

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

**Report and Financial Statements**  
**For the Year Ended 31 March 2018**

Charity registration number: 1105835  
Company registration number: 5090324

<b>Content</b>	<b>Page</b>
Legal and Administrative Information	1
Report to the Board of Trustees	2
Independent Auditor's Report	13
Statement of Financial Activities	17
Balance Sheet	18
Cash Flow Statement	19
Notes forming part of the Financial Statements	20

## **Community Southwark**

### **Legal and Administrative Details for the year ended 31 March 2018**

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 2018.

#### **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**

Jacky Bourke-White	Chair
Karin Woodley	Vice Chair
Michael Bukola	
Khosi Manaka	
Matthew Guest	Treasurer
Mark Parker	
Maisie Anderson	co-opted Jan 18
Nicola Howard	co-opted Jan 18
Ruth Driscoll	co-opted Jan 18

#### **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 2018**

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 2018. 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" (FRS 102).

### **OUR AIMS AND OBJECTIVES**

#### **WHAT IS OUR AMBITION?**

We want Southwark communities that have the ability and opportunities to fulfil and exceed their potential. We are determined to achieve this by creating stronger foundations that supports all voluntary and community organisations, communities and individuals in Southwark to work together to improve practice, shape futures and change lives.

At the core of this ambition lies social action. To us it means supporting and enabling others take steps to change the things in Southwark and to introduce new ideas and ways of working that benefits everyone.

#### **HOW WILL WE ACHIEVE THAT AMBITION?**

**We will help build stronger foundations for organisations and individuals** - in three years we want to have made a measureable improvement in the capacity and capabilities of organisations and individuals to deliver the best outcomes in their communities.

**We will support increased community involvement, participation and influence** - over three years we want the process of volunteering, getting involved in community setting or influencing decision makers to become easier, more accessible and valued.

**We will support greater co-operation and sharing** - within three years we want to see significant changes in how we work together (across and between sectors) in a way that is supportive, non-competitive and focused on outcomes; not budgets.

**We will improve investment in communities** - within three years we will have forged new relationships with business, academia and other sectors to create new ways of supporting communities to grow and thrive.

#### **Our strategic priorities for 2016-19 are:**

- To enhance the capacity and capabilities of organisations and individuals, to deliver the best outcomes for their community
- To enhance community involvement, participation and influence

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

### **Report of the Board of Trustees for the year ended 31 March 2018**

- To enhance collaboration, joint working and co-operation across all our stakeholders
- To improve long term community investment

#### **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.

#### **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.

#### **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 Community Southwark's aims and activities of supporting, connecting, informing, and influencing on behalf of the voluntary and community sector and volunteers in Southwark are in accordance with the regulations on public benefit, as described below.

#### **Who used and benefited from our services?**

Community southwark work with a wide range of stakeholders. We support our members (voluntary and community organisations and social enterprises) with organisational development issues and we also provide voice and representation functions on their behalf. We also work with existing and potential volunteers to make the process of volunteering easier. In addition we support local residents who want to become more involved in their communities. Finally we also work with local authorities, the NHS and business to provide a platform to allow us to provide better services and support for our members and wider communities in Southwark and Waltham Forest.

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

### **Report of the Board of Trustees for the year ended 31 March 2018**

The activity and outcomes listed below represent the second full year of our current strategy – *Building Stronger Foundations 2016-19*. We have included the activities of Waltham Forest and Lambeth in our activities for the year as the strategic priorities are the same.

#### **Build stronger foundations for organisations and individuals**

One way to build stronger foundations for voluntary and community organisation is to provide one-to-one support and training. In 2017/18 we provided:

- 346 organisations received direct advice and support from us across Southwark, Waltham Forest and Lambeth in 2017/18.
- Over half (58%) of the organisations supported had an income of less than £25,000
- 641 individuals attended 65 training sessions in 2017/18. Training covered governance, fundraising, impact measurement, communications and financial management.
- On average, participants reported a 60% increase in confidence and ability to apply the learning after attending our free training courses
- 74% of organisations which received one to one support stated that it had made a positive impact on their organisation and users.
- Three out of ten (28%) of our members are thriving and optimistic about the future (a 34% increase since 2013)
- 79 groups were assisted with funding applications (worth £1.4 million). These applications were predominately to charitable foundations and other non-governmental funders.
- One out of every two applications we directly assisted with were successful.
- Hosted a number of Meet the Funders events; 102 organisations heard from a range of national and local funders
- Because of our advice, guidance and events, 67% of organisations reported their knowledge and confidence of fundraising increased

We also provided specific advice and hosted community engagement events on safeguarding (as well as representing the VCS at various strategic safeguarding boards).

- Hosted community engagement event on behalf of Safeguarding Boards on domestic abuse and knife crime. The findings from both events were used to inform strategies in both areas.
- 20 organisations directly supported with safeguarding issues (policies, recruitment and DBS)
- We held sessions have been held with faith groups meeting resulting in several them wanting to explore how they can work together more to change attitudes around safeguarding, especially where there may be perceived 'cultural' barriers.
- Because of information and networking opportunities we provided, 58% of members stated their knowledge and understanding of safeguarding issues had significantly increased.

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

### **Report of the Board of Trustees for the year ended 31 March 2018**

Community Southwark sub- contracts Southwark Refugee Communities Forum (SRCF) to provide support to refugee organisations, to provide training to public sector agencies on understanding refugee issues and to campaign on behalf of refugee communities in Southwark. In 2017/18, SRCF provided:

- 18 refugee community organisations with advice and guidance on fundraising and governance
- 33 refugee community organisations were provided with training information and forum meetings run by Community Southwark.

### **Increasing community involvement, participation and influence**

We have focused a lot of our attention in 2017/18 on gathering evidence to understand current and emerging needs in communities.

- Published independent research into the community needs in Southwark entitled '*A Tale of Two Southwarks*'. The research has informed the priority areas for Southwark Giving
- Produced *An Analysis of the needs of the Ethiopian Community in Southwark*. The report produced in partnership with Ethio4All explored the contemporary needs of the Ethiopian community in Southwark, and the community sourced solutions that the community believe are needed to address current concerns
- Published report based on Focus groups which focused on the following: hate crime and the needs of Somali Women in Southwark; Faith, Seldom Heard Communities and Social Action and hate crime and its effects on Latin American Women in Southwark.
- Three quarters (74%) of our members believe we provide a credible voice for the voluntary organisations, communities and volunteers

We also worked with a number of marginalised groups and area-based networks that we have supported to act as champions and advocates for their communities and to support their engagement in local and national initiatives

- Refugee & Asylum Seekers session was delivered to participating groups and volunteers who will be involved in supporting the Syrian families in April at the Salvation Army premises
- Community Southwark supported Southwark LGBT Network to host a Black History Month Event. The Black History Month event saw exhibitions from five local Black LGBT Artists and was attended by 35 residents.
- 79% stated that the Southwark CAN website made them think about becoming more involved in their local community

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

### **Report of the Board of Trustees for the year ended 31 March 2018**

We have continued our work to promote social action to ensure local communities have a voice:

- Universal Credit Workshop hosted by Community Southwark attended by 40 representatives from across the VCS.
- 6 local campaigns supported; we provided intensive 1:1 support for 4 campaigns; Dulwich Business Rates Campaign; Camberwell Station Campaign; Harkers Studio and Sisters Uncut
- Ongoing support provided to the Southwark Food Power Alliance in partnership with Garden Organic including being invited onto the steering group
- We supported six drop-in sessions across the borough to support local community members to respond the New Southwark Plan Consultation.
- 55 sessions with engaged residents, community enablers and active citizens to support them set up campaigns, become more involved in their communities or start up community based projects; 708 individuals signed up as CAN supporters

A key function of our organisation is to foster positive relationships between VCS and public sector and partnership working on a local and strategic level. In 2017/18 we made continued to build on our strong working relationship with our public partners.

- We Led VCS strategy engagement exercise to review progress and developed implementation groups
- We were involved in Safeguarding boards, operational group for commissioning, represents the VCS on Local Care Networks, acts as the lead for the VCS on the Health and Wellbeing Board.
- We also inputted into Serious Mental Illness Alliance Project Group meetings, SSCB Review of Early Help Task and Finish Group and were involved in the early stages of the Humanitarian Assistance Steering Group following the London Bridge attack. Co-ordinated communications to VCS highlighting the support available to the community

Finally we support people looking to volunteer in their communities.

- A total of 425 people used our volunteer service in 2017/18. Of this number 46% were volunteering a month later. The national conversion rate as calculated by NCVO (Almanac 2016) is 1:7; we consistently achieve a conversion rate closer to 1:2.
- Unemployed residents using the volunteer service: 244 (58% of all attendees)
- People with disabilities using the volunteer service: 91 (21% of all attendees)
- People from a BAME background using the volunteer service: 243 (57% of all attendees)
- Young people (under 30) using the volunteer service: 111 (36% of all attendees)

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

### **Report of the Board of Trustees for the year ended 31 March 2018**

#### **Supporting greater co-operation and sharing**

A core element of our work is try and develop effective communication, networking and collaboration amongst VCOs. Listed below are some good examples of where we think we have achieved this:

- Working with Adult Social Care in Southwark Council to support COPSINS and disability providers to develop models of collaboration for the local hub development programme.
- Developing a befriending network to tackle social isolation in Waltham Forest.
- Participation in small working group in Cabinet Office to level playing field for small local charity commissioning. Outcomes delayed by General Election. Progress to be informed by Spring Gov consultation on civil society.
- Galvanised creative sector to support the Southwark's and Waltham Forest's Borough of Culture bids.
- Supported six Provider Led Groups (Older People, Mental Health, Children, Families & Young People, Learning Disabilities, Physical Disabilities and the Creative Sector), health and social care , premises groups and children and young people networks.
- 67% of our members felt we had put them in touch with organisations they didn't know existed
- 64% of members felt we are the central point that brings everything together in one place.

#### **Improving long term community investment**

2017-18 has seen the full operational year for Southwark Giving. With thanks to our Founder Funders, we are building something out of nothing and in just 12 months, we are already starting operations.

This year has seen seed money raised for our developing fund, brokering of cross-sector connections, delivering meaningful volunteering, cultivating a growing Givers Network, establishing our profile locally and gaining increasing traction throughout and beyond the borough.

Southwark Giving has secured five organisations who have chosen to financially invest in Southwark Giving's infrastructure and endorse us, named: Founder Funders. They are:

- Norton Rose Fulbright LLP
- Womble Bond Dickinson LLP
- Team London Bridge (Business Improvement District)
- The Wakefield & Tetley Trust
- United St. Saviour's Charity
- The Peter Minet Trust

Southwark Giving will seek to support the community in three ways:

- **Investment** – finding innovative ways in investing in local need
- **Volunteering** – provide borough-wide skills-based and practical team challenges through employer supported and community volunteering



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

### **Report of the Board of Trustees for the year ended 31 March 2018**

- **A Giver's Network** – a friendly and engaged network of donors and fundraiser for Southwark Giving's Fund

We continue to deliver the **Involve: Employer Supported Volunteering** programme. We have maintained a good working relationships with our corporate partners and now have a client base of 13. A total of 1,440 corporate volunteers supported 16 community projects (Involve completed a total of 48 TC's that year and supported several of our community partners on to develop and improve their sites across multiple days).

Corporate volunteering hours donated to the community (counted as 6 hours per corporate volunteer) amounted to 8,640 hours over the year. We are continuing to talk to new corporate and community partners and are developing new products (based around skills based challenges). Despite this increase in activity the business model underpinning Involve has become unsustainable and at the end of 17/18, a decision was taken to re-evaluate the model and discussions took place on how best to deliver a service for corporate and community partners that was financially viable.

#### **Membership and Communications**

Across of family of websites platforms there were a total of 411,437 page views (33.9% increase on same period last year). We also saw a 13.7% increase in users (97,209 users in 17/18 compared with 85,495 in 16/17)

Twitter followers: 2496 (25% increase on same period last year)

We have a total of 828 members across both boroughs. This represents a 15% increase in members compared to the previous year.

#### **What next**

Community Southwark will continue to support the development of Southwark Giving and strive to find new ways to increase community investment in Southwark. As Southwark Giving grows we shall develop a fundraising pledge as the number of individuals donors increase (this will include an ethical fundraising policy).

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 delivering the recommendations in the Voluntary Sector Strategy and forging new relationships with the CCG and Southwark Council.

We 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.

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

### **Report of the Board of Trustees for the year ended 31 March 2018**

Community Southwark will deliver capacity building services (under a contract with London Community Foundation) in Lambeth and continue to develop Community Waltham Forest.

#### **FINANCIAL REVIEW**

The financial position of the charity at the year end is set out on page 18.

Community Southwark experienced an increase in income of 5.1% over the past year mainly due increase in funds being distributed under SESS, an increase of corporate and charitable funders support for Southwark Giving and an increase in the Waltham Forest contract following the initial start-up phase.

Nevertheless Community Southwark has reported a deficit of £151,435 for this reporting period. This deficit is a result of expenditure on developing our social action function and not being to find replacement funding for this investment; shortfalls in expected income from consultancy; and, continued losses associated with the Involve programme. Included in this deficit are the costs of a restructuring exercise to prepare for a cut in Community Southwark's core grant from Southwark Council, a planned reduction in the Waltham Forest contract and a change in the business model for Involve. The majority of this deficit represents a continued investment in supporting social action functions that the trustees felt was a prudent use of our reserves. Supporting social action and enabling people to become more active in their communities is a strategic priority for Community Southwark and considerable effort has gone into finding alternative sources of funding for this work.

#### **Principal Funding Sources**

Principal funding sources for the charity are made up of contract and grant income from Southwark Council (the reporting period the second year of a three year contract); Healthwatch Southwark (final year of a five year of a contract with Southwark Council); income to pay fulfilment partners under Southwark Emergency Support Scheme (Southwark Council); Community Waltham Forest (first full year of a five year contract with Waltham Forest Council); and support from grant making trusts such as the City Bridge Trust and supporters of Southwark Giving.

#### **Reserves Policy**

Community Southwark has moved to a risk based reserves policy which provides that our free reserves should be based on an assessment of the financial impact of the risks faced by Community Southwark, plus an estimated amount to cover redundancy and wind up costs if these risks materialised. Trustees will review this risk-based assessment every twelve months.

Total reserves of the charity at the year-end were £93,381 (2017, £244,815) (free reserves = £55,666). Of these £6,006 represented restricted reserves. Having considered the reliability of income and the extent to which expenditure is committed, as well as the major risks to which the charity is exposed, we estimate the present level of reserves should be £137,279. This represents a deficit in our reserves of £49,904.

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

### **Report of the Board of Trustees for the year ended 31 March 2018**

However, given the restructuring and a fundraising/income generation strategy designed to replace investment from reserves, trustees are confident that at this level will be achieved over the next 12 months.

#### **Plans for future periods**

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 18% of unrestricted earned income has been set for 2018/19 (in 2017/18 a target of 25% was set whereas total earned income represented 11% 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.

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**

The selection criteria and composition of the board is 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 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 Southwark's activities in the community.

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

### **Report of the Board of Trustees for the year ended 31 March 2018**

- Copies of relevant publications and updates from the Charity Commission.
- Induction in Board and sub-committee terms of reference and objectives.

#### **Risk Management**

In 2017 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 2018 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 upon request from Community Southwark'.

#### **ORGANISATIONAL STRUCTURE**

See appendix 1.

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

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

#### **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 (FRS 102);
- 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.

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

**Report of the Board of Trustees for the year ended 31 March 2018**

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.

**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) FRS 102 and in accordance with the special provisions of the Companies Act 2006 relating to small entities.

Approved by the Board of Trustees on 22 November 2018 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 (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, Balance Sheet, Cash flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2018, 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we

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

### **Independent Auditor's Report to the Members of Community Southwark**

identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 16 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

### **Independent Auditor's Report to the Members of Community Southwark**

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

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

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

23 November 2018

**Community Southwark**  
**(A company limited by guarantee)**  
**Statement of Financial Activities (incorporating income and expenditure account)**  
**For the year ended 31 March 2018**

		<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2018</b>	<b>Total Funds 2017</b>
<b>Income from:</b>					
Donations and voluntary income	2a	15,264	-	15,264	125,249
Investment income	2a	-	-	-	59
<b>Charitable activities</b>					
London Borough of Southwark	3	521,680	450,094	971,774	876,354
Waltham Forest Council		173,944	-	173,944	87,926
Trading income	2b	116,574	-	116,574	123,600
Other income	3	49,000	-	49,000	49,100
<b>Total Income</b>		<b>876,462</b>	<b>450,094</b>	<b>1,326,556</b>	<b>1,262,288</b>
<b>Expenditure on:</b>					
Raising funds		28,745	-	28,745	26,236
Charitable activities	4				
Development		226,472	-	226,472	249,465
Involve		135,242	-	135,242	114,837
Southwark Emergency Support Scheme		-	261,470	261,470	205,167
Healthwatch Southwark		-	120,000	120,000	120,000
Social Action		219,860	-	219,860	238,241
MOPAC Safer Neighbourhood		-	20,690	20,690	24,088
Southwark Giving		-	42,629	42,629	46,382
Waltham Forest Council		173,944	-	173,944	87,926
Core Costs		248,939	-	248,939	268,514
<b>Total Expenditure</b>		<b>1,033,202</b>	<b>444,789</b>	<b>1,477,991</b>	<b>1,380,856</b>
<b>Net expenditure/income</b>	5	<b>(156,740)</b>	<b>5,305</b>	<b>(151,435)</b>	<b>(118,568)</b>
Transfers between funds	12	16,131	(16,131)	-	-
<b>Net Movement in funds</b>		<b>(140,609)</b>	<b>(10,826)</b>	<b>(151,435)</b>	<b>(118,568)</b>
<b>Balance brought forward</b>		<b>227,984</b>	<b>16,832</b>	<b>244,816</b>	<b>363,384</b>
<b>Balances at 31 March</b>		<b>87,375</b>	<b>6,006</b>	<b>93,381</b>	<b>244,816</b>

The notes on pages 20-28 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 2018**

		2018		2017	
	Notes	£	£	£	£
<b>Fixed Assets</b>					
Tangible fixed assets	8		-		-
<b>Current Assets</b>					
Debtors	9	88,234		179,002	
Cash at bank and in hand		220,455		262,408	
		<u>308,689</u>		<u>441,410</u>	
<b>Current Liabilities</b>					
Creditors – Amounts falling due within one year	10	215,308		196,594	
<b>Net current liabilities</b>			93,381		244,816
			<u>93,381</u>		<u>244,816</u>
<b>Net Assets</b>					
			<u>93,381</u>		<u>244,816</u>
<b>Represented By:-</b>					
Restricted funds	12		6,006		16,832
Unrestricted funds – Designated Funds	12		31,709		50,000
Unrestricted funds – General Funds	12		55,666		177,984
			<u>93,381</u>		<u>244,816</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 and signed on its behalf by:-



Jacky Bourke-White, Chair

The notes on pages 20-28 form part of these financial statements.

**Community Southwark**  
**(A company limited by guarantee)**  
**Cash Flow statement for the year ended 31 March 2018**

	<b>2018</b>	2017
	<b>£</b>	£
<b>Cash flows from operating activities</b>		
Net expenditure	(151,435)	(118,568)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	-	-
Other interest receivable and similar income	-	(59)
<i>Changes in:</i>		
Trade and other debtors	90,768	(19,891)
Trade and other creditors	18,714	7,350
Cash generated from operations	(41,953)	(131,168)
Interest received	-	59
Net cash used in operating activities	<u>(41,953)</u>	<u>(131,109)</u>
<b>Net decrease in cash and cash equivalents</b>	(41,953)	(131,109)
<b>Cash and cash equivalents at beginning of year</b>	<u>262,408</u>	<u>393,517</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>220,455</u></u>	<u><u>262,408</u></u>

**Community Southwark**  
**(A company limited by guarantee)**  
**Notes to the financial statements for the year ended 31 March 2018**

1. **ACCOUNTING POLICIES**

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

a) **Accounting Basis**

**General information**

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 1 Addington Square, Camberwell, London, SE5 0HF.

**Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011. The charity constitutes a public benefit entity.

**Basis of preparation**

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity and is rounded to the nearest £.

**Going concern**

Community Southwark is entering its final year of its core contract with Southwark Council. However, we will be entering into discussions for a single provider negotiation for a five year core contract in November 2018. The indications are that the current level of resourcing will be maintained, although this will be subject to Southwark Council's internal budget challenge processes.

In April 2018, Community Southwark (through a single provider negotiation) was awarded a four year contract to host Healthwatch Southwark. The current level of resourcing was maintained. The business model underpinning Involve has been overhauled and a deficit in operating and delivery costs has been reversed and a surplus is predicted for 18/19. In November 2018, Community Southwark was awarded three year grant, from the Big Lottery's Reaching Communities programme, to fund aspects of our social action work. In addition, Community Southwark, was awarded a five year grant by City Bridge Trust to support the work of Southwark Giving.

As a result of the above the financial statements have been prepared on a going concern basis.

## **Community Southwark**

**(A company limited by guarantee)**

### **Notes to the financial statements for the year ended 31 March 2018**

**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.

**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.

**Community Southwark****(A company limited by guarantee)****Notes to the financial statements for the year ended 31 March 2018**

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) Pensions**

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

**2a. DONATIONS AND VOLUNTARY INCOME**

	Unrestricted <u>Funds</u> £	Restricted <u>Funds</u> £	Total Funds <u>2018</u> £	Total Funds <u>2017</u> £
Other income	15,264	-	15,264	35,257
Job Centre Plus	-	-	-	49,992
Southwark Council	-	-	-	40,000
Bank interest	-	-	-	59
	<u>15,264</u>	<u>-</u>	<u>15,264</u>	<u>125,308</u>

**2b. TRADING INCOME**

	Unrestricted <u>Funds</u> £	Restricted <u>Funds</u> £	Total Funds <u>2018</u> £	Total Funds <u>2017</u> £
Consultancy and training income	46,376	-	46,376	46,912
Involve	70,198	-	70,198	76,688
	<u>116,574</u>	<u>-</u>	<u>116,574</u>	<u>123,600</u>

**Community Southwark****(A company limited by guarantee)****Notes to the financial statements for the year ended 31 March 2018****3. GRANT INCOME**

	Unrestricted <u>Funds</u> £	Restricted <u>Funds</u> £	Total Funds <u>2018</u> £	Total Funds <u>2017</u> £
London Borough of Southwark				
Core Funds	423,730	-	423,730	423,730
Emergency Support Scheme	39,450	261,470	300,920	244,617
Healthwatch	-	120,000	120,000	120,000
Public Health	10,000	-	10,000	22,000
Southwark Giving Set-up	-	21,129	21,129	31,382
Safer Neighbourhood Board	-	25,995	25,995	19,625
Southwark Giving:-				
Wakefield & Tetley Trust	-	2,500	2,500	4,000
United St Saviour's	-	5,000	5,000	-
Team London Bridge	-	1,500	1,500	-
City of London	-	-	-	4,000
United St Saviours	-	-	-	4,000
Team London Bridge	-	-	-	3,000
Womble Bond Dickenson LLP	-	5,000	5,000	-
Norton Rose Fulbright LLP	-	2,500	2,500	-
Peter Minet Trust	-	5,000	5,000	-
Southwark CCG	48,500	-	48,500	-
City Bridge	49,000	-	49,000	49,100
Waltham Forest Council	173,944	-	173,944	87,926
	<u>744,624</u>	<u>450,094</u>	<u>1,194,718</u>	<u>1,013,380</u>



**Community Southwark**  
**(A company limited by guarantee)**  
**Notes to the financial statements for the year ended 31 March 2018**

**4. Charitable Activities**

Basis of allocation						Unrestricted		Restricted			Total 2018
		Support Costs	Involve	Social Action	Waltham Forest	Development	Emergency Support Scheme	Healthwatch	Southwark Giving	Safer Neighbourhood	
<b>Costs directly allocated to activities</b>											
Staff costs	Direct	208,141	89,988	198,613	132,115	196,387	-	88,173	34,143	-	947,560
Miscellaneous	Direct	-	4,554	8,486	5,447	11,254	261,470	7,514	8,486	20,690	327,901
Core costs	Staff time	40,798	40,700	12,761	36,382	18,831	-	24,313	-	-	173,785
		<u>248,939</u>	<u>135,242</u>	<u>219,860</u>	<u>173,944</u>	<u>226,472</u>	<u>261,470</u>	<u>120,000</u>	<u>42,629</u>	<u>20,690</u>	<u>1,449,246</u>

## Community Southwark

(A company limited by guarantee)

Notes to the financial statements for the year ended 31 March 2018

5.	<b>NET INCOMING RESOURCES</b>	<u>2018</u>	<u>2017</u>
	Net incoming resources are stated after charging:-	£	£
	Audit Fees	4,200	4,200
	Depreciation	-	-
6.	<b>STAFF</b>	<u>2018</u>	<u>2017</u>
	Staff costs during the year were as follows:-	£	£
	Salaries and wages	834,680	749,503
	Social security costs	82,971	66,609
	Pension costs	29,909	19,876
		<u>947,560</u>	<u>835,988</u>

The average monthly number of employees during the year was 28 (2017: 25).

No employee earned over £60,000 in the period (2017 same).

Included in salaries and wages above are redundancy / termination payments amounting to £18,291 (2017 - £nil) for four employees.

### Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £208,404 (2017:£177,764).

**Community Southwark**  
**(A company limited by guarantee)**  
**Notes to the financial statements for the year ended 31 March 2018**

**7. TANGIBLE FIXED ASSETS**

	<b>Office Equipment</b>
	£
<b>Cost</b>	
At 31 March 2017	23,660
Additions	-
Disposals	-
At 31 March 2018	<u>23,660</u>
<b>Accumulated Depreciation</b>	
At 31 March 2017	23,660
Charge for year	-
Disposals	-
At 31 March 2018	<u>23,660</u>
<b>Net Book Value</b>	
At 31 March 2018	<u>-</u>
At 31 March 2017	<u>-</u>

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

	<u>2018</u>	<u>2017</u>
	£	£
Trade debtors	77,873	87,158
Other debtors	10,361	91,844
	<u>88,234</u>	<u>179,002</u>

**Community Southwark**  
**(A company limited by guarantee)**  
**Notes to the financial statements for the year ended 31 March 2018**

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

	<u>2018</u>	<u>2017</u>
	£	£
Accruals	40,067	14,974
Trade creditors	5,181	7,012
Other creditors	4,521	12,266
Project accruals & deferred Income	90,960	90,537
Other taxes and social security costs	74,579	71,805
	<u>215,308</u>	<u>196,594</u>

Included in project accruals and deferred income above is £73,960 (2017 £90,537) of deferred income. All deferred income is released in the following year.

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

	Unrestricted & Designated £	Restricted £	Total Funds 2018 £	Total Funds 2017 £
Tangible assets	-	-	-	-
Current assets	286,552	22,137	308,689	441,410
Current Liabilities	(215,308)	-	(215,308)	(196,594)
Net assets at end of year	<u>71,244</u>	<u>22,137</u>	<u>93,381</u>	<u>244,816</u>

**Community Southwark**  
**(A company limited by guarantee)**  
**Notes to the financial statements for the year ended 31 March 2018**

**11. RESTRICTED AND UNRESTRICTED FUNDS**

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

	Balance	Movement in Resources			Balance
	01/4/17	Incoming	Outgoing	Transfers	31/3/18
<b>RESTRICTED FUNDS</b>					
<b>Community Development</b>					
Emergency Support Scheme	-	261,470	(261,470)	-	-
Healthwatch	-	120,000	(120,000)	-	-
Southwark Giving	-	42,629	(42,629)	-	-
MOPAC Safer Neighbourhood	16,832	25,995	(20,690)	(16,131)	6,006
Total restricted funds	16,832	450,094	(444,789)	(16,131)	6,006
<b>UNRESTRICTED FUNDS</b>					
<b>General Fund</b>	177,984	876,462	(1,014,911)	16,131	55,666
<b>Designated Funds</b>	50,000	-	(18,291)	-	31,709
	227,984	876,462	(1,033,202)	16,131	87,375
<b>Total funds at 31 March 2018</b>	244,816	1,326,556	(1,477,991)	-	93,381

Details of the restricted funds are as follows:-

- Southwark Emergency Support Scheme – associated with the delivery of services under the emergency support scheme. Community Southwark 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.
- Southwark Giving - associated with funds designed to establish a local giving scheme in Southwark
- Safer Neighbourhood – all income associated with the administration of the Safer Southwark Neighbourhood Board and its small grants project. Community Southwark stopped administering this programme in April 2018.

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.

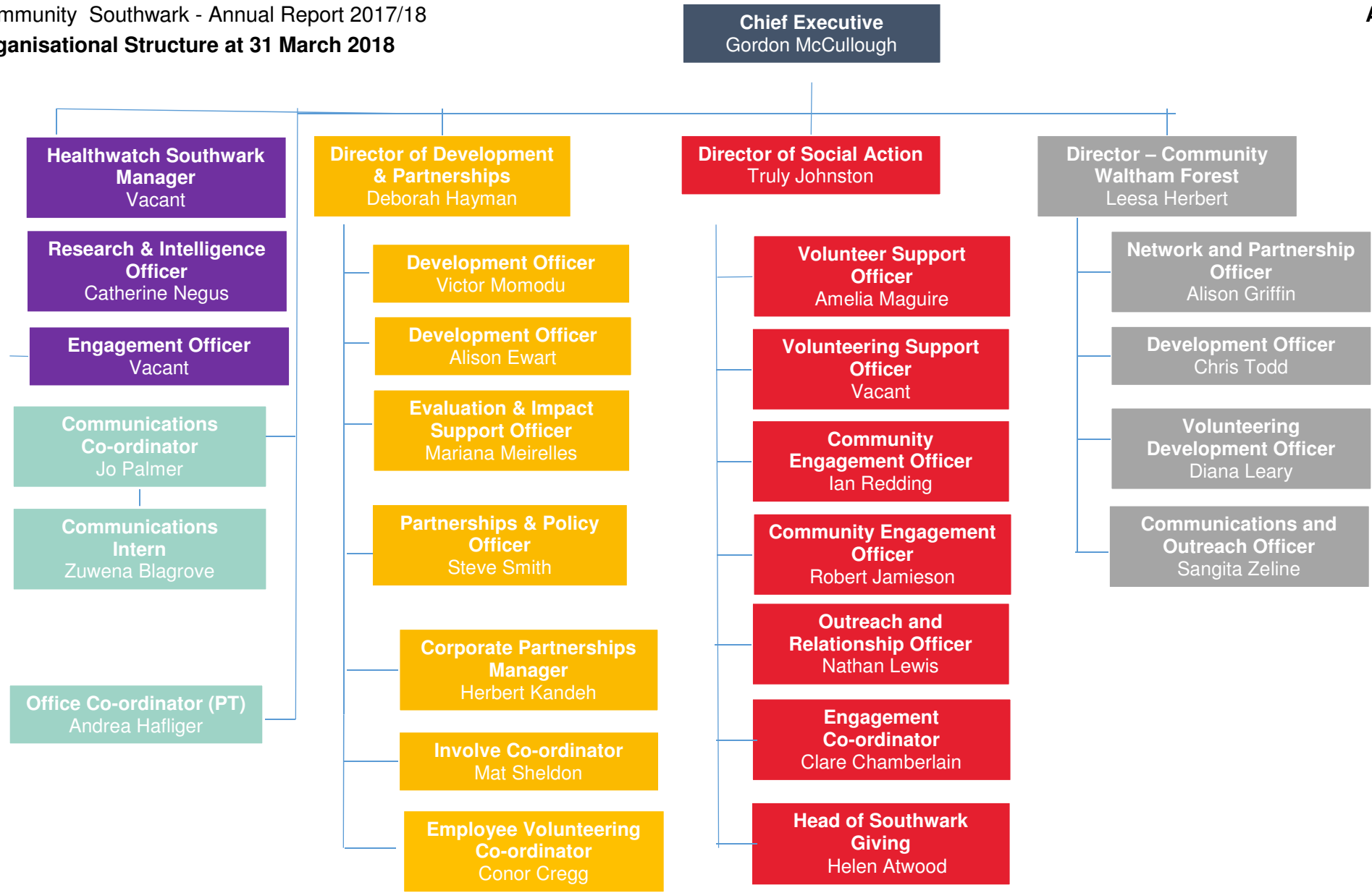
Designated funds represent £50,000 staff redundancy fund of which £18,291 was utilised during the year.

**12. TRUSTEES**

The Trustees received no remuneration during the period (2017: £nil). Expenses of £nil were reimbursed (2017: £nil)

**13. CONTROLLING PARTY**

During the year the charity was under the control of the Trustees. No related party transactions took place during the year.



**Community Southwark**  
**(A company limited by guarantee)**  
**Notes to the financial statements for the year ended 31 March 2018**