

REGISTERED COMPANY NUMBER: 05090324 (England and Wales)
REGISTERED CHARITY NUMBER: 1105835

Report of the Trustees and
Financial Statements for the Year Ended 31 March 2023
for
Community Southwark

Nordens Audit Limited
The Retreat
406 Rodling Lane South
Woodford Green
Essex
IG8 8EY

Community Southwark

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for the Year Ended 31 March 2023**

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Community Southwark

**Report of the Trustees
for the Year Ended 31 March 2023**

Structure, Governance and Management

Constitution and Organisation

Community Southwark is a charitable company limited by guarantee. It was founded in 1992 as Southwark Community Care Forum, registered as a charity on 5 January 1998 and incorporated on 1 April 2004. However, its roots go back to at least the 1960s when a Council of Voluntary Services is documented to have been operating in Southwark. Between 2009 and 2016 the charity operated under the name of Community Action Southwark. Following the merger with the Southwark Volunteer Centre, the charity has been operating as Community Southwark since 2016. The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association.

Community Southwark is a membership organisation that operates in Southwark. "Membership is open to individuals ("Individual Members") and to not-for-profit organisations ("General Members") who:

- a) Apply to the Charity in the form required by the Trustees.
- b) Operate in the area of benefit; and
- c) Are approved by the Trustees provided that at no time shall the number of Individual Members exceed one-fifth of the number of General Members." (Art.5)

As of 31st March 2023, the charity had 948 member organisations.

The charity is governed by its Board of Trustees and day-to-day services are delivered by a dedicated team of staff and volunteers.

Objectives

The charity's objectives are:

To promote any charitable purpose for the benefit of the public and particularly, but not limited to, the public who live and work in the London Borough of Southwark and surrounding London boroughs, including to advance education, protect the health, relieve poverty distress and sickness, promote voluntary work and volunteer service and to provide facilities for recreation and other leisure time occupation in the interests of social welfare to improve the conditions of life of the public.

To promote the efficiency and effectiveness of voluntary and charitable sector organisations providing health, community care and children's and family services for the benefit of the public and particularly, but not limited to, the public who live and work in the London Borough of Southwark and surrounding London Boroughs, through promoting good practice and partnerships within the voluntary and charitable sector.

On a day-to-day basis, we achieve our objectives by supporting our members – non for profits, (Voluntary and Community Sector organisations and social enterprises), through capacity building, training, and networks. We provide advocacy and representation for the VCS. We support existing and potential volunteers. We also work with local authorities, the NHS, and businesses to support for our members and wider communities in Southwark.

Community Southwark

Report of the Trustees for the Year Ended 31 March 2023

Public Benefit

The trustees have paid due regard to the Charity Commission's guidance on public benefit. The trustees are confident that Community Southwark's aims and activities of supporting, connecting, informing, and influencing on behalf of the Voluntary and Community Sector and volunteers in Southwark, are following the regulations on public benefit:

Recruitment and appointment of new Trustees

The Board of Trustees "consists of at least 4 and no more than 12 individuals of whom:

- a. Not more than 9 shall be elected by the General Members of the Charity in general meetings.
- b. And no more than 3 shall be appointed by the Trustees

(...) a person will be eligible to stand for election if he or she has been duly nominated by a General Member organisation" (Art. 16). Each trustee shall retire from office at the third annual general meeting following his or her election" (Art. 17). "A Trustee who has served for two consecutive terms of office from the date of adoption of these Articles, must take a break from the office and may not be re-elected until the annual general meeting following the annual general meeting at which his or her break from office commenced." (Art. 19)

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

Induction and training of new Trustees

The induction programme for new trustees includes:

- Written information and induction on Community Southwark's activities.
- A meeting with existing trustees and the CEO
- Time to meet staff and ask questions.
- An invitation to attend any of Community Southwark's training and events
- Copies of relevant publications and updates from the Charity Commission.
- Copy of the NCVO Good Trustee handbook.
- Governance Training

Management Structure, Staff and Volunteers

The trustees delegate the day-to-day management to the CEO who is supported by a dedicated team of staff and volunteers. We aim to recruit high-calibre individuals who not only contribute to the achievement of the charity's aims and objectives but also understand and support the ethos and culture of the organisation. In return, we offer a generous support package, including a competitive salary, 5% employer's pension contribution, generous annual leave, paid volunteering days, and a Cycle to Work Scheme.

Equity, Diversity and Inclusion (EDI)

The charity actively aims to ensure that Equity, Diversity and Inclusion (EDI) form an integral part of all its actions and activities. Our EDI policy is reviewed annually by the Board.

Community Southwark

Report of the Trustees
for the Year Ended 31 March 2023

Objectives and activities

Introduction

Our vision is to create a borough in which all communities and individuals can fulfil their potential. Our 2022-26 Strategy has the following objectives:

1. Enable a more impactful, collaborative, and sustainable Voluntary and Community Sector
2. Support the creation of a more inclusive, diverse, and equal Southwark
3. Increase the sector's ability to influence change no matter the size or background of an organisation or individual
4. Run the charity responsibly, effectively, and efficiently - ensuring that the community is at the centre of everything we do
5. Be an independent champion for health and social care users through Healthwatch Southwark

None of our work could be possible without the support of generous funders and supporters, including Southwark Council, Impact on Urban Health, City Bridge Trust, National Lottery Community Fund, United St Saviour's Charity, Southwark Charities, and our main pro bono partners – ZS Associates and Meridian (West) Ltd. Thank you.

Strategic Objective 1:

Enable a more impactful, collaborative, and sustainable Voluntary and Community Sector

During 2022-23:

- 468 new volunteers were signed up, an increase of 24% from the previous year.
- Of these new volunteers, 162 were given face to face appointments.
- Each quarter, an average of 98 volunteering opportunities were advertised on our website, a total of 392 over the year.
- 37 VCS organisations were given one-to-one support with volunteer management.
- Three network meetings for Volunteer Managers were held.
- 33 partnerships between the VCS and corporate volunteers were managed.
- In June 2022, we celebrated volunteering at Southwark Stars at the Tate Modern with over 150 attendees.
- 119 one-to-one casework advice sessions were completed. The main issues were income generation, premises, and starting up.
- We secured an additional £402,394 into Southwark Voluntary and Community Sector from funders and the local authority

Community Southwark

Report of the Trustees for the Year Ended 31 March 2023

- 12 training sessions and 6 events were held, including a mental health conference, neighbourhood networking, funders' fair, and a State of the Sector breakfast launch.
- Monthly e-bulletins were sent to share news across our networks and the sector, and funding and volunteering opportunities.
- We worked with the council and other partners on projects such as Warm Spaces and the Cost-of-Living Referral Fund to help VCS groups to support their service users and to assist with their own costs of doing so.
- Our new Membership and Outreach Officer started in January 2023 and sent 600 emails, made 250 follow up calls, and visited 24 VCS groups in their first quarter.
- Our Evaluation and Impact Officer worked with 27 VCS groups on the Make Your Mark Programme – a series of five sessions over three months. They also gave one-to-one impact measurement support to 26 groups.

Strategic Objective 2:

Support the creation of a more inclusive, diverse, and equal Southwark

We have three members of staff (2.2 FTE) dedicated to providing one-to-one support, training, and advocacy for BAME-led groups. We also ensure that we are offering targeted support to these groups and others with protected characteristics across the whole team.

During 2022-23:

- 49% of our new volunteers came from BAME backgrounds, 40% were under 30, and 8% were disabled.
- 54% of our one-to-one capacity building casework was for BAME-led groups
- We delivered six training sessions targeted to BAME-led groups. Our storytelling for fundraising session had 42 attendees giving 95% positive feedback.
- 75% of Evaluation and Impact support was for BAME-led groups
- Our Latin American Network and Race, Equality and Cultural Heritage (REACH) Alliance had 12 network meetings.
- We worked with Southwark Council to develop a £400,000 Equalities Grant programme, ringfenced for VCS groups run by those with protected characteristics.
- We continued to work with Partnership Southwark on a funding process to address health inequalities and to ensure that BAME-led groups are the ones to make the decisions about how funding is allocated.

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Report of the Trustees
for the Year Ended 31 March 2023

Strategic Objective 3:

Increase the sector's ability to influence change no matter the size or background of an organisation or individual

We facilitate the following VCS networks to meet at least four times per year, and we support them with projects to influence change

- Disability Providers
- Mental Health
- Children, Families, and Young People
- Older People
- Grass Roots Groups
- Sports
- Latin American Network
- Race, Equality and Cultural Heritage (REACH) Alliance
- Safeguarding Leads
- Volunteering Managers

In addition, Southwark Voice is the network which brings together the Chairs of all the networks facilitated by Community Southwark, and all the other VCS networks in the borough. In 2022-23 Southwark Voice was focused on the State of the Sector research which has given the network and evidence-based, open and transparent agenda for change for the VCS based on 239 contributions from the sector. The report and call to action focus on funding, premises, and relationships with the statutory sector.

Our team meets regularly with decision makers in the council, the NHS, and trusts and foundations. In 2022-23 we attended 172 meetings with decision makers to advocate for the VCS. To support the sector to influence change we also offered a variety of training including how to use the law to campaign, and how to influence your MP.

Strategic Objective 4:

Run the charity responsibly, effectively, and efficiently - ensuring that the community is at the centre of everything we do

During 2022-23 we introduced a Membership and Outreach role to ensure all our members are aware of all our services and to engage with those who may have been less active.

Internally, we reviewed all our policies and procedures, including improving our maternity and paternity leave policy, and induction processes. We undertook a full training audit and delivered a series of internal training sessions. We increased our unrestricted income.

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Report of the Trustees for the Year Ended 31 March 2023

Our 2022-23 Members Survey elicited 134 responses.

- 78% of respondents agreed or strongly agreed with the statement "Community Southwark provides good quality services and support".
- 87% of respondents said 'Yes' to the question: 'Do your interactions with Community Southwark made you feel welcome and included?'.

"Community Southwark is an amazing organisation that I am grateful exists to support us in our journey." – Generation Success

"CS are a great organisation with a fantastic variety and wealth of support." - Support4You

"The bulletins are frequent but always contain really useful information and are quick and easy to read/ skim read to find the information most relevant to our organisation." – Theatre Peckham

The survey also highlighted areas for improved working, such as fundraising support, bespoke EDI support, and more outreach and communications about our networks. The full report is on our website at <https://communitysouthwark.org/annual-members-survey-report-findings-and-actions/>

Our 2022-23 Staff Survey showed that 100% of staff felt proud to work at Community Southwark, and that all were motivated to achieve their best.

"Overall, I love my work and what I do here. I feel appreciated, valued, heard and supported. What more could one ask for? Thank you."

"It is the best place I worked for over 20 years. I'm grateful for being part of it."

"I enjoy working for CS, it's a very good place to work. Well done to everyone for creating an environment where staff feel valued and are able to be themselves."

Strategic Objective 5:

Be an independent champion for health and social care users through Healthwatch Southwark

Healthwatch Southwark is hosted by Community Southwark and commissioned by Southwark Council. Healthwatch is a national initiative that came into being because of the Health and Social Care Act 2012, there is a Healthwatch in every local authority in England.

Healthwatch Southwark's core function is to gather and champion the views of local users of health and social care services, to identify opportunities for improvement and to influence how providers deliver care.

The Healthwatch Southwark 2022-23 annual report can be found at <https://www.healthwatchsouthwark.org/report/2023-07-03/annual-report-20223>

Community Southwark

Report of the Trustees for the Year Ended 31 March 2023

Future Plans

The State of the Sector report is shaping our plans as this is so clearly what the VCS in Southwark has said it needs to survive and thrive. The issues of funding, premises, and statutory partner relationships disproportionately affect BAME-led groups so we will continue our member-led and equity-led approach. We will:

- Focus on supporting our networks to grow, collaborate, and affect change through partnerships and projects.
- Through Southwark Voice, facilitate working groups to bring together partners to tackle challenges around funding, premises, and statutory relationships and drive real change.
- Provide more targeted, hands on fundraising support, initially through a pilot with the Merchant Taylors Foundation.
- Thanks to generous funding from the National Lottery, start a three-year project to match more corporate and business volunteers, skills and resources with the VCS.
- Continue to offer bespoke one-to-one support and training including in EDI, volunteer management, evaluation and impact measurement.

Financial Review

Financial Position

The charity generated a total income of £996,694 (£931,432 in 2021-22) and the total resources expended were £903,365 (£866,941 in 2021-22). It ran a higher than the budgeted surplus of £93,329. This was due to successful efforts to increase unrestricted income through our consultancy and corporate volunteering, and to savings in staff costs as the Communications Manager took voluntary redundancy.

We will continue to work on improving further our financial position in the next financial year in line with our Income Generation Strategy. The charity aims to deliver a surplus in 2023-24 and to gradually rebuild its reserves to six months of operating costs (£434,951) in the following years, in line with its Reserves Policy. We remain cautious because of the uncertain economic situation, high levels of inflation, increased energy costs, and dependence on grant funding.

Reserves Policy

The Reserves Policy is reviewed annually, most recently in July 2023. To make a judgment on the amount of reserve, the Trustees have considered the risks in respect of expenditure, unrestricted income, and where appropriate restricted income and where funds can only be realised by the disposal of a fixed asset. Also taken into consideration are any externally identified potential major risks to income and expenditure during the year under consideration. After review, our current position indicates the following:

- Restricted Income (contracts): Low Risk
- Restricted Income (grants): Medium Risk due to uncertain economic climate
- Earned income: Medium Risk due to uncertain economic climate
- Expenditure: High Risk due to inflation and energy costs

The Trustees determined that it would be appropriate for the charity to hold in reserve approximately 6 months of expenditure which, within the 2023-2024 budget period (excluding any conduit funds we pass directly to our delivery partners) equates to £434,951.

Community Southwark

Report of the Trustees for the Year Ended 31 March 2023

Amount of reserves held

Restricted reserves that were carried forward from 2021-22 to 2022-23 for the Camberwell and Nunhead project (£11,500) were utilised to deliver the project.

As a result of the surplus generated in 2022-23, reserves increased to £287,853, as of 31st March 2023. Of this, £14,809 was carried forward to the next year as restricted reserves to continue the delivery of two projects: Health Ambassadors and Impact on Urban Health.

The remaining £273,044 was carried forward as unrestricted reserves, as of 31st March 2023. This equates to approximately four months' expenditure. The charity has, therefore, not met its target of six months expenditure in reserve (£434,951) in 2022-23. However, it is moving in the right direction from unrestricted reserves of £184,047 in 2021-22.

The Designated Property Fund was not utilised during 2022-23 and the entire amount of £17,535 was carried forward to next year. An additional £12,465 from unrestricted income was added to the fund, giving a total of £30,000. The charity plans to use this fund to build a confidential meeting space and disabled access to the first floor in 2023-24.

Risk Management

Trustees review the major risks to which the charity is exposed annually. The 2022-23 assessment concluded that there were no material changes to the risks register. The primary risks have been identified as:

1. Significant reductions in income which we mitigate by maintaining close relationships with funders and stakeholders and by increasing earned income to diversify the income portfolio and increase the proportion of unrestricted income.
2. Significant unforeseen expenditure risks are mitigated by monthly review of management accounts and cash flow forecasts by the executive and quarterly meetings of trustees.
3. Changes in key staff which we mitigate through knowledge management processes, collegiate working, and a focus on training and Equity, Diversity and Inclusion.

Principal Funding Sources

Our biggest funder remains the London Borough of Southwark which has three long-term contracts with the charity covering the following: Council for Voluntary Services, Healthwatch Southwark, and Southwark Emergency Support Scheme. We continue to attract grant funding from different sources, including the National Lottery Community Fund, City Bridge Trust, Public Health, and Impact on Urban Health to name just a few. A full list of funders is listed in the financial part of this report.

Organisational Structure

The trustees delegate the day-to-day management to the Chief Executive. The organisational Remuneration Policy is set annually by the Finance and General-Purpose Subcommittee.

Community Southwark

Report of the Trustees **for the Year Ended 31 March 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
05090324 (England and Wales)

Registered Charity number
1105835

Registered office
11 Market Place
London
SE16 3UQ

Trustees

Ms N F Howard
Mr C Willson
Mr P Redfern
Mr C Whilby
Mr J Cox
Ms W Baffoe
Ms F E Boshorin
Mr C Brady
Mr D Campbell
Ms E Kerslake
Ms N L Louise
Mr C B Naylor
Christopher Henry
Mason Elliott
Sarah Gibb
Pedro Gil

Chair Treasurer

(appointed 3.3.23)
(appointed 29.11.22)
(appointed 29.11.22)
(appointed 29.11.22)
(appointed 3.3.23)
(appointed 3.3.23)
(appointed 3.3.23)
retired on 28/11/2022
retired on 28/11/2022
retired on 28/11/2022
retired on 03/03/2023

Company Secretary
Ms A Al-Samerai

Auditors

Nordens Audit Limited
The Retreat
406 Roding Lane South
Woodford Green
Essex
IG8 8EY

Community Southwark

Report of the Trustees **for the Year Ended 31 March 2023**

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP (FRS 102).
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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

In so far as the trustees are aware:

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

Auditors

The auditors, Nordens Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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


.....
Ms N F Howard - Trustee

**Report of the Independent Auditors to the Members of
Community Southwark**

Opinion

We have audited the financial statements of Community Southwark (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 twelve 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 Report of the Independent Auditors 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.

**Report of the Independent Auditors to the Members of
Community Southwark**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

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

**Report of the Independent Auditors to the Members of
Community Southwark**

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions were held with the directors with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, and distributable profits legislation.
- It is considered that there are no laws and regulations for which non-compliance may be fundamental to the operating aspects of the business.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

**Report of the Independent Auditors to the Members of
Community Southwark**

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

Lorraine Curtis (Senior Statutory Auditor)
for and on behalf of Nordens Audit Limited
The Retreat
406 Roding Lane South
Woodford Green
Essex
IG8 8EY

Date:

Community Southwark

Statement of Financial Activities
for the Year Ended 31 March 2023

		Unrestricted fund £	Restricted fund £	31.3.23 Total funds £	31.3.22 Total funds £
	Notes				
DONATIONS AND VOLUNTARY INCOME FROM					
Donations and trading income	2	115,031	-	115,031	26,244
Contract Income	3	10,000	531,933	541,933	403,730
Grant Income	4	<u>15,062</u>	<u>324,668</u>	<u>339,730</u>	<u>501,458</u>
Total		<u>140,093</u>	<u>856,601</u>	<u>996,694</u>	<u>931,432</u>
EXPENDITURE ON					
Charitable activities	5				
Staff costs		-	702,520	702,520	722,003
Project Delivery Costs		50,989	52,998	103,987	40,063
Governance Cost		-	5,155	5,155	7,446
Operating Expenses		<u>-</u>	<u>95,095</u>	<u>95,095</u>	<u>97,428</u>
Total		<u>50,989</u>	<u>855,768</u>	<u>906,757</u>	<u>866,940</u>
NET INCOME		89,104	833	89,937	64,492
Transfers between funds	13	<u>(2,476)</u>	<u>2,476</u>	<u>-</u>	<u>-</u>
Net movement in funds		86,628	3,309	89,937	64,492
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>184,048</u>	<u>11,500</u>	<u>195,548</u>	<u>131,056</u>
TOTAL FUNDS CARRIED FORWARD		<u>270,676</u>	<u>14,809</u>	<u>285,485</u>	<u>195,548</u>

The notes form part of these financial statements

Community Southwark

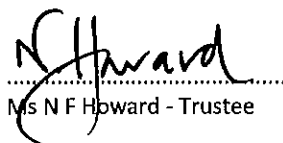
Balance Sheet

31 March 2023

	Notes	Unrestricted fund £	Restricted fund £	31.3.23 Total funds £	31.3.22 Total funds £
CURRENT ASSETS					
Debtors	11	1,832	11,500	13,332	110,075
Cash at bank		<u>417,167</u>	<u>3,309</u>	<u>420,476</u>	<u>359,550</u>
		418,999	14,809	433,808	469,625
CREDITORS					
Amounts falling due within one year	12	(148,323)	-	(148,323)	(274,077)
		<u>270,676</u>	<u>14,809</u>	<u>285,485</u>	<u>195,548</u>
NET CURRENT ASSETS					
		<u>270,676</u>	<u>14,809</u>	<u>285,485</u>	<u>195,548</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>270,676</u>	<u>14,809</u>	<u>285,485</u>	<u>195,548</u>
NET ASSETS		<u>270,676</u>	<u>14,809</u>	<u>285,485</u>	<u>195,548</u>
FUNDS	13				
Unrestricted funds				270,676	184,048
Restricted funds				<u>14,809</u>	<u>11,500</u>
TOTAL FUNDS				<u>285,485</u>	<u>195,548</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:


.....
Ms N F Howard - Trustee

The notes form part of these financial statements

Community Southwark

Cash Flow Statement
for the Year Ended 31 March 2023

	Notes	31.3.23 £	31.3.22 £
Cash flows from operating activities			
Cash generated from operations	1	<u>59,181</u>	<u>(170,253)</u>
Net cash provided by/(used in) operating activities		<u>59,181</u>	<u>(170,253)</u>
 Cash flows from investing activities			
Interest received		<u>1,745</u>	<u>6</u>
Net cash provided by investing activities		<u>1,745</u>	<u>6</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		60,926	(170,247)
Cash and cash equivalents at the beginning of the reporting period		<u>359,550</u>	<u>529,797</u>
 Cash and cash equivalents at the end of the reporting period		<u>420,476</u>	<u>359,550</u>

The notes form part of these financial statements

Community Southwark

Notes to the Cash Flow Statement
for the Year Ended 31 March 2023

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.23	31.3.22
	£	£
Net Income for the reporting period (as per the Statement of Financial Activities)	89,937	64,492
Adjustments for:		
Interest received	(1,745)	(6)
Decrease/(increase) in debtors	96,743	(76,925)
Decrease in creditors	(125,754)	(157,814)
Net cash provided by/(used in) operations	<u>59,181</u>	<u>(170,253)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22	Cash flow	At 31.3.23
	£	£	£
Net cash			
Cash at bank	<u>359,550</u>	<u>60,926</u>	<u>420,476</u>
	<u>359,550</u>	<u>60,926</u>	<u>420,476</u>
Total	<u>359,550</u>	<u>60,926</u>	<u>420,476</u>

The notes form part of these financial statements

Community Southwark

Notes to the Financial Statements for the Year Ended 31 March 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Investment income is included when receivable
- Incoming resources from the charitable trading activity are accounted for when earned.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance. Income relating to future periods is deferred.

Expenditure

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

- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs related to a particular activity are allocated directly; other are apportioned on the basis of staff time.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Community Southwark

Notes to the Financial Statements **for the Year Ended 31 March 2023**

Fund accounting

Unrestricted Funds

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

Restricted Funds

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

Pension costs and other post-retirement benefits

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

Community Southwark

Notes to the Financial Statements - continued for the Year Ended 31 March 2023

1. ACCOUNTING POLICIES - continued

Debtors and prepayments

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

Creditors and provisions

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

2. DONATIONS AND TRADING INCOME

	Unrestricted Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£
Donations	510		510	7,329
Consultancy Income	28,769		28,769	8,480
Training Income	-		-	25
Involve - Corporate Volunteering	85,754		85,754	9,690
Discrepancy from last year				720
Totals	115,033	-	115,033	26,244

Total net profit for Involve was £38,383.

Total net profit for Consultancy was £22,227.

3. CONTRACT INCOME

	Unrestricted Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£
Council for Voluntary Services	-	383,732	383,732	383,730
Southwark Emergency Support Scheme	10,000	-	10,000	20,000
London Borough of Southwark - Healthwatch Southwark		148,200	148,200	140,000
	10,000	531,932	541,932	543,730

Totals

Community Southwark

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

4. GRANT INCOME

	Unrestricted £	Restricted £	Total Funds 2023 £	Total Funds 2022 £
Public Health	7,636	69,182	76,818	89,591
Other	-	-	-	13,841
National Lottery Community Fund	-	40,016	40,016	67,518
United St Saviour's Charity	-	2,833	2,833	1,250
Guy's & St Thomas's Foundation	-	3,677	3,677	68,607
Partnership Southwark	-	63,188	63,188	46,147
Postcode Society Trust	-	-	-	19,721
National Grid	-	10,000	10,000	16,747
City Bridge Trust	-	47,387	47,387	35,625
Impact on Urban Health	-	65,887	65,887	-
The Alan & Babette Sainsbury Charitable Fund	-	15,000	15,000	-
Award for All (TNL)	-	4,998	4,998	-
NAVCA	5,000	-	5,000	-
Other Grants	681	2,500	3,181	3,125
Bank Interest	1,745	-	1,745	6
Totals	15,062	324,668	339,730	362,178

Community Southwark does not make decisions about about awarding funds to VCS groups. However, as part of its projects, Community Southwark sometimes receives grants to distribute to small organisations or community groups. These grants are treated as conduit funds and not included in the income and expenditure in accordance with SORP 19.1

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Staff costs	702,520	-	702,520
Project Delivery Costs	103,987	-	103,987
Governance Cost	-	5,155	5,155
Operating Expenses	-	95,095	95,095
	806,507	100,250	906,757

Community Southwark

Notes to the Financial Statements - continued for the Year Ended 31 March 2023

6. SUPPORT COSTS

Detail	Direct Cost	Overhead Cost	Total
	£	£	£
LBS- Council for Voluntary Services contract	345,378	33,786	379,164
LBS- Healthwatch contract	132,941	13,777	146,718
City Bridge Trust- Make your Mark	36,249	7,066	43,315
Impact on Urban Health - BAME project	60,437	15,299	75,736
The National Lottery- Camberwell and Nunhead Connected	18,170	5,833	24,003
Partnership Southwark - Social Prescribing	54,010	5,922	59,932
Public Health- Health Ambassadors	39,903	6,379	46,282
Guys and St Thomas- Community Grant project	3,677	-	3,677
National Lottery and National Grid-Membership Outreach	11,757	3,242	14,999
Unrestricted	-	3,790	
Total	702,520	95,095	797,615

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.23	31.3.22
	£	£
Auditors remuneration	<u>5,034</u>	<u>4,600</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

9. STAFF

	2023	2022
	£	£
Salaries and wages	579,315	620,056
Social security costs	56,583	60,408
Pension costs	27,831	28,499
Totals	663,729	708,963

The average monthly number of employees during the year was 21 (2022: 21).

No employee earned over £60,000 in the period (2022 same).

Community Southwark

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
DONATIONS AND VOLUNTARY INCOME FROM			
Donations and trading Income	26,244	-	26,244
Contract Income	-	403,730	403,730
Grant Income	<u>51,151</u>	<u>450,307</u>	<u>501,458</u>
Total	<u>77,395</u>	<u>854,037</u>	<u>931,432</u>
EXPENDITURE ON Charitable activities			
Staff costs	722,003	-	722,003
Project Delivery Costs	40,063	-	40,063
Governance Cost	7,446	-	7,446
Operating Expenses	<u>(745,939)</u>	<u>843,367</u>	<u>97,428</u>
Total	<u>23,573</u>	<u>843,367</u>	<u>866,940</u>
NET INCOME	53,822	10,670	64,492
Transfers between funds	<u>(830)</u>	<u>830</u>	<u>-</u>
Net movement in funds	52,992	11,500	64,492
RECONCILIATION OF FUNDS			
Total funds brought forward	131,056	-	131,056
TOTAL FUNDS CARRIED FORWARD	<u>184,048</u>	<u>11,500</u>	<u>195,548</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23 £	31.3.22 £
Trade debtors	6,520	98,023
Other debtors	-	4,001
Prepayments and accrued income	<u>6,812</u>	<u>8,051</u>
	<u>13,332</u>	<u>110,075</u>

Community Southwark

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade creditors	3,752	27,717
VAT	23,017	18,394
Other creditors	23,287	91
Accruals and deferred Income	67,297	192,339
Accrued expenses	30,970	35,536
	<u>148,323</u>	<u>274,077</u>

The deferred Income above of £67,297 (2022: £192,339) will be released in the following year.

13. MOVEMENT IN FUNDS

	At 1.4.22	Net movement	Transfers	At
	£	in funds	between	31.3.23
		£	funds	£
			£	
Unrestricted funds				
Unrestricted General fund	184,048	89,104	(2,476)	270,676
Restricted funds				
Grant Income Restricted	11,500	833	2,476	14,809
TOTAL FUNDS	<u>195,548</u>	<u>89,937</u>	<u>-</u>	<u>285,485</u>

Net movement in funds, included in the above are as follows:

	Incoming	Resources	Movement
	resources	expended	in funds
	£	£	£
Unrestricted funds			
Unrestricted General fund	140,093	(50,989)	89,104
Restricted funds			
Grant Income Restricted	856,601	(855,768)	833
TOTAL FUNDS	<u>996,694</u>	<u>(906,757)</u>	<u>89,937</u>

13. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
Unrestricted General fund	131,056	53,822	(830)	184,048
Restricted funds				
Grant Income Restrcted	-	10,670	830	11,500
TOTAL FUNDS	<u>131,056</u>	<u>64,492</u>	<u>-</u>	<u>195,548</u>

Comparative net movement in funds, Included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted General fund	77,395	(23,573)	53,822
Restricted funds			
Grant Income Restrcted	854,037	(843,367)	10,670
TOTAL FUNDS	<u>931,432</u>	<u>(866,940)</u>	<u>64,492</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
Unrestricted General fund	131,056	142,926	(3,306)	270,676
Restricted funds				
Grant Income Restrcted	-	11,503	3,306	14,809
TOTAL FUNDS	<u>131,056</u>	<u>154,429</u>	<u>-</u>	<u>285,485</u>

Community Southwark

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

13. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted General fund	217,488	(74,562)	142,926
Restricted funds			
Grant Income Restricted	1,710,638	(1,699,135)	11,503
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,928,126</u>	<u>(1,773,697)</u>	<u>154,429</u>

14. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2023.

Detailed Statement of Financial Activities
for the Year Ended 31 March 2023

	31.3.23 £	31.3.22 £
DONATIONS AND VOLUNTARY INCOME		
Donations and trading income		
Donations	509	7,329
Trading income	<u>114,522</u>	<u>18,915</u>
	115,031	26,244
Contract Income		
Contract income	541,933	403,730
Grant Income		
Deposit account interest	1,745	6
Grant Income	<u>337,985</u>	<u>501,452</u>
	<u>339,730</u>	<u>501,458</u>
Total Incoming resources	996,694	931,432
EXPENDITURE		
Charitable activities		
Direct staff costs	579,315	620,056
Social security	56,584	60,408
Pensions	28,179	28,499
Recruitment costs	7,356	3,192
HR and personnel	3,919	1,743
Expenses	2,279	1,239
Redundancy costs	5,996	1,632
Training and development	7,075	5,234
Project delivery	103,639	40,063
Staff cost of living payment	<u>12,165</u>	<u>-</u>
	806,507	762,066
Support costs		
Overhead charges		
Overhead charges	95,095	97,428
Governance costs		
Governance cost	121	2,846
Auditors Remuneration	<u>5,034</u>	<u>4,600</u>
	<u>5,155</u>	<u>7,446</u>
Total resources expended	<u>906,757</u>	<u>866,940</u>
Net income	<u>89,937</u>	<u>64,492</u>