

**Community Action Southwark  
(A company limited by guarantee)**

**Report and Financial Statements  
For the Year Ended 31 March 2011**

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**Community Action Southwark**  
**Legal and Administrative Details for the year ended 31 March 2011**

The Board of Trustees presents its report and audited financial statements for the year ended 31 March 2011.

**Reference and Administrative Information**

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

**Board of Trustees**

H Rice Chair  
L Alden Vice Chair (to 16<sup>th</sup> December 2010)  
V Oyolu Vice Chair (from 16<sup>th</sup> December 2010)  
D Stock Treasurer  
J Gillespie  
H Kowalska (appointed 12<sup>th</sup> August 2010)  
V Mander (appointed 1<sup>st</sup> July 2010)  
B Stansfield (appointed 1<sup>st</sup> July 2010)  
R Allen (appointed 1<sup>st</sup> July 2010)

**Senior Management**

C Sanford Chief Executive/Company Secretary (resigned May 2011)

**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 2011**

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 2011. 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**

We seek to equip Southwark's voluntary and community organisations with the tools and information they need to achieve their objectives. We provide training and one-to-one support on a wide range of topics to empower our members to develop and grow, and we represent our members to local government and more widely.

Our mission is to provide our members with:

- Support to reach their potential;
- Information to make the right decisions; and
- Representation at local and national levels.

Our strategic priorities for the years 2008-2011 are to:

- Develop programmes of support that meet members' needs.
- Represent effectively members' interests at the local and national level.
- Continuously improve the quality and effectiveness of the organisation's services.

The charity's legal objects are:

- to promote any charitable purpose for the benefit of the community in 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 of the London Borough of Southwark and adjacent London Boroughs ("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 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.

## **Community Action Southwark (A company limited by guarantee)**

### **Report of the Board of Trustees for the year ended 31 March 2011**

#### **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**

All our charitable activities focus on supporting and representing local voluntary and community organisations in Southwark. Our main activities are listed below. The vast majority of our services are free at point of use or heavily subsidised. Lack of funds is not a barrier to accessing our services. Furthermore, membership is free.

### **CAPACITY BUILDING**

#### **Learning and Development**

The Core contract from Southwark Council is supplemented by an additional contract which funds 50% of the Training Co-ordinator's post. This is an innovative solution aimed at addressing the learning and development needs of those working within Southwark's voluntary and community sector. The role involves spending two days per week at the Council offices in 160 Tooley Street with the Organisational Development department as part of the Learning and Development Team.

During 2010-11, the post focused on advertising and signing organisations up to the Council's new learning and development website/tool "My Learning Source (MLS), [www.mylearningsource.co.uk](http://www.mylearningsource.co.uk). The site offers seven categories of training Social care – adults, children and young people; Equalities and human rights; Health and Safety; Information and Communication Technology; Management and Leadership; Personal Development; Education. All courses in the Social Care category, including Safeguarding, are free.

Since its launch on 5 January 2011 63 organisations have signed up to MLS. This is considerably lower than expected. However, in order to raise awareness and boost the profile of MLS, the Training Coordinator has written articles for Cascade (2) and e-bulletins (3), presented at Southwark Forums (2) and subgroup meetings (2) along with contacting members individually. This work will continue as we aim to sign up at least 75% of our members to this learning and development resource in the next fiscal year.

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### **Report of the Board of Trustees for the year ended 31 March 2011**

#### **Funding and organisational support**

The Sustainability Officers are part funded through the Core Contract. This strand of our work aims to improve the lives of people living and working in Southwark by supporting voluntary and community organisations in becoming more sustainable through securing funding for the services and activities they are providing/wish to provide to their beneficiaries.

During the last year we provided individual support to 121 groups (including trustee project support) which includes help with locating sources of funding, development of funding strategies, assistance with completing application forms and feedback on completed application forms. Members were kept informed about funding opportunities through the production of 12 funding bulletins and 2 'meet the funder' events. 6 training sessions assisted 51 participants from 48 organisations develop their skills in searching for and applying for funding. Further sessions are planned to cover introduction to fundraising, searching for funding, intermediate fundraising, collaboration, setting up an organisation, how to write successful bids, personalisation, HR, and equalities and diversity.

One-to-one casework support has been a large part of the work carried out by the Sustainability Officers. During 2010-11 they have provided casework support to 47 organisations. In order to provide more cost effective support, in particular, to new and emerging groups the team developed new ways of working including training sessions, drop-in sessions and consultancy packages.

The role of Sustainability Officer reflects a recognition that working with organisations on one subject can discover a range of different support needs ranging from finance and funding to skills and governance. The sustainability approach means that when organisations seek help with funding applications we encourage them to think in terms of their overall funding strategy (for example building resilience from a diverse range of income sources), and whether they have a robust, well run organisation which is ready to be funded. This focus on organisational strategy rather than funding applications enables us to work in a more integrated way across the team and the organisation, meaning that organisations seeking funding advice understand the links between good governance (i.e. being effective in the trustee role and managing the organisation effectively) and successful funding applications. This is particularly important, as groups tend to perceive all difficulties as those of funding foremost, and will less frequently recognise that a failure of funding is a result of governance issues.

#### **Southwark Trustee Project**

The Southwark Trustee Project, funded by the Big Lottery Fund, part funds the Training Co-ordinator's post and also the two Sustainability Officer's posts. This project aims to improve the governance standards of Southwark trustees and management committee members resulting in more efficient and effective organisations delivering high quality services. The Trustee project equips beneficiaries with the confidence and skills necessary to respond to the changing business environment.

During 2010-11 the project has enabled trustees to be better informed through structured induction sessions. The induction sessions consisted of four Saturday workshops, attended by 50 people from 21 organisations. In addition to the induction sessions, 3 in depth training sessions were delivered as part of a coordinated annual training programme attended by 43 people from 25 organisations.

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Also, 75 voluntary and community organisations received individual support, including 34 who received casework and outreach services tailored to their individual needs. In addition, many more benefitted from the signposting service that was provided.

This project is demonstrable evidence of the added value provided by the core contract to Southwark citizens.

#### **Premises Project**

The premises project, funded by Capacity Builders, aimed to support the voluntary and community sector in borough wide premises issues as well as increasing the sector's skills and expertise in this area.

During 2010-11 44 people from 32 organisations attended 4 training sessions delivered by our professional outsourced partners, Community Matters. Further, 5 organisations benefitted from one to one advice and support sessions.

This project came to an end in March 2011 due to the closure of the Capacity Builders quango.

#### **Plans for the future**

Following a recent organisational restructure, we have redeveloped our services to better meet the needs of our stakeholders.

The Trustee project has increased the amount of training provided and is exploring the provision of bespoke training with individual Trustee Boards. We are also in the process of organising a Trustee Conference to run over the 2 and 3 November 2011.

The Sustainability Officers are continuing with case work support in all areas, however, we are trying out some innovative methods to ensure that our services are being provided to those who need it the most. For example, coordinating training sessions delivered by CAS staff on funding issues ensures that only those who most need extra help are receiving it.

#### **POLICY AND PARTICIPATION**

The Policy and Participation team has continued to provide partnership and representation support to those living and working in the borough. Southwark Forum, Voice and the thematic subgroups have become better established and taken on an increasingly strategic role in engaging the local sector on key policy developments and collaboratively tackling important issues pertaining to Southwark's voluntary sector. The team thrived as the lead organisation in the Capacity Building Consortium and successfully administered this year's Community Chest Grant of £115k to other members of the consortium. Basecamp has helped facilitate better communication and collaborative working between local voluntary and community sector organisations. In addition to this, the team has produced a number of well-received policy briefings 5 on key topics and delivered training around these as part of the Trustee Project.

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#### **Southwark Forum, Voice and Subgroups**

Southwark Forum is a vehicle for all voluntary sector organisations, community groups and local activists to hear and contribute to key policy and strategy developments. The forum also provides an opportunity for organisations to network with like-minded organisations.

Amongst other items, Southwark Forum has addressed the Big Society agenda, the Comprehensive Spending Review 2010 and improving community premises in Southwark. Keynote speakers have included Lord Herman Ouseley, Cllr Peter John - the leader of Southwark Council - as well as other cabinet members. The forum has also helped keep the sector informed of key national consultations and has been used as a mechanism to effectively respond to them. During 2010-11 CAS facilitated the delivery of 4 forums.

In addition to Southwark Forum, CAS facilitates five themed subgroups to mirror the Council's policy and strategic arrangements. Each of these subgroups is led by a representative from a local voluntary and community sector organisation. This ensures that we make best use of the knowledge and expertise within the sector to address issues that relate to each area of service. The structures in place provide an effective mechanism to feed information back and forth between the subgroup and the relevant Local Strategic Partnership Board. It also allows the sector to work strategically on key issues within each specialist subgroup.

The thematic subgroups have been effective in shaping key policy documents and informing organisations of sector specific changes locally. The subgroups are as follows

- **Southwark Children, Young People and Families** subgroup is a quarterly meeting for organisations working in children's services. Key work this year has included:
  - Development of the Children Young Peoples Plan (CYPP) voluntary sector strategy
- **Southwark Adults Independence and Wellbeing** subgroup is a quarterly meeting for organisations focusing on issues relating to adults, health and social care services
  - Consultation on the Vision for the future of Adult Social Care in Southwark
- **Southwark Space** subgroup is a quarterly meeting for organisations focusing on issues relating to the environment, housing, regeneration and safety. Key work this year has included:
  - Lobbying on behalf of Hays Galleria traders to Southwark Council
- **Southwark Skills** subgroup is a quarterly meeting for organisations focusing on issues relating to employment and skills training. Key work this year has included:
  - Changes to welfare benefits and their implications for VCS providers

#### **Southwark Voice**

Southwark Voice brings together the representatives from the Southwark subgroups and local second tier and umbrella organisations to speak authoritatively on behalf of the whole sector and lobby for change. Southwark Voice members are well placed to identify what's working well in the sector and what could be improved. The group serves as a strategic steer for the sector and has a seat on Southwark Alliance enabling it to shape local policy.

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The group aims to provide coherent and representative leadership for the voluntary sector and develop better corporate relationships with the local public sector. This has led to greater collaboration and development of policy both within the voluntary sector and with the local public sector. Examples of success include negotiating a 3 month formal notice of any reduction in funding by Southwark Council.

#### **Policy briefings**

The Policy and Participation Team has published a series of well received policy briefings to demystify and summarise important parts of central and local government policy legislation and/or changes that may affect Southwark's voluntary and community sector. This has offered organisations a simple way to keep abreast of the ever changing climate of our sector. The team have produced briefings on the following:

- The Southwark Comprehensive Spending Review 2010
- Personalisation
- The Localism Bill
- The Big Society
- NHS reforms

The Policy and Participation has delivered training on these topics at the Southwark subgroups and Forum and as part of the Trustee Project

#### **Capacity Building Consortium**

The Capacity Building Consortium is made up of a strong group of Southwark based charities; led by Community Action Southwark. The participating charities are Bede House, Cambridge House, Peckham Voluntary Sector Forum, Time and Talents and Blackfriars Settlement.

In the final year of the project, the six organisations continued to effectively work together to provide an inclusive capacity building service across Southwark that focuses on worklessness and community engagement, and on wider community development issues. The consortium has a strategic role that links in with other structures, such as Southwark Voice and the five Southwark subgroups to inform these forums of local geographic intelligence. This project came to a close at the end of this financial year and was deemed a success.

#### **Community Chest Grant**

CAS was awarded the Community Chest grant to manage by the Aiming High for Disabled Children Board. CAS distributed £40,000 in capital and revenue grants to a variety of local voluntary and community sector organisations to improve their capacity to support disabled children and young people. The whole process was conducted in a timely and efficient way; deemed a great success by all stakeholders.

#### **Basecamp**

Basecamp is an online forum for CAS members. To guide discussions effectively, it is set up to mirror Southwark Forum and its subgroups. Through features such as message boards and file-sharing, local activists, community groups and voluntary organisations are able to continue their dialogue outside of the quarterly subgroups and Forum meetings. It is an especially useful mechanism for small voluntary groups as members can log on at any time from any location.



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The current membership for Basecamp stands at around 250 organisations and 400 members. It has been used effectively to co-ordinate the sector's response to the Older People's Commissioning Strategy, collect and collate evidence around the effect of the Comprehensive Spending Review 2010 and allow members to share information.

**COMMUNITY DEVELOPMENT**

**Objectives**

The project aims to engage Southwark's most isolated communities and empower them with the tools and information they need to develop into sustainable communities, capable of representing their members' needs. This is done through reaching out to community members, bringing them together and encouraging them to work together, identifying their needs and finding ways of addressing those.

**Achievements**

We engaged and provided support to Southwark's most prominent new migrant communities, namely those from the African francophone communities, Sierra Leoneans and Latin Americans. Through this, we have been able to address some of their community needs, and have enabled them to come together into community networks and forums representative of those communities. Their issues have been highlighted to services providers. African French speaking community members have opted to set up an informal network which meets to address specific issues, whereas the Latin American and Sierra Leoneans chose to set up community forums with more formal structures; these are now registered charities with detailed governing documents, inclusive of clear aims and objectives, membership and other operating rules. Eastern European community members did not feel the need to set up formal or informal networks; they are happy to receive support in planning / organising community events. Community forums are receiving ongoing support from CAS around issues such as funding, governance and premises issues.

For each of the Sierra Leonean and Latin American communities, we facilitated an average of three to four meetings per month; which entails coordinating the delivery of the meetings (finding appropriate time and date, monitoring attendance, taking minutes, etc.), providing meeting spaces and access to equipment e.g. laptops, projectors, PA systems, wireless keyboards, mice and headphones, along with wireless internet provisions.

Meetings are usually attended by an average of 7 to 10 community members and group representatives alike. Over the last three months, we have supported the Latin American UK Forum and the Sierra Leonean Forum UK to set up and maintain social virtual communication media such as Facebook, Twitter and blog groups.

In addition to working with the aforementioned communities and continuing our engagement with the Polish community, we also started engaging faith organisations in order to access and support new migrant members of their congregations. In order to successfully engage with faith groups we attended a number of Faith Area Network meetings in order to identify needs and highlight areas of support available from CAS.

During 2010-11, targeted capacity building and organisational development support was provided to 11 Latin American and 9 Sierra Leonean groups. Areas of support ranged from advice on funding, developing legal structures, governance issues, developing policies and procedures, and premises issues.

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During the same reporting period, one stop support was given to community groups / members from targeted communities on 49 occasions; areas of support covered funding / fundraising (28%), organisational development (28%), advice on governance (23%), start-up advice (21%), advice on social enterprises (13%), legal structures (12%), providing business support to migrant communities (12%), as well as work on partnership and collaboration, tendering, premises, networking, lobbying, and personal development.

In 2010-11, we supported the establishment of the Latin American and Sierra Leonean community forums, with legal structures enabling them to operate as umbrella organisations supporting others within their respective communities. As part of governance and capacity building support, we worked with them to help them develop clear and strong membership policies to provide services to groups and individuals from their communities. Management committee members from both community forums have attended most of CAS's training courses on governance and charity management; they have gained necessary skills and knowledge which empower them to be effective in supporting their members.

The Latin American forum has 12 very active committee members who are very much involved in running the forum and ensuring it get as much publicity and recognition as possible. The forum is receiving widespread recognition from a network of 10 South American consulates in London that are trying to establish links with the community as a whole, to celebrate their bicentenary independence anniversary. The forum delivered a bespoke learning event on domestic violence (and its effect on mental health) for the benefits of Latin American women. The event was attended by 32 LA community members, mostly women, but also young people (6) and men (8).

#### **OPERATIONS AND ICT**

##### **Objectives**

- The development of new membership scheme; including the introduction of fee-based membership
- Provision of timely accessible information for VCS through e-bulletins, Cascade e-newsletter and the CAS website
- Providing back-office operational support to the CAS team; offering a solid foundation for effective service delivery; achieving efficiency savings where possible

##### **Achievements**

- Our meeting spaces and rooms were accessed on 11 separate occasions by small and medium sized charities and voluntary organisations from targeted communities.
- We provided hot desks, meeting spaces and ICT facilities, e.g. wireless internet connections, laptops and data projectors which were accessed by 26 community groups from the targeted communities.

During this reporting period (up to July 2011), CAS developed and introduced a new membership scheme, which went live on 1 July 2011. Introducing the membership fee will ensure the sustainability of the services that CAS delivers whilst also ensuring we provide a better quality of service to all our stakeholders. Within the first few weeks of its implementation the new membership scheme generated over £1000 of unrestricted revenue. We have received positive support and responses from members following the introduction of the new membership scheme.

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During 2010-11, CAS's Operations and ICT team coordinated the delivery of 4 Cascade newsletters and 29 e-bulletins; our communication mechanisms continue to keep the sector informed with up to date and relevant information. The transition from paper-based copies of Cascade to an electronic format has drastically reduced the production costs, which was mainly attributed to the printing of the publication. Another factor for the transition from paper-based issues of Cascade to electronic publications was to support the green agenda and make better use of free/low-cost online tools. The first electronic version was released in January 2011 and disseminated to over 900 organisational stakeholders; a mixture of voluntary and community organisations and statutory partners. We are hoping to boost revenue for Cascade by selling more advertising space whilst also continuously striving to boost readership.

In 2010-11 CAS underwent a re-branding exercise, which was completed in September 2010. The rebranding included a new logo, new corporate colour scheme, and a new website. The newly developed CAS website was launched in January 2011, features the new CAS logo and added functionalities, is more interactive for users, and provides a cleaner and more engaging home page, emphasising some of the key aspects of our work i.e. providing timely and relevant information/funding opportunities to the sector (News, Funding News); informing the sector of upcoming events/training sessions (Important Dates); offers key policy briefings (Policy Briefings). Other functionalities include: Social media, a feedback section, member registration, and the ability for members to comment on website articles.

CAS relocated from Hannibal House (Elephant and Castle) to Cambridge House (Camberwell) in January 2011. The move to Cambridge House has enabled the organisation to achieve significant efficiency savings of up to 65% on rent and Service charges, and other operational costs e.g. telephones and broadband subscriptions.

**Future Plans**

There are a number of priority areas that have been identified for the forthcoming financial year 2011-2012. These include the establishment of the Lattice Foundation, the roll-out of the hubs and spokes model, and exploring the development and implementation of a new casework database. Also, the team aims to support the increase in organisational membership by 7% in the next fiscal year and will continue to explore and identify income generating opportunities to support the work of the team and the organisation as a whole.

**FINANCIAL REVIEW**

CAS has maintained a steady income, with grant income being higher than in the previous year. Charitable expenditure has fallen, due to tighter controls on spending and restructuring within the organisation. Unrestricted reserves have therefore increased, though they remain below ideal levels.

**Principal Funding Sources**

Principle funding sources for the charity are made up of contract income from Southwark Council (the reporting period constitutes the second year of funding from this three year contract); Southwark Council grants; Capacitybuilders, the central government infrastructure support organisation; and support from grant making trusts such as City Bridge and the BIG Lottery.

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**Report of the Board of Trustees for the year ended 31 March 2011**

**Investment Policy**

The economic downturn followed by recession has led to reduced rates of interest on savings, which in turn has meant a fall in the income on our investments. Should interest rates increase, or surpluses grow, the trustees will consider long term investment of funds through a review of investment policies.

**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 2011/12 is £444,442 and therefore the target reserve is between £111,000 and £222,000. 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.

The present level of reserves available to the charity of £113,534 (2010: £33,438) therefore falls within the lowest end of this target range. Although the strategy is to continue to build reserves through planned operating surpluses, the trustees are aware that it is unlikely that mid-point of the target range can be reached for at least five years. In the short term the trustees have considered the extent to which existing activities and expenditure could be curtailed, should such circumstances arise.

**Plans for future periods**

Whilst it is expected that the income and expenditure for the period 2011/12 will be similar to the reported period, it is likely that the organisation will see a significant fall in its income for the 2011/12 period, due to the financial spending controls imposed by central government to improve the public finances and reduce the budget deficit. The trustees are, therefore, making appropriate arrangements to ensure the organisation can continue to function and deliver its objectives at that time.

**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**

Trustees are recruited from the members of the charity. 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

## **Community Action Southwark (A company limited by guarantee)**

### **Report of the Board of Trustees for the year ended 31 March 2011**

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**

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
- 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.

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**Report of the Board of Trustees for the year ended 31 March 2011**

**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 3.

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

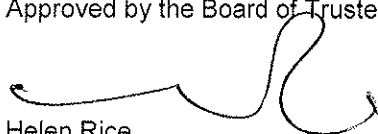
- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- As the directors of the company we have taken all steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's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

**Auditors**

Haines Watts were appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

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 22/9/11 and signed on its behalf by:



Helen Rice  
Chair

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**Independent Auditor's Report to the Members of Community Action Southwark (continued)**

We have audited the financial statements of Community Action Southwark for the year ended 31 March 2011 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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.

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 misstatements or inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**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 2011, 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Community Action Southwark  
(A company limited by guarantee)**

**Report of the Board of Trustees for the year ended 31 March 2011**


**Opinion on other matters 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 or returns; or
- certain disclosures of the trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Susan Plumb BSc ACA  
Senior Statutory Auditor  
For and on behalf of HW Chartered Accountants and Statutory Auditors  
Old Station House  
Station Approach  
Newport Street  
Swindon  
SN1 3DU

23 Sep 2011



**Community Action Southwark**  
**(A company limited by guarantee)**

**Statement of Financial Activities**  
**(Incorporating the Income and Expenditure Account)**  
**For The Year Ended 31 March 2011**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
<b>Incoming Resources from generated funds</b>					
<b>Activities for generating funds</b>					
Rental Income	2	76,141	-	76,141	80,027
Other income	3	3,916	105	4,021	33,936
Interest Received	3	291	-	291	109
<b>Incoming resources from charitable activities</b>					
London Borough of Southwark		394,687	215,807	610,494	479,049
Other		-	-	-	-
Grants	4	3,078	238,031	241,109	247,393
<b>Total Incoming Resources</b>		<b>478,113</b>	<b>453,943</b>	<b>932,056</b>	<b>840,514</b>
<b>Resources Expended</b>					
Charitable activities	5				
Policy & participation		182,503	255,612	438,116	372,713
Capacity Building		140,192	127,252	267,444	335,496
Community development		-	140,799	140,799	183,020
Governance costs	6	7,064	-	7,064	7,156
<b>Total Resources Expended</b>		<b>329,759</b>	<b>523,663</b>	<b>853,422</b>	<b>898,385</b>
<b>Net (Outgoing)/ Incoming Resources</b>	7	<b>148,354</b>	<b>(69,720)</b>	<b>78,634</b>	<b>(57,871)</b>
Transfers between funds		(75,155)	75,155	-	-
<b>Net Movement in funds</b>		<b>73,199</b>	<b>5,435</b>	<b>78,634</b>	<b>(57,871)</b>
<b>Balances at 1 April 2010</b>		<b>44,397</b>	<b>34,516</b>	<b>78,913</b>	<b>136,784</b>
<b>Balances at 31 March 2011</b>		<b>117,596</b>	<b>39,951</b>	<b>157,547</b>	<b>78,913</b>

The notes on pages 16 to 25 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.

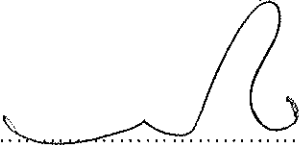
**Community Action Southwark**  
**(A company limited by guarantee)**

**Balance Sheet as at 31 March 2011**

		2011		2010	
	Notes	£	£	£	£
<b>Fixed Assets</b>					
Tangible fixed assets	9		4,062		10,959
<b>Current Assets</b>					
Debtors	10	121,276		188,490	
Cash at bank and in hand		173,733		104,943	
		<u>295,009</u>		<u>293,433</u>	
<b>Current Liabilities</b>					
Creditors – Amounts falling due within one year	11	141,524		225,479	
			<u>153,485</u>		<u>67,954</u>
<b>Net Assets</b>					
			<u>157,547</u>		<u>78,913</u>
<b>Represented By:-</b>					
Unrestricted funds	12, 13		117,596		34,516
Restricted funds	12		<u>39,951</u>		<u>44,397</u>
			<u>157,547</u>		<u>78,913</u>

These accounts have been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

These accounts were approved by the Trustees on 22/9/11 and signed on its behalf by:-

  
 .....  
 Helen Rice  
 Chair

The notes on pages 16 to 25 form part of these financial statements.

**Community Action Southwark**  
**(A company limited by guarantee)**

**Notes to the accounts for the year ended 31 March 2011**

**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.

**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.

**Community Action Southwark**  
**(A company limited by guarantee)**

**Notes to the accounts for the year ended 31 March 2011**

**1. ACCOUNTING POLICIES (continued)**

- 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.

**Community Action Southwark**  
**(A company limited by guarantee)**

**Notes to the accounts for the year ended 31 March 2011**

2.	<b>RENTAL INCOME</b>	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
	Rental Income	76,141	-	76,141	80,027
		76,141	-	76,141	80,027
3.	<b>OTHER INCOME</b>	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
	Other income	3,916	105	4,021	33,936
	Bank interest	291	-	291	109
		4,207	105	4,312	34,045
		4,207	105	4,312	34,045
4.	<b>GRANT INCOME</b>	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
	London Borough of Southwark	394,688	215,807	610,495	479,049
	The Big Lottery Fund	-	57,064	57,064	78,344
	Capacity Builders	-	180,967	180,967	169,049
	Capital Community Foundation	3,078	-	3,078	-
		397,766	453,838	851,604	726,442
		397,766	453,838	851,604	726,442

**Community Action Southwark**  
**(A company limited by guarantee)**

**Notes to the accounts for the year ended 31 March 2011**

**5. Charitable Activities**

Basis of Allocation	Unrestricted		Restricted		Total 2011	Total 2010
	Policy & Participation	Community Development	Capacity Building	Policy & Participation		
	£	£	£	£	£	£
<b>Costs directly allocated to activities</b>						
Staff costs						
Direct	121,533	-	88,911	92,384	96,093	409,451
Miscellaneous	1,631	-	8,048	118,401	13,384	40,953
Support costs	59,338	-	43,233	44,828	31,322	440,825
	<b>182,503</b>	<b>-</b>	<b>140,192</b>	<b>255,612</b>	<b>140,799</b>	<b>891,229</b>

**Community Action Southwark**  
**(A company limited by guarantee)**

**Notes to the accounts for the year ended 31 March 2011**

**6. GOVERNANCE**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Audit	4,000	-	4,000	6,650
Sundry	3,064	-	3,064	506
	<u>7,064</u>	<u>-</u>	<u>7,064</u>	<u>7,156</u>

**7. NET INCOMING RESOURCES**

Net incoming resources are stated after charging:-

	2011 £	2010 £
Audit Fees	4,000	6,650
Depreciation	6,897	6,896

**8. STAFF**

Staff costs during the year were as follows:-

	2011 £	2010 £
Salaries and wages	423,272	500,616
Social security costs	43,821	48,982
Pension costs	790	3,516
	<u>467,883</u>	<u>553,114</u>

The average monthly number of employees during the year was 12 (2010: 15)

No employee earned over £60,000 in the period.

**Community Action Southwark**  
**(A company limited by guarantee)**

**Notes to the accounts for the year ended 31 March 2011**

**9. TANGIBLE FIXED ASSETS**

	Office Equipment £
<b>Cost</b>	
At 31 March 2010	70,162
Additions	-
Disposals	-
At 31 March 2011	<u>70,162</u>
<b>Accumulated Depreciation</b>	
At 31 March 2010	59,203
Charge for year	6,897
Disposals	-
At 31 March 2011	<u>66,100</u>
<b>Net Book Value</b>	
At 31 March 2011	<u>4,062</u>
At 31 March 2010	<u>10,959</u>

**10. DEBTORS - Amounts payable within one year**

	<u>2011</u> £	<u>2010</u> £
Trade debtors	111,435	157,352
Prepayments and accrued income	9,041	31,138
Other debtors	800	-
	<u>121,276</u>	<u>188,490</u>

**11. CREDITORS - Amounts falling due within one year**

	<u>2011</u> £	<u>2010</u> £
Accruals	11,011	5,000
Trade creditors	2,323	46,116
Other creditors	631	280
Deferred Income	97,373	137,020
VAT & Social Security Costs	30,186	37,063
	<u>141,524</u>	<u>225,479</u>

All deferred income is released in the following financial year.



**Community Action Southwark**  
**(A company limited by guarantee)**

**Notes to the accounts for the year ended 31 March 2011**

**12. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted	Restricted	Total Funds 2011	Total Funds 2010
	£	£	£	£
Tangible assets	4,062	-	4,062	10,959
Current assets	228,268	66,741	295,009	293,433
Current Liabilities	(114,734)	(26,790)	(141,524)	(225,479)
Net assets at end of year	<u>117,596</u>	<u>39,951</u>	<u>157,547</u>	<u>78,913</u>

**Community Action Southwark**  
(A company limited by guarantee)

**Notes to the accounts for the year ended 31 March 2011**

**13. RESTRICTED AND UNRESTRICTED FUNDS**

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

	Balance	Movement in Resources			Balance
	01-Apr-10	Incoming	Outgoing	Transfers	31-Mar-11
<b>RESTRICTED FUNDS</b>					
<b>Policy &amp; Participation</b>					
Consortium Support	-	54,000	54,096	96	-
SIG	-	19,000	39,620	20,620	-
Partnership Working	-	42,000	46,974	4,974	-
Capacity Building Consortium	-	111,500	111,500	-	-
<b>Capacity Building</b>					
Trustee Advice	31,444	60,371	54,706	-	37,109
Premises	-	75,967	75,967	-	-
<b>Community Development</b>					
Koruso	-	-	5,545	5,545	-
Keib Thomas	3,072	105	335	-	2,842
Census Promotion	-	-	2,100	2,100	-
Community Development	-	91,000	132,820	41,820	-
<b>Total restricted funds</b>	<b>34,516</b>	<b>453,943</b>	<b>523,663</b>	<b>75,155</b>	<b>39,951</b>
<b>UNRESTRICTED FUNDS</b>					
<b>Policy &amp; Participation</b>					
Adult Health and Social Care Partnership	-	-	25,843	25,843	-
Community Chest	-	7,500	-	-	7,500
Policy & Participation	-	80,001	156,660	76,659	-
<b>Capacity Building</b>					
Organisational Development	-	44,970	87,065	42,095	-
Funding Advice	9,903	59,235	53,127	-	16,011
<b>General Fund</b>	<b>34,494</b>	<b>286,407</b>	<b>7,064</b>	<b>(219,752)</b>	<b>94,085</b>
	<b>44,397</b>	<b>478,113</b>	<b>329,759</b>	<b>(75,155)</b>	<b>117,596</b>
<b>Total funds at 31 March 2011</b>	<b>78,913</b>	<b>932,056</b>	<b>853,422</b>	<b>-</b>	<b>157,547</b>

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.

**14. TRUSTEES**

The Trustees received no remuneration during the period (2010: £nil). Travel expenses of £55 were reimbursed (2010: £331)

**15. LEASING COMMITMENT**

The Charity had no commitments to make payments within the next year under operating leases.

**CAS Organisational Structure at 1 October 2010**

