SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

England & Wales · Charity number 1078344

Details

Other names	SCRATCH
Status	Registered
Legal form	Charitable company
Company number	03830305
Registered	1999-11-24
Register	View on the Charity Commission register

Contact

Address	33 Mount Pleasant Industrial Estate Mount Pleasant Road Southampton SO14 0SP
Phone	02380773132
Email	annette@scratchcharity.co.uk
Website	www.scratchcharity.co.uk

Activities

Objects: THE RELIEF OF THE EFFECTS OF POVERTY FOR INDIVIDUALS AND FAMILIES IN THE CITY OF SOUTHAMPTON AND CENTRAL SOUTHERN ENGLAND

Activities: To relieve the effects of poverty for families and individuals with needs recognised by approved referral agencies in Southampton and the surrounding area.

Classification

- **How:** Provides Services
- **What:** The Prevention Or Relief Of Poverty, Environment/conservation/heritage
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Defined Groups

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Geography

- **Area of benefit:** THE CITY OF SOUTHAMPTON AND CENTRAL SOUTHERN ENGLAND
- Dorset
- Hampshire
- Portsmouth City
- Southampton City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,701,813	£1,417,924	£868,277	11
2024-03-31	£1,094,723	£1,041,848	£584,388	11
2023-03-31	£1,318,982	£1,131,814	£531,513	11
2022-03-31	£997,879	£880,628	£201,651	10
2021-03-31	£859,935	£827,684	£84,400	11

Trustees

Name	Role	Appointed
Ann Laird	Chair	2016-07-06
Dave Bartlett		2014-07-21
Nicholas Warn		2020-03-04
Robert Philip Davis		2022-03-23
Stephen Warwick Bond		2025-07-14

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SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

England & Wales - Charity number 1078344

Accounts

SCRATCH

Fighting Local Poverty

Annual Report

April 2024 to March 25

OUR MISSION STATEMENT IS: -

To relieve the effects of poverty for families and individuals with needs recognised by approved referral agencies in Southampton and the surrounding area and to support likeminded organisations.

CHAIR'S REPORT FOR 2024 to 2025

In 2024, SCRATCH marked 25 years of serving local families and individuals in hardship. 25 years of delivering beds for families whose children are sharing one or sleeping on the floor. A quarter century of providing a package of gifts at Christmas to children who'd otherwise go without or of installing a new washing machine where the old one has died and there's not the money to replace it. And we've done so much more.

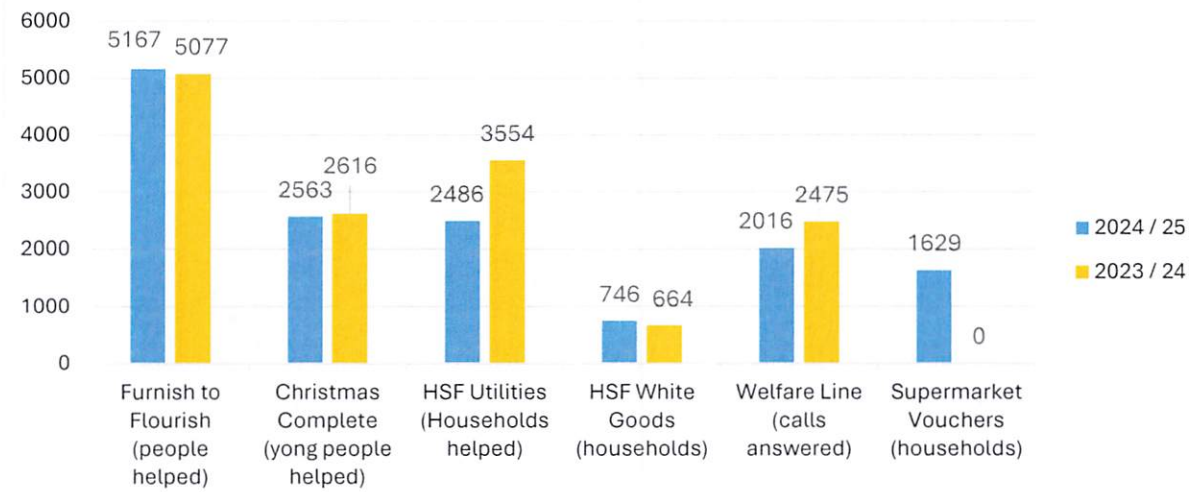
That time has also been marked by highs and lows, on a recurring cycle, caused by the challenges—financial and other—that face small charities like ours. Despite sterling work from staff and board, we have found ourselves at times in the past on the brink of extinction. However, we're still here and still serving. And, while we're fortunate enough to be on a relative high at present, we never forget that things can change quickly and we do plan for how best we can ride any storm that may sweep over the horizon. We'd say that's part of being a good steward of the organisation and the resources we're entrusted with.

Part of stewardship is also planning for change, and one of the biggest challenges for the 2025/6 period will be saying goodbye to Mike Smith, who's been involved with leading SCRATCH for many years. Ensuring that the charity has the right leadership in place for 2026 and beyond needs much thought and prayer, but SCRATCH is an organisation that's worth our expending time and thought on.

We thank all our staff, volunteers and supporters, for your continued work. Those beds and gifts and washing machines wouldn't be delivered without *you*.

Ann Laird, Chair of Trustees

How many people did we help last year (explanations shown on the following pages)



SENIOR MANAGEMENT REPORT

2024 /25 was a milestone year for SCRATCH. In August we celebrated our 25th anniversary with a barbecue for staff, volunteers and referral agents also attended by Satvir Kaur, MP for Southampton Test. It was good to be able to celebrate all the great work we have done to assist so many clients facing financial hardship over the past quarter of a century, although we do somewhat lament that our services are required more than ever. It seems little has been achieved to resolve the underlying cause of poverty.

Through the various projects we run; Furnish to Flourish, Welfare Line, Household Support Fund, Christmas Complete, Removals and Community Repaint we assist some 15,000 individuals each year, many of whom are in a desperate situation. It remains a real privilege to be able to help those who are most in need.

Volunteering remains at the core of all we do and as always we express our gratitude to the many volunteers we see throughout the year assisting on all our projects. In return we offer an inclusive environment where everyone is welcome and have been able to help with training, work experience, and job applications as well as more general empathetic support. Most of all it is great to celebrate individual successes together and to share community with people from such diverse backgrounds, our social events are always a highlight of the year. In February we were reaccredited with the Investing in Volunteers Standard, which demonstrates our commitment to volunteering. Congratulations to Lizzie and all the staff team who made this possible.

We mentioned last year that we would be upgrading facilities at our HQ, and we are pleased to say these are now complete and provide a much-improved environment for staff and volunteers alike, with new kitchen, restroom, and office facilities as well as full redecoration and carpeting which future proofs the site for the remainder of our tenancy.

Financially SCRATCH has performed well over the year, which means we will have the means to continue serving the community well into the future and secure futures for our staff and keep some reserves for replacing vehicles and equipment when they become necessary. A combination of successful funding applications, continued contracts with councils and housing associations, along with generous donations have ensured we are in a secure financial position, thanks to all who have contributed in any way.

Mike Smith, Senior Manager (Operations)
Annette Davis, Senior Manager (Resources)

Finally, this will be the last report that Mike will be contributing to as he will be leaving SCRATCH at Christmas after 25 years of employment. He states, “It has been a pleasure to work in such a rewarding industry knowing that everyday we make a difference to those around us and to be part of such a great team who I know will continue to faithfully serve the community and improve the lives of those who need our help the most”. The whole of SCRATCH wishes him well in his retirement.

FURNISH TO FLOURISH

The big change and advancement this year has been the introduction of 'Track Pod' a system which provides real-time information on deliveries and collections completed / partially completed or when people aren't at home. This has proved to be very beneficial for the office team in being able to provide accurate and timely information to referral agents and we are impressed with the way our drivers have adapted to the changes. We are positive that in the long term this will remove our reliance on paper. Whilst the implementation of this system was taking place, we halted the delivery survey but as you will read later, we still have useful data to support funding applications.

An ongoing issue has been the shortage of stock – ranging from beds to sofas and kitchen utensils to pillows. Whilst we are happy to run a 'shortage list system' for non-essential items, we don't want to ask people to wait for beds. We are thankful to specific funding received for the purchase of beds and for other smaller items, but we still find times when we hope that a bed due to be collected in the morning is suitable so that it can go straight back out in a delivery for the afternoon.

Below are a couple of comments following recent collections and deliveries: -

- *Guys have just been, can I please feedback what 3 lovely chaps, makes such a difference to deal with nice people. I will be promoting via Facebook if that's ok to say what great service we have had from the point of booking (friendly and getting a date) to today when they turned up when you said they'd be here. A really worthwhile cause to donate to.*
- *Just to pass on my thanks and my client's thanks for the excellent job your guys did of moving furniture into his flat yesterday. He is particularly stressed at the moment and it made his day to have the wardrobe, bedside table and TV stand. Thanks again.*
- *I had a delivery in March and from the start the kettle and toaster have proved invaluable and even now when I need something I delve into the extensive kitchen package. The curtains wouldn't have been my choice, but they really create a fantastic effect in the flat and I really like them. There is so much to thank you all for, it all adds up to making my flat a nice place to be! Many thanks to all at SCRATCH – those who delivered, those behind the scenes and everyone else.*

During the year we made a total of 2366 * deliveries, which benefitted 2990 adults and 2177 children. This is a 5% increase on the previous year.

The number of deliveries is a 5% increase on the number for the previous year. In addition, we made over 1500 collections from homes and businesses as well as accepting hundreds of drop-offs at the warehouse from individual people and local house clearance companies. We continued to receive bed donations from the New Milton Bed Shop which has been extremely useful in helping to support the never-ending need for these items.

Deliveries were carried out within an average of 5.39 days from the point of referral.

*This figure does include all White Good deliveries under the Household Support Fund. You can find information regarding this later in this report.

As stated above we don't have full years' worth of delivery surveys, but the comments and the chart below highlights the appreciation and benefits that many recipients felt that a delivery will bring.

- The lads were very hard working especially as there were a lot of stairs.
- Thanks for connecting my washing machine and cooker
- Brilliant service
- Great bed
- Great service, thanks very much for help
- Great guys
- Great service and helpful driver
- So grateful

HOUSEHOLD SUPPORT FUND AND WELFARE LINE

It has been a privilege again this year to support Southampton City Council by providing direct provision through the provision of utility and cash vouchers, white goods (for household who meet very strict criteria) and for some specific agencies, supermarket vouchers. This is covered by the Government's Household Support Fund.

The council wish to make the best use of this funding and have added new areas of support via other organisations. This has resulted in marginally less money being available to SCRATCH which is highlighted in the slightly reduced number helped during the year, compared to the previous year. But this in no way reflects the level of need which doesn't ever seem to decrease.

Over 280 referrals for utility vouchers were refused – this could be that applications were outside of the city boundaries; the household had already received the maximum available or we believed that the application was fraudulent.

We provided utility vouchers that enabled 3182 adults and 2964 children to ensure they had electric / heating / hot water for their homes.

In December we started an additional area of support designed specifically for clients of Citizens Advice, Southampton. In addition to utility and food vouchers, we can offer direct bank payments for people who pay their utilities by direct debit. In the period December 2024 to March 2025, 1255 households received help through Citizens Advice for one or more elements of the scheme.

SCRATCH has been operating the Welfare Line for a several years providing a direct access point for Southampton residents who might need a referral to local foodbanks and / or signposting to other organisation for more specialised advice. The number of food bank referrals have gone down during the year due to Southampton City Mission reducing the number of times they are able to provide food in a 12-month rolling period. We do get some odd requests for help, with one lady wanting help to find her local Avon Rep. Google is a great friend at times like this. More often it is people seeking help with financial matters, in need of food or just wanting a friendly person to chat with.

The great welfare team is made up of Kelly, Lydia and Natasha assisted as necessary by Lucy (recently promoted to Office Manager) and Annette (Senior Manager, Resources).

CHRISTMAS COMPLETE

We believe that this project operated for the 30th time in December 2024 (it started in a very small way before SCRATCH was formed). In 2024 there was a slight decrease in the numbers help, 2563 compared to 2616 in the previous year. There are more projects providing toys now than when we first started so the fact that the numbers are fairly consistent does indicate the value that our referral agents place on the project and the fact that we can deliver the parcels directly to their clients is a great benefit to them. Some agencies do collect from us or we can deliver to them so that they can distribute to their families.

As always, we are indebted to the many organisations and individuals who donate toys, gifts and finance so that we can provide a parcel of 7 or 8 gifts to each child or young person referred, many of whom wouldn't otherwise get presents to open on Christmas Day. Receiving the donations wouldn't be

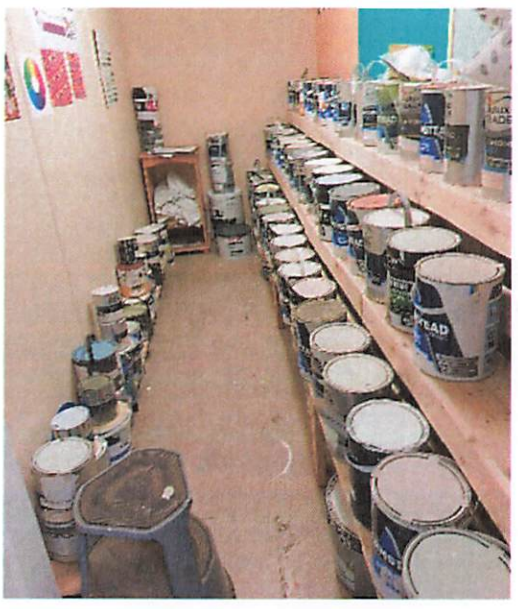
of any benefit to us without the many volunteers to willingly give their time to check, sort and package the parcels – a big thank you to everyone involved in ensuring that the project ran smoothly. Thanks also to those that helped with the delivery process with a special thanks to St Mary's Church in Southampton for assisting again with a large number of deliveries.

The comments below are a reflection of how the project is appreciated by so many:

-

- *My housing officer kindly contacted yourselves as despite me working my children and I are struggling financially and I was unable to get them anything for Christmas. Your charity kindly dropped off a parcel that had presents for both of my boys and I just wanted to email and say a massive thank you for their gifts. I really can't express my gratitude to you all for making Christmas a little more special.*
- *I would like to thank you for the Christmas gifts. It was indeed a blessing to us, especially our daughter M. Thank you for putting a smile on her face.*
- *I'm not sure who arranged the SCATCH Christmas boxes for the Ukrainians, but I just want to pass on my thanks and those from the families. The children were so happy and the presents were really outstanding. New Forest District Council.*
- *I would like to send my thanks to you all for all the help your charity has given me and my family. We had a Christmas delivery on Saturday this has saved Christmas for us in so many ways.*
- *Thank you so much for my gifts you have actually saved my Christmas and taken away so much stress.*

COMMUNITY REPAINT



Community repaint Southampton, operated by SCRATCH, has been in existence for over 20 years as part of the national network of over 80 schemes. Community Repaint national estimate that some 50 million litres of paint, enough to fill 25 Olympic size swimming pools, goes to waste in the UK, here in Southampton we are trying to do our bit to reduce waste whilst helping families and organisations who would find the cost of redecorating prohibitive. In so doing we help to ensure a more pleasant environment for homes and community spaces. Paint is available free of charge to referred clients and community groups are invited to make a donation.

In 2024/25 we supplied 121 individuals and 19 community groups with a combined total of 5,435

litres of paint. We collected more than we distributed, in total 6,485 litres of paint was diverted from the waste stream and made available to clients and groups alike. Which all means we had a good stock of available paint at the start of 2025/26.

VOLUNTEERING

We have been delighted to welcome a steady stream of new volunteers this year, joining us through a variety of referral sources. This growing interest has resulted in a healthy waiting list of people eager to get involved. It is always inspiring to see individuals from diverse backgrounds come together to support our work.

In March, we proudly renewed our *Investing in Volunteers* accreditation - the UK's quality standard for excellent volunteer management - which we have held since 2017. This recognition reflects how much we value our volunteers and our commitment to providing a positive, supportive volunteering experience. Our assessor praised the substantial support we offer our olunteers and noted that 'every volunteer interviewed was keen to describe how welcome they had been made to feel.'

We continue to support our volunteers through the varied and often challenging journeys of their lives. One longstanding volunteer who spoke very little English when he first joined us, is now fluent, has been granted the right to remain in the UK, and has recently welcomed his wife and young daughter to safety here through the Family Reunion scheme — all within just two years. SCRATCH has been there to support him every step of the way.

Another volunteer, now working six days a week after a difficult period, still chooses to give his only day off to volunteer with us. He says that being part of SCRATCH significantly supports his mental wellbeing — so much so that if he had to make a choice, he would rather reduce his work hours than stop volunteering.

Here are just a few comments from our volunteers, reflecting the strong sense of community at SCRATCH:

- *I love coming here and being with volunteers.*
- *SCRATCH has improved my confidence and self-worth. I enjoy being here.*
- *I like the sense of community at SCRATCH. Lots of great people here.*
- *I like that I am appreciated by the charity.*
- *I like being helpful and I like that it brings people together.*
- *SCRATCH has helped me with my mental health.*
- *I appreciate spending time here and love people here. Everyone here is warm and welcoming.*
- *I came here to develop my confidence; well restore it let's say... the review meetings have really helped me develop. It is a real example of how much they respect you.*
- *I live alone, I was becoming quite reclusive, and I think depressed. I dread to think what I would be like now if I hadn't started coming here.*

Lizzie Osborne – Volunteer Manager

GOVERNANCE

The SCRATCH board of trustees operates under the charity's Articles of Association. New trustees are recruited via notification of vacancies, for example on our mailing list, our website, word of mouth etc: prospective candidates apply via a statement of interest stating why they want to join the board and what they will bring to it. They are interviewed by the existing trustees and if successful appointed at the next meeting. Induction is initially conducted by the chair who introduces new trustees to the building, the team, and relevant documents. followed by attendance at a SCRATCH Induction session. The development of trustees is important, no matter how experienced they are: training needs for board members are identified via skills audits, at strategy days or as new developments require. These needs are addressed by online courses or by attendance at SCRATCH employee training (eg. for safeguarding).

Trustees make strategic decisions, such as key objectives and deliverables, staffing structure and long-term operating premises requirements. Senior Managers — Annette Davis and Mike Smith — make day-to-day operational decisions following delegated levels of authority guidelines, with reference to board members when required. The Board of Trustees undertakes an annual review of salaries and wages for all staff, including senior managers, in accordance with the SCRATCH pay policy: any pay increase, if awarded, is not performance based, although employees undergo appraisals for development.

SCRATCH trustees work with regard to the latest Charity Commission guidance, for example on public benefit. We consider that our object - The relief of the effects of poverty for individuals and families in the City of Southampton and Central Southern England - passes the "public benefit test" because the outworking of this is the provision of furniture packs, white goods and utilities top ups, for which referrals are made by public sector agencies and other charities, All SCRATCH's other activities are also aimed at public benefit and trustees are confident that every project remains in line with our core purpose, as each project provides tangible services such as goods, advice, or volunteering opportunities and development. As the opportunity for new work arises, for example delivering services for Southampton City Council, we assess whether it's a good fit for what we already do and whether it's in line with our purposes.

All existing projects are monitored in terms of metrics: numbers of clients helped, amounts and quality of goods provided, speed of response to referrals, etc. Surveys are carried out to obtain feedback on specific areas, such as referral agents' views on our services, or how volunteers have benefitted from their experiences. Some of the most valuable information about how well we're doing comes in the comments from those we've helped.

FUNDRAISING

As well as providing paid for services for local authorities, SCRATCH also raises money using a range of methods, including direct interactions with funders, churches and businesses. It employs a professional fundraising company, Competitive Solutions Ltd, which is a member of the Chartered Institute of Fundraising, and which focuses, on our behalf, on approaching funding institutions such as The National Lottery. SCRATCH Senior Managers and Trustees hold a monthly virtual meeting with CSL staff to monitor existing fundraising bids and plan future ones: both sides work together to ensure that all proposed approaches to funders

contain an accurate depiction of SCRATCH's activities and needs, while remaining securely in line with the charity's aims.

In the year 2024 / 25, professional fundraising costs were £39,090 and a total of £224,482 (including the National Lottery) was raised.

SCRATCH's fundraising strategy does *not* involve methods where individuals are approached by phone, on the doorstep or in the street. Appeals—particularly for donations of goods—can be made via social media or our mailing list, but these are general and not targeted at individuals. There have been no complaints to us concerning fundraising.

FUTURE PLANS

The board holds an annual strategy event: at the most recent meeting it was decided—in the short term—to concentrate on the existing projects for providing relief for families and individuals in hardship, rather than take on new ventures which might stretch our resources or be less closely linked to our aims. Close collaboration with partners such as Southampton City Council and delivery of the key projects Furnish-to-Flourish, Discretionary Fund, Welfare Line and Christmas Complete will remain our core activity.

The Trustees review risks at every board meeting (usually six per year). The principal risk/uncertainty for SCRATCH has always concerned financial viability and for many years the charity lived a hand to mouth existence. To this end we have again contracted CSL, a professional fundraising company, to secure ongoing core funding for our projects. This was successful in the first two years of working together, especially in terms of National Lottery funding. However, as there is no guarantee that major income—such as the National Lottery grant or the Household Support Fund—will continue every year, we have also built up our reserves so that we can still deliver all our projects while we seek alternative funding streams.

Admin details – include names and addresses of:

a. Solicitors (no specific solicitor)

b. Auditor Knight Goodhead Limited, 7 Bournemouth Road, Chandler's Ford, Eastleigh, Hampshire SO53 3DA

c. Banks: -
Co-Operative Bank
Sort code – 08-92-99
Account No. 69201183

Flagstone (holding banker HSBC)
Sort code - 40-32-32
Account No. 02828065

CAF
Sort Code – 40-52-40
Account No. 00018246

RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in

accordance with 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).

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 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;
- make judgements and accounting 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 business.

The trustees are responsible for maintaining proper accounting records which 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 auditors are 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 auditors are 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.

FINANCIAL REVIEW

Overview
With the aid of sound financial management and the support of both our staff and volunteers we generated a very positive financial outcome for the period with a net increase in Total funds of £283,889. We continue to be grateful to various grant-making bodies and to the people of Southampton for their generous support for SCRATCH's poverty relief activities. We were successful in obtaining new funding as well as a number of stage payments from previous successful bids which enabled SCRATCH to deliver its much needed services at above or similar to last fiscal's achievements.

Principal Funding Sources
The principal funding sources for the charity are currently by way of grants, contract income from Southampton City Council, various Housing Associations and income generated from the sale of furniture packs/white goods. Despite increasing constraints on Central Government and thus local authority expenditure, the charity has continued to deliver value

for money services, been flexible in adapting to changing requirements and has maintained its position as a preferred supplier to our customers. We continue to seek funding from a broader group of funders whilst maintaining close relationships with current funders.

Investment Policy

Aside from retaining a prudent (carefully considered value) amount in reserves each year, most of the charity's funds are to be spent in the short to medium term. There are some funds available for longer term investment. Having considered the options available, the Board of Trustees has decided to invest an amount that it has available in commercial common investment funds via Flagstone. The Board of Trustees considers the overall return on short, medium and long term investments and manages the charity's investments to ensure an optimum return. A review of investment policies is planned during the new financial year (2025/26).

Reserves Policy

The Board of Trustees has examined the charity's requirements for reserves in light of its commitments and the main risks to the organisation. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be between 3 to 6 months of its expenditure. Budgeted expenditure for 2025/26 is £806,104 and a target has been set at £391,796 for the purpose. These reserves are needed to meet the working capital requirements of the charity and the Board of Trustees are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding. The present level of unrestricted reserves available to the charity of £637,780 is therefore deemed sufficient to accommodate the decisions made by the Board of Trustees. During the financial year 2024/25 the refurbishment of the toilets and kitchens and the decorating of various sections of the premises was completed, the upkeep of the fabric, fixtures, features and facilities of the premises being a contractual obligation on the charity under the terms and conditions of the lease for the Mount Pleasant premises. Also the project for the installation of audio visual equipment in the boardroom was completed during this period. Our strategy is to continue to build reserves through planned operating surpluses to facilitate unforeseen fluctuations in both income and expenditure to ensure the delivery of our services is not impacted.

Plans for Future Periods

The charity plans to continue its activities in the forthcoming years subject to satisfactory funding arrangements. Plans are also being developed to work with our customers to ensure that key government anti poverty initiatives can be continued, albeit under slightly different requirements. We will continue to seek new opportunities for our services.

From a Human Resources (HR) perspective we recruited a new General Manager (GM) as Mike Smith (Senior Manager - Operations) will be retiring in Dec 2025. This recruitment activity was successfully completed in Sep 2025 and the new GM, Michael Taylor, will be commencing his employment with SCRATCH in Nov 2025.

Funds

SCRATCH prepares its accounts in accordance with the Statement of Recommended Practice (SORP) and the Financial Reporting Standard (FRS102). As such the charity adopts a Fund Accounting approach of presenting its accounts. The funds of the charity are divided into two fund categories, these being;

Unrestricted Funds

Unrestricted funds are spent or applied at the discretion of the Board of Trustees to further any of the charity's purposes. They can be used to supplement expenditure made from

restricted funds as deemed appropriate. At the end of this reporting period the value of the charity's Unrestricted Funds is presented as being £637,780, these funds being assigned in accordance with the Reserves Policy of the charity. A portion of the Unrestricted Fund, is deposited in commercial common investment funds under the guidelines of the charity's Investment Policy.

Restricted Funds.

Restricted funds are held on specific trusts under charity law. These trusts are declared by the donor when making the gift or as a result of the terms of a successful appeal for funds. The specific trusts establish the purpose for which the charity can lawfully use the restricted funds. SCRATCH has a number of components within its Restricted Fund, each for a particular purpose of the charity.

At the end of this reporting period the value of the charity's Restricted Fund is presented as being £230,497. This value is compiled from, and will only be used to service, the following projects;

Household Support Fund at a value of £176,697 and

Furnish to Flourish Fund at a value of £53,800.

It is the intention of the charity to expense these funds across the short to medium term whilst seeking further income from future appeals for funding and gifts, to ensure the longevity of the charity and thus the continued delivery of its much needed services to our clients.

Approved by the board of trustees and signed on its behalf by:

Trustee D.BARTLETT

Dated: 16 December 2025

Board of Directors

Ann Laird (Chair)	David Bartlett	Nicholas Warn
Robert Davis	Stephen Bond (appointed July 2025)	

Staff team as at 31 March 2025

Mike Smith – Senior Manager (Operations)	Lucy Taylor – Office Manager
Annette Davis – Senior Manager (Resources)	Kelly Beck – Welfare Information Officer *
Ian Dowdell – Furniture Manager	Natasha Davis – Welfare Information Officer *
Paul Williams – Driver	Lydia Roberts – Welfare Information Officer *
Ian Arnold – Driver	Becci Gough – Receptionist (part time)
Lizzie Osborne – Volunteer Manager	

* *job share*

SUPPORTED BY: -

Supported by

SCRATCH, 33 Mount Pleasant Industrial Estate, Southampton, SO14 0SP
Tel: 023 8077 3132 e-mail: reception@scratchcharity.co.uk www.scratchcharity.co.uk
Southampton City and Region Action to Combat Hardship is registered as a Limited Company, Number 03830305 Registered in Cardiff. Registered Charity No. 1078344

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

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

Opinion

We have audited the financial statements of Southampton City and Region Action to Combat Hardship for the year ended 31 March 2025, which comprise the Statement of Financial Activities, Balance Sheet, Cashflow Statement and the related notes. 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 to 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 2025, and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of 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 Charity 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the company's 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 Trustees' Annual Report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the Annual Report, the trustees 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 they 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

We identified the laws and regulations applicable to the charitable company through discussions with trustees and other management and we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we performed analytical procedures to identify any unusual or unexpected relationships, tested journal entries to identify unusual transactions and investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

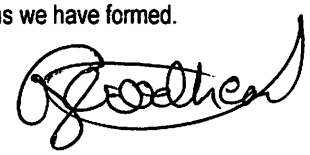
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Knight Goodhead Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Use of our report

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's members as a body, for our audit work, for this report, or for the opinions we have formed.



CJ GOODHEAD FCA **Dated:** 16 December 2025

Senior Statutory Auditor

Knight Goodhead Limited

Chartered Accountants and Statutory Auditors

7 Bournemouth Road, Chandler's Ford, Eastleigh, Hampshire, SO53 3DA

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2025 (including Income and expenditure account)

	Notes	Restricted funds £	Unrestricted funds £	2025 Total funds £	2024 Total funds £
INCOME					
Donations and legacies	3	305,017	59,265	364,281	117,646
Charitable activities	4	855,591	266,657	1,122,248	936,883
Fundraising income		-	23,629	23,629	28,908
Trading income	5	-	457	457	2,042
Other income	6	-	181,657	181,657	-
		1,160,608	531,665	1,692,273	1,085,478
Investment income		-	9,540	9,540	9,245
TOTAL INCOME		**1,160,608**	**541,205**	**1,701,813**	**1,094,723**
EXPENDITURE					
Charitable activities	7	1,053,868	364,056	1,417,924	1,041,848
TOTAL EXPENDITURE		**1,053,868**	**364,056**	**1,417,924**	**1,041,848**
NET INCOME FOR THE YEAR	8	**106,740**	**177,149**	**283,889**	**52,875**
Transfers between funds	15,16	(47,908)	47,908	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		**58,832**	**225,057**	**283,889**	**52,875**
FUNDS AT 1 APRIL 2024		171,665	412,723	584,388	531,513
FUNDS AT 31 MARCH 2025		**230,497**	**637,780**	**868,277**	**584,388**

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in notes 15 and 16 to the financial statements.

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

(Company limited by guarantee and not having a share capital) **COMPANY NUMBER: 3830305**

BALANCE SHEET AS AT 31 MARCH 2025

	Notes	£	2025 £	£	2024 £
FIXED ASSETS					
Tangible assets	11		80,078		39,432
CURRENT ASSETS					
Stock		16,665		8,825	
Debtors	12	231,972		185,206	
Cash at bank and in hand		608,633		414,411	
		857,270		608,443	
CREDITORS: amounts falling due within one year	13	(58,566)		(42,697)	
NET CURRENT ASSETS			798,704		565,745
CREDITORS: amounts falling due in more than one year	14		(10,505)		(20,789)
NET ASSETS	17		868,277		584,388
FUNDS					
Restricted funds	15		230,497		171,665
Unrestricted funds					
General funds	16		637,780		412,723
Designated funds	16		-		-
TOTAL FUNDS			868,277		584,388

These accounts have been prepared in accordance with the special provisions of the Companies Act 2006 and FRS 102 relating to small entities.

Approved by the board of trustees on 16 December 2025
and signed on its behalf by

D. BARTLETT

Trustee

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

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

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2024 £
NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES	1	257,966	74,527
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		9,540	9,245
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowing		(17,234)	(20,026)
Interest paid		(662)	(2,237)
Increase in loan finance		-	-
Fixed asset additions		(55,389)	(12,929)
NET CASH FLOW		194,222	48,580
Change in cash and cash equivalents in the period		194,222	48,580
Cash and cash equivalent at start of the period		414,411	365,831
Cash and cash equivalents at the end of the period	2	608,633	414,411

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP
(Company limited by guarantee and not having a share capital)

NOTES TO THE CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

1 RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025	2024
	£	£
Net movement in funds for the period	283,889	52,875
Interest received	(9,540)	(9,245)
Depreciation	14,742	14,910
Decrease/(increase) in stock	(7,840)	(2,577)
Decrease/(increase) in debtors	(46,766)	14,541
(Decrease)/increase in creditors	23,481	4,023
Net cash flow from operating activities	257,966	74,527

2 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2025	2024
	£	£
Cash at bank and in hand	608,633	414,411

3 ANALYSIS OF CHANGES IN NET DEBT	At 1 April 2024	Cash flows	Other non-cash changes	At 31 March 2025
Cash at bank and in hand	414,411	194,222	-	608,633
Debt due within one year	(17,865)	18,645	(11,033)	(10,253)
Debt due after one year	(20,789)	-	10,284	(10,505)
	375,757	212,867	(749)	587,875

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

1 ACCOUNTING POLICIES

a) Accounting convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (second edition - October 2019) and the Companies Act 2006.

The charity meets the definition of the public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The accounts have been prepared on the going concern basis. There are no material uncertainties about the charity's ability to continue.

b) Income

Income received by way of donations and gifts is included in full in the statement of financial activities when received.

Revenue grants are shown in the Statement of Financial Activities in the year to which they relate and when the conditions of receipt have been complied with. Where the grant has to be matched to a different period the deferred element is deducted from incoming resources and carried forward in creditors.

Legacies are accounted for in the Statement of Financial Activities when receipt is probable, and their value can be measured with sufficient reliability.

c) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred.

Voluntary income costs and trading costs comprise the costs associated with attracting voluntary income and the costs of fundraising and trading.

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. Cost related to a particular activity are allocated directly, others are apportioned on an appropriate basis.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

1 ACCOUNTING POLICIES (CONTINUED)

d) Operating leases

Rentals paid under operating leases are taken to the Statement of Financial Activities on a straight line basis over the lease term.

e) Tangible fixed assets

Assets that cost more than £500 are capitalised at cost price. Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value of the tangible assets over their estimated useful lives:

Leasehold improvements	25% straight line
Motor vehicles	25% reducing balance
Plant and machinery	25% reducing balance
Computer equipment	33% straight line

f) Stock

Stocks held at the year end for distribution are stated at fair value. Donated stock is not valued but recognised in income and expenditure when the item is distributed.

g) Funds

Unrestricted funds are donations and other incoming resources receivable or generated for charitable purposes.

Restricted funds represent grants and donations which are allocated by the donor for specific purposes. Expenditure which meets these criteria is charged to the appropriate fund.

h) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

i) Donated goods

The value to the charity of donated goods are recognised in donations when the item is distributed, with an equivalent amount recognised as charitable expenditure.

2 LEGAL STATUS

The charity is a company limited by guarantee and has no share capital. The charitable company was incorporated on 23 August 1999 in the United Kingdom and was registered on 24 November 1999 with the Charity Commission in England and Wales. The charity is a public benefit entity.

The registered office of the charitable company is Unit 33 Mount Pleasant Industrial Estate, Mount Pleasant Road, Southampton, SO14 0SP.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

3 DONATIONS AND LEGACIES

	Restricted funds £	Unrestricted funds £	2025 Total £	2024 Total £
Donations and similar income				
Gift aided donations	10,356	14,264	24,620	30,102
Non gift aided donations	6,720	38,846	45,566	23,461
Gift aid recoverable	-	6,155	6,155	7,568
Donated goods for Furnish to Flourish	103,405	-	103,405	56,514
Donated goods for Christmas Complete	184,536	-	184,536	-
	305,017	59,265	364,281	117,646

4 CHARITABLE ACTIVITIES INCOME

Grants and contracts	647,494	88,537	736,031	731,609
Furniture charges	45,857	103,184	149,041	145,195
White goods charges	154,827	73,393	228,220	46,847
Removal charges	5,100	807	5,907	10,173
Delivery charges	2,313	736	3,049	3,059
	855,591	266,657	1,122,248	936,883

5 TRADING INCOME

Pallet furniture sales	-	-	-	100
Shop sales	-	457	457	1,942
	-	457	457	2,042

6 Other Income

Other income relates to amounts received from HMRC due to input VAT not recovered in prior years.

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

7 EXPENDITURE	Restricted funds	Unrestricted funds	Total 2025	Total 2024
	£	£	£	£
COSTS DIRECTLY ALLOCATED TO ACTIVITIES				
Wages and salaries	242,093	67,951	310,044	275,793
Donated furniture costs	103,405	-	103,405	56,514
Fundraising costs	-	33,643	33,643	33,198
Basic package equipment, beds and microwaves	50,704	-	50,704	59,685
Electric top up	272,653	-	272,653	227,105
White goods purchases	190,110	-	190,110	172,654
Christmas expenses	6,720	13,969	20,689	17,478
Donated packages for Christmas Complete	184,536	-	184,536	-
Motor expenses	3,647	7,558	11,205	26,326
	1,053,868	123,121	1,176,989	868,753
SUPPORT COSTS ALLOCATED TO ACTIVITIES				
Rent	-	61,286	61,286	47,280
Water and rates	-	7,002	7,002	8,027
Insurance	-	12,900	12,900	12,123
Light and heat	-	20,703	20,703	17,389
Repairs and maintenance	-	35,050	35,050	14,802
Office costs	-	2,059	2,059	2,194
PPS	-	6,919	6,919	7,832
IT costs	-	8,753	8,753	8,185
Accountancy	-	15,036	15,036	8,441
Legal and professional	-	36,000	36,000	7,000
Travel and subsistence	-	14,857	14,857	15,148
Training costs	-	3,171	3,171	5,842
Sundry	-	35	35	35
Interest charges	-	662	662	2,237
Bank/card charges	-	1,760	1,760	1,650
Depreciation	-	14,742	14,742	14,910
	-	240,935	240,935	173,095
TOTAL EXPENDITURE	1,053,868	364,056	1,417,924	1,041,848

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

8 NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:	2025 £	2024 £
Depreciation	14,742	14,910
Auditors' remuneration:		
- audit (current year)	8,000	5,300
- audit (prior year)	4,000	-
- other services	3,036	3,141

9 EMPLOYED STAFF COSTS AND NUMBERS

Employed staff costs were as follows:	2025 £	2024 £
Salaries and wages	280,430	251,852
Social security costs	20,153	15,827
Pension	9,461	8,114
	310,044	275,793

No employee earned more than £60,000 during this or the prior year.

At the year end there were outstanding pension contributions payable of £1,952 (2024: £1,463). Total pension contributions of £8,098 (2024: £6,914) were paid by the charity and are included in the SOFA.

Key management comprises two individuals who were paid a total of £74,907 (2024: £75,235 to two individuals).

The average weekly number of employees during the year was as follows:

	2025 No.	2024 No.
Employees	11	11

10 TAXATION

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP
(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

11 TANGIBLE FIXED ASSETS

	Leasehold improvements	Computer equipment	Motor vehicles	Plant and machinery	Total
	£	£	£	£	£
COST OR VALUATION					
At 1 April 2024	2,410	20,096	72,268	28,864	123,638
Additions in year	49,013	2,321	-	4,055	55,389
At 31 March 2025	51,423	22,417	72,268	32,919	179,027
DEPRECIATION					
At 1 April 2024	603	14,081	41,780	27,743	84,206
Charge for the year	2,755	3,330	7,622	1,035	14,742
At 31 March 2025	3,358	17,411	49,402	28,778	98,949
NET BOOK VALUE					
At 31 March 2025	48,065	5,006	22,866	4,141	80,078
At 1 April 2024	1,807	6,015	30,488	1,121	39,432

12 DEBTORS

	2025	2024
	£	£
Trade debtors	184,369	73,426
Prepayments and accrued income	18,582	38,324
VAT recoverable	3,268	6,483
Other debtors	25,753	66,974
	231,972	185,206

13 CREDITORS: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	15,767	5,984
Other taxation and social security	5,164	4,365
Bank loans	10,253	17,865
Accruals and deferred income	25,430	13,020
Other creditors	1,952	1,463
	58,566	42,697

14 CREDITORS: amounts falling due in more than one year

	2025	2024
	£	£
Bank loans	10,505	20,789

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

15 RESTRICTED FUNDS

	At 1 April 2024 £	Income £	Expenditure £	Transfers £	At 31 March 2025 £
Household Support Fund	171,665	506,179	(453,239)	(47,908)	176,697
Furnish to Flourish (Dorcas Project)	-	300,177	(246,377)	-	53,800
Christmas Complete	-	191,256	(191,256)	-	-
National Lottery - Furnish to Flourish	-	132,442	(132,442)	-	-
Welfare Support Project	-	30,554	(30,554)	-	-
	171,665	1,160,608	(1,053,868)	(47,908)	230,497

Purposes of restricted funds

Household Support Fund
Provision of a referral processing hub for the Southampton Household Support Fund. The transfer to general funds represents 10% of total income which is allocated against overheads.

Furnish to Flourish (Dorcas Project)
Provides good quality furniture and household items.

Christmas Complete
Provides toys and gifts for children and young people who otherwise might go without presents.

National Lottery - Furnish to Flourish
Specific funding provided by the National Lottery to help provide furniture and household items.

Welfare Support Project
Provision of a welfare line and referral hub including the sourcing of items and administration of the Local welfare Provision Discretionary Fund.

16 UNRESTRICTED FUNDS

	At 1 April 2024 £	Income £	Expenditure £	Transfers £	At 31 March 2025 £
General funds	412,723	541,205	(364,056)	47,908	637,780
Total unrestricted funds	412,723	541,205	(364,056)	47,908	637,780

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

31 March 2025	Restricted funds £	General funds £	Total funds £
Tangible fixed assets	-	80,078	80,078
Stock	16,665	-	16,665
Debtors	192,354	39,618	231,972
Cash at bank and in hand	53,800	554,833	608,633
Creditors	(32,322)	(26,244)	(58,566)
Creditors falling due in more than one year	-	(10,505)	(10,505)
NET ASSETS	230,497	637,780	868,277

31 March 2024	Restricted funds £	General funds £	Total funds £
Tangible fixed assets	-	39,433	39,433
Stock	-	8,825	8,825
Current assets	132,832	52,374	185,206
Cash at bank and in hand	47,821	366,590	414,411
Creditors	(8,988)	(33,709)	(42,697)
Creditors falling due in more than one year	-	(20,789)	(20,789)
NET ASSETS	171,665	412,724	584,389

18. TRUSTEE EXPENSES

None of the trustees were reimbursed expenses during this or the prior year. No trustee received any remuneration in the current or prior year.

19. OPERATING LEASE COMMITMENTS

At 31 March 2025, the charity had total commitments under non-cancellable operating leases, due as follows:

	2025 £	2024 £
Within one year	61,490	61,490
Between one to two years	60,373	61,490
Between two and five years	110,000	170,373
	231,863	293,353

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

20 RELATED PARTY TRANSACTIONS

There were no related party transactions in this or the prior year.

21 DONATED GOODS

The charity receives significant donations from the public of furniture to support the Furnish to Flourish (formerly Dorcas) project. These donations have been valued at £103,405 (2024: £56,514) and are included within both income and expenditure in the Statement of Financial Activities.

In addition, members of the public donate significant amounts of toys and other items to be given out to families in the Christmas Complete project. This is the first year these have been recognised in the financial statements, at a value of £184,536 in both income and expenditure in the Statement of Financial Activities.

22 PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Restricted funds £	Unrestricted funds £	2024 Total funds £
INCOME			
Donations and legacies	59,355	58,290	117,645
Charitable activities	698,109	238,774	936,883
Fundraising income	-	28,908	28,908
Trading income	-	2,042	2,042
Other income	-	-	-
	757,464	328,014	1,085,478
Investment income	-	9,245	9,245
TOTAL INCOME	**757,464**	**337,259**	**1,094,723**
EXPENDITURE			
Charitable activities	756,502	285,346	1,041,848
TOTAL EXPENDITURE	**756,502**	**285,346**	**1,041,848**
NET INCOME FOR THE YEAR	**962**	**51,913**	**52,875**
Transfers between funds	(51,866)	51,866	-
NET MOVEMENT IN FUNDS FOR THE YEAR	**(50,904)**	**103,779**	**52,875**
FUNDS AT 1 APRIL 2023	222,569	308,944	531,513
FUNDS AT 31 MARCH 2024	**171,665**	**412,723**	**584,388**

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

23 PRIOR YEAR FUND MOVEMENTS

RESTRICTED FUNDS	At 1 April 2023 £	Income £	Expenditure £	Transfers £	At 31 March 2024 £
Household Support Fund	222,569	518,658	(517,696)	(51,866)	171,665
Furnish to Flourish (Dorcas Project)	-	88,492	(88,492)	-	-
Christmas Complete	-	2,709	(2,709)	-	-
National Lottery - Furnish to Flourish	-	127,605	(127,605)	-	-
Welfare Support Project		20,000	(20,000)	-	
	222,569	757,464	(756,502)	(51,866)	171,665

UNRESTRICTED FUNDS	At 1 April 2023	Income	Expenditure	Transfers	At 31 March 2024
General funds	308,944	337,259	(285,346)	51,866	412,723
Total unrestricted funds	308,944	337,259	(285,346)	51,866	412,723

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

England & Wales - Charity number 1078344

Accounts

SCRATCH

Fighting Local Poverty

ANNUAL REPORT

April 2023 to March 2024

OUR MISSION STATEMENT IS: -

To relieve the effects of poverty for families and individuals with needs recognised by approved referral agencies in Southampton and the surrounding area and to support likeminded organisations.

CHAIR'S REPORT FOR 2023 to 2024

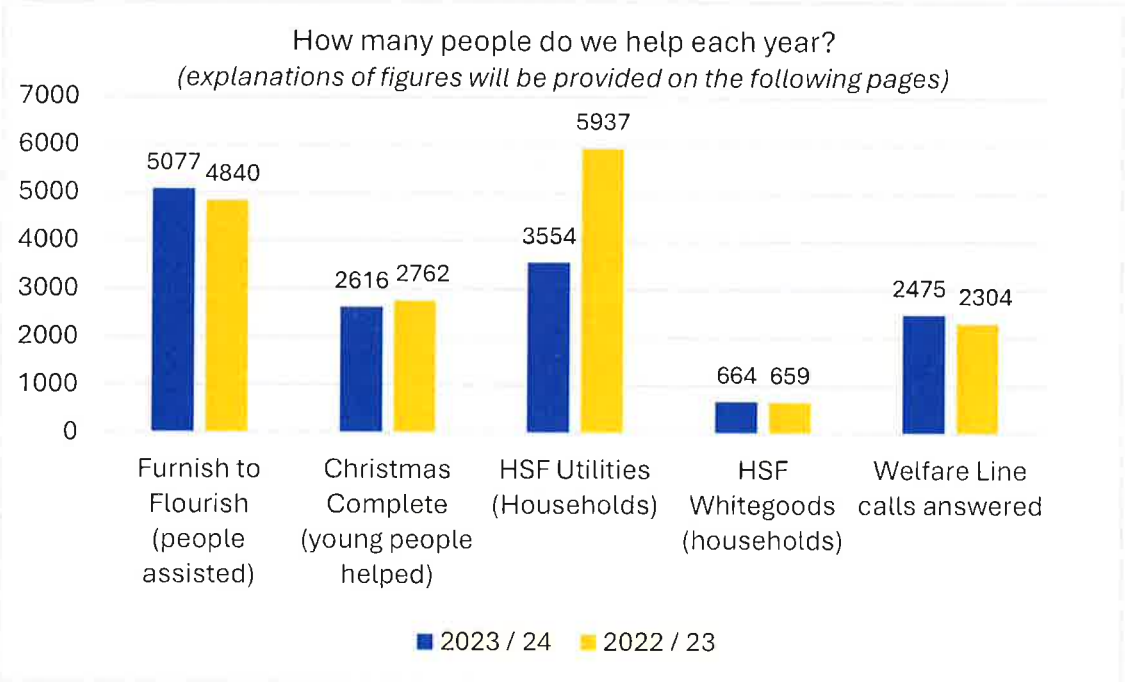
SCRATCH has been in existence for nearly a quarter of a century. During that time, no matter what the national or world political and economic situation has been, the need for our services hasn't diminished—in fact, it's grown. What hasn't changed is our determination to help those local families and individuals in hardship. To the best of our ability and with the highest regard for both their dignity and the quality of the services we provide.

I wrote last year about the way that serving those who need us brings the news headlines very close: we hear stories from clients and volunteers that would break your hearts. They make us even more determined to carry on the work that we do.

However, we couldn't do any of this without our staff and volunteers and—of course—our supporters. There are so many individuals, companies and funding bodies whose generosity means we can do things like delivering bunk beds to families whose children are having to share a bed, kitting out a home for a homeless family going into permanent accommodation, or ensuring that a child living in a women's refuge gets a bundle of presents on Christmas morning... and so much more.

We thank all our supporters and hope to continue working with them for many years to come. As long as there's a need, SCRATCH hopes to be there to answer it.

Ann Laird (Chair of the Board of Trustees)



SENIOR MANAGEMENT REPORT

As SCRATCH enters the 25th year of our existence it is good to look back at what has been achieved both in the last year and previous years. From very humble beginnings when we incorporated in 1999 to date, we have approached each year with the same objective in mind: to relieve the effects of poverty for families or individuals referred to us who are experiencing financial hardship. It is testament to the hard work and commitment of staff and volunteers alike that we have managed to impact so many lives in a positive way, setting people up to face the future from a comfortable home environment.

This year, as every year, we are indebted to the many volunteers who give their time freely in order to assist us in our mission, we have volunteers from 17 – 70 years of age, from all backgrounds and many nationalities who all contribute to the flavour of the SCRATCH community. Over the years we have been joined by thousands of volunteers, all of whom have contributed to our work and served the community in one way or another.

Since 1999 when we were based in a small office in Shirley and a collection of old barns in Nursling, we have moved our headquarters 3 times and are now well and truly settled in our base in Northam where we have been for the past 10 years and have recently extended our lease for a further 10 years until February 2034. In light of this, we have started a programme of improvements to future proof the premises for the remainder of the lease.

As with all small charities it is very important for us to balance the books, ensuring we have enough cashflow to run the business on a day-to-day basis as well as cover the larger expenses, we are happy to report that SCRATCH is in a healthy financial position due to good levels of funding, generous donations and service level agreements with councils and housing associations throughout the county. My thanks to all who have helped us get here.

Mike Smith – Senior Manager (Operations)
Annette Davis – Senior Manager (Resources)

FURNISH TO FLOURISH
(Previously known as Dorcas Project)

This project has again provided a lifeline to so many people who are in furniture poverty for a variety of reasons. Many are moving into permanent accommodation following periods of homelessness (be that street homeless, sofa surfing or temporary housing). Others cannot afford to purchase the items they need – often a bed. It is good to know that lots of children across Hampshire no longer have to sleep on the floor and as a result their school attainment has improved.

We have noticed this year an increase in referrals for single older people (60 plus) although we have no knowledge of why this might be.

Everyone who is helped with furniture and household items through this project is referred by one of our trusted referral agencies (health visitors, schools, housing associations, local authorities – to name just a few). This

In the year ending March 2024, we have made 2243 deliveries, helping 2890 adults and 2187 children, an increase of nearly 5% from the previous year

helps to ensure that there is a genuine need and avoids the need for us to assess clients which would delay delivery and increase our operating costs.

Below are a couple of recent comments from a grateful client and referral agency: -

Thanks to SCRATCH, I have been able to furnish my flat and I am so happy with the items that you provided. I spoke to Becky to arrange this and I would like to thank her for her assistance. Everything is in great condition and I still can't believe how great my flat looks. A huge thank you to all for this assistance.

I just wanted to drop you a line to say thank you for supplying my clients with a bed settee and recliner chair. I took a call from them yesterday and they are absolutely thrilled with the items. They couldn't stop saying how pleased they were with the delivery from yourselves and how respectfully they were treated by the delivery men.

And from a kind donor: -

Thank you so much for collecting our sofas. Two polite, friendly guys came as stated and removed them as requested. Excellent service and we hope someone will be able to make use of them.

We are so grateful to everyone who donates – from beds and wardrobes to saucepans and teaspoons. These are all vital in providing the essentials that people need to set up home when they have little or nothing.

A DAY IN THE LIFE OF A FURNISH TO FLOURISH DRIVER

I arrive at the warehouse by 8am, check the van, see if there are any updates from the office for the day's tasks. I have a coffee, catch up with other members of staff and await the arrival of the volunteers. We head off at approx. 8.30am to various areas in Hampshire. Depending on the area we are going to we try to make our deliveries first so that we have an empty van for the collections. We never know what we will find when we arrive at our destination, but we certainly meet a variety of people along the way, the majority of whom are very happy to see us and are pleased with what we deliver, which will help them in the next step of their lives.

We return to the warehouse late morning to off load the collections, to re stock the van (appropriate items having already been selected by the warehouse volunteers), swap volunteers, hand in paperwork to the office, check that there are no amendments for the afternoon's schedule and start all over again. Prior to departing, I try and phone all clients and donors to give them an estimated arrival time and to ensure that they will be at home.

When we return at the end of the day, we unload and reload ready for the next session, and I will then try and contact those that we will be visiting in the morning. The final paperwork is handed to the office with a check that there are no changes for the next day.

There is so much satisfaction when we see the stress being released from faces when we deliver a washing machine or a package of furniture. Donors are also grateful to know that their furniture is going to help those in need and isn't ending up in landfill.

No two days are the same!

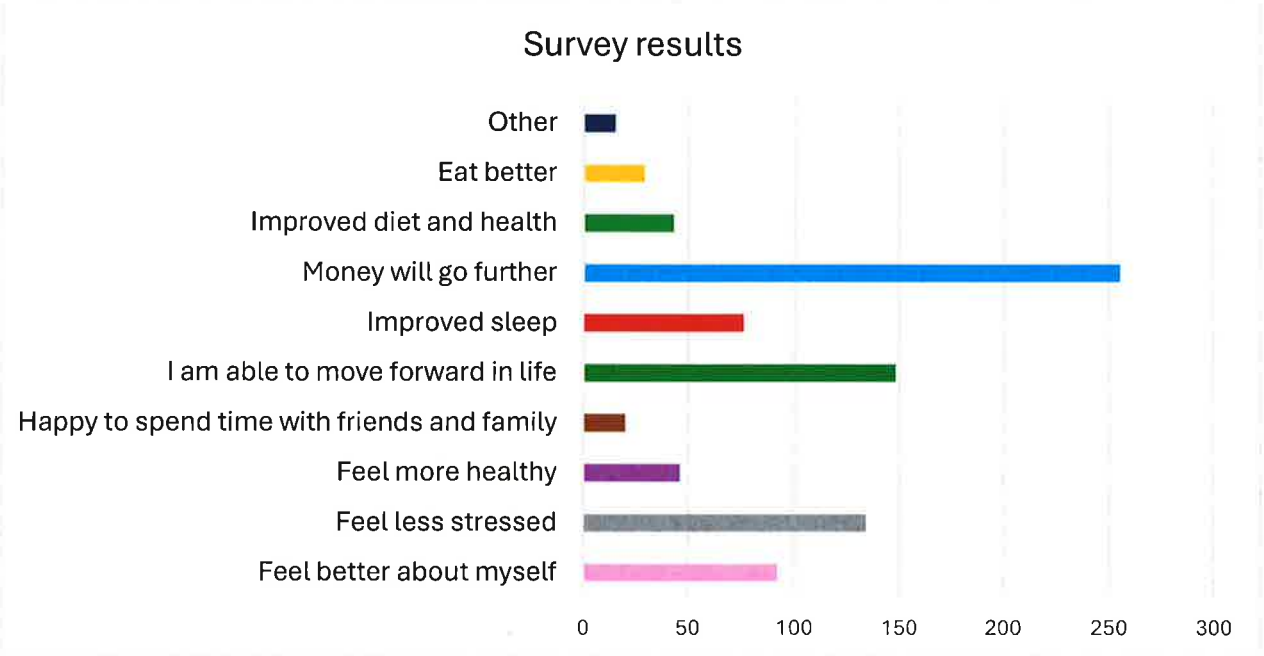
I enjoy working with a variety of volunteers, and it is great to see their progression as their time with us goes on – whether that is an improvement in the language or their ability to work with other people. *Ian*

During the year we started to carry out a satisfaction survey at the point of delivery (relating to both Furnish to Flourish and White Goods delivered under the Household Support Fund).

The following is a breakdown of what was being delivered for those who responded: -

- Full furniture package 161
- Bed 55
- Fridge Freezer 42
- Washing Machine 67
- Cooker 68
- Other 48

The chart below shows how recipients felt the delivery would help them.



The average rating on deliveries was 5 star.

Whilst the project staff, volunteers and two vans are mostly engaged in the collection and delivery of furniture, we are pleased to offer a removals service for people needing to move house in emergency situations. During the year we helped 33 households (29 in the previous year) for Winchester City Council and 4 for other organisations.

DISCRETIONARY FUND AND WELFARE LINE

SCRATCH has had another busy year operating the Welfare Line (a direct access and advice and signposting phone service – with many people needing referrals through to the local food banks) with more calls answered this year. People experience food poverty for a variety of reasons and from many different household types and often it is single adult males who are unable to work due to mental health issues who find themselves short of food.

The vast majority of calls relate to the cost of living and young families in particular are really struggling to meet the increased costs as well as buying nappies and food for their children.

We have also continued to assist Southampton City Council (SCC) in delivering elements of the Household Support Fund (Government Funding) by providing utility top-up vouchers and / or new White Goods to Southampton residents who meet strict criteria.

As you will see from page 2, the number of utility vouchers issued has decreased this year. This is in no way a reflection of the level of need, but rather a restriction placed on how often we can help the same household as SCC are seeking to provide more assistance to more people across more organisations with the same amount of money.

We have also continued to assist the Footprint Trust, based on the Isle of Wight, with utility top-up vouchers.

The number of White Good deliveries has increased slightly, despite similar restrictions being implemented. It has been great to help individuals and families with appliances who would otherwise struggle to purchase even secondhand items. Below are a couple of comments from grateful clients.

- *Thank you so much. The washing machine has made my day, it came at just the right time and the guys were lovely.*
- *Having a cooker means that I can cook and eat proper meals and try to stay healthy*
- *Having a cooker has made life so much easier having 3 children. It was impossible to feed them properly with just a small microwave.*

CHRISTMAS COMPLETE

This project is designed to provide toys and gifts for children and young people who otherwise might go without presents to open on Christmas Day. Like all of our projects, referrals come from our trusted agencies to ensure that there is a genuine need. All referrals are carefully checked to ensure that no duplicate requests slip through. The vast majority of parcels are delivered directly to the families, as far afield as Basingstoke and Aldershot. Others are delivered to or collected by the referral agents for them to distribute to their clients.

As the number of individuals helped has risen over the last few years, we decided that we needed to come to an arrangement with Southampton City Council, who run their own scheme primarily for children in care as well as their various departments, to ensure that there was no duplication. So, for the first time we agreed not to accept SCC department referrals which resulted in a slight decrease in numbers making the project slightly more manageable for us. A total of 2616 children and young people received a parcel containing 7 or 8 gifts.

As always, we are so grateful to the many churches, organisations, businesses and individuals who donate toys and gifts and for the financial donations that enable us to purchase items for the age groups we always have shortages for (babies and 12 years plus). As well as the many volunteers who give their time to sort, pick and pack to ensure that the best possible selection is made for everyone referred. Without their support the project would be impossible to run.

It is lovely to receive notes of appreciation from the families and referral agencies. This shows the continued need for the project and makes all the hard work worthwhile.

I wanted to send a huge thank you to all the amazing staff at SCRATCH for the Xmas gifts kindly delivered to our families. I have been asked to pass on thanks from several families who were overwhelmed and delighted to receive the gifts for their children. This has really made a difference to children who may not have been so fortunate.

- *I can't tell you how much weight has been lifted! My children are going to be so happy on Christmas day. After two friendly happy guys dropped of boxes to my door, I opened to find a choice of gifts and treats. My son is into his sports and there's a whole range for him to choose from. My daughter will enjoy the books and spa products. As well as a few treats for myself to enjoy over the festive period. It really has taken away the sleepless nights of worry.*
- *I want to extend my gratitude for the incredible work your Christmas project has done in bringing joy and relief to our families. Your efforts have made a significant impact, especially for those who were concerned about providing presents for their children this Christmas.*
- *I would like to express my deep gratitude for the delightful surprise I received yesterday in the form of a box of gifts for my son. The generosity and care shown by everyone involved*

in this gesture did not go unnoticed. Each item in the box was received with great appreciation, and I am sure my son will be touched when opening the presents.

- *On behalf of myself and my family, I wish to express my profound gratitude for the wonderful Christmas package I received.*

COMMUNITY REPAINT

Community repaint remains a valuable if small part of the work we do at SCRATCH. My thanks go to Rob (volunteer) who diligently accepts, mixes and tests all arrivals of paint, storing in colour and type order to simplify the client experience and ensuring everyone gets the type and colour of paint they require. Repaint is such a simple project, taking excess paint from manufacturers and retailers and distributing free of charge to referred clients and for a donation to community groups, ensuring homes and community spaces are made into more pleasant environments for those who use them.

In 2023/24 we supplied 147 individuals and 21 community groups with a combined total of 6,444 litres of paint. This year we collected slightly less than we delivered but even so some 6,300 litres of paint was diverted from the waste stream and made available to clients and groups alike. Repaint Southampton, operated by SCRATCH, has been running for more than 20 years over which time approximately 140,000 litres of paint has been collected and redistributed, enough to paint 7,000 three bedroom homes.

VOLUNTEERING

Following a fruitful 5 years at SCRATCH, Polly Burton retired from the role of Volunteer Manager in December 2023. Polly worked hard to make SCRATCH an even more welcoming and supportive place for volunteers, and I hope to continue this legacy and further develop some of her projects such as the SCRATCH wellbeing garden. The year ahead will also involve going through a renewal process for the Investing in Volunteers accreditation, the UK quality standard for good practice in volunteer management.

Over the last year we have continued to deepen links with referral agents which support asylum seekers and refugees in the city such as Southampton and Winchester Visitors Group (SWVG) and CLEAR, and through attendance at the Southampton Sanctuary Network meetings. SCRATCH was given a presentation slot at SWVG's March meeting, through which I was able to highlight SCRATCH's work to SWVG's leaders and recruit some more asylum-seeking volunteers. The asylum seekers are a huge asset to SCRATCH and greatly value the opportunity to keep busy and give back, as well as improving their English and getting to know the local area and community. Our administrative volunteers have been helpful in translating our various volunteer materials into different key languages. However, we have seen many volunteers moved by the Home Office onto other cities at little to no notice, and almost all in this situation have reported back that they miss volunteering at SCRATCH. It is truly humbling to witness the challenges these and many of our other volunteers continue to face.

One of our volunteers was fortunate enough to receive leave to remain in the UK at Christmas time, and we have helped him find work through a local Christian-run landscaping company and have also supported him as he sets up his own joinery and carpentry business. He has settled into a rented flat with a British friend and has not had to claim a penny of Universal Credit! When asked to describe his asylum-seeking journey, he said: "First of all, I had an invitation from people here: a charity called SWVG. They linked me to Above Bar Church, and also they supported me. Above Bar Church and SWVG linked me to SCRATCH charity, who moved me to the next step, which is self-employment work and paid landscaping work. All these local communities helped me find my flat and have a good life."

Other referral agencies we work with include local brain injury charities, the Probation service, homeless charities Two Saints and the Society of St James and Southampton City Council's Employment teams. We also have several retirees who bring a strong nurturing element to our community and prove that staying active through volunteering is the way to stay young at heart.

One of our neurodiverse volunteers who was referred to us this year by the DWP informed us that after just one month of volunteering with us, his family had commented that he appeared more confident, which is not something he had ever been told before. This volunteer has continued to push himself out of his comfort zone, trying out different roles within SCRATCH and is surprising himself with the tasks he is able to complete.

Here are some of the comments from our volunteers, which highlight the sense of community at SCRATCH:

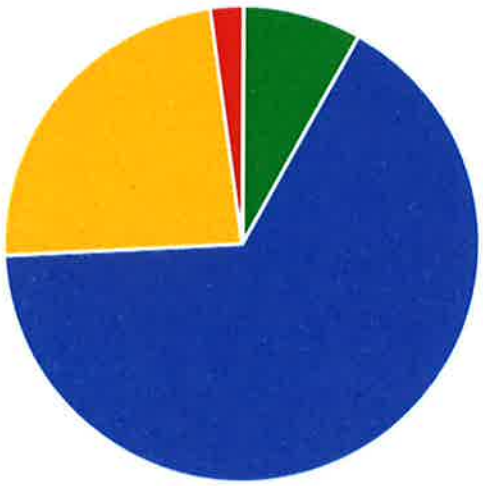
- *SCRATCH is a great organisation and is very supportive to its volunteers.*
- *I enjoy coming here for the people and the community.*
- *I am thankful for the help scratch has given me and I like having the opportunity to help the community.*
- *I am a member of a good family that would help me in any situation.*
- *I can feel that I'm doing something of use for the community. And doing something positive that is physical, and a change of environment.*
- *There is a real sense of community in SCRATCH, which I find really useful. I enjoy meeting people from different cultures and backgrounds.*

Lizzie Osborne – Volunteer Manager

FINANCE

Our turnover for the year was £1.1M, giving us an operating surplus of £53K. The tables below shown the breakdown of our income and expenditure.

Income



Donations Grants Furnish to Florish Other

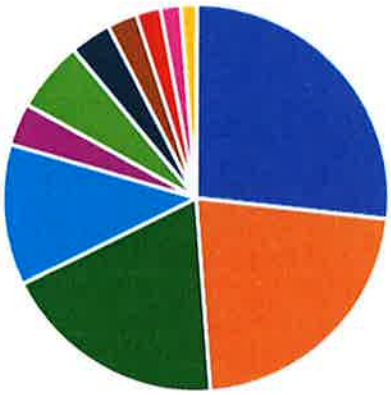
Donations – includes fundraising activities and gift aid

Grants – includes Household Support Fund (HSF) and National Lottery Community Fund

Furnish to Flourish – includes the sale of white goods to organisations outside of HSF

Other – bank interest and e-bay sales

Expenditure



Salaries
White Goods
Vehicle costs
Fundraising
Volunteer Support
Other
Utility Top-ups
Premises
Furniture purchases
Office costs
Christmas Complete

Volunteer Support – includes expenses, PPE / Uniform, training and social events

Other – loan repayments, accountancy fees, bank charges, refreshments and cleaning

GOVERNANCE

The SCRATCH board of trustees operates under the charity's Articles of Association. New trustees are recruited via notification of vacancies, for example on our mailing list, our website, word of mouth etc: prospective candidates apply via a statement of interest stating why they want to join the board and what they will bring to it. They are interviewed by the existing trustees and—if successful—appointed at the next meeting. Induction is initially conducted by the chair who introduces new trustees to the building, the team, and relevant documents. followed by attendance at a SCRATCH Induction session. The development of trustees is important, no matter how experienced they are: training needs for board members are identified via skills audits, at strategy days or as new developments require. These needs are addressed by online courses or by attendance at SCRATCH employee training (eg. for safeguarding).

Trustees make strategic decisions, such as key objectives and deliverables, staffing structure and long-term operating premises requirements. Senior Managers—Annette Davis and Mike Smith—make day-to-day operational decisions following delegated levels of authority guidelines, with reference to board members when required. The Board of Trustees undertakes an annual review of salaries and wages for all staff, including senior managers, in accordance with the SCRATCH pay policy: any pay increase, if awarded, is not performance based, although employees undergo appraisals for development.

SCRATCH trustees work with regard to the latest Charity Commission guidance, for example on public benefit. We consider that our object - The relief of the effects of poverty for individuals and families in the City of Southampton and Central Southern England - passes the "public benefit test" because the outworking of this is the provision of furniture packs, white goods and utilities top ups, for which referrals are made by public sector agencies and other charities, All SCRATCH's other activities are also aimed at public benefit and trustees are confident that every project remains in line with our core purpose, as each project provides tangible services such as goods, advice, or volunteering opportunities and development. As the opportunity for new work arises, for example delivering services for Southampton City Council, we assess whether it's a good fit for what we already do and whether it's in line with our purposes.
All existing projects are monitored in terms of metrics: numbers of clients helped, amounts and quality of goods provided, speed of response to referrals, etc. Surveys are carried out to obtain feedback on specific areas, such as referral agents' views on our services, or how volunteers have benefitted from their experiences. Some of the most valuable information about how well we're doing comes in the comments from those we've helped.

FUNDRAISING

As well as providing paid for services for local authorities, SCRATCH also raises money using a range of methods, including direct interactions with funders, churches and businesses. It employs a professional fundraising company, Competitive Solutions Ltd, which is a member of the Chartered Institute of Fundraising, and which focuses, on our behalf, on approaching funding institutions such as The National Lottery. SCRATCH Senior Managers and Trustees hold a monthly virtual meeting with CSL staff to monitor existing fundraising bids and plan future ones: both sides work together to ensure that all proposed approaches to funders contain an accurate depiction of SCRATCH's activities and needs, while remaining securely in line with the charity's aims.
In the year 2023/24, professional fundraising costs were £33,198 and a total of £127,606 was raised.

SCRATCH's fundraising strategy does *not* involve methods where individuals are approached by phone, on the doorstep or in the street. Appeals—particularly for donations of goods—can be made via social media or our mailing list, but these are general and not targeted at individuals. There have been no complaints to us concerning fundraising.

FUTURE PLANS

The board holds an annual strategy event: at the most recent meeting it was decided—in the short term—to concentrate on the existing projects for providing relief for families and individuals in hardship, rather than take on new ventures which might stretch our resources or be less closely linked to our aims. Close collaboration with partners such as Southampton City Council and delivery of the key projects Furnish-to-Flourish, Discretionary Fund, Welfare Line and Christmas Complete will remain our core activity.
The Trustees review risks at every board meeting (usually six per year). The principal risk/uncertainty for SCRATCH has always concerned financial viability and for many years the charity lived a hand to mouth existence. To this end we have again contracted CSL, a professional fundraising company, to secure ongoing core funding for our projects. This was successful in the first two years of working together, especially in terms of National Lottery funding. However, as there is no guarantee that major income—such as the National Lottery grant or the Household Support Fund—will continue every year, we have also built up our reserves so that we can still deliver all our projects while we seek alternative funding streams.

Admin details – include names and addresses of:

a. Auditor Knight Goodhead Limited, 7 Bournemouth Road, Chandler's Ford, Eastleigh, Hampshire SO53 3DA

b. Banks: -

- Co-operative bank: P.O. Box 250, Delf House, Southway, Skelmersdale, WN8 6WT
- CAF: 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ
- Flagstone: 1st Floor, Clareville House 26-27 Oxendon Street London SW1Y 4EL

RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with 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).

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 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;

- make judgements and accounting 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 business.

The trustees are responsible for maintaining proper accounting records which 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 auditors are 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 auditors are 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.

FINANCIAL REVIEW

The total income for the year was £1,094,723.
The total expenditure was £1,041,848.
The total funds at the year-end were £584,388, of which General Funds make up £412,723.

The Trustees' policy is that SCRATCH should hold sufficient reserves to allow it to continue operating even if there were to be a significant reduction in the level of giving and an increase in demand for its activities. The reserves policy has been revisited to cover the various operating costs which are involved in delivering our projects.

We continue to be grateful to various grant-making bodies and to the people of Southampton for their generous support for SCRATCH's poverty relief activities, a result of which 2023-24 saw an operating surplus. Reserves are therefore currently in excess of the minimum needed. However, SCRATCH will still need to raise significant ongoing funding in order for its expanded activities to be sustainable in the medium term and the reserves we carry give a window of opportunity in which to obtain this. The level of new funding that will be forthcoming is uncertain, but projections indicate that SCRATCH will use much of its current reserves in supporting its projects during the period in which the additional funding is being sought.

Approved by the board of trustees and signed on its behalf by:

Ann Laird ANN LAIRD

Trustee

Dated: 11/11/24

Board of Directors

Ann Laird (Chair)	David Bartlett
Nicholas Warn	Robert Davis

Staff team as at 31 March 2024

Mike Smith – Senior Manager (Operations)

Annette Davis – Senior Manager (Resources)

Ian Dowdell – Furniture Manager

Paul Williams – Driver

Ian Arnold – Driver

Lizzie Osborne – Volunteer Manager

Lucy Taylor – Welfare Information Officer *

Kelly Beck – Welfare Information Officer *

Natasha Davis – Welfare Information Officer *

Lydia Roberts – Welfare Information Officer *

Becci Gough – Receptionist (part time)

* *job share*

SUPPORTED BY: -

Supported by

SCRATCH, 33 Mount Pleasant Industrial Estate, Southampton, SO14 0SP
Tel: 023 8077 3132 e-mail: reception@scratchcharity.co.uk www.scratchcharity.co.uk
Southampton City and Region Action to Combat Hardship is registered as a Limited Company, Number 03830305 Registered in Cardiff

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

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

Opinion

We have audited the financial statements of Southampton City and Region Action to Combat Hardship for the year ended 31 March 2024, which comprise the Statement of Financial Activities, Balance Sheet, Cashflow Statement and the related notes. 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 to 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 2024, and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of 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 Charity 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the company's 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 Trustees' Annual Report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the Annual Report, the trustees 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 they 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

We identified the laws and regulations applicable to the charitable company through discussions with trustees and other management and we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

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

To address the risk of fraud through management bias and override of controls, we performed analytical procedures to identify any unusual or unexpected relationships, tested journal entries to identify unusual transactions and investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

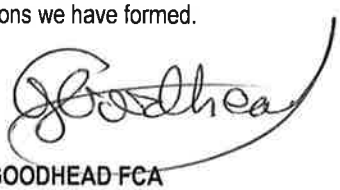
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Knight Goodhead Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Use of our report

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's members as a body, for our audit work, for this report, or for the opinions we have formed.



CJ GOODHEAD FCA **Dated:** 11 November 2024

Senior Statutory Auditor

Knight Goodhead Limited

Chartered Accountants and Statutory Auditors

7 Bournemouth Road, Chandler's Ford, Eastleigh, Hampshire, SO53 3DA

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2024 (including Income and expenditure account)

	Notes	Restricted funds £	Unrestricted funds £	2024 Total funds £	2023 Total funds £
INCOME					
Donations and legacies	3	59,355	58,290	117,645	151,469
Charitable activities	4	698,109	238,774	936,883	1,133,979
Fundraising income		-	28,908	28,908	28,501
Trading income	5	-	2,042	2,042	4,747
Other income			-	-	23
		757,464	328,014	1,085,478	1,318,719
Investment income		-	9,245	9,245	263
TOTAL INCOME		**757,464**	**337,259**	**1,094,723**	**1,318,982**
EXPENDITURE					
Charitable activities	6	756,502	285,346	1,041,848	1,131,814
TOTAL EXPENDITURE		**756,502**	**285,346**	**1,041,848**	**1,131,814**
NET INCOME FOR THE YEAR	7	**962**	**51,913**	**52,875**	**187,168**
Transfers between funds	14,15	(51,866)	51,866	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		**(50,904)**	**103,779**	**52,875**	**187,168**
FUNDS AT 1 APRIL 2023		222,569	308,944	531,513	344,345
FUNDS AT 31 MARCH 2024		**171,665**	**412,723**	**584,388**	**531,513**

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in notes 14 and 15 to the financial statements.

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

(Company limited by guarantee and not having a share capital) **COMPANY NUMBER: 3830305**

BALANCE SHEET AS AT 31 MARCH 2024

	Notes	2024 £	2024 £	2023 £	2023 £
FIXED ASSETS					
Tangible assets	10		39,432		41,413
CURRENT ASSETS					
Stock		8,825		6,248	
Debtors	11	185,206		199,747	
Cash at bank and in hand		414,411		365,831	
		608,442		571,826	
CREDITORS: amounts falling due within one year	12	(42,697)		(43,023)	
NET CURRENT ASSETS			565,745		528,803
CREDITORS: amounts falling due in more than one year			(20,789)		(38,703)
NET ASSETS	16		584,388		531,513
FUNDS					
Restricted funds	14		171,665		222,569
Unrestricted funds					
General funds	15		412,723		308,944
Designated funds	15		-		-
TOTAL FUNDS			584,388		531,513

These accounts have been prepared in accordance with the special provisions of the Companies Act 2006 and FRS 102 relating to small entities.

Approved by the board of trustees on 11 November 2024
and signed on its behalf by

Trustee

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

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

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES	1	74,527	367,178
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		9,245	263
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowing		(20,026)	(22,543)
Interest paid		(2,237)	(2,536)
Increase in loan finance		-	-
Fixed asset additions		(12,929)	-
NET CASH FLOW		48,580	342,362
Change in cash and cash equivalents in the period		48,580	342,362
Cash and cash equivalent at start of the period		365,831	23,469
Cash and cash equivalents at the end of the period	2	414,411	365,831

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

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

NOTES TO THE CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

1 RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024	2023
	£	£
Net movement in funds for the period	52,875	187,168
Interest received	(9,245)	(263)
Depreciation	14,910	13,804
Profit on disposal	-	-
Decrease/(increase) in stock	(2,577)	11,152
Decrease/(increase) in debtors	14,541	140,895
(Decrease)/increase in creditors	4,023	14,422
Net cash flow from operating activities	74,527	367,178

2 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024	2023
	£	£
Cash at bank and in hand	414,411	365,831

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2023	Cash flows	Other non-cash changes	At 31 March 2024
Cash at bank and in hand	365,831	48,580	-	414,411
Debt due within one year	(22,214)	23,902	(19,553)	(17,865)
Debt due after one year	(38,703)	-	17,914	(20,789)
	304,914	72,482	(1,639)	375,757

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

1 ACCOUNTING POLICIES

a) Accounting convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (second edition - October 2019) and the Companies Act 2006.

The charity meets the definition of the public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The accounts have been prepared on the going concern basis. There are no material uncertainties about the charity's ability to continue.

b) Income

Donations and legacies are received by way of donations and gifts and is included in full in the statement of financial activities when received.

Revenue grants are shown in the Statement of Financial Activities in the year to which they relate and when the conditions of receipt have been complied with. Where the grant has to be matched to a different period the deferred element is deducted from incoming resources and carried forward in creditors.

Legacies are accounted for in the Statement of Financial Activities when receipt is probable, and their value can be measured with sufficient reliability.

c) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred.

Voluntary income costs and trading costs comprise the costs associated with attracting voluntary income and the costs of fundraising and trading.

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. Cost related to a particular activity are allocated directly, others are apportioned on an appropriate basis.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

1 ACCOUNTING POLICIES (CONTINUED)

d) Operating leases

Rentals paid under operating leases are taken to the Statement of Financial Activities on a straight line basis over the lease term.

e) Tangible fixed assets

Assets that cost more than £500 are capitalised at cost price. Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value of the tangible assets over their estimated useful lives:

Leasehold improvements	25% straight line
Motor vehicles	25% reducing balance
Plant and machinery	25% reducing balance
Computer equipment	33% straight line

f) Stock

Stocks held at the year end for distribution are stated at fair value. Donated stock is not valued but recognised in income and expenditure when the item is distributed.

g) Funds

Unrestricted funds are donations and other incoming resources receivable or generated for charitable purposes.

Restricted funds represent grants and donations which are allocated by the donor for specific purposes. Expenditure which meets these criteria is charged to the appropriate fund.

h) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

i) Donated goods

The value to the charity of donated goods are recognised in donations when the item is distributed, with an equivalent amount recognised as charitable expenditure.

2 LEGAL STATUS

The charity is a company limited by guarantee and has no share capital. The charitable company was incorporated on 23 August 1999 in the United Kingdom and was registered on 24 November 1999 with the Charity Commission in England and Wales. The charity is a public benefit entity.

The registered office of the charitable company is Unit 33 Mount Pleasant Industrial Estate, Mount Pleasant Road, Southampton, SO14 0SP.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

3 DONATIONS AND LEGACIES

	Restricted funds £	Unrestricted funds £	2024 Total £	2023 Total £
Donations and similar income				
Gift aided donations	-	30,102	30,102	32,352
Non gift aided donations	2,841	20,620	23,461	27,823
Gift aid recoverable	-	7,568	7,568	7,569
Donated goods for Furnish to Flourish	56,514	-	56,514	83,725
	59,355	58,290	117,645	151,469

4 CHARITABLE ACTIVITIES INCOME

Grants and contracts	698,109	33,500	731,609	961,274
Furniture charges	-	145,195	145,195	114,653
White goods charges	-	46,847	46,847	43,018
Removal charges	-	10,173	10,173	11,540
Delivery charges	-	3,059	3,059	3,494
	698,109	238,774	936,883	1,133,979

5 TRADING INCOME

Pallet furniture sales	-	100	100	150
Shop sales	-	1,942	1,942	4,597
	-	2,042	2,042	4,747

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

6 EXPENDITURE	Restricted funds	Unrestricted funds	Total 2024	Total 2023
	£	£	£	£
COSTS DIRECTLY ALLOCATED TO ACTIVITIES				
Wages and salaries	237,835	37,958	275,793	254,588
Donated furniture costs	56,514	-	56,514	83,725
Fundraising costs	-	33,198	33,198	57,305
Basic package equipment, beds and microwaves	59,685	-	59,685	30,928
Electric top up	227,105	-	227,105	374,931
White goods purchases	172,654	-	172,654	153,180
Christmas expenses	2,709	14,769	17,478	19,262
Motor expenses	-	26,326	26,326	25,874
	756,502	112,251	868,753	999,793
SUPPORT COSTS ALLOCATED TO ACTIVITIES				
Rent	-	47,280	47,280	48,570
Water and rates	-	8,027	8,027	8,481
Insurance	-	12,123	12,123	4,176
Light and heat	-	17,389	17,389	9,602
Repairs and maintenance	-	14,802	14,802	12,480
Office costs	-	2,194	2,194	1,523
PPS	-	7,832	7,832	10,209
IT costs	-	8,185	8,185	1,778
Accountancy	-	8,441	8,441	8,798
Legal and professional	-	7,000	7,000	-
Travel and subsistence	-	15,148	15,148	5,798
Training costs	-	5,842	5,842	3,022
Sundry	-	35	35	135
Interest charges	-	2,237	2,237	2,536
Bank/card charges	-	1,650	1,650	1,109
Depreciation	-	14,910	14,910	13,804
	-	173,095	173,095	132,021
TOTAL EXPENDITURE	756,502	285,346	1,041,848	1,131,814

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

7 NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2024	2023
	£	£
Depreciation	14,910	13,804
Independent examination fee	-	2,538
Auditors' remuneration:		
- audit	5,300	5,000
- other services	3,141	1,260

8 EMPLOYED STAFF COSTS AND NUMBERS

Employed staff costs were as follows:	2024	2023
	£	£
Salaries and wages	251,852	231,328
Social security costs	15,827	15,372
Pension	8,114	7,888
	275,793	254,588

No employee earned more than £60,000 during this or the prior year.

At the year end there were outstanding pension contributions payable of £1,463 (2023: £1,484). Total pension contributions of £6,914 (2023: £7,888) were paid by the charity and are included in the SOFA.

Key management comprises two individuals who were paid a total of £75,235 (2023: £79,131 to two individuals).

The average weekly number of employees during the year was as follows:

	2024	2023
	No.	No.
Employees	11	11

9 TAXATION

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

10 TANGIBLE FIXED ASSETS

	Leasehold improvements £	Computer equipment £	Motor vehicles £	Plant and machinery £	Total £
COST OR VALUATION					
At 1 April 2023	-	11,072	72,268	27,369	110,709
Additions in year	2,410	9,024	-	1,495	12,929
At 31 March 2024	2,410	20,096	72,268	28,864	123,638
DEPRECIATION					
At 1 April 2023	-	10,310	31,617	27,369	69,296
Charge for the year	603	3,771	10,163	374	14,910
At 31 March 2024	603	14,081	41,780	27,743	84,206
NET BOOK VALUE					
At 31 March 2024	1,807	6,016	30,488	1,121	39,432
At 1 April 2023	-	762	40,651	-	41,413

11 DEBTORS

	2024 £	2023 £
Trade debtors	73,426	109,206
Prepayments and accrued income	38,324	23,880
VAT recoverable	6,483	-
Other debtors	66,974	66,661
	185,206	199,747

12 CREDITORS: amounts falling due within one year

	2024 £	2023 £
Trade creditors	5,984	8,988
Other taxation and social security	4,365	4,077
Bank loans	17,865	22,214
Accruals and deferred income	13,020	6,260
Other creditors	1,463	1,484
	42,697	43,023

Included within bank loans is £7,833 relating to vehicles under a hire purchase agreement. The loan is secured on this asset.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

13 CREDITORS: amounts falling due in more than one year

	2024	2023
	£	£
Bank loans	20,789	38,703

14 RESTRICTED FUNDS

	At 1 April 2023	Income	Expenditure	Transfers	At 31 March 2024
	£	£	£	£	£
Household Support Fund	222,569	518,658	(517,696)	(51,866)	171,665
Furnish to Flourish (Dorcas Project)	-	88,492	(88,492)	-	-
Christmas Complete	-	2,709	(2,709)	-	-
National Lottery - Furnish to Flourish	-	127,605	(127,605)	-	-
Welfare Support Project	-	20,000	(20,000)	-	-
	222,569	757,464	(756,502)	(51,866)	171,665

Purposes of restricted funds

Household Support Fund
Provision of a referral processing hub for the Southampton Household Support Fund.

Furnish to Flourish (Dorcas Project)
Provides good quality furniture and household items

Christmas Complete
Provides toys and gifts for children and young people who otherwise might go without presents

National Lottery - Furnish to Flourish
Specific funding provided by the National Lottery to help provide furniture and household items.

Welfare Support Project
Provision of a welfare line and referral hub including the sourcing of items and administration of the Local welfare Provision Discretionary Fund.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

15 UNRESTRICTED FUNDS

	At 1 April 2023 £	Income £	Expenditure £	Transfers £	At 31 March 2024 £
General funds	308,944	337,259	(285,346)	51,866	412,723
Total unrestricted funds	308,944	337,259	(285,346)	51,866	412,723

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Year ended 31 March 2024	Restricted funds £	General funds £	Total funds £
Tangible fixed assets	-	39,432	39,432
Stock	-	8,825	8,825
Debtors	132,832	52,374	185,206
Cash at bank and in hand	47,821	366,590	414,411
Creditors	(8,988)	(33,709)	(42,697)
Creditors falling due in more than one year	-	(20,789)	(20,789)
NET ASSETS	171,665	412,723	584,388

Year ended 31 March 2023	Restricted funds £	General funds £	Total funds £
Tangible fixed assets	-	41,413	41,413
Stock	-	6,248	6,248
Current assets	173,299	26,448	199,747
Cash at bank and in hand	58,258	307,573	365,831
Creditors	(8,988)	(34,035)	(43,023)
Creditors falling due in more than one year	-	(38,703)	(38,703)
NET ASSETS	222,569	308,944	531,513

17. TRUSTEE EXPENSES

None of the trustees were reimbursed expenses during this or the prior year. No trustee received any remuneration in the current or prior year.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

18. OPERATING LEASE COMMITMENTS

At 31 March 2024, the charity had total commitments under non-cancellable operating leases, due as follows:

	2024 £	2023 £
Within one year	61,490	1,490
Between one to two years	61,490	1,490
Between two and five years	170,373	1,863
	293,353	4,843

19 RELATED PARTY TRANSACTIONS

There were no related party transactions in this or the prior year.

20 DONATED GOODS

The charity receives significant donations from the public of furniture to support the Furnish to Flourish (formerly Dorcas) project. These donations have been valued at £56,514 (2023: £83,725) and are included within both income and expenditure in the Statement of Financial Activities.

21 POST BALANCE SHEET EVENTS

Post year end, HMRC confirmed that the charitable company would be awarded a VAT repayment of £180,657 relating to the period ended 30 September 2023, as a result of retrospectively registeringfor VAT.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

22 PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Restricted funds £	Unrestricted funds £	2023 Total funds £
INCOME			
Donations and legacies	89,436	62,033	151,469
Charitable activities	941,772	192,207	1,133,979
Fundraising income	-	28,501	28,501
Trading income	-	4,747	4,747
Other income	-	23	23
	1,031,208	287,511	1,318,719
Investment income	-	263	263
TOTAL INCOME	**1,031,208**	**287,774**	**1,318,982**
EXPENDITURE			
Charitable activities	862,292	269,522	1,131,814
TOTAL EXPENDITURE	**862,292**	**269,522**	**1,131,814**
NET INCOME FOR THE YEAR	**168,916**	**18,252**	**187,168**
Transfers between funds	(80,364)	80,364	-
NET MOVEMENT IN FUNDS FOR THE YEAR	**88,552**	**98,616**	**187,168**
FUNDS AT 1 APRIL 2022	134,017	210,328	344,345
FUNDS AT 31 MARCH 2023	**222,569**	**308,944**	**531,513**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

23 PRIOR YEAR FUND MOVEMENTS

RESTRICTED FUNDS	At 1 April 2022 £	Income £	Expenditure £	Transfers £	At 31 March 2023 £
Household Support Fund	134,017	803,640	(634,724)	(80,364)	222,569
Furnish to Flourish (Dorcas Project)	-	135,565	(135,565)	-	-
Christmas Complete	-	9,237	(9,237)	-	-
National Lottery - Furnish to Flourish	-	62,766	(62,766)	-	-
Welfare Support Project		20,000	(20,000)	-	
	134,017	1,031,208	(862,292)	(80,364)	222,569

UNRESTRICTED FUNDS	At 1 April 2022	Income	Expenditure	Transfers	At 31 March 2023
General funds	210,328	287,774	(269,522)	80,364	308,944
Total unrestricted funds	210,328	287,774	(269,522)	80,364	308,944

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

England & Wales - Charity number 1078344

Accounts

SCRATCH

Fighting Local Poverty

Annual Report

April 2022 to March 23

Registered Charity No. 1078344

OUR MISSION STATEMENT IS: -

To relieve the effects of poverty for families and individuals with needs recognised by approved referral agencies in Southampton and the surrounding area and to support likeminded organisations.

CHAIR'S REPORT FOR 2022 to 2023

Someone - I don't know who, but they're cleverer than I am - once said that you should work like that was the only thing that made a difference and also pray like that was the only thing that made a difference. I think that's a pretty good way for any Christian based organisation to go about its business, and it reflects both the ethos of SCRATCH and the hard work that our team of employees and volunteers has put in to serve its clients.

Every year the demand for our services seems to increase and 2022/23 was no exception. We saw an increase in clients and volunteers, with a slightly different demographic of people on both counts. When we're providing a package of furniture and bedding for a Ukrainian family or a delivery of Christmas parcels for children in an Afghan refugee family, it brings the news headlines very close to home.

Our staff and volunteers continue to be the heart and soul of the organisation. From doing their very best for our clients, to developing the outside area to make it a delightful place for people to spend breaks in, to interacting with our corporate supporters, they put their hearts and souls into everything.

But none of this would be possible without the financial support we get. From those who commission our services, such as Southampton City Council with whom we've worked successfully for years. From grant providers such as the National Lottery. From our many individual, church or corporate supporters. The vast majority of what we receive translates straight into practical help for those in hardship: a new washing machine so people can go to a job interview in clean clothes; a set of bunk beds so that children don't have to sleep on the floor so wake up refreshed; a package of toys and gifts for a footie-mad youngster who shouldn't be allowed to miss out at Christmas.

Ann, pictured right with a group of our Christmas Complete volunteers

Here's to another successful year in 2023/24.

Ann Laird, Chair

SENIOR MANAGEMENT TEAM REPORT

After many years of writing reports reflecting on the previous year's activity it would be easy to say it's business as usual but busier than ever before, that would not be untrue of this year either! As we continue to assist the neediest in society through the provision of furniture, appliances, paint, electric top up and Christmas presents - and the area we operate in continues to expand - it is fair to say that we have had our busiest ever year at SCRATCH. But that only tells half the story. As the cost-of-living crisis hits the UK it is those with the least who are hit the hardest and the services we supply become more critical than ever and can make life changing differences to some of our clients.

The biggest difference we have seen this year is in the demographic of our volunteer team. For many years we have struggled to recruit enough volunteers capable of completing the tasks required and have had to rely on an ever-decreasing pool of personnel which reduced to a critical level at the end of 21/22. Since then, we have gone truly international by recruiting many asylum seekers who are temporarily resident in Southampton, giving them a real purpose to their days and the chance to integrate and make friends whilst they await home office decisions on their futures. Our volunteer delivery team is now made up of asylum seekers 80% of the time and 100% on certain days. They have been a breath of fresh air and a real education for many of the staff team here, me included.

It is no exaggeration to say that without the assistance of these asylum seekers, offering their help without reward, despite the tragic situation they find themselves in, then SCRATCH would not have been able to continue delivering our services. I highlight this fact as so often those seeking asylum receive unfair press which can create prejudice and ill feeling against them. However, it has been my experience that, without exception, they have wholeheartedly committed to the cause of assisting others and have proven to be a huge asset to SCRATCH as I'm sure they will be if and when they gain residency and can enter the employment market and contribute fully to this country. SCRATCH and the residents of the city of Southampton whom we serve should be very grateful to them for all they bring and we cannot thank them enough for their contribution.

We are as always hugely indebted to the many volunteers, native born or migrant, who make up our workforce throughout the year. It is humbling to see the effort freely given on all our projects for the benefit of others.

As we continue to grow as an organisation, we keep hitting milestones, and while project reports will give the statistics regarding numbers of items delivered, calls taken, households visited, individuals assisted, behind all these stats are real people who need our help and are reliant on SCRATCH for basic items which many of us take for granted. All this costs and with the challenge of higher inflation it is increasingly more expensive to keep running. For the first time our turnover exceeded £1million (details in the financial report). Thank you to everyone who continues to help with financial donations, furniture, and Christmas gifts.

Mike Smith – Senior Manager (Operations)
Annette Davis – Senior Manager (Resources)

FURNISH TO FLOURISH
(previously known as DORCAS PROJECT)

This project, our longest standing, has continued throughout the year to provide a vital lifeline for so many people. Thanks to funding from the National Lottery Community Fund, we have enhanced provision through the project and changed the name to Furnish to Flourish, which better reflects what the project seeks to achieve.

COMMUNITY FUND

Some of those helped will have been in temporary accommodation and moving into permanent accommodation without the basic necessities to set up home. Others might have fled domestic abuse, been the victim of a house fire, received Leave to Remain after claiming asylum or just simply be struggling financially to provide the basic items that many of us never think twice about.

The number of deliveries has increased slightly on the year before and the delivery area continues to expand, now covering most of Hampshire with regular trips to the Portsmouth area, as well as the north of the County. Part of this increase is down to a wider network of referral agencies but also due to increased levels of need. Everyone we help must be referred by a trusted agency so that we know there is a genuine need without having to do an assessment ourselves. That would make the costs higher and delivery lead times longer.

In the year ending March 2023, we delivered to 1993 households across Hampshire (an increase of 8.5% from the previous year), helping 2601 adults and 2239 children.

One of the biggest challenges has been sourcing sufficient furniture and household items to fulfil all referrals. This is largely no doubt down to the ongoing cost of living crisis and people choosing not to replace items as often as they might have in the past. This has resulted in longer than desired waiting lists for some items and us having to use our resources to purchase new beds to meet the need.

But having said that, we have eventually fulfilled all requests, ensuring that some of the most disadvantaged households in the area now have the basic items so many of us take for granted. Thank you to everyone who has donated to us, from beds and sofas to plates and teaspoons – you are a vital part in enabling us to help local people.

Below are some recent comments from those we have been able to help: -

Thanks to SCRATCH, I have been able to furnish my flat and I am so happy with the items that you provided. Everything is in great condition and I still can't believe how great my flat looks. A huge thank you to all for this assistance.

SCRATCH has been a lifesaver. I have been sleeping on a mattress for several months. Having a new bed has been incredible.

You have really helped, taken away loads of stress and given me some hope.

My God, SCRATCH has made such a big difference. I am disabled. We had a leak in the ceiling from the toilet which ruined sofa and washing machine stared leaking when we moved. The replacements have both have been a tremendous help. Thank you so much.

And one from a grateful donor: -

Just an email to say many thanks for your help. The gentlemen collecting our furniture were brilliant and we appreciated the call to say that they were on their way. Your service has been excellent and very prompt. I wish all services were the same. SCRATCH will be top of our list when we consider disposing any more furniture.

Whilst the project staff, volunteers and two vans are mostly engaged in the collection and delivery of furniture, we are pleased to offer a removals service for people needing to move house in an emergency situations. During the year we helped 29 households for Winchester City Council, 6 for VIVID Housing, 2 for Society of St James and 5 for other organisations.

DISCRETIONARY FUND AND WELFARE LINE

SCRATCH has had another busy year operating the Welfare Line (a direct assess and advice and signposting phone service – with many people needing referrals through to the local food banks) as well as assisting Southampton City Council (SCC) in delivering elements of the Household Support Fund (Government Funding) by providing utility top-up vouchers and / or new White Goods to Southampton residents who meet strict criteria.

We have seen an increase in need as the Cost-of-Living Crisis has affected more and more people (many of whom are working). This is reflected in the huge rise in the number of people we have referred to Basics Bank for assistance with food.

In the year ending March 2023, we have: -

- Issued 8067 *(8261)* utility vouchers to 5937 households *(5409)* *
- Provided 659 *(539)* households with white goods.
- Answered 2304 calls to the Welfare Line *(1871)*
- Made 1033 referrals to Basics Bank *(400)*

Previous year's figures are shown in brackets.

**the slight drop in vouchers is due to new restrictions on how often a household could have vouchers, rather than a drop in need.*

The number of households assisted with utility top-up vouchers increased, but the number of actual vouchers issued has dropped (purely down to restrictions on how often we can help people, imposed by SCC to ensure that help is spread as widely as possible).

Some of the stories we hear from the Welfare Line bring tears to the eyes and we often feel frustrated because there is so little that we can do, other than offer a Basics Bank referral and / or providing a top-up voucher or signposting to another agency for professional debt support. However, we like to believe that a few minutes listening and talking to people can be beneficial and help them to realise that people do care and that perhaps there is light at the end of the tunnel.

We have also continued to provide utility vouchers for Hampshire County Council and Footprint Trust (based on the Isle of Wight).

During the year the Welfare Team welcomed Lydia who provided maternity cover for Natasha.

The Welfare Team – Lucy, Kelly, Natasha and Lydia

I have just been speaking to a lady who I referred to you for a washing machine. She wanted me to pass on just how grateful she is for it, has made huge difference to her and her family during a difficult time. I also wanted to say thanks myself for your quick response to her situation. Amazing work! (Health Visitor).

Could you please thank the lady who gave me the gas vouchers this morning. Thank you. I am disabled pensioner and my son is also disabled. I have numerous medical conditions as does my son. We can be warm now with your help - we have been so very cold at times.

CHRISTMAS COMPLETE

As we start plans for another project and look back on the past years, we have realized that next year is Christmas Complete's 30th birthday. The first year's project was run from the founder's home with donations from one school helping less than 50 families and has grown to a record number last year. The needs for Christmas 2023 are likely to be higher and we are planning accordingly.

Although we don't know the situation of each family referred (as the referral agencies do the assessment for us) we did learn that more working families than ever found that they needed help with presents for their children.

Without the thousands of donated toys and gifts and financial contributions from individuals, churches, businesses and organisations we could not have fulfilled all the referrals. We know that some people gave sacrificially to help ensure that no child or young person went without presents to open on Christmas day and for that we are very grateful.

As always, we really appreciate the support of so many volunteers who give their time to sort, select, package and help deliver. Many come as a work group and really appreciate the time away from the office doing something practical together. A big thank you to everyone who helped in whatever way.

Annette Davis – Project Co-ordinator

In 2022, we provided a parcel of presents to 2762 children and young people. This was an increase of 21% from the previous year.

For each individual we endeavour to provide the following: -

- 2 age relevant toys
- 2 or 3 books
- Stationery pack (colouring book, pencils, pens, sharper etc.)
- Art / craft set
- Teddy / soft toy
- Game / puzzle
- Sweets / chocolate

And wrapping paper and tape so that mum / dad / guardian can wrap the gifts. We hope that this gives them a sense of ownership and that the children will believe the presents are from their family, rather than a charity.

This list is adjusted accordingly for babies, toddlers and teenagers.

Reading some of the comments we receive certainly brings a few tears to the eye and makes all the planning and hard work worthwhile. Just a few from 2022 are shown below: -

- On Friday I was coming home and saw huge box full of toys next to my door! I couldn't believe this is for me and from who! I can't even describe how I felt, this is enormously touching and heart melting! Thank you so much! I'm so, so grateful and appreciate your kind work! This kindness is like a miracle! My daughter will be delighted when I give it to her on Christmas Day! Thank you again for your kind work!
- Yesterday I received gifts for my children. I am overwhelmed by the amazing gifts. The generosity and kindness shown to my children, and myself. I can't even begin to thank you enough. The gifts were perfect. Beautifully bundled and even included paper and everything required to make them extra special.
- Thank you for making a difficult time so much easier and for putting a huge smile on our faces. I am forever grateful.
- Thank you and everyone at SCRATCH for putting together such a wonderful selection of Christmas presents for the family that I'm currently supporting. All 4 children were delighted with their gifts, and it meant a lot to their mother, as they were obviously all very aware of things their school friends were getting and she was in no position to buy any presents for them herself.
- I just really do not know where to start. I recently used food bank at [name] Church for 1st time and was so kindly told I could provide details re my two teenagers to receive Xmas gift. Goodness me, how generous. Today, I answered the door to two lovely gentleman who were so happy to provide me with a huge box, of gifts. for my children. I am totally gobsmacked, and I can't tell you just how welcome such a kind gesture lifted my day. I'm currently suffering a flu virus, I told the poor chaps on answering, that I was full of lurgy, and bless them, they swiftly popped the box down, wished us Merry Xmas, and wished me to get well soon. You'll never know just how I needed it, I've just ended a mentally abusive relationship and was struggling today about it all, and when I came back inside, opened box, to see the wonderful gifts inside, I felt oddly not alone, bags had MY kids names on them, made me feel for a little while were aren't insignificant. I had a cry and counted my blessings for absolute certain. Sorry for the long email, I just felt so moved and wanted to tell you just how it changed my whole day and Thank-you all from the bottom of my heart.

VOLUNTEERING

It is with sadness that I find myself writing my final report for SCRATCH as I will be retiring in December. I would like to take this opportunity to thank all staff, the Board of Directors, our supporters and of course our incredible volunteers for making the past 6 years such a fulfilling and enjoyable experience.

The past year has been a very busy one, so it is difficult to summarize, but here are just a few of the highlights along with feedback from the volunteers.

SCRATCH garden project - The wellbeing garden created following the pandemic continues to flourish, attracting butterflies and bees to the area. Attracting volunteers to make use of the space has proved harder, but we have started a Thursday Garden group overseen by a staff member. So far there are 4 of us but there is always room for more if anyone out there wants to join us.

Inclusion Mentoring Scheme - Monitoring for Hampshire and Isle of Wight Community Foundation (HIWCF) took place this year, the project proved successful for those who took part, but numbers were limited due to the changing demands of operations. The scheme is continuing at a reduced capacity and in a less formal arrangement due to the difficulties recruiting suitable mentors. We currently have 3 volunteers in the scheme.

MP Alan Whitehead visits SCRATCH - Earlier this year, long standing friend of SCRATCH, Dr. Alan Whitehead MP, visited volunteers who are seeking Asylum in the UK. There was a great turn out and he was overwhelmed with questions. Most of the questions were concerned with waiting times, which he responded to in a written statement. However, for those with more complex problems, he offered to provide a one-off surgery on site. He has subsequently helped 5 volunteers pursue their cases with the Home Office. Thank you, Alan.

Summary of the results of the 2023 Volunteer feedback survey - This year a fresh approach to the survey was taken. As most of our current volunteers are 'techno-savvy', young people who speak English as a second language, we produced an electronic survey available in multiple languages. Paper copies were also available to maximise inclusivity. Two volunteers were recruited to assist with IT and the collection of data by sitting with the volunteer participant to help them to upload their answers if required. The assistants also reported on any questions that did not directly translate. Of the 34 active volunteers, approximately three quarters (23) took part in the survey. The majority of whom are in the Driver's Mate (translated in Arabic as Driver's Wife!) role. 58% are non-UK citizens identifying as Refugee/Asylum Seekers. 45% identify as having a mental health condition, 45% identify as having a physical impairment and 1 identified as having a neuro-diverse condition. 31% are unemployed, and 21% retired. A further 3 volunteers work full-time but this was not captured by the survey.

Here are some of the results from the volunteer survey: -

18 out of the 23 volunteers said that they had been supported by the volunteer Manager or other staff members.

- 50% of whom received help with access to training.
- 39% had received a letter of support for their asylum case.
- 28% received help with employability.
- 39% received emotional support.
- 22% received help with benefits.
- 39% received help making phone calls.
- and a further 22% were assisted with appointments.

How did the volunteers feel they benefitted from volunteering: -

- 96% helping others.
- 78% meeting new people and making friends.
- 70% improved physical and mental health.
- 52% increased confidence and motivation.
- 48% helped to relieve boredom.
- 48% improved English (as a second language)
- 40% peer to peer support.

When asked to expand on their feedback, here are some of the quotations given: -

- There is a real sense of community in SCRATCH, which I find really useful. I enjoy meeting people from different cultures and backgrounds.
- SCRATCH means a lot to me as before SCRATCH I wasn't working or doing anything and was quite isolated. I also had very little confidence. SCRATCH and the people at

SCRATCH are helping me with those things. I feel a little more confident, less isolated and enjoy the job and the people. And for that I am very grateful.

- Good to help others in need. Feels rewarding to help others in need.
- Being able to support and encourage others. Seeing the benefits of how your small help makes a big difference.
- Helps with routine and a sense of achievement.
- SCRATCH helps provide a feeling of safety and belonging.
- It's a good place to volunteer. Friendly and organised. They care for how people are doing.

Plans for the year ahead - As there will be a change in Volunteer Management, the year ahead will be focusing on welcoming and assimilating the new Volunteer Manager into the culture and practices of SCRATCH volunteer community. Therefore, any future Volunteer Management goals for the forthcoming year will be shaped by the joint aspirations of SCRATCH management and the new member of staff. However, some current projects and practices have potential for further development, these are: -

- Encourage greater participation and use of garden area to improve wellbeing.
- Deepen and strengthen relations with supporting referral agents working with Refugees/Asylum Seekers.
- Progress the Inclusion Mentor scheme - Increase the number of mentors willing to work alongside volunteers who have difficulty working independently.
- Respond to the findings of the Volunteer Feedback Survey.

That's all for this year. I will close by adding that I have been proud to be a part of such a crucially worthwhile charity and I will always cherish my time here. Passing the baton on, I hope that my replacement finds the post as rich and rewarding as I have. A huge thank you and farewell.

Polly Burton – Volunteer Manager

GOVERNANCE

The SCRATCH board of trustees operate under the charity's Articles of Association. New trustees are recruited via notification of vacancies, for example on our mailing list, our website, word of mouth etc: prospective candidates apply via a statement of interest stating why they want to join the board and what they will bring to it. They are interviewed by the existing trustees and - if successful - appointed at the next meeting. Induction is initially conducted by the chair who introduces new trustees to the building, the team, and relevant documents. followed by attendance at a SCRATCH Induction session. Development of trustees is important, no matter how experienced they are: training needs for board members are identified via skills audits, at strategy days or as new developments require. These needs are addressed by online courses or by attendance at SCRATCH employee training (e.g. for safeguarding).

Trustees make strategic decisions, such as key objectives and deliverables, staffing structure and long-term operating premises requirements. Senior Managers - Annette Davis and Mike Smith - make day-to-day operational decisions following delegated levels of authority guidelines, with reference to board members when required. The Board of Trustees undertakes an annual review of salaries and wages for all staff, including senior managers, in accordance with the SCRATCH pay policy: any pay increase, if awarded, is not performance based, although employees undergo appraisals for development.

SCRATCH trustees work with regard to the latest Charity Commission guidance, for example on public benefit. We consider that our object - The relief of the effects of poverty for individuals and families in the City of Southampton and Central Southern England - passes the "public benefit test" because the outworking of this is the provision of furniture packs, white goods and utilities top ups, for which referrals are made by public sector agencies and other charities, All SCRATCH's other activities are also aimed at public benefit and trustees are confident that every project remains in line with our core purpose, as each project provides tangible services such as goods, advice, or volunteering opportunities and development. As the opportunity for new work arises, for example delivering services for Southampton City Council, we assess whether it's a good fit for what we already do and whether it's in line with our purposes.

All existing projects are monitored in terms of metrics: numbers of clients helped, amounts and quality of goods provided, speed of response to referrals, etc. Surveys are carried out to obtain feedback on specific areas, such as referral agents' views on our services, or how volunteers have benefitted from their experiences. Some of the most valuable information about how well we're doing comes in the comments from those we've helped.

FUNDRAISING

As well as providing paid for services for local authorities, SCRATCH also raises money using a range of methods, including direct interactions with funders, churches and businesses. It employs a professional fundraising company, Competitive Solutions Ltd, which is a member of the Chartered Institute of Fundraising and which focuses, on our behalf, on approaching funding institutions such as The National Lottery. SCRATCH Senior Managers and Trustees hold a monthly virtual meeting with CSL staff to monitor existing fundraising bids and plan future ones: both sides work together to ensure that all proposed approaches to funders contain an accurate depiction of SCRATCH's activities and needs, while remaining securely in line with the charity's aims.

In the year 2022/23, professional fundraising costs were £57,305 and a total of £109,116 was raised.

SCRATCH's fundraising strategy does not involve methods where individuals are approached by phone, on the doorstep or in the street. Appeals - particularly for donations of goods - can be made via social media or our mailing list, but these are general and not targeted at individuals. There have been no complaints to us concerning fundraising.

FUTURE PLANS

The board holds an annual strategy event: at the 2023 meeting it was decided—in the short term—to concentrate on the existing projects for providing relief for families and individuals in hardship, rather than take on new ventures which might stretch our resources or be less closely linked to our aims. Close collaboration with partners such as Southampton City Council and delivery of the key projects Furnish-to-Flourish, Discretionary Fund, Welfare Line and Christmas Complete will remain our core activity.

The Trustees review risks at every board meeting (six per year). A specific risk identified in the year 2022/23 was the upcoming renewal of our premises lease in 2024: whether this would be renewed by our landlord and whether any increase in rent would prove prohibitive. One of the reasons for us maintaining larger than usual reserves was therefore to factor in contingency against our Risk register, for example to mitigate any move of premises or to fund necessary works to the existing building.

Nevertheless, the principal risk/uncertainty for SCRATCH has always concerned financial viability and for many years the charity lived a hand to mouth existence. To this end we have contracted CSL, a professional fundraising company, to secure ongoing core funding for our projects. This has been successful in the first two years of working together, especially in terms of National Lottery funding, and the cost-benefit analysis has led us to extend the contract for another two years. However, as there is no guarantee that major income - such as the National Lottery grant or the Household Support Fund - will continue, we have also built up our reserves so that we can still deliver all our projects while we seek alternative funding streams.

FINANCIAL REVIEW

For the first time both our income and expenditure exceeded £1 million. This reflects the increased demands of the Household Support Fund, providing domestic appliances and electric top up in response to the cost-of-living crisis which has heavily impacted many of our clients who are in the lowest income bracket.

Our contract with professional fund raisers "Competitive Solutions Ltd." (CSL) has started to bear fruit with a successful bid of £390,414 over 3 years to The National Lottery Community Fund. The first payment of £62,765 arriving in October and £35,000 from trust funds was successfully secured in January.

Our total Income for 2022 / 23 amounted to £1,318,982 with our Expenditure amounting to £1,131,814. This gives a surplus for the year of £187,168.

Income for the year can be broken down as follows: -

Donations totalled £179,970 (13.6% of income) including £28,501 from fundraising activities, £7,569 recovered through the gift aid scheme and £83,725 which is the notional value of donated furniture.

Grants totalled £961,274 (72.9% of income) the largest being the Household Support Fund which provides utility top up vouchers and domestic appliances.

Furnish to Flourish (Dorcas Project) realised £172,705 (13.1% of income)

Expenditure for the year can be broken down as follows: -

Salary costs totalled £254,588 (22.5% of expenditure)

Cost directly allocated to activities include domestic appliances, mainly, but not exclusively, for the HSF, which totalled £153,180. We spent £30,928 on basic pack items such as Beds, kettles, toasters, pots, and pans and £374,931 on top up vouchers, in total £559,039 (49.4% of expenditure). £83,725 reflects the notional value of donated goods given out.

Premises costs were £83,303 (8% of expenditure) including rent, rates, maintenance etc.

Other significant costs including Fundraising expenses (to CSL) £57,305 (5.1% of expenditure).

The cost of the Christmas complete project was £19,262 (covered by specific income received).

SCRATCH held funds totalling £531,513 at 31 March 2023, of which £222,569 was restricted for the Household Support Fund and £308,944 is General Funds.

The Trustees' policy is that SCRATCH should hold sufficient reserves to allow it to continue operating even if there were to be a significant reduction in the level of giving and an increase in demand for its activities. Post year end, we have seen both of these effects as a result of the current cost of living crisis and, consequently, have had to purchase additional quantities of stock. The costs associated with SCRATCH's activities do not lend themselves to gradual modification so that, under normal circumstances, the trustees would maintain reserves in the range of six months operating costs calculated and reviewed annually and this is still the medium term intention.

However, we continue to be grateful to various grant-making bodies and to the people of Southampton for their generous support for SCRATCH's poverty relief activities, a result of which 2022-23 saw a significant surplus. Reserves are therefore currently well in excess of this level. However, SCRATCH will need to raise significant ongoing funding in order for its expanded activities to be sustainable in the medium term. The reserves therefore give a window of opportunity in which to obtain this. The level of new funding that will be forthcoming is uncertain but projections indicate that SCRATCH will use much of its current reserves in supporting its projects during the period in which the additional funding is being sought.

RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with 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).

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 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;
- make judgments and accounting 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for maintaining proper accounting records which 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 auditors are 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 auditors are 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.

Approved by the board of trustees and signed on its behalf by:

Ann Laird ANN LAIRD

Trustee

Dated: 20/12/23

Board of Directors / Trustees

Ann Laird (Chair)

Nicholas Warn

David Bartlett

Robert Davis

Staff team as at 31 March 2023

Mike Smith – Senior Manager (Operations)

Annette Davis – Senior Manager (Resources)

Ian Dowdell – Furniture Manager

Paul Williams – Driver

Ian Arnold – Driver

Polly Burton – Volunteer Manager

Lucy Taylor – Welfare Information Officer *

Kelly Beck – Welfare Information Officer *

Natasha Davis – Welfare Information Officer *

Lydia Roberts – Welfare Information Officer *

Becci Gough – Receptionist (part time)

* *job share*

Independent Auditor

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Southampton City and Region Action to Combat Hardship is registered as a Limited Company, Number 03830305 Registered in Cardiff.

Registered Charity Number 107834

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

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

Opinion

We have audited the financial statements of Southampton City and Region Action to Combat Hardship for the year ended 31 March 2023, which comprise the Statement of Financial Activities, Balance Sheet, Cashflow Statement and the related notes. 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 to 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 2023, and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of Matter

We draw your attention to Note 22 to the financial statements which describes the restatements of prior year balances as a result of misstatements for the year ended 31 March 2022 that were identified during our audit. Our opinion is not modified in respect of this matter.

Basis of 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 Charity 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the company's 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 Trustees' Annual Report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the report of the executive committee, the trustees 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 they 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

We identified the laws and regulations applicable to the charitable company through discussions with trustees and other management and we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we performed analytical procedures to identify any unusual or unexpected relationships, tested journal entries to identify unusual transactions and investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

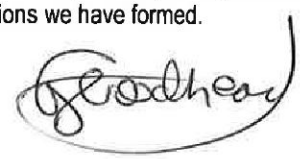
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Knight Goodhead Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Other Matter
The prior year financial statements were not audited.

Use of our report
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's members as a body, for our audit work, for this report, or for the opinions we have formed.



CJ GOODHEAD FCA
Senior Statutory Auditor
Knight Goodhead Limited
Chartered Accountants and Statutory Auditors
7 Bournemouth Road, Chandler's Ford, Eastleigh, Hampshire, SO53 3DA

Dated: 20 December 2023

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023 (including Income and expenditure account)

	Notes	Restricted funds £	Unrestricted funds £	2023 Total funds £	RESTATED 2022 Total funds £
INCOME					
Donations and legacies	3	89,436	62,033	151,469	57,475
Charitable activities	4	941,772	192,207	1,133,979	959,425
Fundraising income		-	28,501	28,501	19,569
Trading income	5	-	4,747	4,747	21,248
Other income			23	23	6,076
		1,031,208	287,511	1,318,719	1,063,793
Investment income		-	263	263	-
TOTAL INCOME		**1,031,208**	**287,774**	**1,318,982**	**1,063,793**
EXPENDITURE					
Charitable activities	6	862,292	269,522	1,131,814	803,848
TOTAL EXPENDITURE		**862,292**	**269,522**	**1,131,814**	**803,848**
NET INCOME/(EXPENDITURE) FOR THE YEAR	7	**168,916**	**18,252**	**187,168**	**259,945**
Transfers between funds	14,15	(80,364)	80,364	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		**88,552**	**98,616**	**187,168**	**259,945**
FUNDS AT 1 APRIL 2022		134,017	210,328	344,345	84,400
FUNDS AT 31 MARCH 2023		**222,569**	**308,944**	**531,513**	**344,345**

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in notes 14 and 15 to the financial statements.

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

(Company limited by guarantee and not having a share capital) **COMPANY NUMBER: 3830305**

BALANCE SHEET AS AT 31 MARCH 2023

	Notes	£	2023 £	£	RESTATED 2022 £
FIXED ASSETS					
Tangible assets	10		41,413		55,217
CURRENT ASSETS					
Stock		6,248		17,400	
Debtors	11	199,747		340,642	
Cash at bank and in hand		365,831		23,469	
		571,826		381,511	
CREDITORS: amounts falling due within one year	12	(43,023)		(28,601)	
NET CURRENT ASSETS			528,803		352,910
CREDITORS: amounts falling due in more than one year		(38,703)		(63,782)	
NET ASSETS	16		531,513		344,345
FUNDS					
Restricted funds	14		222,569		134,017
Unrestricted funds					
General funds	15		308,944		210,328
Designated funds	15		-		-
TOTAL FUNDS			531,513		344,345

These accounts have been prepared in accordance with the special provisions of the Companies Act 2006 and FRS 102 relating to small entities.

Approved by the board of trustees on 6th Dec 2023
and signed on its behalf by

Trustee

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

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

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	RESTATED 2022 £
NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES	1	367,178	(39,750)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		263	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowing		(22,543)	(16,003)
Interest paid		(2,536)	(1,345)
Increase in loan finance		-	33,827
Fixed asset additions		-	(73,620)
NET CASH FLOW		342,362	(96,891)
Change in cash and cash equivalents in the period		342,362	(96,891)
Cash and cash equivalent at start of the period		23,469	120,360
Cash and cash equivalents at the end of the period	2	365,831	23,469

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

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

NOTES TO THE CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

1 RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	RESTATED 2022
	£	£
Net movement in funds for the period	187,168	259,945
Interest received	(263)	-
Depreciation	13,804	18,405
Profit on disposal	-	(16,478)
Decrease/(increase) in stock	11,152	(17,400)
Decrease/(increase) in debtors	140,895	(295,944)
(Decrease)/increase in creditors	14,422	11,722
Net cash flow from operating activities	367,178	(39,750)

2 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023	2022
	£	£
Cash at bank and in hand	365,831	23,469

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2022	Cash flows	Other non-cash changes	At 31 March 2023
Cash at bank and in hand	23,469	342,362	-	365,831
Debt due within one year	(19,899)	23,902	(26,217)	(22,214)
Debt due after one year	(63,782)	-	25,079	(38,703)
	(60,212)	366,264	(1,138)	304,914

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

1 ACCOUNTING POLICIES

a) Accounting convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (second edition - October 2019) and the Companies Act 2006.

The charity meets the definition of the public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The accounts have been prepared on the going concern basis. There are no material uncertainties about the charity's ability to continue.

b) Income

Donations and legacies are received by way of donations and gifts and is included in full in the statement of financial activities when received.

Revenue grants are shown in the Statement of Financial Activities in the year to which they relate and when the conditions of receipt have been complied with. Where the grant has to be matched to a different period the deferred element is deducted from incoming resources and carried forward in creditors.

Legacies are accounted for in the Statement of Financial Activities when receipt is probable, and their value can be measured with sufficient reliability.

c) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred.

Voluntary income costs and trading costs comprise the costs associated with attracting voluntary income and the costs of fundraising and trading.

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. Cost related to a particular activity are allocated directly, others are apportioned on an appropriate basis.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

1 ACCOUNTING POLICIES (CONTINUED)

d) Operating leases

Rentals paid under operating leases are taken to the Statement of Financial Activities on a straight line basis over the lease term.

e) Tangible fixed assets

Assets that cost more than £500 are capitalised at cost price. Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value of the tangible assets over their estimated useful lives:

Leasehold improvements	Over the length of the lease
Motor vehicles	25% straight line
Office equipment	20-50% straight line
Computer equipment	33% straight line

f) Stock

Stocks held at the year end for distribution are stated at fair value. Donated stock is not valued but recognised in income and expenditure when the item is distributed.

g) Funds

Unrestricted funds are donations and other incoming resources receivable or generated for charitable purposes.

Restricted funds represent grants and donations which are allocated by the donor for specific purposes. Expenditure which meets these criteria is charged to the appropriate fund.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

i) Donated goods

The value to the charity of donated goods are recognised in donations when the item is distributed, with an equivalent amount recognised as charitable expenditure.

2 LEGAL STATUS

The charity is a company limited by guarantee and has no share capital. The charitable company was incorporated on 23 August 1999 in the United Kingdom and was registered on 24 November 1999 with the Charity Commission in England and Wales. The charity is a public benefit entity.

The registered office of the charitable company is Unit 3 Mount Pleasant Industrial Estate, Mount Pleasant Road, Southampton, SO14 0SP.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

3 DONATIONS AND LEGACIES

	Restricted funds £	Unrestricted funds £	2023 Total £	RESTATED 2022 Total £
Donations and similar income				
Gift aided donations	540	31,812	32,352	30,592
Non gift aided donations	5,171	22,652	27,823	24,072
Gift aid recoverable	-	7,569	7,569	2,811
Donated goods for Furnish to Flourish	83,725	-	83,725	-
	89,436	62,033	151,469	57,475

4 CHARITABLE ACTIVITIES INCOME

Grants and contracts	941,772	19,502	961,274	824,714
Furniture charges	-	114,653	114,653	86,346
White goods charges	-	43,018	43,018	30,588
Removal charges	-	11,540	11,540	8,095
Delivery charges	-	3,494	3,494	5,646
Other income	-	-	-	4,036
	941,772	192,207	1,133,979	959,425

5 TRADING INCOME

Hire of facilities	-	-	-	140
Pallet furniture sales	-	150	150	20
Shop sales	-	4,597	4,597	4,802
New Milton shop income	-	-	-	16,286
	-	4,747	4,747	21,248

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

6 EXPENDITURE	Restricted funds	Unrestricted funds	Total 2023	RESTATED Total 2022
	£	£	£	£
COSTS DIRECTLY ALLOCATED TO ACTIVITIES				
Wages and salaries	210,291	44,297	254,588	241,071
Donated furniture costs	83,725	-	83,725	-
Fundraising costs	-	57,305	57,305	9,043
Grants payable	-	-	-	5,175
Basic package equipment, beds and microwaves	30,928	-	30,928	10,626
Electric top up	374,931	-	374,931	281,176
White goods purchases	153,180	-	153,180	113,414
Christmas expenses	9,237	10,025	19,262	13,857
New Milton expenses	-	-	-	2,481
Motor expenses	-	25,874	25,874	22,933
	862,292	137,501	999,793	699,776
SUPPORT COSTS ALLOCATED TO ACTIVITIES				
Rent	-	48,570	48,570	42,000
Water and rates	-	8,481	8,481	6,957
Insurance	-	4,176	4,176	4,237
Light and heat	-	9,602	9,602	10,061
Repairs and maintenance	-	12,480	12,480	11,892
Office costs	-	1,523	1,523	1,227
PPS	-	10,209	10,209	10,754
IT costs	-	1,778	1,778	3,941
Accountancy	-	8,798	8,798	1,479
Legal and professional	-	-	-	-
Travel and subsistence	-	5,798	5,798	5,637
Training costs	-	3,022	3,022	1,163
Sundry	-	135	135	494
Interest charges	-	2,536	2,536	1,345
Bank/card charges	-	1,109	1,109	958
Depreciation	-	13,804	13,804	18,405
Profit/loss on disposal	-	-	-	(16,478)
	-	132,021	132,021	104,072
TOTAL EXPENDITURE	862,292	269,522	1,131,814	803,848

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

7 NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2023	RESTATED 2022
	£	£
Depreciation	13,804	18,405
Independent examination fee	2,538	1,479
Auditors' remuneration:		
- audit	5,000	-
- other services	1,260	-

8 EMPLOYED STAFF COSTS AND NUMBERS

Employed staff costs were as follows:	2023 £	2022 £
Salaries and wages	231,328	220,103
Social security costs	15,372	13,304
Pension	7,888	7,664
	254,588	241,071

No employee earned more than £60,000 during this or the prior year.

At the year end there were outstanding pension contributions payable of £1,484 (2022: £nil). Total pension contributions of £7,888 (2022: £7,664) were paid by the charity and are included in the SOFA.

Key management comprises two individuals who were paid a total of £79,131 (2022: £71,905 to two individuals).

The average weekly number of employees during the year was as follows:

	2023 No.	2022 No.
Employees	11	10

9 TAXATION

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

10 TANGIBLE FIXED ASSETS

	Computer equipment £	Motor vehicles £	Plant and machinery £	Total £
COST OR VALUATION				
At 1 April 2022	11,072	72,268	27,369	110,709
Additions in year	-	-	-	-
At 31 March 2023	11,072	72,268	27,369	110,709
DEPRECIATION				
At 1 April 2022	10,057	18,067	27,368	55,492
Charge for the year	253	13,550	1	13,804
At 31 March 2023	10,310	31,617	27,369	69,296
NET BOOK VALUE				
At 31 March 2023	762	40,651	-	41,413
At 1 April 2022	1,015	54,201	1	55,217

11 DEBTORS

	2023 £	RESTATED 2022 £
Trade debtors	109,206	243,180
Prepayments and accrued income	23,880	13,767
Other debtors	66,661	83,695
	199,747	340,642

12 CREDITORS: amounts falling due within one year

	2023 £	RESTATED 2022 £
Trade creditors	8,988	4,440
Other taxation and social security	4,077	4,262
Bank loans	22,214	11,450
Accruals and deferred income	6,260	8,449
Other creditors	1,484	-
	43,023	28,601

Included within bank loans is £8,456 relating to vehicles under a hire purchase agreement. The loan is secured on this asset.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

13 CREDITORS: amounts falling due in more than one year

	2023	2022
	£	£
Bank loans	38,703	63,782

Included within bank loans is £7,932 relating to vehicles under a hire purchase agreement. The loan is secured on this asset.

14 RESTRICTED FUNDS

	At 1 April 2022	Income	Expenditure	Transfers	At 31 March 2023
	£	£	£	£	£
Household Support Fund	134,017	803,640	(634,724)	(80,364)	222,569
Furnish to Flourish (Dorcas Project)	-	135,565	(135,565)	-	-
Christmas Complete	-	9,237	(9,237)	-	-
National Lottery - Furnish to Flourish	-	62,766	(62,766)	-	-
Welfare Support Project	-	20,000	(20,000)	-	-
	134,017	1,031,208	(862,292)	(80,364)	222,569

Purposes of restricted funds

Household Support Fund
Provision of a referral processing hub for the Southampton Household Support Fund.

Furnish to Flourish (Dorcas Project)
Provides good quality furniture and household items

Christmas Complete
Provides toys and gifts for children and young people who otherwise might go without presents

National Lottery - Furnish to Flourish
Specific funding provided by the National Lottery to help provide furniture and household items.

Welfare Support Project
Provision of a welfare line and referral hub including the sourcing of items and administration of the Local welfare Provision Discretionary Fund.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

15 UNRESTRICTED FUNDS

	RESTATED At 1 April 2022 £	Income £	Expenditure £	Transfers £	At 31 March 2023 £
General funds	210,328	287,774	(269,522)	80,364	308,944
Total unrestricted funds	210,328	287,774	(269,522)	80,364	308,944

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Year ended 31 March 2023	Restricted funds £	General funds £	Total funds £
Tangible fixed assets	-	41,413	41,413
Stock	-	6,248	6,248
Debtors	173,299	26,448	199,747
Cash at bank and in hand	58,258	307,573	365,831
Creditors	(8,988)	(34,035)	(43,023)
Creditors falling due in more than one year	-	(38,703)	(38,703)
NET ASSETS	222,569	308,944	531,513

Year ended 31 March 2022	Restricted funds £	General funds £	RESTATED Total funds £
Tangible fixed assets	-	55,217	55,217
Current assets	134,017	247,494	381,511
Creditors	-	(28,601)	(28,601)
Creditors falling due in more than one year		(63,782)	(63,782)
NET ASSETS	134,017	210,328	344,345

17. TRUSTEE EXPENSES

None of the trustees were reimbursed expenses during this or the prior year. No trustee received any remuneration in the current or prior year.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

18. OPERATING LEASE COMMITMENTS

At 31 March 2023, the charity had total commitments under non-cancellable operating leases, due as follows:

	2023 £	2022 £
Within one year	1,490	1,490
Between one to two years	1,490	1,490
Between two and five years	1,863	3,353
	4,843	6,333

19 RELATED PARTY TRANSACTIONS

There were no related party transactions in this or the prior year.

20 DONATED GOODS

The charity receives significant donations from the public of furniture to support the Furnish to Flourish (formerly Dorcas) project. These donations have been valued at £83,725 and are included within both income and expenditure in the Statement of Financial Activities.

21 POST BALANCE SHEET EVENTS

Post year end, the charitable company retrospectively registered for VAT. As a result, a VAT return was submitted for the period ended 30 September 2023, which should give rise to a VAT repayment.

Post year end, the charitable company entered into a 5-year lease commitment for rent on their premises, equating to £46,000 per year until Feb 2024, at which time it will rise to £59,274 per year.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

22 RESTATEMENT OF PRIOR YEAR

The comparative figures (year ended 31 March 2022) have been restated as follows:

Trade debtors was overstated by £33,048. As a result of reducing trade debtors, grant income has reduced by £33,048 which also corresponds to a £33,048 reduction in total funds at the year end.

A £76,780 other debtor was identified which had not been included in the 2022 accounts. As a result of increasing other debtors, expenditure has reduced by £76,780 and therefore a corresponding increase in funds at the year end.

£98,962 of deferred income was included in error in the 2022 accounts. As a result of reducing deferred income, grant income has increased by £98,962 which also corresponds to a £98,962 increase in funds at the year end.

The overall impact of the restatement is an increase in total funds at 31 March 2022 of £142,694. The majority of this relates to previously unidentified restricted funds. Restated total funds at 31 March 2022 are £344,345.

23 RESTATED PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Restricted funds £	Unrestricted funds £	RESTATED 2022 Total funds £
INCOME			
Donations and legacies	6,200	51,275	57,475
Charitable activities	781,284	178,141	959,425
Fundraising income	-	19,569	19,569
Trading income	-	21,248	21,248
Other income	-	6,076	6,076
TOTAL INCOME	**787,484**	**276,309**	**1,063,793**
EXPENDITURE			
Charitable activities	583,440	220,408	803,848
TOTAL EXPENDITURE	**583,440**	**220,408**	**803,848**
NET INCOME FOR THE YEAR	**204,044**	**55,901**	**259,945**
Transfers between funds	(70,027)	70,027	-
NET MOVEMENT IN FUNDS FOR THE YEAR	**134,017**	**125,928**	**259,945**
FUNDS AT 1 APRIL 2021	-	84,400	84,400
FUNDS AT 31 MARCH 2022	**134,017**	**210,328**	**344,345**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

24 RESTATED PRIOR YEAR FUND MOVEMENTS

RESTRICTED FUNDS	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
Household Support Fund	-	700,269	(496,225)	(70,027)	134,017
Dorcas Project	-	57,576	(57,576)	-	-
Christmas Complete	-	9,639	(9,639)	-	-
Welfare Support Hub	-	20,000	(20,000)	-	-
	-	787,484	(583,440)	(70,027)	134,017

UNRESTRICTED FUNDS	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
General funds	84,400	276,309	(220,408)	70,027	210,328
Total unrestricted funds	84,400	276,309	(220,408)	70,027	210,328

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

England & Wales - Charity number 1078344

Accounts

Annual Report

April 2021 to March 22

SCRATCH

Fighting Local Poverty

Registered Charity No. 1078344

OUR MISSION STATEMENT IS: -

To relieve the effects of poverty for families and individuals with needs recognised by approved referral agencies in Southampton and the surrounding area and to support likeminded organisations.

CHAIRS REPORT FOR 2021 to 2022

It may seem odd for a charity chair to start their report with, "I wish SCRATCH didn't have to exist," but that's an honest reflection of how we feel. If there were no local families suffering hardship, then there would be no need for SCRATCH. But while there are folk in difficulties, often through no fault of their own – such as mothers and children who've been victims of domestic abuse – then we'll be here, ready and able to help. We've proved our commitment by keeping going, despite the unexpected challenges presented by the pandemic and uncertainties with the economy, both global and local.

What was new for us in the past year? We've taken on the services of CSL, a professional bid writing company, to help us try to secure our long-term financial stability – especially important given the difficulties we've encountered in finding profitable retail premises to replace our New Milton shop. We've also found valuable new supporters such as Capello, who will be organising our golf day in June and who have held sponsored events on our behalf. We truly value everyone – whether new supporter or longstanding – for their contribution and going the extra mile for us, whether that's in terms of contracted services, monetary donations (however big or small), provision of goods or volunteering time.

Ultimately it isn't us you're helping. It's the child who has to sleep on a mattress on the floor because they have no bed or the pensioner who can't clean their clothes because the washing machine has packed up or the many others in need. In the year 2021/22, that represented more than 26,000 people helped. On behalf of *them*, we thank you.

Ann Laird, Chair

SENIOR MANAGEMENT TEAM REPORT

This has been another interesting year for SCRATCH, which has seen us respond to the aftermath of the pandemic closures and slowly return to business as usual, albeit with some significant changes.

Dorcas Project continues to deliver good quality used furniture to families and individuals in need throughout Hampshire. We supply most local authorities throughout the county and an increasing number of housing associations who value the quality and quantity of furniture provided along with the speedy response time from referral to delivery. We are, as always, grateful to the many donations, of both finance and furniture, which ensure this project can continue delivering to those most in need in our communities.

We have had changes to personnel in the administrative team, with Natasha joining us in September to assist with Southampton City Council's Covid Local Support Grant. Emma then left us for pastures new in November. We rehired

Kelly, who was previously our shop manager in New Milton, to replace Emma on the Welfare team. The most significant change to activities this year has seen us manage the Household Support Fund for Southampton City Council (SCC). Starting just before Christmas, it was a huge shock to the system but the whole team performed admirably ensuring those hardest hit by the cost-of-living crisis were supported through the provision of electric top up, domestic appliances and furniture. Much of the expenditure this year was on meeting this provision and it will continue into and throughout 2022/23.

Christmas Complete was, once again, a great success and an incredible project to deliver. More of this later in the report.

Our peripheral projects such as repaint and furniture repair continue to function and although secondary to our main projects they nevertheless contribute to the overall SCRATCH experience.

Our team of furniture repairers ensure all items are sent from the warehouse in good condition - it's amazing the difference a sand down and polish can make to used items and this helps to reduce waste.

Repaint continues to receive end of line paint from retailers and manufacturers and redistributes to clients who would otherwise find it difficult to fund decorating their homes. Last year we distributed c.3000 litres of paint helping to brighten up homes and community spaces around the city.

Our thanks as always to our volunteers without whom we would not be able to function and to the staff whose commitment to helping others, sometimes under very difficult circumstances, shines through as a sign of hope to those we seek to serve.

And finally, a word of thanks to our supporters, individuals, companies and churches, whose financial donations make it possible for us to continue our mission. Special thanks to Copello who have adopted us as their charity and are assisting with social media and fundraising as well as providing direct financing and staff support on our Dorcas and Christmas Complete projects.

Mike Smith – Senior Manager (Operations)
Annette Davis – Senior Manager (Resources)

DORCAS PROJECT

The Dorcas project supplies packages of furniture, as well as single items, to referred clients primarily in the Southampton area and further afield in the county of Hampshire and occasionally into Dorset.

Not only do we supply furniture such as beds, sofas and armchairs, wardrobes, chests of drawers, tables and chairs, we also provide items such as kettles, toasters, microwaves, lamps, irons, towels, packs of kitchen items, curtains and bedding.

With separate funding from the Southampton City Council Discretionary Fund, we can also supply brand new fridges and supply and fit brand new washing machines and electric cookers. This makes an understandably huge impact to those we deliver to and on occasion we witness tears of joy and thanks.

We belief that each person referred to us deserves the very best that we can offer. That not only provides for their immediate physical needs, but hopefully will restore some pride and dignity to individuals and families who have often been through a traumatic period in their lives.

Blessing – a recent recruit to the team

So that we can effectively deliver the project at a reasonable cost we rely on volunteers. In the aftermath of the pandemic, we were struggling to recruit enough volunteers to do this, but I am pleased to report that now we have almost a full team that includes asylum seekers from Eritrea, Kuwait and Brazil. It has been humbling working with these young men who have been forced to leave everything and everyone they know and to witness their willingness to help.

With the deepening cost of living crisis, we anticipate a possible decrease in the number of donations as people potentially decide to keep what they have rather than upgrading furniture and other items that we normally use for the project. It is a fact that within the last year we have had periods of time where our seating and double bed stock have been down to zero! This was obviously concerning for us and meant delays for deliveries and further hardship for referred clients. We will be monitoring the situation over the coming months and if necessary, we'll look at further opportunities to foster working relationships between us and organisations such as house clearance specialists and furniture retailers as well as further information to the general public through radio/tv and social media.

During the year we delivered to 1837 households (an increase of 13% on the previous year), with 71% of these being to Southampton residents. These deliveries helped 2260 adults and 1732 children.

Below are a few of the comments we have received about this project: -

- "I am clearing out my late Nan's house and may have some items for you to be able to help other people in any situation. I benefitted from your services back in 2012, when my ex-partner became violent and Southampton City Council put me on the emergency housing list. With nothing but a bed frame and mattress, a chest of drawers and a cot for my daughter, your team provided me with everything I needed at that crucial time and I will always be grateful."

- "I just wanted you guys to know that I am so blessed with all your help! I wouldn't be able to put into words how thankful I truly I am, what you guys are doing is just absolutely beautiful! All the gentlemen that brought in the delivery were so nice and very helpful, this charity is the definition of angels on earth! Thank you once again for everything, forever grateful!"

- "You came and cleared a lot of surplus furniture from a house we are selling and we are delighted that so much can be passed on to benefit someone who needs it. Great service and great cause - keep doing what you are doing!"

Ian Dowdell - Furniture Manager

Whilst the Dorcas Project staff, volunteers and two vans are mostly engaged in the collection and delivery of furniture, we are pleased to offer a removals service for people needing to move house in an emergency situations. During the year we helped 28 households for Winchester City Council, 15 for VIVID Housing, 8 for Southampton City Council and 4 for other organisations.

DISCRETIONARY FUND AND WELFARE LINE

In the year ending March 2022, we have: -

- Issued 8261 *(1081)* utility vouchers to 7124 households *(866)*
- Provided 539 *(440)* households with white goods
- Answered 1871 calls to the Welfare Line *(2683)*
- Made over 400 referrals to Basics Bank (*previous year figure not available)*

Figures include SCC Household Support Fund.

Previous years figures shown in brackets

For several years, SCRATCH has been operating the Welfare Line (a direct assess and advice and signposting service – with many people needing referrals through to the local food banks) and the Discretionary Fund (providing utility top-up vouchers and / or White Goods to residents who meet strict criteria). These are both on behalf of Southampton City Council. We are grateful for their trust in us and for the privilege of being able to serve some of the most disadvantaged people in the city in this very practical way.

Since January 2021, we have also been running various government funded additional schemes. Firstly, the Winter Fund, then the COVID Local Support Grant and more recently the Household Support Fund. These funds have been able to help Southampton residents with Utility Top-up vouchers, Supermarket vouchers and some White Goods. All of this has placed extra pressure on the staff team and we are so thankful for their hard work and dedication. As the 2021 / 22 year ends we have been informed that the Household Support Fund has been given another round of funding, so we will continue to support local people in the months to come.

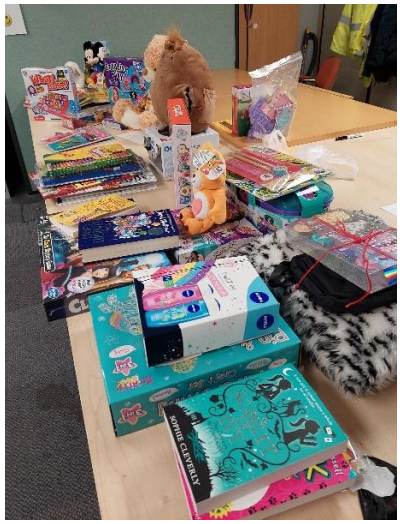
Supplies of Cookers, Fridges and Washing Machines ready for delivery

- "I just wanted to email and say thank you for you and the team for all the amazing work that you do! I am honestly blown away that you have given my client such a kind gesture and I know he will be so, so happy when I tell him this on Monday. I am lost for words myself and although I can't think of someone who would deserve this more than him, I am just eternally grateful to you guys that you have done this. So, thank you so much. Keep being amazing."
- "I just wanted to thank you for the vouchers I received today - they mean the world to me I've had no heating or hot water for nearly 6 weeks and wanted to let you know how much I appreciate them. Thanks again for such a wonderful lifeline."

We have also continued to provide utility vouchers for Portsmouth City Council, Hampshire County Council and Footprint Trust.

The Welfare Team – Lucy, Kelly, Natasha and Annette

CHRISTMAS COMPLETE



With all the restrictions and challenges that we faced the previous year, we went into the 2021 project with a better understanding of how to deal with the limitations that COVID 19 still placed on us and the resulting issues of working with smaller volunteer groups. Many of the requirements we had placed on staff and volunteers were continued and this resulted in another successful project with no one experiencing any illness.

In December 2021, we provided a parcel of 7 or 8 toys and gifts to 2282 children and young people.

We are so grateful to the faithful volunteers who give their time so tirelessly year after year as well as people who joined us for the first time, many coming with colleagues from local businesses and organisations. There are far too many of you to mention individually.

Deliveries took place across Hampshire, with 64% within the city of Southampton.

In order to provide a parcel of 7 or 8 toys and gifts to each child / young person referred we need to receive thousands of donations. There were periods throughout the project when we almost ran out of donations, but thankfully new items were received along with financially donations so that we could shop for what was needed. The Amazon wish list worked well again and so we will be continuing with that option in the future. It is a great way of getting what we actually need.

Here are a few of the lovely comments we received from various agencies and clients: -

"On behalf of Stop Domestic Abuse I would like to thank you for the amazing donation of Christmas gifts for the children in refuge that you have given to us. We appreciate your donation greatly and the gifts have been given to the children's parent ready for Christmas. We are extremely busy in the house and in the wider community and are so appreciative of the support we get from organisations such as yourselves."

"I spoke to one of my parents yesterday who has already received her parcel and she was so grateful, especially as she has just had the expense of her son's birthday. You have really taken some financial pressure off her."

"Just wanted to say a huge Thankyou as I was referred to you from my daughter's school. We received the Christmas Complete boxes & attended a food & clothing bank. It absolutely helped so much & we are so grateful."

"The look on Daniel's face when he saw the bike was priceless, because he has been playing with his chair and pretending as if it were a bike before he got the gift."

Annette Davis – Project Co-Ordinator

CHARITY SHOPS

Having lost much of the previous year's trading due to the covid pandemic, we finally re-opened our doors at New Milton on 12 April for the first time in 2021. However, this was a short-lived experience as we immediately learned the landlords had found a new tenant and we were given 6 weeks 'notice to leave the premises. We always knew this would happen at some time, but it was a disappointment after waiting so long to reopen. The premises is now an M&S Foodhall! Thanks are due to Bradbeers for allowing us to stay rent free for the better part of 3 years and to the staff and volunteers who contributed to making it such a successful shop, much loved by the local community. Despite only opening for 6 weeks the shop sales totalled £16,035 - an average of £2,672.50 per week - with an additional £4,819 coming from online sales.

VOLUNTEERING

After a slow start following the easing of Covid restrictions, the SCRATCH Volunteer Community is beginning to thrive once again., We currently have 27 active volunteers, 12 of whom remained throughout and 2 returning volunteers. There are 13 new recruits, 7 of whom have been recruited from the Refugee drop-in Centre at SWVG St. Andrews Church. Here's what two of them have fed back:

- It's good! Because I have contact with other people and it makes me happy to help people. The people here are very friendly and kind. We get to speak English because we are not on the same van and my English is getting better now.
- Every Wednesday when I wake up, I am happy when I think I am coming to SCRATCH.

Although several of SCRATCH's previous projects have remained closed, there is a demand for additional volunteers on the DORCAS project due to the second van now being in operation. Also, in an endeavour to enhance the service, new roles and practices have been developed. For example, the Inclusion Mentor programme has been piloted and our first recruit has completed the programme. Here are his thoughts: -

- From day one all the staff where very helpful and made me feel welcome, which made me feel good and part of the team. I have gained a lot of confidence in myself and will now be able to take this with me wherever I go. I would like to say a big thank you to (name of mentor), which was very supportive to me….I would recommend others to do voluntary at SCRATCH and tell others what a great service it offers to others.

In addition to increasing the number of volunteers with minority ethnic heritage, we have also increased the number of rehabilitating offenders, people with a neurodiversity and mental illness.

In the year ending March 2022, 3 volunteers were successfully assisted into employment. A further 5 were supported into external training courses and 7 have undertaken in-house accredited training, 4 of whom received training on employability skills. A volunteer Support Assistant has been recruited to enhance inclusion into the SCRATCH volunteer Community, which includes ensuring volunteers have a voice. e.g., the bi-monthly Volunteer Newsletter written, and designed by volunteers. Also, to further enhance the wellbeing of our volunteers, a garden is being created. Work has begun with the help of Saints in the City

and HSBC, but volunteers will be encouraged to take a more active role in the creation and maintenance of the garden and use the space to relax and socialize during their breaks.

In November 2021, SCRATCH received the Investing in Volunteers award following the renewal process. Having time to revisit our volunteer policies and practices during the pandemic allowed for positive improvements. Furthermore, the assessor praised the high standards of our volunteer policies and procedures.

I was proud to have successfully nominated our volunteers to receive a SVS team award for their commitment and dedication during the pandemic. There were also 3 Outstanding Volunteer awards for volunteers who went above and beyond expectations, to help SCRATCH to continue to serve those most in need in such challenging times.

When I first volunteered, I'd been out of work a long time and needed something to do. At first, I say it as a way of getting back into work. I wanted a fresh challenge; it was something different. I enjoy it because I know that everything I do here is benefitting other people. I'm making a difference to someone's life and at the end of the day, it makes me feel good. I'm contributing to the community – doing something good. And it's helping me socially as well as physically. I live on my own, so I get company coming in to volunteer. The charity paid for me to get the Portable Appliance Programme, so I am now qualified to do PAT testing. I'm learning new skills. My role is to sort out the donations and then pack items ready for delivery. I've been here for 3 years and come in 3 days a week. If I didn't have my allotment and family members, I'd be here every day – I enjoy it so much! It's a great place to come and try volunteering for the first time – everyone is very helpful.

Two social events were held last year to say thank you to our volunteers. The summer BBQ and a Christmas gathering in a nearby pub, where volunteers enjoyed a game of darts.

All volunteers reviewed report high levels of satisfaction. The biggest improvement is in confidence levels, and they feel well supported by staff. A strong sense of team spirit, having a laugh, building strength, learning new skills, and gaining experience have all contributed to a positive experience. Doing something meaningful to help the community whilst helping to find a sense of purpose is also a common thread.

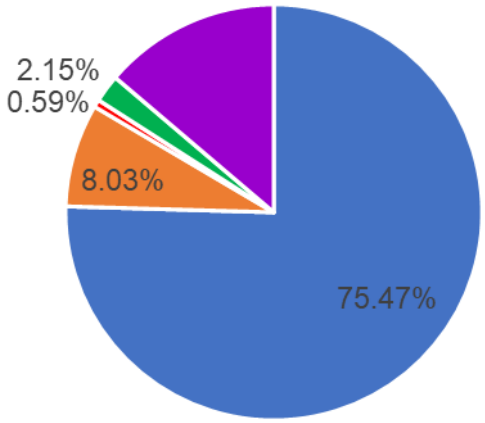
Looking forward to the year ahead our plans are:

- Secure funding and roll out Inclusion Mentor Programme. Once the pilot has been evaluated, it is hoped that the project will be rolled out in September 2022.
- Increase training options.
- Endeavour to increase the capacity for volunteer social integration.
- Build or strengthen links with charities and organisations working with minority and disadvantaged groups.
- Form partnerships with colleges to access volunteers for the 6-month work experience programme.

Polly Burton – Volunteer Manager

FINANCE

The total income for the year was £977,879 and the chart below shows where this was received from.



	Grants
	Donations including Gift Aid
	Job Retention Scheme
	Shop Sales
	Dorcas Project income

The table below shows non statutory income amounts of above £1,000. We also received £5,588 from the Job Retention Scheme.

GRANTS OF £1,000 AND ABOVE			
Garfield Weston	£20,000	HIWCF	£5,000
LCP Foundation	£9,420	Jerusalem Trust	£2,500
Southern Water	£2,815	Arnold Clarke Foundation	£2,000

We are also thankful to the many people who faithfully donate on a monthly basis and those who give small one-off donations to support our ongoing work.

Our total costs for the year amounted to £880,628 which left us with a surplus for year of £117,251.

The reserves at the end of the year amount to £201,651 which gives a solid basis from which to provide support for all of the SCRATCH projects.

It was a privilege to be chosen by Cllr Alex Houghton to be one of his two charities during his Mayoral year which ends in May 2022. He attended our volunteer's BBQ in the summer of 2021 and handed out certificates to volunteers and spent a morning on one of our vans assisting the Dorcas Project with the delivery and collection of furniture.

Board of Directors

Ann Laird (Chair)

Nicholas Warn

David Bartlett

Robert Davis

Staff team as at 31 March 2022

Mike Smith – Senior Manager (Operations)

Annette Davis – Senior Manager (Resources)

Ian Dowdell – Furniture Manager

Paul Williams – Driver

Ian Arnold – Driver

Polly Burton – Volunteer Manager

Lucy Taylor – Welfare Information Officer *

Kelly Beck – Welfare Information Officer *

Natasha Davis – Welfare Information Officer *

Kathryn Baker – Receptionist (part time)

* *denotes job share*

Supported by

EASTLEIGH BOROUGH COUNCIL

Winchester City Council

SOUTHAMPTON CITY COUNCIL

INVESTING IN VOLUNTEERS

SCRATCH, 33 Mount Pleasant Industrial Estate, Southampton, SO14 0SP

Tel: 023 8077 3132 e-mail: reception@scratchcharity.co.uk www.scratchcharity.co.uk

Southampton City and Region Action to Combat Hardship is registered as a Limited Company, Number 03830305 Registered in Cardiff.

Registered Charity Number 107834

Registered number
3830305

Southampton City and Region Action To Combat Hardship

Report and Accounts

31 March 2022

Registered at the Charity Commission
under number 1078344

Southampton City and Region Action To Combat Hardship
Registered number: 3830305
Directors' Report

The directors, who are also the Trustees, present their report and accounts for the year ended 31 March 2022.

Principal activities
The charitable company's principal activity during the year was to relieve the effects of poverty. Full details of the company's various projects are available from the registered office.

Directors
The following persons served as directors during the year:

Ann Laird
David Bartlett
Nicholas Warn
Robert Davis (Appointed on 22nd March 2022)

Limited by guarantee
The company is limited by guarantee and the members have a liability of a maximum of £10 per member to the charity assets if it should be wound up whilst he or she is member, for the payment of charity's debt and liabilities.

Public benefit statement
Unwanted household items will be collected from the public, cleaned and refurbished as necessary and distributed to those in need as assessed by the relevant agencies such as social workers, housing staff, school welfare staff and church leaders.

Public benefit is shown by bringing relief to those in poverty, or at actual risk of being in poverty, thus preventing calls on the public purse for the provision of goods, services etc. in a time when funding is being severely constrained and local welfare provision is limited. Beneficiaries will also be given hope that they are not forgotten, giving rise to improved mental well-being. Relieving poverty promotes compassion and altruism and is generally regarded as 'a good thing'.

The passing on of unwanted household items via the Dorcas Project lessens the impact on the environment of the use of landfill for waste.

Further details of our activities, which are all in accordance with the Charitable Company's Objects, are available from the registered office.

Southampton City and Region Action To Combat Hardship
Registered number: 3830305
Directors' Report

Reserves policy
The Directors/Trustees believe that the Charitable Company should hold sufficient balances on its general account to allow it to continue operating even if there was a significant reduction in the level of giving.

The Directors/Trustees believe that the minimum level of these balances should be the equivalent of three months' operating costs on general (not specifically grant-aided) activity calculated and reviewed annually. It is the Board's intention to maintain an adequate level of reserves.

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board on 13 February 2023 and signed on its behalf.

A Laird
Director

Southampton City and Region Action To Combat Hardship
(LIMITED BY GUARANTEE)

Independent Examiner's Report to the Trustees/Directors of the Charitable Company for the year ended 31 March 2022.

Respective responsiblities of the trustees and examiner
The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being qualified as a Fellow Member of the Association of Accounting Technicians.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement
My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

In connection with my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in, any material respect, the requirements:
   - to keep accounting records in accordance with section 130 of the Charities Act; and
   - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Ken Stratton FMAAT
Accountant

Brewery House, High Street
Twyford
Winchester
Hampshire
SO21 1RG

13 February 2023

Southampton City and Region Action To Combat Hardship
Profit and Loss Account
for the year ended 31 March 2022

	2022 £	2021 £
Turnover	997,879	859,934
Cost of sales	(495,991)	(446,462)
Gross profit	501,888	413,472
Administrative expenses	(383,292)	(381,221)
Operating profit	118,596	32,251
Interest payable	(1,345)	-
Profit before taxation	117,251	32,251
Tax on profit	-	-
Profit for the financial year	117,251	32,251

Southampton City and Region Action To Combat Hardship
Registered number: 3830305
Balance Sheet
as at 31 March 2022

	Notes		2022 £		2021 £
Fixed assets					
Tangible assets	3		55,217		2
Current assets					
Stocks		17,400		-	
Debtors	4	296,910		44,698	
Cash at bank and in hand		23,469		120,360	
		337,779		165,058	
Creditors: amounts falling due within one year	5	(127,563)		(21,861)	
Net current assets			210,216		143,197
Total assets less current liabilities			265,433		143,199
Creditors: amounts falling due after more than one year	6		(63,782)		(58,800)
Net assets			201,651		84,399
Capital and reserves					
Unrestricted reserves			201,651		84,400
Reserves			201,651		84,400

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.

A Laird
Director
Approved by the board on 13 February 2023

Southampton City and Region Action To Combat Hardship
Statement of Changes in Unrestricted Reserves
for the year ended 31 March 2022

	Unrestricted Reserves	Total
	£	£
At 1 April 2020	52,149	52,149
Profit for the financial year	32,251	32,251
At 31 March 2021	84,400	84,400
At 1 April 2021	84,400	84,400
Profit for the financial year	117,251	117,251
At 31 March 2022	201,651	201,651

Southampton City and Region Action To Combat Hardship
Notes to the Accounts
for the year ended 31 March 2022

1 Accounting policies

Basis of preparation
The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard).

Turnover
Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Tangible fixed assets
Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	25% reducing balance
Motor vehicles	25% reducing balance

Stocks
Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

Debtors
Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors
Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Provisions
Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

Deferred income

This reflects a proportion of the income generated from the Southampton City Council Home Support Fund that will be recorded as income in the following year.

2 Employees

	2022 Number	2021 Number
Average number of persons employed by the company	10	10

3 Tangible fixed assets

	Plant and equipment £	Motor vehicles £	Total £
Cost			
At 1 April 2021	37,089	-	37,089
Additions	1,352	72,268	73,620
At 31 March 2022	38,441	72,268	110,709
Depreciation			
At 1 April 2021	37,087	-	37,087
Charge for the year	338	18,067	18,405
At 31 March 2022	37,425	18,067	55,492
Net book value			
At 31 March 2022	1,016	54,201	55,217
At 31 March 2021	2	-	2

Southampton City and Region Action To Combat Hardship
Notes to the Accounts
for the year ended 31 March 2022

4 Debtors	2022 £	2021 £
Trade debtors	276,228	33,048
Other debtors	20,682	11,650
	296,910	44,698

5 Creditors: amounts falling due within one year	2022 £	2021 £
Bank and other loans	19,899	4,800
Trade creditors	4,440	5,398
Taxation and social security costs	4,262	4,162
Deferred income	98,962	7,501
	127,563	21,861

6 Creditors: amounts falling due after one year	2022 £	2021 £
Loans	63,782	58,800

7 Other information

Southampton City and Region Action To Combat Hardship is a charitable company limited by guarantee and incorporated in England. Its registered office is:
33 Mount Pleasant Industrial Estate
Southampton
Hampshire
SO14 0SP

Southampton City and Region Action To Combat Hardship
(LIMITED BY GUARANTEE)

Independent Examiner's Report to the Trustees/Directors of the Charitable Company for the year ended 31 March 2022.

Respective responsiblities of the trustees and examiner
The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being qualified as a Fellow Member of the Association of Accounting Technicians.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement
My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

In connection with my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in, any material respect, the requirements:
   - to keep accounting records in accordance with section 130 of the Charities Act; and
   - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Ken Stratton FMAAT
Accountant

Brewery House, High Street
Twyford
Winchester
Hampshire
SO21 1RG

13 February 2023

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

England & Wales - Charity number 1078344

Accounts

SCRATCH ANNUAL REPORT 2020 to 2021

SCRATCH
Fighting Local Poverty

Registered Charity No. 1078344

OUR MISSION STATEMENT IS: -

To relieve the effects of poverty for families and individuals with needs recognised by approved referral agencies in Southampton and the surrounding area and to support likeminded organisations.

CHAIRS REPORT FOR 2020 TO 2021

When I drafted the last report, in June 2020, only the most sombrely pragmatic of us would have anticipated the country would be in a broadly similar position in June 2021. It's a testament to SCRATCH that both board and senior managers were awake to that possibility and that we've taken a cautious approach throughout to fully reopening our projects. It's meant we're still here and still serving our clients.

That's not to say that the financial year hasn't been challenging. A big demand for our services - some record monthly figures for DORCAS and the highest number of children and young people helped through Christmas Complete - while our shops were shut for months on end, has meant we've had to be financially prudent, yet still being wise to operating in a Covid-safe manner. The fact that we could run all our projects without anyone (staff, volunteers or clients) contracting the virus via SCRATCH is a testament to good practice.

We have taken on a new driver, thanks to funding from both Southampton City Council (SCC) and the Lottery, which has meant we've been able to serve more clients in a more timely manner.

A new vehicle (with another one on order) has helped in that regard and we're grateful to all the companies and individuals who pitched in to make that possible. We're also grateful to SCC for trusting us with running the Winter Fund on their behalf, a project which dovetailed neatly with what we already do. It may be a cliché but like so many clichés it's true: our supporters make our work possible.

As 2022 looms on the horizon, we know that challenges will remain, particularly in terms of finding new retail premises to replace our shop in East Street, whose lease ran out in the summer, and recruiting more members to the board. We are ready to embrace new opportunities, so long as they align with our core business. Furniture packages make a house a home: a washing machine means clean uniform to go to school with: presents round the tree create happy faces on Christmas morning. SCRATCH is part of delivering all that.

Ann Laird
Chair of the Board of Directors

REPORT FROM THE SENIOR MANAGEMENT TEAM

This won't be the only annual report that reflects on a very unusual year, as with everyone else we found ourselves in unknown territory and had to adapt quickly to a new way of operating to ensure we continued to help the most needy at an extraordinary time. The operating centre at Mount Pleasant went into lockdown where only a skeleton staff operated, with others either working from home or on furlough, and nonessential activities brought to a halt. However, it soon became clear that this wasn't going to be a quiet year for us: with most people unable to get out to buy essential items and many others financially impacted by the pandemic we found ourselves busier than ever providing all sorts of assistance to clients in need. Our long-established relationship with Southampton City Council has ensured all residents in need have been able to access essential services through the Dorcas project, Discretionary fund and also the Winter fund. Over £400,000 expenditure went on provision of Furniture, appliances and electric top up payments. We have continued to extend our area of reach and now service the whole of Hampshire with regular referrals from Vivid Housing and New Forest District Council among others.

In October we made the decision to replace our 12-year-old lorry with a brand-new vehicle which arrived in January, at the same time as we sold our lorry. The new vehicle is far more economical and has proved to be so successful that we decided to order a second one to replace our smaller van which was stolen just after Christmas. The deposit was paid in February with the vehicle due to arrive in May. We are particularly grateful for the many donations that have come in to help pay for this replacement vehicle, both from individuals and organisations with special mention to the LCP Foundation and Vivid housing for their generous donations.

Financially it has been both a challenging and rewarding year, challenging as our retail income stream was severely hampered but rewarding as additional grant funding was secured as well as an increase in contracted work bringing in extra revenue. We also saw an encouraging increase in donations and fundraising income. We ended the year with an operating surplus of £40,000 and in addition took a government backed bounce back loan of £50,000 which we will hold in reserve for when it may be needed.

Mike Smith & Annette Davis

DORCAS PROJECT

'Making a house a home'

We started the year with the project closed as a result of the pandemic. However, it very quickly became evident that we would need to provide some sort of reduced service to support local agencies. Southampton City Council needed beds, small electrical items and kitchen

equipment to set up bed and breakfast type accommodation to get Southampton's homeless population off the streets and into somewhere safe. Other agencies also wanted to collect from us to help their client

Within 6 weeks or so of lockdown, it was clear that we would need to restart the project, albeit in a reduced format. We were thankful to funding from National Lottery, National Emergency Trust and Lloyds Bank Foundation which enabled us to purchase supplies of beds (to reduce the number of collections we had to make) as well as supplies of PPE, hand sanitiser and cleaning equipment so that we could operate safely. The restrictions meant that we had to reduce the number of people on our vehicles from three to two and most deliveries and collections were to and from the front door to reduce undue contact with our clients and donors. We were so grateful to the few faithful volunteers who worked tirelessly in the office and out on our vehicles so that the project could continue.

In the year ending March 2021 we carried out 1595 deliveries (an increase of 19% on the previous year) which benefitted 1926 adults and 1424 children.

Dorcas Project provides either a full package of furniture when, for instance, people are setting up a home after experiencing homelessness or delivers single items, such as a bed when a toddler has outgrown their cot. We put together a package based on the needs of the household, always delivering the best goods we have available, but without offering choice, something that some people have complained about in the past. However, during the last year this has proved to be an advantage as most other furniture reuse projects have had to close as they operate a 'shop' type service. The increase in the number of people we have helped and the wider area we have been asked to cover is testament to our reputation and great service delivery. It has been a privilege to continue servicing our most vulnerable neighbours in this very practical way.

This is highlighted by comments from three Housing Associations.

- "The client has been street homeless for a number of years and was offered the property at intensive life skills project, where they are responsible for a 1-flat within this project. This client came from a B&B where he was housed during the initial Covid-outbreak. When he moved into the project, he did not have any furniture, so we requested a Dorcas package. This enabled the client to start to build up a sense of normality and start to integrate into the community."
- "We are a charity involved with housing vulnerable adults in the community and regularly use SCRATCH furniture services. Our service users are most often single people that have fixed low incomes and start-up costs can be a huge barrier to them gaining tenancies and independence. The service SCRATCH provides helps overcome this, avoiding not only

large furniture costs but also making delivery convenient and with a very reasonable turnaround time. They are extremely helpful with delivery services, calling prior to arrival allowing time for our busy Housing Officers time to get to the property ahead of them. Many of our clients have urgency in their move situation, for example in cases of homelessness, and being able to furnish properties so quickly allows us to fulfil their needs as soon as possible. Their support is also ongoing throughout tenancies, offering additional furniture drop offs, food parcel referrals and meter top ups. With SCRATCH'S services we have been able to house an additional 28 tenants in the past 6 months with good quality furniture with packs tailored to the tenants' needs."

- "I do hope all you lovely people are keeping well and staying safe thank you for all you do for our tenants it changes so many lives and improves well-being. Thank you for the great way that you and your team work in partnership with us – often in very short timescales, challenging circumstances and always with a "can do" attitude – we truly appreciate the work of your project and the positive impact you make for our customers!"

Our aim is to do all Southampton deliveries within 4 working days and deliveries to the wider Hampshire area within 5 working days. Despite all the difficulties of the last year, the average lead time for the whole area was 3.97 days.

Thank you for the amazing service you provide, you don't realise until you go into clients' homes and see how appreciative they are of the furniture you provide. I was able to see for myself how excited a little boy of 6 was to show me his new bed that wasn't broken anymore. Social Worker

DISCRETIONARY FUND AND WELFARE LINE

'A Washing Machine means clean clothes to go to school with'

In the year ending March 2021, we have: -

- Issued 1081 *(1073)* utility vouchers to 866 households *(949)*
- Provided 554 *(440)* households with white goods
- Helped over 1723 *(1546)* Children
- Answered 2683 calls to the Welfare Line *(61% increase)*

Figures include SCC Winter Fund
Previous years' figures shown in brackets

On behalf of Southampton City Council, SCRATCH runs a Welfare Information Line which is open for direct access for Southampton residents who need help or signposting to other organisations for specialised advice. This includes referrals through to the local food banks operated by Southampton City Mission. Following calls to the Welfare Line and through referral from our normal referral agencies, we can offer Paypoint / Post Office Utility Top-Up Vouchers so that clients who are in crisis situations, meet the criteria of the scheme and are on a key meter, can top-up their gas /electric. The fund also enables the supply of new white goods

to Southampton residents who are referred by a trusted referral agency and meet the priority need. This is often families who have been homeless and are moving into permanent accommodation and don't have finances to purchase the items themselves, or where an appliance (such as a washing machine) has broken and they cannot afford to repair or replace it.

> Thank you so much for coming to fit my washing machine. I am over the moon and cannot describe how happy I am. The guys who came did such an amazing job.

In the three-month period from January to end March 2021, we were able to provide additional help to Southampton residents who had been adversely affected by COVID 19, through Southampton City Council's Winter Fund. The money through this scheme, provided by the Department for Works and Pensions, funded utility vouchers, supermarket food vouchers, clothes vouchers as well as vouchers for bedding and small electrical items. This was well used by schools, housing associations, job centres and other statutory and voluntary groups in the city to help some very desperate households. We were thankful that the funding allowed us to employ another part time person to join the Welfare Team to cope with the extra work. Some of the stories we heard from different schools were heart-breaking: here are just three.

- There are 2 adults and 6 children in household (primary and secondary age). Mum suffers with Fibromyalgia which has really flared up recently. She lost her job at the start of last year and has been unable to start work again since due to her health. Dad lost his business because of COVID. He has found alternative employment, but this pays significantly less than he was previously earning, so they are really struggling.
- Over the last year, finances have become a lot tighter due to a change in circumstance for the family. Usually the family just get by month to month, but this has become worse during lockdowns as her son only eats certain foods due to additional learning needs. The kids' father usually pays maintenance to the family, however he was furloughed and stopped for a few months which tightened things even more. Dad is a recovering alcoholic and despite taking a new job, stopped paying maintenance as he started to drink heavily again. Where they cannot get to a doctor, they have been paying for over the counter medicines and treatments for the children. When speaking to mum she said she feels there are families worse off than them, however, whatever help can be given she will be extremely grateful.
- The family have been "through the mill" as mum suffered high level domestic abuse, had issues with alcohol and has a turbulent relationship with her estranged family. The children have observed much of the above but despite this they have been in school each day (during lockdown and after) and for them school has been their safe place. The family live in a small flat, money is extremely tight as the mother does not work and there is no father to make child maintenance payments. The school has helped the family with many things

over the past couple of years, but the family remain on the poverty line. The lockdown period has made things even more complex for the family as they have not been able to gain support from friends and other relatives. Lockdown has also impacted on mum's ability to find work to support the family further.

During the year we have also been producing utility top up vouchers for an organisation on the Isle of Wight, Portsmouth City Council and Hampshire County Council, who have all had funding to help their disadvantaged residents.

CHRISTMAS COMPLETE

'Presents round the tree create happy faces on Christmas morning.'

Christmas Complete 2020 presented challenges that we have never had to face before – social distancing, wearing a face mask, constant hand sanitising and cleaning. With more than normal preparation and planning the project worked as well, if not better, than previous years. Reduced numbers of volunteers (and no larger groups from companies that often support us) meant we had to operate the project over a longer period of time and with so many late referrals we had to continue packing parcels longer than anticipated. Our grateful thanks go to all those who assisted in whatever capacity, especially those who helped for additional sessions to get the work done. The volunteers were all amazing and we were pleased that no one became ill as a result of their volunteering. In fact, the team were so pleased as to how it worked that some of the changes will be carried forward into future years.

We provided a parcel of 7 or 8 gifts to 2393 children and young people. An increase of 15% from the previous year.

Usually we have churches, schools and local businesses organise collections of toys and gifts for us. Obviously, this couldn't happen so we encouraged people to purchase items from our Amazon wish list or to make financial donations so that we could purchase items ourselves. Amazingly we were able to meet the demand and had a few items left to help families during the year who are escaping domestic abuse and have to leave everything behind.

As anticipated, the numbers helped were higher than in previous years, no doubt as many families were suffering financially as a result of COVID 19. We know that there were many happy faces on Christmas morning by the lovely comments we received. Some of which are shown below: -

- Hi, I just wanted to personally thank everyone for the box of gifts I received for my children this week. It has been an extremely hard year for our family with the sudden loss of my Mum along with the huge financial struggle of Covid. I was so worried I wouldn't be able to

give them the Christmas they are used to. Thanks to your kindness the additional things I received really made all the difference. Kind regards and a merry Christmas.

- I would like to say Thank you very much for all involved in the behind the scenes of delivering the Christmas Complete initiative! My children will be so grateful and will love everything provided. I've had a sneaky look and it's like you know my children personally. Everything is so well thought through and perfectly picked to make a child feel loved at Christmas. I would love to one day be in the position to be able to help and return the favour. Thanks again and wishing you all a Merry Christmas
- As a word of encouragement, I chatted with a Mum this morning who collected her parcels from us yesterday. She said that the gifts were just perfect for each of her 4 children and she wrapped them all last night. She was really appreciative of the obvious care that had gone into selecting the gifts. Thank you!

COMMUNITY REPAINT

This was one of the projects that we had to close for most of the year with only 283 litres of paint given out, compared to the normal 2,500 plus litres in previous years. As always, we are grateful to Dulux, Crown, Farrow and Ball, B&Q and Brewers for donations that we can pass onto referred clients and local community groups.

REMOVALS PROJECT

This project is designed to help people move home in emergency situations such as domestic abuse, illegal evictions, ill health and overcrowding. During the year we provided this service for 21 families referred by Winchester City Council, 7 families from VIVID Homes and 5 from other organisations. Overall, we were able to do 7 more removals than in the previous year.

CHARITY SHOPS

Like everyone else our retail opportunities were severely limited due to the pandemic this year. The lease on our East Street shop was due to end in June but as we hadn't been able to open at all until 19th June, we extended for 3 months in order to run down stock and exit the building in September, our last trading day being 29th August. As a result, takings were just £5,265 for the year. My thanks go to all staff and

volunteers who have been involved in the Southampton shops over the years. We will return!

At New Milton we also had a disrupted year. Unable to open until 19th June, we had to close again for 4 weeks in November, re-opening on the 7th December for 3 weeks and then remaining closed for the rest of the financial year. Naturally, this had an effect on sales, and takings for the year were £36,500, down from £93,500 the previous year. Shop manager Kelly has spent 7 months on furlough but has kept in touch with the volunteers who will return when the shop reopens on 15th April.

VOLUNTEERING

Things are very quiet around the SCRATCH site now, but the echoes of our former volunteers bustling about whilst doing their daily tasks; a laugh and a joke or a friendly, “How are you?” still resonate. It is very sad that we have had to say goodbye to some of our volunteers due to the new safety measures in place. Some of these have been loyal volunteers for many years and are dearly missed. It has been a difficult time for them and for those waiting patiently to return to their volunteer role with us. I’d like to take this opportunity to say a huge thank you to them for their contributions to SCRATCH, their patience, understanding, and for many, their continued commitment to SCRATCH’s goals and ethos.

I would also personally like to thank all volunteers who have carried on their volunteering role for SCRATCH throughout the pandemic. The load has been heavier than usual as the need for our service has increased across the city, whilst the number of volunteers has decreased. Without their commitment, dedication, and willingness to go the extra mile, we would not have continued to achieve the high-quality service SCRATCH is known for. A very heartfelt thank you goes out to them all.

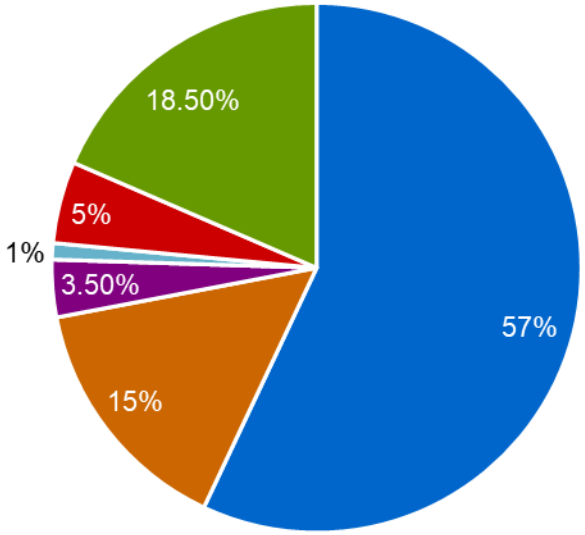
The past year has been a time for reflection and for allowing more time for planning the future; a chance to learn from our mistakes and build on our strengths. As an organisation, we have always strived to meet the needs of SCRATCH, whilst offering volunteering opportunities that provide meaningful activity, a chance to socialise, and a place to grow in confidence, skills, and wellbeing. Moving forward, we have plans to rebuild a successful SCRATCH Volunteering Community. So far, we have created a new role for a Volunteer events Co-ordinator and a Work-experience programme. We have also designed a new Supported Work Experience scheme and a volunteer mentoring scheme, which will become realised once it is safe and practicable to do so, and sufficient funding is in place.

There is a positive energy surrounding our plans for a fresh start, which although they are still under development, are very exciting. I feel very privileged to have worked alongside some fantastic volunteers, past and present and look forward to a challenging but rewarding new phase in SCRATCH’s history.

Polly Burton, Volunteer Manager

FINANCE

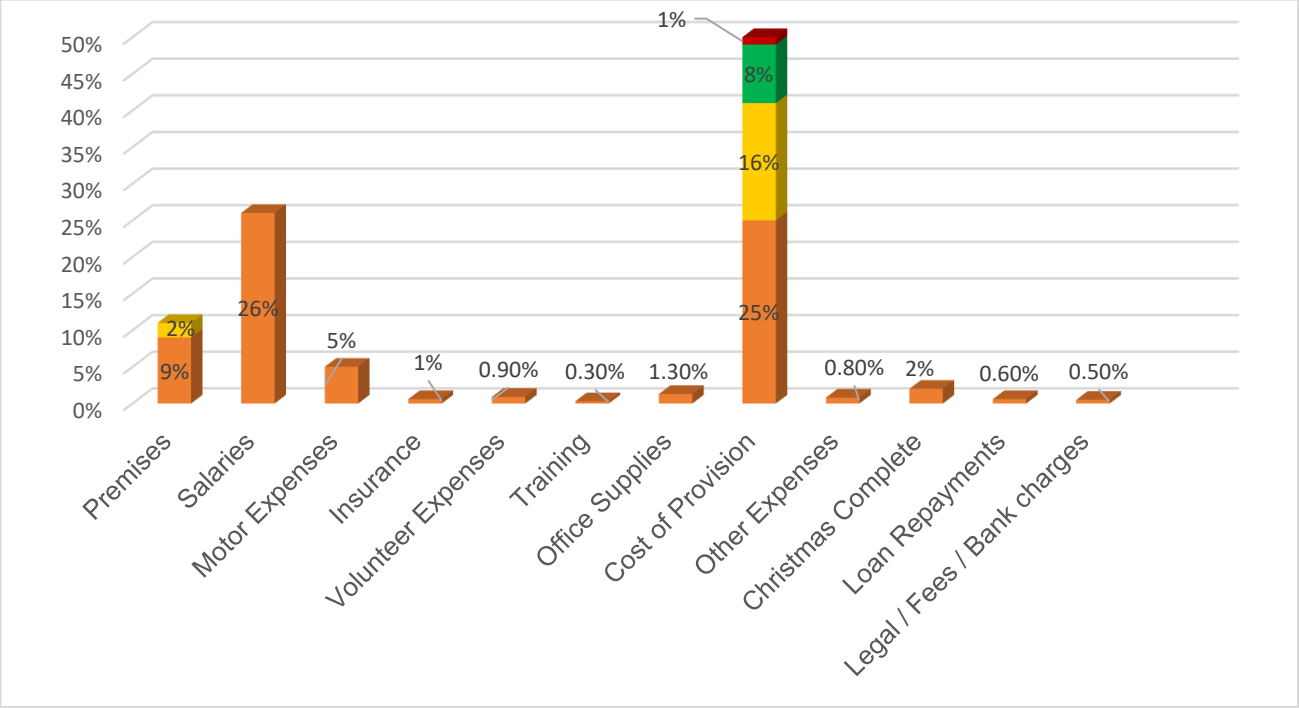
The last year has been a challenge, but we have been blessed financially and are indebted to the many people who support us regularly continuing to do so, despite added pressure on their own incomes.



The total income for the year was £859,935 and the chart opposite shows how this was split.

- Grants
- Donations, including Gift Aid
- Job Retention Scheme
- Vehicle Sale / Compensation
- Shop sales
- Earned income

Our expenses came to £827,684, split as shown on the chart below.



Premises – Warehouse / Office = Shops =

Cost of provision – Utility Top-up vouchers = White Goods =

Basic Pack Equipment = Rent Deposit Payments =

The table below shows donations / grants over £1,000. We also received £30,000 from the Job Retention Scheme.

Statutory Authorities	£411,500	Charlotte Bonham Trust	£3,000
National Lottery	£ 55,273	Jerusalem Trust	£2,000
VIVID Housing	£ 12,022	Pat New Memorial Trust	£2,000
HIWCF	£ 9,740	Abri Ltd	£1,500
LCP Foundation	£ 7,820	PCC of Shirley	£2,500

Board of Directors

Ann Laird (Chair)
David Bartlett
Nicholas Warn

Staff Team (as at 31 March 2021)

Mike Smith - Senior Manager (Operations)

Annette Davis - Senior Manager (Resources)

Ian Dowdell - Furniture Manager

Paul Williams – Driver

Ian Arnold – Driver

**job share*

Polly Burton - Employment Support Officer

Kathryn Baker - Receptionist (part time)

Emma Mason - Welfare Information Officer*

Lucy Taylor - Welfare Information Officer*

Kelly Beck - Shop Manager (New Milton)

Supported by

SOUTHAMPTON CITY COUNCIL ®

EASTLEIGH BOROUGH COUNCIL

Winchester City Council

SCRATCH, 33 Mount Pleasant Industrial Estate, Southampton, SO14 0SP

Tel: 023 8077 3132 e-mail: reception@scratchcharity.co.uk www.scratchcharity.co.uk

Southampton City and Region Action to Combat Hardship is registered as a Limited Company, Number 03830305 Registered in Cardiff.

Registered Charity Number 1078344

SOUTHAMPTON CITY AND REGION
ACTION TO COMBAT HARDSHIP
(LIMITED BY GUARANTEE)

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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The following do not form part of the statutory financial statements:

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SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP (LIMITED BY GUARANTEE)

COMPANY and CHARITY INFORMATION
FOR THE YEAR ENDED 31 March 2021

DIRECTORS/TRUSTEES:

D Bartlett
S Mihelic (resigned April 2020)
N Warn
A Laird

REGISTERED OFFICE:

33 Mount Pleasant Industrial Estate
Southampton SO14 0SP

REGISTERED NUMBER 3830305

REGISTERED CHARITY 1078344

INDEPENDENT EXAMINER:

Ken Stratton FMAAT
Kimball Smith Limited
Brewery House
High Street, Twyford
Winchester, Hampshire SO21 1RG

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP (LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report with the financial statements of the company for the year ended 31 March 2021

PRINCIPAL ACTIVITY

The principal activity of the charitable company in the year under review was to relieve the effects of poverty. Full details of the company's various projects are available from the registered office.

COVID-19

The lockdown caused by the Covid-19 pandemic has had some effect on the Company's activities and full details can be found in the Annual Report (available from the registered office).

While SCRATCH's core business remained active during the lockdown, the two shops were closed for a total of ten months between them and this has had an effect on the income during 2020/21 - mitigated to some extent by grants from Government and local authorities. The East Street shop ceased trading at the end of August 2020.

DIRECTORS

The directors, who are also trustees, shown below have held office during the period 1 April 2020 to the date of this report.

D Bartlett
S Mihelic (resigned April 2020)
N Warn
A Laird

LIMITED BY GUARANTEE

The company is limited by guarantee and the members have a liability of a maximum of £10 per member to the charity's assets if it should be wound up whilst he or she is a member, for the payment of charity's debts and liabilities.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

PUBLIC BENEFIT STATEMENT:

Unwanted household items will be collected from the public, cleaned and refurbished as necessary and distributed to those in need as assessed by the relevant agencies such as social workers, housing staff, school welfare staff and church leaders.

Public benefit can be shown by bringing relief to those in poverty, or at actual risk of being in poverty, thus preventing calls on the public purse for the provision of goods, services etc. in a time when funding is being severely constrained and local welfare provision is limited. Beneficiaries will also be given hope that they are not forgotten, giving rise to improved mental well-being. Relieving poverty promotes compassion and altruism and is generally regarded as ‘a good thing’

The passing on of unwanted household items via the Dorcas Project lessens the impact on the environment of the use of landfill for waste.

Further details of our activities, which are all in accordance with the Charitable Company’s Objects, are available from the registered office.

ON BEHALF OF THE BOARD:

Director

Date: 26 November 2021

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP (LIMITED BY GUARANTEE)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021

	2021				2020		
	Restricted Funds	Unrestricted Funds	Total	Notes	*Restricted Funds*	*Unrestricted Funds*	*Total*
	£	£	£		*£*	*£*	*£*
TURNOVER	0	852,530	852,530	2	*557*	*644,250*	*644,807*
Cost of Sales and Purchases	0	446,462	446,462	3	*0*	*182,497*	*182,497*
GROSS PROFIT	0	406,068	406,068		*557*	*461,753*	*462,310*
Operating and Administratve Expenses	0	381,222	381,222	4	*297*	*444,151*	*444,448*
	0	24,846	24,846		*260*	*17,602*	*17,862*
Other Operating Income		7,405	7,405	5		*9,529*	*9,529*
OPERATING PROFIT / (LOSS)	0	32,251	32,251		*260*	*27,131*	*27,391*
Interest Receivable		0	0		*0*	*0*	*0*
	0	32,251	32,251		*260*	*27,131*	*27,391*
Taxation	0	0	0	6	*0*	*0*	*0*
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	**0**	**32,251**	**32,251**		***260***	***27,131***	***27,391***

SOUTHAMPTON CITY AND REGION
ACTION TO COMBAT HARDSHIP
(LIMITED BY GUARANTEE)

BALANCE SHEET 31 MARCH 2021

	Note	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible Assets	7		2		*3*
CURRENT ASSETS					
Debtors	8	44,698		*49,335*	
Cash at bank and in Hand	9	120,360		*30,554*	
		165,058		*79,889*	
LOANS OUTSTANDING	10	63,600		*18,400*	
CREDITORS					
Amount falling due within one year	11	17,060		*9,343*	
NET CURRENT LIABILITIES			84,398		*52,146*
TOTAL ASSETS LESS CURRENT LIABILITIES			**84,400**		***52,149***
RESERVES	12				
Profit and Loss Account					
Restricted Funds	13		0		*0*
Unrestricted Funds	14		84,400		*52,149*
			84,400		***52,149***

The notes on pages 8 to 12 form part of these financial statements

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP (LIMITED BY GUARANTEE)

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

The directors who are also trustees acknowledge their responsibilities for:

(a) ensuring the company keeps accounting records which comply with the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.
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The financial statements were approved by the Board of Directors on 26 November 2021 and were signed on its behalf by:

Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102 (effective January 2016).

Turnover
Turnover represents grants received, donations received and sales of goods and services. The Company is not registered for Value Added Tax (see also Note 2 below).

Tangible fixed assets
Depreciation is provided at appropriate annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. There was no stock of material value held at 31 March 2021 (nil also at 31 March 2020).

Pension costs and other post-retirement benefits
Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Going Concern
The accounts have been prepared on a going concern basis on the assumptions that the charity will continue to receive financial support from various sources as and when required. While there can be no guarantees of medium to long-term funding, the short-term position is satisfactory.

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP (LIMITED BY GUARANTEE)

2. TURNOVER:

This is made up as follows:

	2021				2020		
	Restricted Funds	Unrestricted Funds	Total		*Restricted Funds*	*Unrestricted Funds*	*Total*
	£	£	£		£	£	£
Donations received		82,311	82,311			*64,555*	*64,555*
Grants received		477,012	477,012	[i]	*557*	*277,620*	*278,177*
Charges for services		208,735	208,735			*116,148*	*116,148*
Sales - Shop		39,159	39,159			*155,656*	*155,656*
Other income		45,313	45,313	[ii]		*30,271*	*30,271*
	0	**852,530**	**852,530**		***557***	***644,250***	***644,807***

Notes: [i] Included in Grants received for 2021 is £83,906 grants received in respect of COVID support.
[ii] Mainly consists of income from fundraising events.

3. COST OF SALES AND PURCHASES:

This figure relates to purchases associated with the Welfare Scheme and Discretionary Fund (see also note 13 below).

4. OPERATING AND ADMINISTRATVE EXPENSES:

This is made up as follows:

	2021				2020		
	Restricted Funds	Unrestricted Funds	Total		*Restricted Funds*	*Unrestricted Funds*	*Total*
	£	£	£		£	£	£
Premises costs	0	72,685	72,685		*0*	*92,580*	*92,580*
Employees (incl. oncosts)	0	226,909	226,909		*0*	*217,301*	*217,301*
Volunteers' expenses	0	4,020	4,020		*0*	*6,227*	*6,227*
Office costs	0	16,099	16,099		*0*	*20,191*	*20,191*
Vehicles and travelling	0	41,537	41,537		*0*	*40,071*	*40,071*
LWPS costs	0	0	0			*54,227*	*54,227*
Depreciation		1	1			*0*	*0*
Other expenses	0	19,971	19,971		*297*	*13,554*	*13,851*
	0	**381,222**	**381,222**		***297***	***444,151***	***444,448***

No directors received any emoluments or other benefits.

5. OTHER OPERATING INCOME:

This is made up of amounts recovered from HMRC under the Gift Aid scheme.

6. TAXATION:

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2021 as SCRATCH is a registered charity.

7. TANGIBLE FIXED ASSETS:

	Plant and Machinery	Motor Vehicles	Computer Equipment		Total
COST	£	£	£		£
At 1 April 2020	27,369	87,398	9,720		124,487
Purchases			0	Note [i]	0
Disposals		(87,398)	0	Note [ii]	(87,398)
At 31 March 2021	27,369	0	9,720		37,089
DEPRECIATION					
At 1 April 2020	27,368	87,397	9,719		124,484
Charge for year	0	0	0		0
At 31 March 2021	27,368	87,397	9,719		124,484
NET BOOK VALUE					
At 31 March 2021	**1**	**0**	**1**		2
At 31 March 2020	*1*	*1*	*1*		*3*

Note [i] Following the theft of one of the vehicles, replacement vehicles have been purchased, with initial costs being met by sale proceeds (£2,800) and insurance payout (£6.700). Grants to cover future vehicle costs (£7,500) were received in 2020/21 and will be used in 2021/22 (see also note 11 below).

Note [ii] All other vehicles have been disposed of and replaced by vehicles subject to hire purchase agreements (see also note 15 below).

8. DEBTORS

	31 March 2021		*31 March 2020*
	£		*£*
HMRC - gift aid	1,400		*7,691*
Grants			*17,404*
Rent etc in Advance (office etc and shop)	10,250		*18,863*
Income from Services	33,048		*5,377*
	44,698		***49,335***

9. CASH AT BANK AND IN HAND

	31 March 2021		*31 March 2020*
	£		*£*
CAF Bank - Current	51,459		*2,099*
Lloyds Bank	118		*178*
Co-op Bank	68,176		*27,767*
Cash in Hand etc	607		*510*
	120,360		***30,554***

10. LOAN OUTSTANDING:

[i] An individual made a loan of £50,000 for the general use of SCRATCH and the loan is being repaid on a monthly basis over 10 years and is interest free. The balance at 31 March 2021 is £13,600 (31 March 2020: £18,400).

[ii] A loan of £50,000 was received in March 2021 under the Government's "Bounce Back" scheme to support businesses following the COVID lockdowns. Nothing was repaid in 2020/21 and the Directors are still considering what to use the loan for.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2021		*31 March 2020*
	£		*£*
HMRC - March PAYE etc	4,162		*3,473*
Grants in advance (vehicles)	7,500		
Trade Creditors	5,398		*5,870*
	17,060		***9,343***

12. RESERVES

	31 March 2021		*31 March 2020*
	£		£
Profit and Loss Account:			
Restricted Funds	0		*0*
Unrestricted Funds	84,400		*52,149*
	84,400		***52,149***

Reserves Policy:
The Directors/Trustees believe that the Charitable Company should hold sufficient balances on its general account to allow it to continue operating even if there was a significant reduction in the level of giving.

The Directors/Trustees believe that the minimum level of these balances should be the equivalent of three months' operating costs on general (not specifically grant-aided) activity calculated and reviewed annually – on the basis of the budget for 2021/22 this will be in the order of £80,000. It is the Board's intention to maintain an adequate level of reserves.

13. RESTRICTED FUNDS:

All projects for which restricted grants were received have now come to an end and there are no balances to carry forward into 2021/22.

Activities such as those relating to the Discretionary Fund and the Local Welfare Provision are now considered as "business as usual" and income for these services is based on actual expenditure according to an agreed tariff. Thus they are no longer considered as restricted funds.

14. UNRESTRICTED FUNDS:

Grants received from Government and local authorities to support the charity during the COVID lockdowns are to support (or expand where necessary) core activities and are not therefore considered to be "restricted" for the purposes of the accounts. £55,273 was received from the National Lottery and £40,000 from Southampton City Council.

SCRATCH received grants for use on the Dorcas Project (details of this project available from the registered office), other smaller projects and for general administration.

15. OTHER FINANCIAL COMMITMENTS

[i] The company has an ongoing annual financial commitment of £41,000 as rental on its premises at Mount Pleasant Industrial Estate under the terms of a five year lease.

[ii] At 31 March 2021 the Company had on annual commitment of £8,460 in respect of a four-year hire purchase agreement for one of its vehicles.

STATEMENT BY THE DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP (LIMITED BY GUARANTEE)

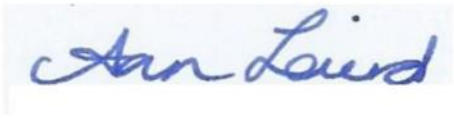
We confirm that as directors and trustees we have met our duty in accordance with the Companies Act 2006 to:

- ensure that the company has kept proper accounting records;

- prepare financial statements which give a true and fair view of the state of the company as at 31 March 2021 and of its profit for that period in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies; and

- follow the applicable accounting policies, subject to any material departures disclosed and explained in the notes to the financial statements.

ON BEHALF OF THE BOARD:



Director

Date: 26 November 2021

SOUTHAMPTON CITY AND REGION
ACTION TO COMBAT HARDSHIP
(LIMITED BY GUARANTEE)

Independent Examiner's Report to the trustees/directors of the charitable company for the year ended 31 March 2021

Report of the Independent Examiner to the trustees/directors on the accounts of the Charitable Company

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts.
The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being qualified as a Fellow Member of the Association of Accounting Technicians.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

In connection with my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in, any material respect, the requirements:
   - to keep accounting records in accordance with section 130 of the Charities Act; and
   - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

K. J. Stratton

Ken Stratton FMAAT, Independent Examiner
Brewery House, High Street, Twyford Winchester, Hampshire SO21 1RG
Date: 29 November 2021

SOUTHAMPTON CITY AND REGION
ACTION TO COMBAT HARDSHIP
(LIMITED BY GUARANTEE)

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	Page
Company Information	2
Report of Directors	3
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	8 to 12

The following do not form part of the statutory financial statements:

Statement by Directors	13
Independent Examiner's Report	14

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP (LIMITED BY GUARANTEE)

COMPANY and CHARITY INFORMATION
FOR THE YEAR ENDED 31 March 2021

DIRECTORS/TRUSTEES:

D Bartlett
S Mihelic (resigned April 2020)
N Warn
A Laird

REGISTERED OFFICE:

33 Mount Pleasant Industrial Estate
Southampton SO14 0SP

REGISTERED NUMBER 3830305

REGISTERED CHARITY 1078344

INDEPENDENT EXAMINER:

Ken Stratton FMAAT
Kimball Smith Limited
Brewery House
High Street, Twyford
Winchester, Hampshire SO21 1RG

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP (LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report with the financial statements of the company for the year ended 31 March 2021

PRINCIPAL ACTIVITY

The principal activity of the charitable company in the year under review was to relieve the effects of poverty. Full details of the company's various projects are available from the registered office.

COVID-19

The lockdown caused by the Covid-19 pandemic has had some effect on the Company's activities and full details can be found in the Annual Report (available from the registered office).

While SCRATCH's core business remained active during the lockdown, the two shops were closed for a total of ten months between them and this has had an effect on the income during 2020/21 - mitigated to some extent by grants from Government and local authorities. The East Street shop ceased trading at the end of August 2020.

DIRECTORS

The directors, who are also trustees, shown below have held office during the period 1 April 2020 to the date of this report.

D Bartlett
S Mihelic (resigned April 2020)
N Warn
A Laird

LIMITED BY GUARANTEE

The company is limited by guarantee and the members have a liability of a maximum of £10 per member to the charity's assets if it should be wound up whilst he or she is a member, for the payment of charity's debts and liabilities.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

PUBLIC BENEFIT STATEMENT:

Unwanted household items will be collected from the public, cleaned and refurbished as necessary and distributed to those in need as assessed by the relevant agencies such as social workers, housing staff, school welfare staff and church leaders.

Public benefit can be shown by bringing relief to those in poverty, or at actual risk of being in poverty, thus preventing calls on the public purse for the provision of goods, services etc. in a time when funding is being severely constrained and local welfare provision is limited. Beneficiaries will also be given hope that they are not forgotten, giving rise to improved mental well-being. Relieving poverty promotes compassion and altruism and is generally regarded as ‘a good thing’

The passing on of unwanted household items via the Dorcas Project lessens the impact on the environment of the use of landfill for waste.

Further details of our activities, which are all in accordance with the Charitable Company’s Objects, are available from the registered office.

ON BEHALF OF THE BOARD:

Director

Date: 26 November 2021

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP (LIMITED BY GUARANTEE)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021

	2021				2020		
	Restricted Funds	Unrestricted Funds	Total	Notes	*Restricted Funds*	*Unrestricted Funds*	*Total*
	£	£	£		*£*	*£*	*£*
TURNOVER	0	852,530	852,530	2	*557*	*644,250*	*644,807*
Cost of Sales and Purchases	0	446,462	446,462	3	*0*	*182,497*	*182,497*
GROSS PROFIT	0	406,068	406,068		*557*	*461,753*	*462,310*
Operating and Administratve Expenses	0	381,222	381,222	4	*297*	*444,151*	*444,448*
	0	24,846	24,846		*260*	*17,602*	*17,862*
Other Operating Income		7,405	7,405	5		*9,529*	*9,529*
OPERATING PROFIT / (LOSS)	0	32,251	32,251		*260*	*27,131*	*27,391*
Interest Receivable		0	0		*0*	*0*	*0*
	0	32,251	32,251		*260*	*27,131*	*27,391*
Taxation	0	0	0	6	*0*	*0*	*0*
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	**0**	**32,251**	**32,251**		***260***	***27,131***	***27,391***

SOUTHAMPTON CITY AND REGION
ACTION TO COMBAT HARDSHIP
(LIMITED BY GUARANTEE)

BALANCE SHEET 31 MARCH 2021

	Note	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible Assets	7		2		*3*
CURRENT ASSETS					
Debtors	8	44,698		*49,335*	
Cash at bank and in Hand	9	120,360		*30,554*	
		165,058		*79,889*	
LOANS OUTSTANDING	10	63,600		*18,400*	
CREDITORS					
Amount falling due within one year	11	17,060		*9,343*	
NET CURRENT LIABILITIES			84,398		*52,146*
TOTAL ASSETS LESS CURRENT LIABILITIES			**84,400**		***52,149***
RESERVES	12				
Profit and Loss Account					
Restricted Funds	13		0		*0*
Unrestricted Funds	14		84,400		*52,149*
			84,400		***52,149***

The notes on pages 8 to 12 form part of these financial statements

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP (LIMITED BY GUARANTEE)

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

The directors who are also trustees acknowledge their responsibilities for:

(a) ensuring the company keeps accounting records which comply with the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.
.

The financial statements were approved by the Board of Directors on 26 November 2021 and were signed on its behalf by:

Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102 (effective January 2016).

Turnover
Turnover represents grants received, donations received and sales of goods and services. The Company is not registered for Value Added Tax (see also Note 2 below).

Tangible fixed assets
Depreciation is provided at appropriate annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. There was no stock of material value held at 31 March 2021 (nil also at 31 March 2020).

Pension costs and other post-retirement benefits
Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Going Concern
The accounts have been prepared on a going concern basis on the assumptions that the charity will continue to receive financial support from various sources as and when required. While there can be no guarantees of medium to long-term funding, the short-term position is satisfactory.

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP (LIMITED BY GUARANTEE)

2. TURNOVER:

This is made up as follows:

	2021				2020		
	Restricted Funds	Unrestricted Funds	Total		*Restricted Funds*	*Unrestricted Funds*	*Total*
	£	£	£		£	£	£
Donations received		82,311	82,311			*64,555*	*64,555*
Grants received		477,012	477,012	[i]	*557*	*277,620*	*278,177*
Charges for services		208,735	208,735			*116,148*	*116,148*
Sales - Shop		39,159	39,159			*155,656*	*155,656*
Other income		45,313	45,313	[ii]		*30,271*	*30,271*
	0	**852,530**	**852,530**		***557***	***644,250***	***644,807***

Notes: [i] Included in Grants received for 2021 is £83,906 grants received in respect of COVID support.
[ii] Mainly consists of income from fundraising events.

3. COST OF SALES AND PURCHASES:

This figure relates to purchases associated with the Welfare Scheme and Discretionary Fund (see also note 13 below).

4. OPERATING AND ADMINISTRATVE EXPENSES:

This is made up as follows:

	2021				2020		
	Restricted Funds	Unrestricted Funds	Total		*Restricted Funds*	*Unrestricted Funds*	*Total*
	£	£	£		£	£	£
Premises costs	0	72,685	72,685		*0*	*92,580*	*92,580*
Employees (incl. oncosts)	0	226,909	226,909		*0*	*217,301*	*217,301*
Volunteers' expenses	0	4,020	4,020		*0*	*6,227*	*6,227*
Office costs	0	16,099	16,099		*0*	*20,191*	*20,191*
Vehicles and travelling	0	41,537	41,537		*0*	*40,071*	*40,071*
LWPS costs	0	0	0			*54,227*	*54,227*
Depreciation		1	1			*0*	*0*
Other expenses	0	19,971	19,971		*297*	*13,554*	*13,851*
	0	**381,222**	**381,222**		***297***	***444,151***	***444,448***

No directors received any emoluments or other benefits.

5. OTHER OPERATING INCOME:

This is made up of amounts recovered from HMRC under the Gift Aid scheme.

6. TAXATION:

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2021 as SCRATCH is a registered charity.

7. TANGIBLE FIXED ASSETS:

	Plant and Machinery	Motor Vehicles	Computer Equipment		Total
COST	£	£	£		£
At 1 April 2020	27,369	87,398	9,720		124,487
Purchases			0	Note [i]	0
Disposals		(87,398)	0	Note [ii]	(87,398)
At 31 March 2021	27,369	0	9,720		37,089
DEPRECIATION					
At 1 April 2020	27,368	87,397	9,719		124,484
Charge for year	0	0	0		0
At 31 March 2021	27,368	87,397	9,719		124,484
NET BOOK VALUE					
At 31 March 2021	**1**	**0**	**1**		2
At 31 March 2020	*1*	*1*	*1*		*3*

Note [i] Following the theft of one of the vehicles, replacement vehicles have been purchased, with initial costs being met by sale proceeds (£2,800) and insurance payout (£6.700). Grants to cover future vehicle costs (£7,500) were received in 2020/21 and will be used in 2021/22 (see also note 11 below).

Note [ii] All other vehicles have been disposed of and replaced by vehicles subject to hire purchase agreements (see also note 15 below).

8. DEBTORS

	31 March 2021		*31 March 2020*
	£		*£*
HMRC - gift aid	1,400		*7,691*
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Rent etc in Advance (office etc and shop)	10,250		*18,863*
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Cash in Hand etc	607		*510*
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[i] An individual made a loan of £50,000 for the general use of SCRATCH and the loan is being repaid on a monthly basis over 10 years and is interest free. The balance at 31 March 2021 is £13,600 (31 March 2020: £18,400).

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11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2021		*31 March 2020*
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HMRC - March PAYE etc	4,162		*3,473*
Grants in advance (vehicles)	7,500		
Trade Creditors	5,398		*5,870*
	17,060		***9,343***

12. RESERVES

	31 March 2021		*31 March 2020*
	£		£
Profit and Loss Account:			
Restricted Funds	0		*0*
Unrestricted Funds	84,400		*52,149*
	84,400		***52,149***

Reserves Policy:
The Directors/Trustees believe that the Charitable Company should hold sufficient balances on its general account to allow it to continue operating even if there was a significant reduction in the level of giving.

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SCRATCH received grants for use on the Dorcas Project (details of this project available from the registered office), other smaller projects and for general administration.

15. OTHER FINANCIAL COMMITMENTS

[i] The company has an ongoing annual financial commitment of £41,000 as rental on its premises at Mount Pleasant Industrial Estate under the terms of a five year lease.

[ii] At 31 March 2021 the Company had on annual commitment of £8,460 in respect of a four-year hire purchase agreement for one of its vehicles.

STATEMENT BY THE DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP (LIMITED BY GUARANTEE)

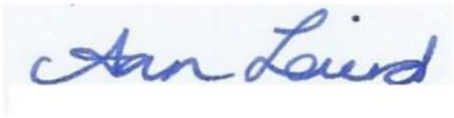
We confirm that as directors and trustees we have met our duty in accordance with the Companies Act 2006 to:

- ensure that the company has kept proper accounting records;

- prepare financial statements which give a true and fair view of the state of the company as at 31 March 2021 and of its profit for that period in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies; and

- follow the applicable accounting policies, subject to any material departures disclosed and explained in the notes to the financial statements.

ON BEHALF OF THE BOARD:



Director

Date: 26 November 2021

SOUTHAMPTON CITY AND REGION
ACTION TO COMBAT HARDSHIP
(LIMITED BY GUARANTEE)

Independent Examiner's Report to the trustees/directors of the charitable company for the year ended 31 March 2021

Report of the Independent Examiner to the trustees/directors on the accounts of the Charitable Company

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts.
The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being qualified as a Fellow Member of the Association of Accounting Technicians.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

In connection with my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in, any material respect, the requirements:
   - to keep accounting records in accordance with section 130 of the Charities Act; and
   - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

K. J. Stratton

Ken Stratton FMAAT, Independent Examiner
Brewery House, High Street, Twyford Winchester, Hampshire SO21 1RG
Date: 29 November 2021