shopmobility
- The National Community Lottery Fund for Positive Pathways in Havant and to support expansion of Time Banking in Woolmer Forest
- ESIF/ HCC funding for Step by Step Men's health programme
- Income from hires and charged for services including Leigh Park Community Centre room hire and Park Play cafe, and customer generated income for services including Home Help

#### 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.
- 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 and to provide a contingency in order to maintain core activity. 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 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.

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

### TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2020

At 31 March 2020 we have £529,203 in unrestricted reserves, before considering pension reserves of (£879,000). Of this £91,383 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 and ensure continuity of our core function for at least 3 months. The Board have allocated £259,820 into a Community First Investment Fund to access new funding and income streams and pump prime innovative ideas for new services for our beneficiaries.

The level of reserves and the policy is reviewed annually. In addition, and independent of 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.

A full analysis of the pension liability including deferred liability, guaranteed underwriting, top up payments and charges and residual material liability is set out in note 18 to the accounts.

#### 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 future cuts and threats to the overall public finance position as the pandemic continues and eventually comes to an end. 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 and charged for services, reducing our reliance on core grants, diversifying our activities to attract new sources of income. We 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 health & wellbeing services which will likely be much in demand after the pandemic including 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 maintain strict internal controls and procedures for authorising transactions and payments which reduce financial risks and minimise 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.

## COMMUNITIES FIRST WESSEX

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

### TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2020

We deliver services to vulnerable people including those who are elderly, frail, disabled, suffer mental illness or abuse or lack 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 include;

- Transport; risk of road accidents and in helping frail and disabled passengers on and off vehicles and in hiring Mopeds under our Wheels to Work scheme
- 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
- Young Carers; providing support for young people in looking after family members with long term conditions
- Home Helps; providing support for older and disabled people in their own homes

The Coronavirus pandemic has impacted many of our services and heightened the risk and vulnerabilities across our communities and indeed within our own staff and volunteer workforce. We have put in place significant support for mental health & wellbeing which we see as long-term investment in supporting our staff and in ensuring our services can continue to be delivered safely. It appears likely that some restrictions and public health safeguards will need to remain in place impacting some aspects of the delivery of our services, increasing cost and limited footfall. We will continue to keep a watching brief and plan accordingly

We have invested further in our own internal H&S Manager providing advice and support across services. We continue to invest in staff training to ensure full compliance with health and safety and safe operating procedures. Procedures are in place to ensure compliance and best practice to protect our staff, volunteers and 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 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.

#### 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.

## COMMUNITIES FIRST WESSEX

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

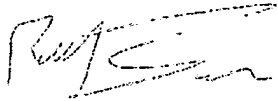
### TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2020

- 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 auditors are aware of the information.

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 to meet company law requirements.

This report was approved by the directors on



.....  
Beverley Jones

Dated 27 January 2021

Chairman of Board of Directors

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMUNITIES FIRST WESSEX FOR THE YEAR ENDED 31 MARCH 2020**

## **Opinion**

We have audited the financial statements of Communities First Wessex for the year ended 31 March 2020 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 2020, 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 2020

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

#### 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 FCA (Senior Statutory Auditor)  
For and on behalf of MORRIS CROCKER

Chartered Accountants & Statutory Auditor

Station House  
50 North Street  
Havant  
PO9 1QU

Date: 27 January 2021

# COMMUNITIES FIRST WESSEX

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

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2020

(Including Income and Expenditure Account)

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b>INCOME</b>					
Donations and legacies	3	26,175	13,212	39,387	333,531
Investment Income		1,260	-	1,260	130
Trading Income					
Miscellaneous income		37,735	-	37,735	31,530
Charitable activities					
Grants & contracts	4	1,503,541	328,714	1,832,255	1,838,229
Fare revenue	4	235,802	-	235,802	246,191
Rental income	4	96,893	12,548	109,441	119,573
Other income	4	160,113	46,762	206,875	255,266
<b>TOTAL INCOME</b>		<b>2,061,519</b>	<b>401,236</b>	<b>2,462,755</b>	<b>2,624,550</b>
<b>EXPENDITURE</b>					
Fundraising		-	-	-	-
Charitable activities	7	2,167,086	405,627	2,572,713	2,686,485
Exceptional item:					
Obligation to fund Community Action Fareham pension liability expensed	18	-	-	-	166,000
<b>TOTAL EXPENDITURE</b>		<b>2,167,086</b>	<b>405,627</b>	<b>2,572,713</b>	<b>2,854,485</b>
Net (losses)/gains on investments	3	(11,636)	-	(11,636)	4,909
<b>NET INCOME (EXPENDITURE) BEFORE TRANSFERS</b>		<b>(117,202)</b>	<b>(4,391)</b>	<b>(121,593)</b>	<b>(25,926)</b>
<b>TRANSFERS BETWEEN FUNDS</b>	14,15	<b>(6,329)</b>	<b>6,329</b>	<b>-</b>	<b>-</b>
Actuarial/(losses)/gains on defined benefit pension funds	18	(105,000)	-	(105,000)	127,000
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>		<b>(228,531)</b>	<b>1,938</b>	<b>(226,593)</b>	<b>101,074</b>
<b>FUND BALANCES BROUGHT FORWARD</b>		<b>(121,266)</b>	<b>190,602</b>	<b>69,336</b>	<b>(31,738)</b>
<b>FUND BALANCES CARRIED FORWARD</b>		<b>(349,797)</b>	<b>192,540</b>	<b>(157,257)</b>	<b>69,336</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)

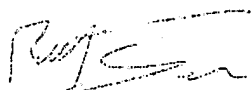
Company number: 02960439

**STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2020**

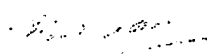
	Note	£	2020 £	£	2019 £
<b>FIXED ASSETS</b>					
Tangible assets	9		192,198		246,169
Investments	10		117,825		129,461
<b>CURRENT ASSETS</b>					
Stocks	11		-		-
Debtors	12	398,081		358,159	
Cash at bank and in hand		375,807		431,824	
		<u>773,888</u>		<u>789,983</u>	
<b>CREDITORS: amounts falling due within one year:</b>	13	<u>(286,168)</u>		<u>(256,277)</u>	
<b>NET CURRENT ASSETS</b>			<u>487,720</u>		<u>533,706</u>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>			<u>797,743</u>		<u>909,336</u>
Defined pension scheme liability	13	(955,000)		(840,000)	
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>			<u>(157,257)</u>		<u>69,336</u>
<b>FUNDS</b>					
<b>UNRESTRICTED FUNDS</b>					
Designated funds	15		289,383		287,153
General funds	15		(364,180)		(258,419)
Unrestricted funds excluding pension liability			<u>(94,797)</u>		<u>28,734</u>
Pension reserve	15		(255,000)		(150,000)
Total unrestricted funds			<u>(349,797)</u>		<u>(121,266)</u>
<b>RESTRICTED FUNDS</b>	14		192,540		190,602
<b>TOTAL FUNDS</b>	14		<u>(157,257)</u>		<u>69,336</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 27 January 2021  
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 2020**

	Note	2020 £	2019 £
Cash (used in)/ provided by operating activities	22	(38,336)	50,380
Cash flows from investing activities			
Interest income		1,260	130
Purchase of tangible fixed assets		(19,259)	(35,299)
Sale of tangible fixed assets		319	3,200
Cash provided by (used in) investing activities		(17,680)	(31,969)
(decrease)/increase in cash and cash equivalents in the year		(56,017)	18,411
Cash and cash equivalents at the beginning of the year		431,824	413,413
Cash and cash equivalents at the end of the year		375,807	431,824

## COMMUNITIES FIRST WESSEX

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

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

#### 1 STATEMENT OF COMPLIANCE

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

#### 2 ACCOUNTING POLICIES

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

##### (a) Basis of accounting

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 2020 (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.

(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 2020 (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):

	2020	2019
	£	£
Donations	(39,387)	(333,531)
Depreciation	67,151	76,544
Loss on sale of assets	5,759	6,632
Unrealised gain on fixed asset investments	-	4,009
Unrealised loss on fixed asset investments	(11,636)	-
Auditor's remuneration - audit	7,000	7,000
Previous Auditor's remuneration - audit	-	1,350
Previous Auditor's remuneration - other	-	2,360

In the prior year, under the terms of the merger agreement with Community Action Fareham effective 1 April 2018, the reserves of that organisation were donated to Communities First Wessex

### 4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Transport services	Information & support	Core activity	Total 2020	Total 2019
	£	£	£	£	£
Grants	100,874	447,811	311,215	859,900	859,876
Contracts	954,925	17,431	-	972,356	978,353
Fare income	235,802	-	-	235,802	246,191
Rental income	-	100,647	9,394	109,441	119,873
Other income	75,429	131,446	-	206,875	255,266
	1,367,030	696,735	320,609	2,384,374	2,459,359

Included in Grants above are the following amounts received from:

	2020	2019
	£	£
UK Government grants	750,392	648,568
Grants- other agencies	109,508	211,308
	859,900	859,876

UK Government grants includes £58,950 received from the Ministry of Justice for support for victims of Rape and Sexual Abuse (2019 £45,553)

Other grants includes £60,401 received from the BIG Lottery (2019 £100,812)

### 5 STAFF COSTS

	2020	2019
	£	£
Wages and salaries	1,398,304	1,497,054
Social security costs	88,533	96,016
Pension contributions	91,163	86,135
Redundancy costs	2,312	24,415
	1,580,312	1,703,620

# COMMUNITIES FIRST WESSEX

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

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020 (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:

	2020	2019
Provision of services	89	101
Management & administration	8	9
	<u>97</u>	<u>110</u>

### Key management personnel

	2020 £	2019 £
Remuneration paid to key management personnel during the year (3), 2019 (3)	<u>284,227</u>	<u>312,679</u>

## 6 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.

## 7 CHARITABLE ACTIVITIES

	Transport services £	Information & support £	Core activity £	Total 2020 £	Total 2019 £
<b>COSTS DIRECTLY ALLOCATED TO ACTIVITIES</b>					
Staff costs	713,366	350,228	168,694	1,232,288	1,406,213
Volunteer costs	1,130	12,563	448	14,141	21,212
Transport costs	343,552	1,620	90	345,462	342,338
Administration	24,948	37,448	14,125	76,521	63,968
Depreciation and loss on sale of assets	66,186	4,834	1,820	72,820	33,774
Other direct costs	18,141	136,587	45,339	202,067	206,513
	<u>1,167,303</u>	<u>545,480</u>	<u>230,516</u>	<u>1,943,299</u>	<u>2,123,218</u>

### SUPPORT COSTS ALLOCATED TO ACTIVITIES

Rent, rates & utilities	45,165	69,589	26,822	141,576	164,357
Staff costs	83,713	46,254	157,053	287,025	235,407
Administration	27,077	14,860	30,168	72,205	71,236
Provision for doubtful debts	-	-	30,000	30,000	-
Bank charges and interest	3,762	1,217	84	5,063	1,425
Governance Costs	12,150	7,730	2,665	22,545	18,642
Pension fund - current service cost	-	-	51,000	51,000	50,000
Pension fund - Interest cost	-	-	20,000	20,000	24,000
	<u>171,867</u>	<u>139,750</u>	<u>317,797</u>	<u>629,414</u>	<u>565,067</u>
	<u>1,339,170</u>	<u>685,240</u>	<u>548,313</u>	<u>2,572,713</u>	<u>2,698,485</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 2020 (continued)

8	GOVERNANCE COSTS	2020 £	2019 £
	Legal and professional fees	5,407	1,588
	Audit, accountancy and actuarial fees	11,140	11,710
	Cost of AGM and incidental trustee meetings	5,998	10,146
		<u>22,545</u>	<u>23,444</u>

9	TANGIBLE FIXED ASSETS	Land and Buildings £	Plant and machinery including Motor Vehicles £	Fixtures fittings and equipment £	Total £
	<b>Cost</b>				
	At 1 April 2019	14,696	386,990	100,052	501,738
	Additions	-	9,000	10,170	19,259
	Disposals	-	(16,729)	-	(16,729)
	At 31 March 2020	<u>14,696</u>	<u>379,261</u>	<u>110,222</u>	<u>504,268</u>
	<b>Depreciation</b>				
	At 1 April 2019	3,305	199,525	52,739	255,569
	Charge for the year	3,305	47,605	16,241	67,151
	Eliminated on disposal	-	(10,650)	-	(10,650)
	At 31 March 2020	<u>6,610</u>	<u>236,460</u>	<u>68,980</u>	<u>312,070</u>
	<b>Net book value</b>				
	At 31 March 2020	<u>8,086</u>	<u>142,870</u>	<u>41,242</u>	<u>192,198</u>
	At 1 April 2019	<u>11,391</u>	<u>187,465</u>	<u>47,313</u>	<u>246,169</u>

10	INVESTMENTS	Unlisted investments £
	<b>Cost or Valuation</b>	
	At 1 April 2019	129,461
	Additions	-
	Revaluation	(11,636)
	At 31 March 2020	<u>117,825</u>

11	STOCKS	2020 £	2019 £
	Finished goods	-	-

12	DEBTORS	2020 £	2019 £
	Trade debtors	266,802	251,062
	Other debtors	33,599	35,664
	Prepayments & accrued income	97,680	71,233
		<u>398,081</u>	<u>358,159</u>

# COMMUNITIES FIRST WESSEX

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

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020 (continued)

13	CREDITORS: amounts falling due within one year	2020 £	2019 £
	Trade creditors	40,978	36,524
	Other taxation and social security	65,229	65,756
	Other creditors	47,864	10,603
	Accruals & deferred income	132,097	143,394
		<u>286,168</u>	<u>256,277</u>

### Deferred income

Deferred income is grants received for future accounting periods

	2020 £	2019 £
Brought forward	101,519	102,308
Amounts released to incoming resources	(86,491)	(102,308)
Amounts deferred in year	87,354	101,519
Amounts carried forward	<u>102,382</u>	<u>101,519</u>

14	RESTRICTED FUNDS	At 1 April 2019 £	Incoming resources £	Outgoing resources £	Transfers between funds £	At 31 March 2020 £
	Shopmobility Chichester	(13,908)	32,024	(36,515)	-	(18,399)
	DART	4,262	-	-	-	4,262
	Access Group	2,770	-	-	-	2,770
	Youth work	25,568	46,876	(48,130)	-	24,314
	RASAC	43,400	117,279	(113,974)	-	46,705
	Positive pathways	-	79,501	(79,501)	-	-
	Shopmobility Winchester	95,604	56,423	(50,507)	-	101,520
	Shopmobility Winchester - asset fund	28,626	-	(3,567)	-	25,059
	Building Better Opportunities ESF	-	20,143	(20,143)	-	-
	Art Talk	4,280	1,053	(5,333)	-	-
	Woolmer Timebanking	-	2,900	(2,900)	-	-
	Park Play	-	32,546	(32,546)	-	-
	Surgery linkworker	-	5,597	(5,597)	-	-
	CVS Network	-	6,894	(6,894)	-	-
	Community Development East Hampshire	-	-	-	6,329	6,329
	<b>Total restricted funds</b>	<u>190,602</u>	<u>401,236</u>	<u>(405,627)</u>	<u>6,329</u>	<u>192,540</u>

# COMMUNITIES FIRST WESSEX

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

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020 (continued)

### Comparative for funds movement

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>	<b>208,457</b>	<b>444,577</b>	<b>(465,083)</b>	<b>2,553</b>	<b>190,592</b>

### 14 RESTRICTED FUNDS (continued)

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

RESTRICTED FUNDS	At 1 April 2018 £	Incoming resources £	Outgoing resources £	Transfers between funds £	At 31 March 2020 £
Emsworth Centre	-	7,346	(13,634)	(6,288)	-
Shopmobility Chichester	(6,841)	68,406	(79,964)	-	(18,401)
DART	-	4,262	-	-	4,262
Access Group	-	2,770	-	-	2,770
Youth work	29,784	119,055	(124,525)	-	24,314
Skills to grow	10,808	-	(1,798)	(9,010)	-
RASAC	47,328	233,402	(234,025)	-	46,705
Positive pathways	-	175,709	(175,709)	-	-
Shopmobility Winchester	88,842	112,736	(100,058)	-	101,520
Shopmobility Winchester - asset fund	38,536	-	(13,497)	-	25,039
Silver linings	-	9,615	(10,274)	659	-
Building Better Opportunities ESF	-	42,337	(42,337)	-	-
Art talk	-	1,053	(5,333)	4,280	-
Walking for Health	-	15,124	(15,460)	336	-
Tea Talk and Tonks	-	6,160	(6,160)	-	-
Woolmer Timebanking	-	2,900	(2,900)	-	-
Park Play	-	32,546	(32,546)	-	-
Surgery linkworker	-	5,597	(5,597)	-	-
CVS Network	-	6,894	(6,894)	-	-
Community Development East Hampshire	-	-	-	6,329	-
<b>Total restricted funds</b>	<b>208,457</b>	<b>857,470</b>	<b>(871,291)</b>	<b>(3,694)</b>	<b>192,540</b>

## **COMMUNITIES FIRST WESSEX**

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

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020 (continued)**

#### **14 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.

##### **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)

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

##### **Silver Linings**

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

##### **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

##### **Woolmer Timebanking**

A new Big Lottery funded timebanking project based in Woolmer, Hampshire

##### **Park Play**

A play Café based at Leigh Park Community Centre, Havant, Hampshire

##### **Surgery Signposter Linkworker**

To facilitate surgery based signposting

##### **CVS Network**

A ring fenced partnership fund to promote CVS activities across Hampshire

##### **Community Development East Hampshire**

To expand and enhance Community Development in East Hampshire

##### **DART**

To provide disability awareness raising training

##### **Access Group**

To provide easy access path trails

# COMMUNITIES FIRST WESSEX

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

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020 (continued)

15	UNRESTRICTED FUNDS	At 1 April 2019 £	Incoming resources £	Outgoing resources £	Transfers between funds £	At 31 March 2020 £
	<b>Designated funds</b>					
	<b>Projects</b>					
	Transport services Havant - asset fund	29,240	-	(7,310)	-	21,930
	Transport Winchester - asset fund	16,297	-	(4,074)	-	12,223
	Transport services East Hampshire - asset fund	39,452	-	(6,386)	-	33,066
	Transport services East Hampshire - asset fund	24,164	-	-	-	24,164
		109,153	-	(17,770)	-	91,383
	<b>Other</b>					
	Required reserves policy	178,000	-	-	-	178,000
		178,000	-	-	-	178,000
	<b>General funds</b>					
	Community First Investment Fund	365,581	2,061,520	(2,160,952)	(6,329)	259,820
	<b>Obligation to fund Winchester Area Community Action</b>					
	Community action Fareham pension liability	15 (624,000)	-	-	-	(624,000)
		(258,419)	2,061,520	(2,160,952)	(6,329)	(364,180)
	<b>Pension reserve (Deferred pension liability £955,000 less WACA reserve £458,000 and CAF reserve of £166,000 and costs of £76,000 included within support costs)</b>	15 (150,000)	-	(165,000)	-	(255,000)
	<b>Total unrestricted funds</b>	(121,266)	2,061,520	(2,283,722)	(6,329)	(349,797)

### Comparative for funds movement

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
	96,862	42,194	(29,903)	-	109,153
<b>Other</b>					
Required reserves policy	178,000	-	-	-	178,000
	178,000	-	-	-	178,000
<b>General funds</b>					
Community First Investment Fund	219,843	2,341,689	(2,193,498)	(2,553)	365,581
<b>Obligation to fund Winchester Area Community Action pension liability</b>	(458,000)	-	(166,000)	-	(624,000)
	(238,057)	2,341,689	(2,359,498)	(2,553)	(258,419)
<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>	(277,000)	-	127,000	-	(150,000)
<b>Total unrestricted funds</b>	(240,195)	2,383,883	(2,262,401)	(2,553)	(121,266)

# COMMUNITIES FIRST WESSEX

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

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020 (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 2018	Incoming resources	Outgoing resources	Transfers between funds	At 31 March 2019
	£	£	£	£	£
Designated funds					
Projects					
Transport services Havant - asset fund	38,987	-	(17,057)	-	21,930
Transport Winchester - asset fund	21,729	-	(9,506)	-	12,223
Transport services East Hampshire - asset fund	36,146	9,975	(13,055)	-	33,066
Transport services East Hampshire - asset fund	-	32,219	(8,055)	-	24,164
	96,862	42,194	(47,673)	-	91,383
Other					
Required reserves policy	178,000	-	-	-	178,000
	178,000	-	-	-	178,000
General funds					
Community First Investment Fund	219,943	4,403,209	(4,354,450)	(8,882)	259,820
General funds excluding exceptional item	219,943	4,403,209	(4,354,450)	(8,882)	259,820
Obligation to fund Winchester Area Community Action and Community Action Fareham pension liability	(458,000)		(166,000)	-	(624,000)
	(238,057)	4,403,209	(4,520,450)	(8,882)	(364,180)
Pension reserve (Deferred pension liability £955,000 less WACA reserve £458,000 and CAF reserve of £166,000 and costs of £76,000 included within support costs	(277,000)	-	22,000	-	(255,000)
Total unrestricted funds	(240,155)	4,445,403	(4,546,123)	(8,882)	(349,797)

Community First Investment Fund  
To support new initiatives and projects

### 16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	TOTAL 2020	TOTAL 2019
	£	£	£	£
Fixed assets	285,780	24,243	310,023	375,630
Current assets	530,785	243,103	773,888	789,983
Liabilities	(1,160,033)	(81,135)	(1,241,168)	(1,096,277)
	(343,468)	186,211	(157,257)	69,336

### 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 2020 was £29,976 (2019: £24,852). There were forty-five members in the scheme at the year end (2019: forty-seven).

## COMMUNITIES FIRST WESSEX

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

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020 (continued)

#### 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 £955,000 included in the Balance Sheet at 31 March 2020 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 for the previous year relates to the period since the entities combined.

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 2020, this amounted to approximately £478,000. (At 31 March 2019 £420,000). 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 2020, this amounted to approximately £166,000. (At 31 March 2019 £146,000).

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 2019, 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 3.1% per year and that the present and future pensions would increase at the rate of 2.1% per year.

The HCC Pension liability shown in the Accounts is based on the last HCC Pension Fund (the scheme) valuation dated 31st March 2019 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 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 £61,267 (2019 £61,484), which includes £38,700 (2019 £37,500) deficiency contributions to close the funding gap over a period of 25 years.

# COMMUNITIES FIRST WESSEX

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

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020 (continued)

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.

	2020	2019
	£	£
<i>Value of scheme assets and liabilities</i>		
Fair value of assets	2,567,000	2,613,000
Present value of fund liabilities	<u>(3,522,000)</u>	<u>(3,453,000)</u>
Pension scheme deficit	<u>(955,000)</u>	<u>(840,000)</u>
<i>Movements in year</i>		
Service cost	(51,000)	(50,000)
Interest cost	<u>(20,000)</u>	<u>(24,000)</u>
	(71,000)	(74,000)
Contributions	61,000	62,000
Actuarial (losses)/gains on assets and liabilities	<u>(105,000)</u>	<u>127,000</u>
Movements in the year	(115,000)	115,000
<b>Pension scheme deficit at 1 April</b>		
- WACA	(420,000)	(477,000)
- CAF	(146,000)	-
- CFHEH	<u>(274,000)</u>	<u>(312,000)</u>
	(840,000)	(789,000)
Acquisition of pension fund deficit from CAF	-	(166,000)
Pension scheme deficit at 31 March	<u>(955,000)</u>	<u>(840,000)</u>

### 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 2020 the charity had future minimum lease payments under non-cancellable operating leases as follows:

Operating leases which expire:

	Land and buildings		Other	
	2020	2019	2020	2019
Within 1 year	69,903	79,529	21,840	4,080
Within 2 - 5 years	-	-	75,900	-
	<u>69,903</u>	<u>79,529</u>	<u>97,740</u>	<u>4,080</u>

Within the Statement of Financial Activities are expenses totalling £99,375 relating to operating leases (2019 £96,194)

**COMMUNITIES FIRST WESSEX**

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

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020 (continued)****22 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2020 £	2019 £
Net movement in funds	(226,593)	101,074
Add back depreciation charge	67,151	76,544
Add loss on disposal of fixed assets	5,759	6,632
Tangible Fixed Assets acquired from CAF	-	(88,406)
Investment acquired from CAF	-	(125,452)
Loss on investments	11,636	-
Pension fund liability acquired from CAF	-	166,000
Deduct interest income shown in investing activities	(1,260)	(4,139)
Decrease /(Increase) in debtors	(39,919)	3,103
Increase/(decrease) in creditors	29,891	28,926
Movement in pension fund	115,000	(115,000)
Decrease in stock	-	1,098
Net cash used in operating activities	<u>(38,336)</u>	<u>50,380</u>

# COMMUNITIES FIRST WESSEX

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

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020 (continued)

### 23 POST BALANCE SHEET EVENT

On 1st April 2020 Communities First Wessex merged with Community First New Forest. The merged entity will continue to trade under the name Community First

### 24 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

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

(Including Income and Expenditure Account)

	Note	Unrestricted funds £	Restricted funds £	Total 2019 £
<b>INCOME</b>				
Donations and legacies	3	323,643	9,888	333,531
Investment Income		4,139	-	4,139
Trading Income				
Miscellaneous income		31,242	288	31,530
Charitable activities				
Grants & contracts	4	1,431,294	356,935	1,638,229
Fare revenue	4	245,386	305	246,191
Rental income	4	102,702	18,971	119,673
Other income	4	194,977	60,289	255,266
<b>TOTAL INCOME</b>		<b>2,333,863</b>	<b>444,676</b>	<b>2,328,559</b>
<b>EXPENDITURE</b>				
Fundraising		-	-	-
Charitable activities	6	2,223,401	465,084	2,688,485
Exceptional item:				
Obligation to fund Community Action Fareham pension liability expensed	13	166,000	-	166,000
<b>TOTAL EXPENDITURE</b>		<b>2,389,401</b>	<b>465,084</b>	<b>2,854,485</b>
<b>NET INCOME (EXPENDITURE) BEFORE TRANSFERS</b>		<b>(5,518)</b>	<b>(20,408)</b>	<b>(25,926)</b>
<b>ATTRIBUTABLE TO:</b>				
Net income (expenditure) before exceptional items		(5,518)	(20,408)	(25,926)
		(5,518)	(20,408)	(25,926)
<b>TRANSFERS BETWEEN FUNDS</b>	14.15	(2,553)	2,553	-
Actuarial gains/(losses) on defined benefit pension funds	13	127,000	-	127,000
<b>NET(EXPENDITURE)/INCOME FOR THE YEAR</b>		<b>118,929</b>	<b>(17,855)</b>	<b>101,074</b>
<b>FUND BALANCES BROUGHT FORWARD</b>		<b>(240,195)</b>	<b>208,457</b>	<b>(31,738)</b>
<b>FUND BALANCES CARRIED FORWARD</b>		<b>(121,266)</b>	<b>190,602</b>	<b>69,336</b>