

Community Action Southwark
(A company limited by guarantee)

Report and Financial Statements
For the Year Ended 31 March 2014

Charity registration number: 1105835
Company registration number: 5090324

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Community Action Southwark

Legal and Administrative Details for the year ended 31 March 2014

The Board of Trustees presents its report and audited financial statements for the year ended 31 March 2014.

Reference and Administrative Information

Charity name: Community Action Southwark
Charity registration number: 1105835
Company registration number: 5090324
Registered office and operational address: 131 Addington Square
London
SE5 0HF

Board of Trustees

Verinder Mander	Chair
David Stock	Treasurer (resigned 03/12/13)
Les Alden	Resigned (03/12/13)
Beccy Allen	
Matthew Guest	
Mark Parker	Joined (03/12/13)
Stuart Cox	
Andrew Rice	
Jim Wintour	Vice Chair (until 03/12/13); Treasurer (from 03/12/13)
Sylvia Clovey	Joined (03/12/13) resigned (23/04/14)
Jacky Bourke-White	Joined (03/12/13)

Senior Management

Gordon McCullough Chief Executive/Company Secretary

Auditors: Haines Watts, Old Station House, Station Approach, Newport Street, Swindon, SN1 3DU

Bankers: Unity Trust Bank, Nine Brindley Place, Birmingham, B1 2HB

Solicitors: Bates, Wells & Braithwaites LLP, 2-6 Cannon St, London, EC4M 6YH

Community Action Southwark (A company limited by guarantee)

Report of the Board of Trustees for the year ended 31 March 2014

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and financial statements of Community Action Southwark (CAS) (the company) for the year ended 31 March 2014. The trustees confirm that the annual report and financial statements of the company comply with current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005.

OUR AIMS AND OBJECTIVES

Purposes and aims

As the Council for Voluntary Services in Southwark we equip voluntary organisations and community groups in Southwark with the tools and information they need to help them make a difference in the communities they serve. We provide training and support on a wide range of topics to empower our members to develop and grow, and we represent the voluntary and community sector to local government and more widely.

Our **mission** is to create and support the conditions for a strong and thriving voluntary and community sector in Southwark.

Our strategic priorities for the years 2011-14 are to:

- To increase the resilience of voluntary and community sector organisations
- To create and maintain an equitable and influential relationship between the public and voluntary and community sectors
- To increase collaboration, sharing and co-ordination of resources, skills and knowledge within the voluntary and community sector
- To ensure that CAS has the resources for continuous improvement and development

The charity's legal objects are:

- to promote any charitable purpose for the benefit of the community in the London Borough of Southwark and adjacent London Boroughs ("the Area of Benefit") and in particular to advance education, protect health, relieve poverty, distress and sickness and provide facilities for recreation and other leisure-time occupation in the interests of social welfare with the aim of improving the conditions of life of those who live and/or work in the Area of Benefit; and
- to promote the efficiency and effectiveness of voluntary and charitable sector organisations providing health, community care and children's and family services for the benefit of the inhabitants in the area of benefit, through promoting good practice and partnerships within the voluntary and charitable sector.

Ensuring our work delivers our aims

Quarterly and annual reviews of our work evaluate our activities against our set aims, targets and outcomes. Annual stakeholder events, along with ad hoc questionnaires, enable us to identify member

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Report of the Board of Trustees for the year ended 31 March 2014

satisfaction and tailor our service delivery to match local need more closely. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The focus of our work

Our work continues to focus on the five NAVCA (National Association for Voluntary and Community Action) performance standards designed for Councils for Voluntary Service. These are:

1. Pro-actively identifying needs in the local community and facilitating improvement in service provision to meet those needs.
2. Assisting local voluntary and community organisations to function more effectively and delivering quality services to our members.
3. Facilitating effective communication or networking and collaboration amongst local voluntary and community groups.
4. Enabling the diverse views of the local voluntary and community sector to be represented to external bodies, developing and facilitating structures which promote effective working relationships and two-way communication.
5. Enhancing the voluntary and community sector's role as an integral part of local planning and policy-making.

How our activities deliver public benefit

The trustees have paid due regard to the Charity Commission's guidance on public benefit. The trustees are confident that CAS's aims and activities of supporting, connecting, informing, and influencing on behalf of the voluntary and community sector in Southwark are in accordance with the regulations on public benefit, as described below.

Who used and benefited from our services?

Increasing the resilience of voluntary and community sector organisations

INFORM

In CAS's theory of change, the first outcome we hope to achieve is the provision of information and advice to organisations so they are more knowledgeable about development and policy issues. Our aim is to ensure that VCOs can make informed decisions about their future and what to do when things change. We provide this advice and information through a range of different mediums and overall, CAS members reported they were more confident and knowledgeable about collaborative working and safeguarding as a result of CAS's work. Three quarters of CAS's stakeholders (74%) see the organisation as a reliable conduit for information, with a further 85% reporting that they feel CAS plays a key role in promoting new policies and developments.

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There is room for improvement with regard to providing advice and information on premises, personalisation, the perceived relevance of information we send out (currently 60% of members feel it is relevant to them).

SUPPORT

One way to create a strong and resilient organisation is to provide one-to-one support and training. During the past year we have provided 215 instances of intensive/one off casework support to Southwark-based voluntary and community organisations (VCOs) – this represents a 9% increase on the previous year. The most common areas of support have been governance, fundraising and strategy/business planning. Over half of all the organisations supported by CAS (57%) believe that it had made a significant and positive impact on their organisation

CAS directly assisted and advised 25 voluntary and community organisations access over £540,000 in funding. CAS provided advice and guidance for VCOs applying to a range of Southwark Council funding opportunities, for example: Community Capacity Fund; Transition Fund Round 5; Innovation Funds for SEND and Adult Social Care; and, Cleaner Greener Safer fund. CAS also produces a monthly funding bulletin that highlights funding opportunities for VCOs in the borough.

SKILL

Ensuring that organisations and individuals have access to the right skills and learning to run organisations well and to deliver good services is a core function of CAS. Many other CVSs have stopped delivering training but we have expanded our programme. Over the year a total of 425 participants attended 35 learning and development sessions that were either hosted or delivered by CAS (an increase of 58% and 52% respectively on 2012/13).

The number of training courses and attendees is interesting but it is only half the picture. The real value is what changes the training brings about for individuals and organisations. After attending a CAS session, 86% of participants were significantly more confident, knowledgeable and able to practically apply the learning (an increase from 63% in 2012/13). We have overhauled our training programme for 2014/15 and have developed a modular approach to topics such as business planning, income generation and financial management.

A major learning and development event was the CAS Governance and Leadership Conference on 6th November 2013. Now in its third year, it has become an indispensable event for trustees, CEOs, managers and volunteers. This year Dame Mary Marsh, director of the Clore Social Leadership Programme, gave the key note address to 74 delegates. The day was a mix of practical guidance and debate about governance and leadership an excellent opportunity for trustees to share experiences and develop their networks. A measure of its success was that three quarters of attendees felt more confident in their leadership and governance roles.

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Report of the Board of Trustees for the year ended 31 March 2014

COLLABORATE

There are fewer resources but demand for services is continuing to increase. A logical response to this dilemma is for organisations to work together. Throughout 2013/14 CAS demonstrated strong leadership with regard to supporting and guiding organisations to think and act more collaboratively. Our Collaboration Support Programme has evolved into a much more targeted and focused programme. We are now working thematically to support consortia to develop to be ready to bid for contracts. We also developed a partnership with LVSC to deliver collaboration training across London.

The outcome we hope to achieve is to increase confidence and willingness amongst VCOs to work together. We have a lot of work to do to achieve this but 64% of our members agreed that CAS puts them in touch with organisations they didn't know existed.

INNOVATE

CAS needs to lead and use its position to try new things and we have attempted to do that throughout the year. We are the managing partner for the Southwark Emergency Support Scheme (Social Fund) in which we aim to develop and support local VCOs to participate and deliver services under this scheme.

We have continued our cross-sector summits which attempt to find solutions to improve partnership working; 89% of stakeholders felt that CAS had improved cross-sector working. One significant outcome from the summits was the work that CAS did with CLINKS and NPC on measuring impact for organisations working in the criminal justice system.

In partnership with Southwark Council we designed and implemented a new approach for the fifth round of the Transition Fund. We carried out diagnostic and action planning with 13 VCOs which received a total of £172,000.

To develop equitable and influential relationships with the public sector

RESEARCH

Developing a robust evidence base to determine future needs and challenges for the VCS is a really important element of CAS's work. We launched our *Count Us In* survey findings - which informed our *Value the VCS* campaign - which provided a unique insight into the scale, role and impact of the sector in Southwark. We were commissioned by Bexley CVS to undertake a similar piece of work and Southwark Council used CAS to undertake research into co-production which has influenced their broader strategy on this emerging area. Lots of mapping and engagement work also took place – from the *On Location* events looking at community premises to the 1,000 Lives consultation exercise that Healthwatch Southwark led on (this is informing the Joint Health and Wellbeing Strategy).

INFLUENCE AND ADVOCATE

CAS has been working hard to ensure that VCOs in Southwark have a strong and credible voice at strategic partnerships and the role it fulfils is understood and valued. We have worked on a wide range

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of issues including, embedding the role of the VCS in the redesigned Dulwich Hospital, influencing the Children and Young People's plan, SEND redesign, mental health commissioning process; to name a few. Over half of CAS members feel that CAS's influence means the sector is more engaged more often by policy makers/commissioners. Worryingly only 30% feel they hear about how their contribution has influenced things – we need to improve on this.

We have maintained our system of 24 voluntary sector representatives. We have refined the processes for listening and feeding back information and the reps are now a common feature of partnership working in the borough. We also launched our Value the VCS Campaign which has led to the development of an independent Commission on Early Action. We have tried at every opportunity to reinforce the contribution the sector makes in meeting and reducing need in communities. We feel we have achieved a lot and over two thirds of our members (65%) agree that CAS is clear about what it is advocating for on behalf of the sector. A further 78% feel that CAS is a credible voice for the sector in Southwark

To increase collaboration and sharing of resources

COMMUNICATE AND NETWORK

A key function of CAS is to communicate with the sector and other stakeholders. It is important that CAS is a trusted a credible source of information. Over the year we have seen a 29% increase in traffic to the CAS website; two thirds of members feel the amount we communicate with them is about right; and, 74% of stakeholders agree that CAS-hosted events are valuable because they enable them to engage meaningfully with the VCS. The networks and connections that CAS providers was reinforces by 60% of members, who agreed that CAS is the central point that brings everything together in one place.

What next

Last year, we stated we would focus on improving three areas; co-ordinating partnerships funding arrangements, demonstrating impact and supporting small and emerging groups.

We have made progress on all three. We have established a number of consortia to bid for funding opportunities and we have established even stronger relationships with commissioners so we can help organisations plan more effectively. This is a long and complex process but we have built a strong foundation by focusing on relationships, solid planning and outcomes; fingers crossed we will have some positive results in 2014/15.

In relation to demonstrating impact across the sector, our work started with the Value the VCS campaign and culminated in a successful bid to City Bridge Trust for a three programme to support VCOs measure and articulate impact. This programme starts in July 2014 and will focus on working with 30 organisations a year to develop and enhance their evaluation and impact measurements skills and processes.

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Finally, we wanted to support small and emerging groups. We established the small groups network, in partnership with the Volunteer Centre Southwark, and it continues to develop. We want to do more around supporting active citizens and we are developing a volunteer community researchers programme to find out what's going on in communities.

Over the next year our main priorities will be:

- **Personalisation and market development** – in partnership with Community Catalysts we secured funding from Southwark Council (Adult Innovation Fund) to help develop small voluntary organisations and SMEs to develop and deliver services for people with personal budgets. This will start in September 2014.
- **Early Action Commission** – CAS and the voluntary sector will play a major role in the deliberations of the Commission and the redesign and realignment of services to ensure we are all acting earlier before people require acute services. We will also be working much harder on our scrutiny function of the local authority's budget for 2015/16.
- Finally, CAS will continue to support and develop **Healthwatch Southwark**. This is a priority as residents and users of health and social care services need a voice more than ever.

FINANCIAL REVIEW

CAS experienced an increase in income of approximately 32% over the past year (excluding income from SESS for fulfilment), mainly in the form of funding to deliver one-off or discrete pieces of work i.e. Healthwatch Southwark, consultancy and training income and the management of Southwark's Emergency Support Scheme (SESS). If income is included for the SESS, there has been a 120% increase in income from 2013/14. Further, due to improved budgeting, financial management and increases in unrestricted sources of funding coupled with reduced charitable expenditure on items such as Training, Consultancy and Professional Fees we have been able to achieve a surplus of £125,029 for this reporting period.

Principal Funding Sources

Principal funding sources for the charity are made up of contract and grant income from Southwark Council (the reporting period constitutes the final year of funding from this three year contract); Healthwatch Southwark (first year of a three year contract with Southwark Council); income to pay fulfilment partners under Southwark Emergency Support Scheme (Southwark Council); and support from grant making trusts such as the BIG Lottery (the reporting period constitutes the final year of a one year contract).

Investment Policy

Over the past two financial years CAS's reserves have increased to a sufficient size to allow trustees to consider long term investment of funds. In 2013 £100,000 was invested in a high interest account for a period of one year. Trustees will review this arrangement and broader investment policies in 2014.

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Reserves Policy

The trustees have determined to set aside funds not committed or invested in tangible assets. Funds held in this way should be between three and six months running costs. Budgeted expenditure for 2014/15 is £722,031 (excluding SESS expenditure) and the target reserve is between £180,507 and £361,015. The reserves are needed to meet the working capital requirements of the charity and the trustees are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding.

Although the present level of free reserves available to the charity of £348,469 (2013: £230,084) equates to just under six months running costs, it falls slightly short of the upper threshold of £361,015. Therefore, the strategy will be to continue to act prudently in relation to the organisation's reserve but to look to reinvest funds into services where there is demonstrable need that cannot be met through traditional sources of funding.

Plans for future periods

It is expected that the income and expenditure for the period 2014/15 will be different as there is a projected deficit for the year (i.e. income is projected to increase by 10%; with total charitable expenditure representing 105% of total projected income). Nevertheless, the Board recognises the need for the organisation to diversify its income to ensure long-term financial viability. To achieve this CAS will be pursuing a fundraising/income generation strategy to ensure that the organisation can continue to function and deliver its objectives at a time of continued austerity measures. As such, we expect to see income generating activities make up 16% of total income in 2014/15 - excluding SESS - compared to 10% in 2013/14).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Community Action Southwark is a charitable company limited by guarantee. It was founded in 1992 as Southwark Community Care Forum, registered as a charity on 5 January 1998 and incorporated on 1 April 2004. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

On 3 April 2008, SCCF merged with Southwark Action for Voluntary Organisations (SAVO) and changed its name from Southwark Community Care Forum to Community Action Southwark on 9 April 2008. In the event of the company being wound up members would be required to contribute an amount not exceeding £10.

Recruitment and Appointment of Trustees

Changes to the composition of the board were suggested and approved by CAS's membership at December's AGM. As such, the Selection criteria and composition of the board has been split i.e. 75% of trustees are drawn from membership organisations and 25% appointed on the basis of skills that the

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Report of the Board of Trustees for the year ended 31 March 2014

organisation might require. Each year one third of the Board of Trustees steps down, chosen either by length of service or, if they have served for the same length of time by lot. They may then go forward for re-election at the Annual General Meeting. Trustees who have served two consecutive terms in office must take a break and may not be reappointed until the annual general meeting following the annual general meeting at which his or her break from office commenced

All members of the Board of Trustees give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in the notes to the financial statements.

Trustee Induction and Training

The induction programme for new trustees includes:

- Written information and induction on Community Action Southwark's activities.
- A meeting with existing trustees and the Chief Executive.
- Time in the office to meet staff and ask questions.
- An invitation to attend any of Community Action Southwark's activities in the community.
- Copies of relevant publications, e.g. The Essential Trustee (Charity Commission).
- Induction in Board and sub-committee terms of reference and objectives.

Risk Management

In 2014 the trustees have conducted a review of the major risks to which the charity is exposed. A risks register has been established and is updated annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, beneficiaries and visitors. All procedures are reviewed periodically to ensure that they continue to meet the needs of the charity.

The full risk assessment document is available from CAS's offices.

ORGANISATIONAL STRUCTURE

See appendix 1.

Responsibilities of the Board of Trustees

Company law requires the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Board of Trustees should follow best practice, and:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and

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Report of the Board of Trustees for the year ended 31 March 2014

- Prepare the financial statements on the going concern basis unless it is not appropriate to assume that the company will continue on that basis.

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

Members of the Board of Trustees

Members of the Board of Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

In accordance with company law, as the company's directors, we certify that:

- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- As the directors of the company we have taken all steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

Haines Watts have expressed their willingness to continue in their capacity as auditors.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of the Companies Act 2006 relating to small entities.

Approved by the Board of Trustees on

and signed on its behalf by:



Verinder Mander
Chair

Community Action Southwark (A company limited by guarantee)

Independent Auditor's Report to the Members of Community Action Southwark

We have audited the financial statements of Community Action Southwark for the year ended 31 March 2014 which comprise the Statement of Financial Activities (incorporating the summary income and expenditure account), the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 9 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

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Independent Auditor's Report to the Members of Community Action Southwark

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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. or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Susan Plumb
Senior Statutory Auditor
For and on behalf of Haines Watts, Chartered Accountants and Statutory Auditors
Old Station House
Station Approach
Newport Street
Swindon
SN1 3DU2014

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Statement of Financial Activities
(Incorporating the Income and Expenditure Account)
For the year ended 31 March 2014

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Incoming Resources from generated funds					
Activities for generating funds					
Other income	3	73,587	-	73,587	35,749
Interest Received	3	1,263	-	1,263	515
Incoming resources from charitable activities					
London Borough of Southwark	4	444,422	645,013	1,089,435	436,306
The Big Lottery Fund	4	-	85,836	85,836	99,842
Clinks		8,000	-	8,000	-
Total Incoming Resources		527,272	730,849	1,258,121	572,412
Resources Expended					
Charitable activities	5				
Policy & Participation		145,404	-	145,404	104,352
Capacity Building		153,379	103,166	256,545	211,799
Keib Thomas Fund		-	-	-	2,842
PCT Mental Health Grant		-	-	-	38,000
PCT Healthy Workplace Fund		11,915	-	11,915	-
Learning & Development		-	-	-	7,632
Emergency Support Scheme		-	505,013	505,013	-
Healthwatch		-	116,026	116,026	-
Core Costs		94,189	-	94,189	99,676
Governance costs	6	4,000	-	4,000	4,005
Total Resources Expended		408,887	724,205	1,133,092	468,306
Net Incoming Resources	7	118,385	6,644	125,029	104,106
Transfers between funds		-	-	-	-
Net Movement in funds		118,385	6,644	125,029	104,106
Balances at 1 April		230,084	38,312	268,396	164,290
Balances at 31 March		348,469	44,956	393,425	268,396

The notes on pages 16-24 form part of these financial statements. There were no recognised gains or losses other than those shown above. All of the Company's activities are continuing.

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Balance Sheet as at 31 March 2014

		2014		2013	
	Notes	£	£	£	£
Fixed Assets					
Tangible fixed assets	9		803		245
Current Assets					
Debtors	10	412,035		70,705	
Cash at bank and in hand		346,516		361,257	
		<u>758,551</u>		<u>431,962</u>	
Current Liabilities					
Creditors – Amounts falling due within one year	11	365,929		163,811	
Net current liabilities			<u>392,622</u>		<u>268,151</u>
Net Assets			<u><u>393,425</u></u>		<u><u>268,396</u></u>
Represented By:-					
Restricted funds	12, 13		44,956		38,312
Unrestricted funds – Designated Funds	13		142,000		102,000
Unrestricted funds – General Funds	13		206,469		128,084
			<u><u>393,425</u></u>		<u><u>268,396</u></u>

These accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**Community Action Southwark
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Balance Sheet as at 31 March 2014

These accounts were approved by the Trustees on and signed on its behalf by:-

A handwritten signature in blue ink, appearing to read 'Verinder Mander', with a long horizontal stroke extending to the right.

Verinder Mander
Chair

The notes on pages 16-24 form part of these financial statements.

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Notes to the accounts for the year ended 31 March 2014

1. ACCOUNTING POLICIES

The principal accounting policies which have been adopted are set out below:-

a) Accounting Basis

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP) issued in March 2005.

b) Restricted Funds

Restricted funds are to be used for a specific area or purpose as laid down by the donor. Expenditure which meets these criteria is identified to the fund.

c) Unrestricted Funds

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

d) Incoming Resources

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

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where 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 charitable trading activity are accounted for when earned.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance. Income relating to future periods is deferred.

Notes to the accounts for the year ended 31 March 2014

1. ACCOUNTING POLICIES (continued)

e) Expended Resources

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

- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and 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, others are apportioned on the basis of staff time.
- Charitable expenditure comprises 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.

f) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life.

Office Equipment – 33% straight line

Fixed assets with an initial cost of less than £100 are not capitalised.

g) Cashflow

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from producing a cash flow statement on the grounds that it is a small company.

h) Pensions

The company operates a group stakeholder pension scheme. Contributions are charged to the Statement of Financial Activities as they are incurred.

Community Action Southwark
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Notes to the accounts for the year ended 31 March 2014

3. OTHER INCOME

	Unrestricted <u>Funds</u> £	Restricted <u>Funds</u> £	Total Funds <u>2014</u> £	Total Funds <u>2013</u> £
Consultancy and training income	63,272	-	63,272	17,813
Membership income	1,980		1,980	5,485
Other income	8,335	-	8,335	12,451
Bank interest	1,263	-	1,263	515
	<u>74,850</u>	<u>-</u>	<u>74,850</u>	<u>36,264</u>

4. GRANT INCOME

	Unrestricted <u>Funds</u> £	Restricted <u>Funds</u> £	Total Funds <u>2014</u> £	Total Funds <u>2013</u> £
London Borough of Southwark				
Core Funds	361,507	-	361,507	361,507
PCT Mental Health Grants	-	-	-	38,000
Learning and Development	7,632	-	7,632	7,632
Research and Development	20,833	-	20,833	29,167
PCT Healthy Workplace Fund	15,000	-	15,000	-
Emergency Support Scheme	39,450	505,013	544,463	-
Healthwatch	-	140,000	140,000	-
The Big Lottery Fund	-	85,836	85,836	99,842
Clinks	8,000	-	8,000	-
	<u>452,422</u>	<u>730,849</u>	<u>1,183,271</u>	<u>536,148</u>

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Notes to the accounts for the year ended 31 March 2014

5. Charitable Activities

Basis of Allocation		Support Costs	Unrestricted		Restricted		Trustee project	Total 2014
			Policy & Participation	Capacity Building	Emergency Support Scheme	Healthwatch		
		£	£	£	£	£	£	£
Costs directly allocated to activities								
Staff costs	Direct	35,982	84,836	90,796	-	89,936	41,328	342,878
Miscellaneous	Direct	18,139	18,999	18,093	505,013	26,090	41,587	627,921
Core costs	Staff time	51,983	41,569	44,490	-	-	20,251	158,293
		106,104	145,404	153,379	505,013	116,026	103,166	1,129,092

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Notes to the accounts for the year ended 31 March 2014

6. GOVERNANCE

	Unrestricted <u>Funds</u> £	Restricted <u>Funds</u> £	Total Funds <u>2014</u> £	Total Funds <u>2013</u> £
Audit	4,000	-	4,000	4,000
Sundry	5	-	5	5
	<hr/> 4,005	<hr/> -	<hr/> 4,005	<hr/> 4,005
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

7. NET INCOMING RESOURCES

Net incoming resources are stated after charging:-

	<u>2014</u> £	<u>2013</u> £
Audit Fees	4,000	4,000
Depreciation	110	-

8. STAFF

Staff costs during the year were as follows:-

	<u>2014</u> £	<u>2013</u> £
Salaries and wages	402,839	255,530
Social security costs	40,651	27,059
Pension costs	12,216	2,370
	<hr/> 455,706	<hr/> 284,959
	<hr/> <hr/>	<hr/> <hr/>

The average monthly number of employees during the year was 12 (2013: 9)

No employee earned over £60,000 in the period (2013 same).

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Notes to the accounts for the year ended 31 March 2014

9. TANGIBLE FIXED ASSETS

	Office Equipment
	£
Cost	
At 31 March 2013	70,407
Additions	667
Disposals	-
At 31 March 2014	<u>71,075</u>
Accumulated Depreciation	
At 31 March 2013	70,162
Charge for year	110
Disposals	-
At 31 March 2014	<u>70,272</u>
Net Book Value	
At 31 March 2014	<u>803</u>
At 31 March 2013	<u>245</u>

10. DEBTORS - Amounts payable within one year

	<u>2014</u>	<u>2013</u>
	£	£
Trade debtors	410,273	66,495
Prepayments and accrued income	1,762	3,417
Other debtors	-	793
	<u>412,035</u>	<u>70,705</u>

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Notes to the accounts for the year ended 31 March 2014

11. CREDITORS - Amounts falling due within one year

	<u>2014</u>	<u>2013</u>
	£	£
Accruals	6,991	6,507
Trade creditors	6,819	8,289
Other creditors	2,933	1,253
Project accruals & deferred Income	339,006	119,078
VAT & Social Security Costs	10,180	28,684
	<u>365,929</u>	<u>163,811</u>
	<u><u>365,929</u></u>	<u><u>163,811</u></u>

All deferred income is released in the following financial year.

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted & Designated	Restricted	Total Funds 2014	Total Funds 2013
	£	£	£	£
Tangible assets	803	-	803	245
Current assets	546,799	211,752	758,551	431,962
Current Liabilities	(199,133)	(166,796)	(365,929)	(163,811)
	<u>348,469</u>	<u>44,956</u>	<u>393,425</u>	<u>268,396</u>
	<u><u>348,469</u></u>	<u><u>44,956</u></u>	<u><u>393,425</u></u>	<u><u>268,396</u></u>

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Notes to the accounts for the year ended 31 March 2014

13. RESTRICTED AND UNRESTRICTED FUNDS

The movement on the funds of the charity were as follows:

	Balance 01-Apr-13	Movement in Resources			Balance 31-Mar-14
		Incoming	Outgoing	Transfers	
RESTRICTED FUNDS					
Capacity Building					
Trustee Advice	38,312	85,836	(103,166)		20,982
Community Development					
Emergency Support Scheme		505,013	(505,013)		-
Healthwatch		140,000	(116,026)	-	23,974
Total restricted funds	38,312	730,849	(724,205)	-	44,956
UNRESTRICTED FUNDS					
Policy & Participation					
Policy & Participation	22,173	104,831	(145,404)	18,400	-
Capacity Building					
Sustainability	-	118,173	(153,379)	35,206	-
General Fund	105,911	304,268	(110,104)	(93,606)	206,469
Designated Funds	102,000	-	-	40,000	142,000
	230,084	527,272	(408,887)	-	348,469
Total funds at 31 March 2014	268,396	1,258,121	(1,133,092)	-	393,425

Details of the restricted funds are given in the trustee's report.

Surpluses on restricted funds are only transferred to unrestricted funds when agreement is given by the donor. Deficits in restricted funds are covered by transfers from unrestricted funds.

Designated funds represent £52,000 staff redundancy fund, £52,000 IS development fund and £40,000 innovation and development fund.

14. TRUSTEES

The Trustees received no remuneration during the period (2013: £nil). Expenses of £nil were reimbursed (2013: £5)

15. LEASING COMMITMENT

At 31 March 2014 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2014	2013
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>1,956</u>	<u>1,956</u>

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Notes to the accounts for the year ended 31 March 2014

16. CONTROLLING PARTY

During the year the charity was under the control of the Trustees.



Community Action Southwark

Staff Structure 2013/14

