

Community Southwark
(A company limited by guarantee)

Report and Financial Statements
For the Year Ended 31 March 2016

Charity registration number: 1105835
Company registration number: 5090324

| Content | Page |
|--|-------------|
| Legal and Administrative Information | 1 |
| Report to the Board of Trustees | 2 |
| Independent Auditor's Report | 12 |
| Statement of Financial Activities | 14 |
| Balance Sheet | 15 |
| Notes forming part of the Financial Statements | 17 |

Community Southwark

Legal and Administrative Details for the year ended 31 March 2016

The Board of Trustees presents its report (which includes the directors' report as required by company law) and audited financial statements for the year ended 31 March 2016.

Reference and Administrative Information

Charity name: Community Southwark
Charity registration number: 1105835
Company registration number: 5090324
Registered office and operational address: 1 Addington Square
London
SE5 0HF

Board of Trustees

| | |
|--------------------|--|
| Verinder Mander | Chair (resigned 11 th February 2016) |
| Beccy Allen | |
| Michael Bukola | appointed 2 nd December 2015 |
| Khosi Manaka | appointed 2 nd December 2015 |
| Karin Woodley | appointed 2 nd December 2015; appointed Vice Chair 11 th February 2016 |
| Matthew Guest | appointed Treasurer on 11 th February 2016 |
| Mark Parker | |
| Jacky Bourke-White | Treasurer (resigned 11 th February); appointed Chair 11 th February 2016 |
| Stuart Cox | resigned 2 December 2015 |
| Andrew Rice | resigned 2 December 2015 |
| Jim Wintour | resigned 2 December 2025 |

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 Southwark (A company limited by guarantee)

Report of the Board of Trustees for the year ended 31 March 2016

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 Southwark (CS) (the company) for the year ended 31 March 2016. 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" 2015.

OUR AIMS AND OBJECTIVES

Purposes and aims

Our vision is stronger communities in Southwark that can fulfil their potential. To achieve this our **mission** is to create and support the conditions for a strong and thriving voluntary and community sector in Southwark.

To achieve this mission, Community Southwark fulfils three key strategic functions for the voluntary and community sector, volunteers and social enterprises in Southwark: support, influence and engagement. We equip voluntary organisations, community groups, residents in Southwark with the tools and information they need to help them make a difference in the communities they live and work in.

Our strategic priorities for 2015-16 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 levels of active citizenship, volunteering and community engagement
- To ensure that Community Southwark has the resources for continuous improvement and development

The charity's legal objects are:

- To promote any charitable purpose for the benefit of the public and particularly, but not limited to, the public who live and work in the London Borough of Southwark and surrounding London boroughs, including: to advance education, protect health, relieve poverty distress and sickness, promote voluntary work and a volunteer service and to 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 the public.
- 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 public and particularly, but not limited to, the public who live and work in the London Borough of Southwark and surrounding London Boroughs, through promoting good practice and partnerships within the voluntary and charitable sector.

Community Southwark (A company limited by guarantee)

Report of the Board of Trustees for the year ended 31 March 2016

Ensuring our work delivers our aims

Quarterly and annual reviews of our work evaluate our activities against our set aims, targets and outcomes. A structured model of evaluation enables us to identify if we are achieving our outcomes to allow us 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. 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 that 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 CS'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

One way to create a strong and resilient organisation is to provide one-to-one support and training. In 2015/16 we provided 332 cases of 1:1 intensive support to VCOs. 87% of the 1:1 support was with small VCOs that had an annual income of below £100K. Our Small Groups Network (designed for groups with less than £20,000 income) has gone from strength to strength. The quarterly meetings are now attended regularly by more than 30 small groups.

Community Southwark (A company limited by guarantee)

Report of the Board of Trustees for the year ended 31 March 2016

We continue to provide an accessible package of support and advice to enable VCOs to deliver high quality services to their beneficiaries and equip them with the skills and confidence to implement robust governance, sound financial management and sustainable business models. This includes: practical workshops; skill-based seminars; 1:1 tailored support sessions; bespoke training; extensive web resources and fact-sheets and drop-in surgeries.

In 2015/16 we provided 29 training courses which were attended by 348 participants (37% of which came from VCOs with an income below £100K) – 81% of participants said they felt more confident in the subject matter after having attended the training.

We have coordinated and provided significant organisational development support for VCOs to mitigate the impact of reductions in income to the VCS – supporting them to diversify their income and adopt new business models to enable them to tap into new opportunities.

Significant areas of our work have focused on promoting, supporting and assessing applications under the Reaching Communities Programme and Awards for All grants from the Big Lottery Fund. In 2015/16 we supported VCOs to access £742,000 worth of funding from both statutory and charitable sources. We also held our first Meet the Funders event in October 2015. Over 180 participants got to speak to directly to 10 local and national funders.

Our approach to capacity building is designed to avoid creating dependencies, but to leave behind skills and expertise to ensure organisations have strong foundations to respond to future challenges and opportunities.

Community Southwark played a role in promoting and supporting a number of initiatives. For example we:

- supported 30 organisations develop better impact and evaluation techniques (funded by City Bridge Trust).
- worked in partnership with Community Catalysts to support micro-enterprises develop personalised social care services.
- providing support and development opportunities for voluntary sector providers under the Southwark Emergency Support Scheme
- delivered, in partnership with Public Health, a Healthy Workplace programme. This consists of training and a small grant pot to assist 15 organisations in Southwark and Lambeth to improve wellbeing amongst their employees.

Community Southwark (A company limited by guarantee)

Report of the Board of Trustees for the year ended 31 March 2016

To develop equitable and influential relationships with the public sector

Community Southwark aims to give the voluntary and community sector a voice to influence and shape local policy-making. We have a system of elected representatives who sit on key partnerships in Southwark Council and the CCG. We also respond to consultations and host cross-sector meetings designed to develop solutions and joint ways of working.

The Southwark and Lambeth Early Action Commission published its findings in November 2015 (Local Early Action; how to make it happen). The Commission has identified four main goals it felt are necessarily to achieve to realign resources and activities towards prevention and early action:

- Resourceful communities, where local people are agents, not victims, of change and are able to shape the course of their own lives.
- Preventative places, where the quality of neighbourhoods makes people feel good, and helps them lead fulfilling lives and look after themselves and each other.
- Strong, collaborative partnerships, where organisations work together, share knowledge and power, and foster respectful, high-trust relationships based on a shared purpose.
- Systems geared to early action, where the culture, values, priorities and practices of local institutions support early action as the new 'normal' way of working.

Southwark CCG and Southwark Council, through the Health and Wellbeing Board, have made high level commitments to embedding early action into their plans and Southwark Cabinet have agreed to develop a new Voluntary Sector Strategy based on the recommendations of the Early Action Commission.

Community Southwark has developed significant online resources designed to help VCOs understand the changing environment and the demographics of Southwark, including a policy developments overview and demography statistics signposting section.

Community Southwark received funding from Guys and St Thomas' Charity to explore how a Social Innovation Lab could be developed in Southwark. The idea being a Social Innovation Lab would provide a space in which commissioners, providers of health services, and service users could work on innovative solutions that reduce the burden on the NHS and utilise the VCS's expertise). The research was completed in January 2016 and has been used to inform the development of the Voluntary Sector Strategy.

Community Southwark has also been providing administrative support to the Southwark Safer Neighbourhood Board. As part of this we are also working in partnership with MOPAC and the Board to administer funds to small community projects focused on community safety.

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

Report of the Board of Trustees for the year ended 31 March 2016

We also held a Social Prescribing Summit in May 2015. It was attended by 31 VCS/public sector colleagues. The summit received a lot of positive response from attendees and an action plan was agreed on taking this social prescribing work forward.

To increase levels of active citizenship, volunteering and community engagement

In 2015/16 Community Southwark began to develop an approach to support and enhance social action in Southwark. We developed a network of Community Action Networks, in partnership, with local community based organisations. The idea was to create a space that people who were interested in getting more involved in their community could go to find out how to go about it. We also developed a volunteer community researchers programme to help understand more fully the issues and experiences of neighbourhoods in the borough.

In May 2015 Community Action Southwark merged with Volunteer Centre Southwark. As a result of the merger there was a greater emphasis on supporting individuals find suitable volunteering opportunities (as well as supporting volunteer involving organisations). Over 2015/16 a total of 650 people attended our drop-in service. Of this number 47% (conversion rate) were still volunteering when we followed up with them. We also asked our clients:

- *"How would you rate your knowledge of volunteering as a result of visiting Community Southwark?"* 38% of clients said *"I feel my knowledge of volunteering has increased a little"* 52% of clients said *"I feel my knowledge of volunteering has increased a lot"*

We asked our clients:

- *"Do you feel that your visit/phone call with us has changed your confidence in finding volunteering?"* 63% of clients said *"I feel my confidence in finding volunteering has increased a lot"* 28% of clients said *"I feel my confidence in finding volunteering has increased a little"*

We asked our clients:

- *"Are you happy with the volunteering opportunities you found via Community Southwark?"* "Yes": 93% "Partially": 7%

We continue to deliver the **Involve: Employer Supported Volunteering** programme. We have maintained a good working relationships with our corporate partners and are developing new products to market in the 2016/17.

What next

The merger with the Volunteer Centre Southwark also brought about a name change. We are changing our name to Community Southwark on 1st April 2016.

Community Southwark (A company limited by guarantee)

Report of the Board of Trustees for the year ended 31 March 2016

Community Southwark's current contract with Southwark Council expires on 31st March 2016. The procurement exercise will begin in October 2015 and it is our intention to reapply for the contract whilst at the same time developing a new strategy that focusing on social action, supporting organisations, creating greater community investment in the borough and acting as a voice and representative for the VCS.

We will continue to develop better cross-sector working relationships with our statutory partners to improve the outcomes for the voluntary and community sector and their users. We will focus on the development the new Voluntary Sector Strategy and forging new relationships with the CCG and Southwark Council.

We will also be developing Southwark Giving, a local giving scheme that attempts to tap in the time, talents and resources that corporate partners and individuals can give to support charities and community groups in Southwark.

Community Southwark will continue to host and support Healthwatch Southwark, the voice for users of health and social care in the borough. As Community Southwark develops a more community engagement focus the linkages between Healthwatch and Community Southwark will become even more important and there will be significant opportunity for greater joint working.

FINANCIAL REVIEW

The financial position of the charity at the year end is set out on page 14.

Community Southwark experienced an increase in income of 37.5% over the past year (excluding income from SESS for fulfilment), mainly due to additional income streams because of the merger with Volunteer Centre Southwark and the one year contract for volunteering and technical services support. If income is included for the SESS, there has been an 19.3% increase in income from 2014/15. We continually try to diversify our funding base (new lines of income were generated through Community Catalysts and City Bridge Trust) and good financial management around indirect and direct costs.

Nevertheless, Community Southwark has reported a small deficit of £6,614 for this reporting period. Included in the financial statements is a transfer of funds from Volunteer Centre Southwark as part of the merger process - these funds are restricted and had to be spent on volunteer related activities.

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 a two year extension to this contract which was originally for three years); Healthwatch Southwark (final 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 City Bridge Trust and Community Catalysts

Community Southwark (A company limited by guarantee)

Report of the Board of Trustees for the year ended 31 March 2016

Investment Policy

In 2013 £100,000 was invested in a high interest account for a period of one year. Trustees agreed to continue to hold the funds in the high interest account despite the historically low interest rates.

Reserves Policy

Total reserves of the charity at the year end were £363,384 (2015 £369,998). Of these £21,295 represented restricted funds, £142,000 designated funds and £200,089 unrestricted funds. Further details of the restricted and designated funds are given in note 12. 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 2016/17 is £1,142,695 (excluding SESS) and the target reserve is between £285,673 and £571,347. 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 £342,000 (2015: £369,998) equates to just under three and half months running costs, it falls short of the upper threshold of £571,347. 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 2016/17 will remain relatively stable, although the core contract is expected to be cut by 15%. In February 2016, Community Southwark's board of trustees agreed to release £80,000 from reserves to pump prime our community engagement and social action work. This is a non-recurring investment and a strategy has been developed to find alternative future funding sources. The Board continues to recognise the need for the organisation to diversify its income to ensure long-term financial viability. To achieve this Community Southwark 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. A target of 20% of unrestricted earned income has been set for 2016/17 (in 2015/16 a target of 16% was set whereas total earned income represented 13% of overall income).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Community 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 that established the objects and powers of the charitable company and is governed under its Articles of Association.

Community Southwark (A company limited by guarantee)

Report of the Board of Trustees for the year ended 31 March 2016

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 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. The trustees reviewed the risk register in 2015 and concluded that there was no material difference in the risks to the organisation as previously identified. 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 Community Southwark's offices.

ORGANISATIONAL STRUCTURE

See appendix 1.

The trustees delegate day-to-day management to the chief executive.

Community Southwark (A company limited by guarantee)

Report of the Board of Trustees for the year ended 31 March 2016

Arrangements for setting pay and remuneration of key management positions is set by the governance sub-committee. Salaries are benchmarked periodically against sector wide salary surveys and are linked to the NJC Scale when appropriate.

Responsibilities of the Board of Trustees

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRSSE);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Community Southwark
(A company limited by guarantee)

Report of the Board of Trustees for the year ended 31 March 2016

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 (SORP) 2015 and in accordance with the special provisions of the Companies Act 2006 relating to small entities.

Approved by the Board of Trustees on 30/11/2016 and signed on its behalf by:



Jacky Bourke-White
Chair

Community Southwark (A company limited by guarantee)

Independent Auditor's Report to the Members of Community Southwark

We have audited the financial statements of Community Southwark for the year ended 31 March 2016 that 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 January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

Community Southwark
(A company limited by guarantee)

Independent Auditor's Report to the Members of Community 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 2016, 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 3DU

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Community Southwark
(A company limited by guarantee)
Statement of Financial Activities (incorporating income and expenditure account)
For the year ended 31 March 2016

| | | Unrestricted Funds | Restricted Funds | Total Funds 2016 | Total Funds 2015 restated |
|---|----|-----------------------|---------------------|---------------------|---------------------------------|
| Income from: | | | | | |
| Donations | 2 | 93,231 | | 93,231 | 60,081 |
| Investment income | 2 | 1,014 | | 1,014 | 2,571 |
| Charitable activities | | | | | |
| London Borough of Southwark | 3 | 524,220 | 538,591 | 1,062,811 | 956,691 |
| The Big Lottery Fund | 3 | - | - | - | 21,987 |
| Other | 3 | 145,914 | - | 145,914 | 50,850 |
| Total Income | | 764,379 | 538,591 | 1,302,970 | 1,092,180 |
| Expenditure on: | | | | | |
| Charitable activities | 4 | | | | |
| Policy & Participation | | 98,707 | - | 98,707 | 133,531 |
| Capacity Building | | 276,697 | - | 276,697 | 306,386 |
| Involve | | 114,802 | - | 114,802 | |
| Emergency Support Scheme | | - | 354,128 | 354,128 | 423,189 |
| Healthwatch | | - | 121,162 | 121,162 | 143,974 |
| Volunteering / ITVSS | | 231,010 | 22,849 | 253,859 | - |
| Safer Neighbourhood | | - | 30,418 | 30,418 | - |
| Core Costs | | 139,311 | - | 139,311 | 88,527 |
| Total Expenditure | | 860,527 | 528,557 | 1,389,084 | 1,095,607 |
| Net Income / (expenditure) | 5 | (96,148) | 10,034 | (86,114) | (3,427) |
| Transfers between funds | 12 | 68,239 | (68,239) | - | - |
| Transfer of undertaking | 6 | - | 79,500 | 79,500 | |
| Net Movement in funds | | (27,909) | 21,295 | (6,614) | (3,427) |
| Original balance brought forward | | 369,998 | - | 369,998 | 393,425 |
| Prior year adjustment | 12 | | - | - | (20,000) |
| Restated balance brought forward | | 369,998 | - | 369,998 | 373,425 |
| Balances at 31 March | | 342,089 | 21,295 | 363,384 | 369,998 |

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.

Community Southwark
(A company limited by guarantee)
Balance sheet at 31 March 2016

| | | 2016 | | 2015 | |
|---|--------|----------------|----------------|----------------|----------------|
| | Notes | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Tangible fixed assets | 9 | | - | | 496 |
| Current Assets | | | | | |
| Debtors | 10 | 159,111 | | 45,278 | |
| Cash at bank and in hand | | 393,517 | | 480,194 | |
| | | <u>552,628</u> | | <u>525,472</u> | |
| Current Liabilities | | | | | |
| Creditors – Amounts falling due within one year | 11 | 189,244 | | 155,970 | |
| Net current liabilities | | | 363,384 | | 369,502 |
| | | | <u>363,384</u> | | <u>369,998</u> |
| Net Assets | | | <u>363,384</u> | | <u>369,998</u> |
| Represented By:- | | | | | |
| Restricted funds | 12, 13 | | 21,295 | | - |
| Unrestricted funds – Designated Funds | 13 | | 142,000 | | 142,000 |
| Unrestricted funds – General Funds | 13 | | 200,089 | | 227,998 |
| | | | <u>363,384</u> | | <u>369,998</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 January 2015).

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



Jacky Bourke-White, Chair

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

Community Southwark
(A company limited by guarantee)
Notes to the financial statements for the year ended 31 March 2016

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. The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015), and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) (SORP 2015).

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.

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) Debtors and prepayments

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

h) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount to settle the obligation can be measured or estimated reliably.

i) 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.

j) Pensions

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

Community Southwark**(A company limited by guarantee)****Notes to the financial statements for the year ended 31 March 2016****2. OTHER INCOME**

| | Unrestricted <u>Funds</u> £ | Restricted <u>Funds</u> £ | Total Funds <u>2016</u> £ | Total Funds <u>2015</u> £ |
|---------------------------------|-----------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Consultancy and training income | 31,499 | - | 31,499 | 58,150 |
| Other income | 1,732 | - | 1,732 | 1,931 |
| Lambeth Council | 40,000 | - | 40,000 | - |
| Guys and St Thomas Charity | 20,000 | - | 20,000 | - |
| Bank interest | 1,014 | - | 1,014 | 2,571 |
| | <u>94,245</u> | <u>-</u> | <u>94,245</u> | <u>62,652</u> |

3. GRANT INCOME

| | Unrestricted <u>Funds</u> £ | Restricted <u>Funds</u> £ | Total Funds <u>2016</u> £ | Total Funds <u>2015</u> £ |
|-----------------------------|-----------------------------------|---------------------------------|---------------------------------|---------------------------------|
| London Borough of Southwark | | | | |
| Core Funds | 343,432 | - | 343,432 | 343,502 |
| Emergency Support Scheme | 29,588 | 354,128 | 383,716 | 423,189 |
| Healthwatch | - | 120,000 | 120,000 | 140,000 |
| Early Action Commission | - | - | - | 50,000 |
| Volunteering / ITVSS | 130,000 | 12,750 | 142,750 | - |
| Healthy Workplace | 16,000 | - | 16,000 | - |
| Safer Neighbourhood Board | 5,200 | 51,713 | 56,913 | - |
| Community Catalysts | 13,000 | - | 13,000 | 15,000 |
| City Bridge | 48,683 | - | 48,683 | 35,850 |
| The Big Lottery Fund | - | - | - | 21,987 |
| Involve | 84,231 | - | 84,231 | - |
| | <u>670,134</u> | <u>538,591</u> | <u>1,208,725</u> | <u>1,029,528</u> |

Community Southwark
(A company limited by guarantee)
Notes to the financial statements for the year ended 31 March 2016

4. Charitable Activities

| Basis of allocation | | Unrestricted | | | | | Restricted | | | | Total 2016 |
|---|------------|------------------|----------------|----------------|---------------------------|----------------------|--------------------------------|----------------|---------------|------------------------|------------------|
| | | Support Costs | Involve | Volunteering | Policy & Participation | Capacity Building | Emergency Support Scheme | Healthwatch | Volunteering | Safer Neighbourhood | |
| Costs directly allocated to activities | | | | | | | | | | | |
| Staff costs | Direct | 53,136 | 56,963 | 127,736 | 59,243 | 177,338 | 2,107 | 100,977 | 12,634 | 0 | 590,134 |
| Miscellaneous | Direct | 39,363 | 33,809 | 49,388 | 11,352 | 24,547 | 351,132 | 20,185 | 4,885 | 30,418 | 565,079 |
| Core costs | Staff time | 46,812 | 24,030 | 53,886 | 28,112 | 74,812 | 889 | 0 | 5,330 | 0 | 233,871 |
| | | <u>139,311</u> | <u>114,802</u> | <u>231,010</u> | <u>98,707</u> | <u>276,697</u> | <u>354,128</u> | <u>121,162</u> | <u>22,849</u> | <u>30,418</u> | <u>1,389,084</u> |

Community Southwark**(A company limited by guarantee)****Notes to the financial statements for the year ended 31 March 2016**

| | | |
|--|--------------------|--------------------|
| 5. NET INCOMING RESOURCES | <u>2016</u> | <u>2015</u> |
| Net incoming resources are stated after charging:- | £ | £ |
| Audit Fees | 4,100 | 4,000 |
| Depreciation | 496 | 307 |

6. TRANSFER OF UNDERTAKING

As part of the Deed of Transfer that legally enacted the merger of Volunteer Centre Southwark and Community Action Southwark (now Community Southwark) it was agreed that VCS as legal and beneficial would transfer to CAS the undertaking together with all the assets as a going concern. This transfer was effective from 1st May 2015. CAS agreed to apply the assets and further assets strictly in accordance with the objects of VCS from 1st May 2015, in accordance with any Restrictions and generally in accordance with charity law. The funds which transferred, £79,500, were restricted to supporting volunteering and promoting good practice in volunteer management.

| | | |
|---|--------------------|--------------------|
| 7. STAFF | <u>2016</u> | <u>2015</u> |
| Staff costs during the year were as follows:- | £ | £ |
| Salaries and wages | 665,312 | 445,964 |
| Social security costs | 66,628 | 46,235 |
| Pension costs | 14,606 | 13,211 |
| | <u>746,546</u> | <u>505,410</u> |

The average monthly number of employees during the year was 22 (2015: 14)

No employee earned over £60,000 in the period (2015 same).

Community Southwark
(A company limited by guarantee)
Notes to the financial statements for the year ended 31 March 2016

8. TANGIBLE FIXED ASSETS

| | Office Equipment |
|---------------------------------|-----------------------------|
| | £ |
| Cost | |
| At 31 March 2015 | 23,660 |
| Additions | - |
| Disposals | - |
| | <hr/> |
| At 31 March 2016 | 23,660 |
| | <hr/> <hr/> |
| Accumulated Depreciation | |
| At 31 March 2015 | 23,164 |
| Charge for year | 496 |
| Disposals | - |
| | <hr/> |
| At 31 March 2016 | 23,660 |
| | <hr/> <hr/> |
| Net Book Value | |
| At 31 March 2016 | - |
| | <hr/> <hr/> |
| At 31 March 2015 | 496 |
| | <hr/> <hr/> |

9. DEBTORS - Amounts payable within one year

| | <u>2016</u> | <u>2015</u> |
|--------------------------------|-------------|-------------|
| | £ | £ |
| Trade debtors | 65,714 | 14,188 |
| Prepayments and accrued income | 93,397 | 28,013 |
| Other debtors | - | 3,077 |
| | <hr/> | <hr/> |
| | 159,111 | 45,278 |
| | <hr/> <hr/> | <hr/> <hr/> |

Community Southwark**(A company limited by guarantee)****Notes to the financial statements for the year ended 31 March 2016****10. CREDITORS - Amounts falling due within one year**

| | <u>2016</u> | <u>2015</u> |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Accruals | 5,285 | 5,285 |
| Trade creditors | 4,844 | 34,700 |
| Other creditors | 9,760 | 3,276 |
| Project accruals & deferred Income | 120,845 | 73,395 |
| VAT & Social Security Costs | 48,510 | 39,314 |
| | <u>189,244</u> | <u>155,970</u> |

Included in project accruals and deferred income above is £106,358 (2015 £73,395) of deferred income. All deferred income is released in the following year.

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted & Designated £ | Restricted £ | Total Funds 2016 £ | Total Funds 2015 £ |
|---------------------------|-----------------------------------|-----------------|--------------------------|--------------------------|
| Tangible assets | - | - | - | 496 |
| Current assets | 531,333 | 21,295 | 552,628 | 525,472 |
| Current Liabilities | (189,244) | - | (189,244) | (155,970) |
| Net assets at end of year | <u>342,089</u> | <u>21,295</u> | <u>363,384</u> | <u>339,998</u> |

Community Southwark
(A company limited by guarantee)
Notes to the financial statements for the year ended 31 March 2016

12. RESTRICTED AND UNRESTRICTED FUNDS

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

| | Balance | Movement in Resources | | | Transfer of | Balance |
|-------------------------------------|----------------|------------------------------|--------------------|------------------|--------------------|----------------|
| | 01/4/15 | Incoming | Outgoing | Transfers | Undertaking | 31/3/16 |
| RESTRICTED FUNDS | | | | | | |
| Community Development | | | | | | |
| Emergency Support Scheme | - | 354,128 | (354,128) | - | - | - |
| Healthwatch | - | 120,000 | (121,162) | 1,162 | - | - |
| Volunteering | - | 12,750 | (22,849) | (69,401) | 79,500 | - |
| Safer Neighbourhood | - | 51,713 | (30,418) | - | - | 21,295 |
| Total restricted funds | - | 538,591 | (528,557) | (68,239) | 79,500 | 21,295 |
| UNRESTRICTED FUNDS | | | | | | |
| General Fund | 227,998 | 764,379 | (860,527) | 68,239 | - | 200,089 |
| Designated Funds | 142,000 | - | - | - | - | 142,000 |
| | 369,998 | 764,379 | (860,527) | 68,239 | - | 342,089 |
| Total funds at 31 March 2016 | 369,998 | 1,302,970 | (1,389,084) | - | 79,500 | 363,384 |

Details of the restricted funds are as follows:-

- Emergency Support Scheme – associated with the delivery of services under the emergency support scheme. CAS manages the contracts for voluntary sector providers and reconciles activity with referrals from Southwark Council.
- Healthwatch – all income and surpluses associated with Healthwatch are restricted and can only be used in line with the strategic priorities of the project.
- Volunteering – to support work that transferred into Community Southwark as part of the merger with Volunteer Centre Southwark (including the volunteering element of the ITVSS one year contract from Southwark Council).
- Safer Neighbourhood – all income associated with the administration of the Safer Southwark Neighbourhood Board and its small grants project.

Surpluses on restricted funds are only transferred to unrestricted funds when the donor gives agreement. Deficits in restricted funds are covered by transfers from unrestricted funds. Designated funds represent £52,000 staff redundancy fund, £80,000 social action fund and £10,000 innovation and development fund.

13. PRIOR YEAR ADJUSTMENT

£20,000 of income relating to the Healthwatch project was recognised as income in 2014 rather than being treated as deferred income at 31 March 2014. A prior year adjustment was reflected in the financial statements for 2015 to correct the treatment.

Community Southwark

(A company limited by guarantee)

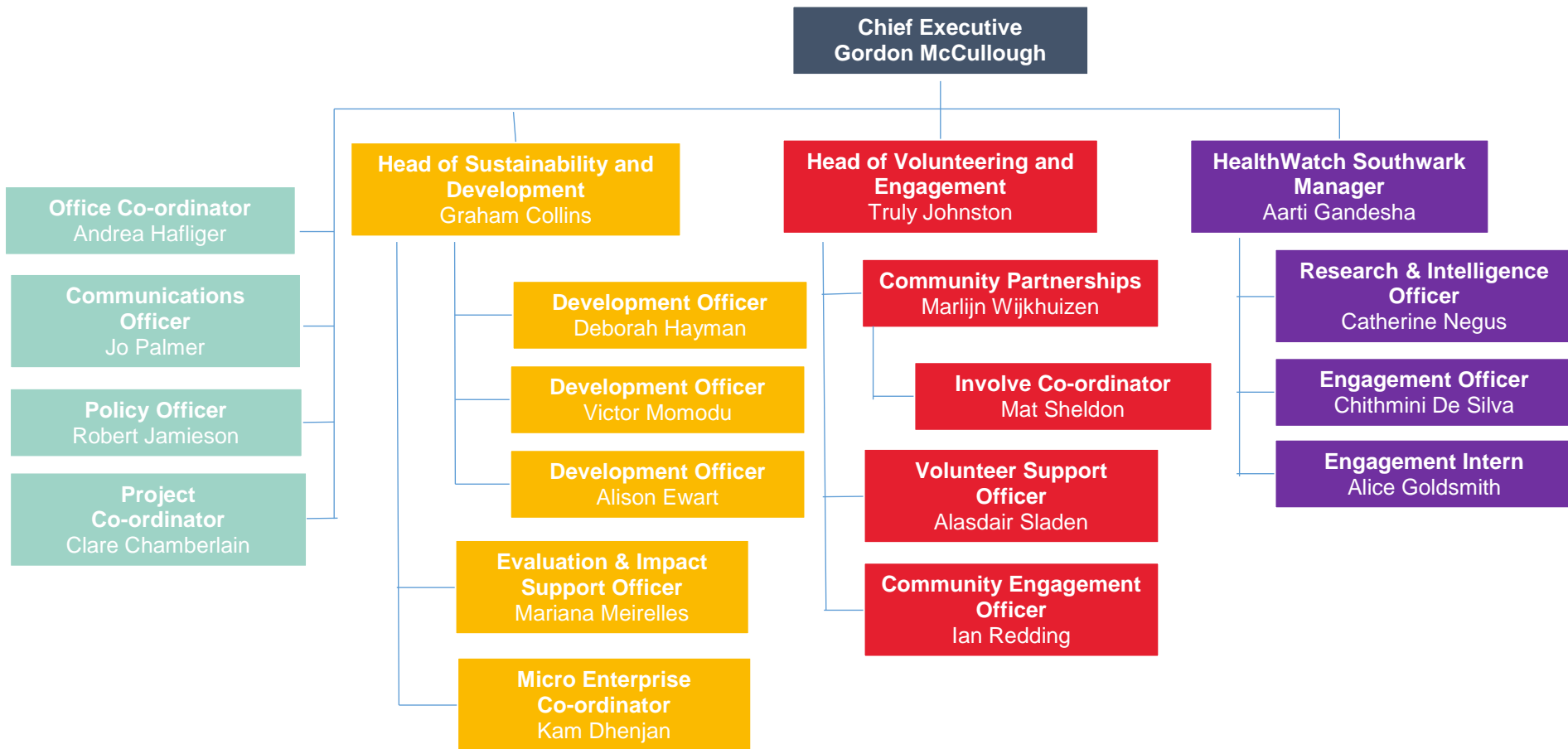
Notes to the financial statements for the year ended 31 March 2016

14. TRUSTEES

The Trustees received no remuneration during the period (2015: £nil). Expenses of £nil were reimbursed (2015: £nil)

15. CONTROLLING PARTY

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



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

Dear Sirs

Community Southwark

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the charitable company's financial statements for the year ended 31 March 2016. These enquiries have included inspection of supporting documentation where appropriate. All representations are made to the best of our knowledge and belief.

General

- 1 We have fulfilled our responsibilities as directors / trustees as set out in the terms of your engagement letter, under the Companies Act 2006 / Charities Act 2011 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
- 2 All the transactions undertaken by the charitable company have been properly reflected and recorded in the accounting records.
- 3 All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the charitable company, and with all other records and related information requested, including minutes of all management and trustee meetings and correspondence with The Charity Commission.
- 4 The financial statements are free of material misstatements, including omissions.
- 5 The effects of uncorrected misstatements (as set out in the appendix to this letter) are immaterial both individually and in total.

Internal control and fraud

- 6 We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
- 7 We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
- 8 We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

Assets and liabilities

- 9 The charitable company has satisfactory title to all assets and there are no liens or encumbrances on the charitable company's assets.
- 10 All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
- 11 We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.

Accounting estimates

- 12 Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

Loans and arrangements

- 13 The charitable company has not granted any advances or credits to, or made guarantees on behalf of, directors.

Legal claims

14 We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for, and disclosed in, the financial statements.

Laws and regulations

15 We are not aware of any instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

Related parties

16 Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with legislative and accounting standards requirements.

Subsequent events

17 All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

Going concern

18 We believe that the charitable company's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charitable company's needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the charitable company's ability to continue as a going concern need to be made in the financial statements.

Grants and donations

19 All grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

Each director has taken all the steps that he ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully



Jacky Bourke-White (Chair)

Signed on behalf of the board of directors / trustees

Date