

COMMUNITIES FIRST WESSEX

Company number: 08071971

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

COMMUNITIES FIRST WESSEX

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

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2023

Charity registration number: 1147527

Company registration number: 8071971

Registered office address

Leigh Park Community Centre
Dunsbury Way
Havant
Hampshire
PO9 5BG

Auditors

Morris Crocker
Station House
North St
Havant
PO9 1QU

Bankers

Lloyds Bank PLC
4 West Street
Havant
PO9 1PE

Directors / Trustees serving during the year

Beverley Jones	Chairman
Trevor Lewis	Vice Chairman Resigned 31 March 2023
Jennifer Owens	
Dr John Evans	
Denis Gibson	
Clive Graham	
David Eley	
Paul Kirkland	
Janet Lefley MBE	

Chief Executive Officer

Tim Houghton

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TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2023

Chairman's Foreword

Welcome to this Annual Report of the Trustees and Directors of Communities First Wessex (CFW) for the year ending March 2023

CFW continues to play a key role in developing a thriving voluntary sector across Hampshire, empowering communities, mobilising our members and delivering critical community services to make life better for everyone.

CFW has had another solid year, further strengthening our foundations by securing new income and delivering high-quality services. We have continued to support individuals, communities and organisations in their continued recovery from the pandemic and in tackling the impact of the cost-of-living crisis. We have also supported partners and organisations providing refuge for those fleeing the war in Ukraine. Our success has resulted in a strong balance sheet, an increase in unrestricted reserves and demonstrable social impact.

In the latter part of the year, we reviewed and refreshed our strategy setting out our plans over the next 3 years from 2023 – 2026 to be a modern and dynamic organisation, providing effective infrastructure support, mobilising volunteers and delivering services to promote wellbeing. It was a period of consolidation ensuring our business plan for the year and long-term strategy is strong enough to ensure a sustainable future.

We invested more in supporting our members by strengthening our community development and support team. We began to offer limited support to requests from organisations outside our existing areas. The maintenance of geographical boundaries seems less relevant as more individuals and groups make greater use of online and digital support. As part of our consolidation thinking, we have not sought any further growth through mergers. CFW has discussed this option with several organisations but choose not to proceed.

A great deal of time has been spent on thinking about the future, working with our strategy and strengthening the workforce. We realised that the board itself would soon need new members. The board has done a tremendous job over the last five years. As Chair, I thank them all for the time and effort they have dedicated to CFW. As with any company, we need those individuals who understand our business and have the skills and background knowledge to steer a medium-sized business forward. We will begin the search for new directors next year.

The board thank Tim Houghton and his staff for all the hard work they have given to CFW. Over the year Tim has strengthened and supported his senior leadership and management teams, so there is now in place a group of key staff, all with delegated authority to manage sections of our business. As an organisation we needed to have a plan in place to maximise opportunities to promote from within the existing workforce so that when gaps appeared in our structure, we could more readily fill them. Naturally, that does not stop external recruitment, as it is also good to embrace new staff with ideas and knowledge from other business sectors and public services. Discussion led to action and an internal leadership and management development programme will be launched in 2023 for staff, to acquire the skills needed for future management positions. As an organisation, we have also strengthened the performance management of staff. It is thought that we need to be more robust in this area.

As an organisation, we still act as the single contracting organisation for Hampshire County Council in 2023/24. This means we receive the County Council grant and distribute it to the remaining seven infrastructure support organisations in the county.

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As a board we do have concerns for the future. Our organisation is still too dependent on local authority support and we, as do many voluntary and community organisations, see the public purse strings being pulled tighter each year. The daily news at either national, county or district/borough level, paints a picture of an unsettled and rather bleak financial climate. This is one of the reasons for consolidation. A time to ensure that all our activities are financially viable, break-even, meaning they are not supported by grants or our own reserves, in case the financial climate gets worse in future years. As an organisation, we need to follow that well known Scouting and Guiding motto and 'Be Prepared'.

Activity-wise and financially it has been a good year for CFW. We feel confident about the future, as a board we are so pleased we have developed and strengthened our support to members and developed what is now a wide range of financially viable services and activities. We still want to work with other similar organisations across Hampshire and beyond. CFW thanks Hampshire County Council for its support to us and to others. We also thank our Boroughs and Districts for their approach to partnership working and funding including Basingstoke and Deane Borough Council, East Hampshire District Council, Fareham Borough Council, Havant Borough Council, New Forest District Council and Winchester City Council and to the many parish and town councils for their local insight and support.

Thank you also to our significant funders including NHS via the newly created Hampshire & IOW Integrated Care Board, Office of Police & Crime Commissioner and Ministry of Justice, and to the National Lottery Community Fund, BBC Children in Need and Hampshire & IOW Community Foundation and to the many offers of in-kind support from local businesses.

We also thank and value our members for their continuing support. CFW looks forward to the future with confidence; still happy to merge in other similar organisations, so we share our work and are stronger and more resilient as a combined entity; preparing to change if the financial climate gets tougher still; determined to continue our support of members by using funds generated from our services and the development of new revenue-generating projects and services. Our new strategy will help us to steer a way forward to

- improve the wellbeing and health of communities in which we operate
- be a credible and preferred partner for funders, members and customers
- generate income and surplus from our services to re-invest in developing our capacity, resilience and self-sufficiency, alongside that of the wider voluntary sector.
- continue to grow through mergers and partnerships.

Together we have built a reputation as the 'go to' voluntary organisation in Hampshire, with the ability to deliver rapid response and the capacity and capability to mobilise others. Our financial success and the positive impact we have on our beneficiaries is testimony to that.

Beverley Jones
Chairman

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Management and Governance

Communities First Wessex (CFW) (trading as Community First) is a Registered Charity and Company Limited by Guarantee. The company is governed by its Memorandum and Articles of Association which were established in 2012 and subsequently amended by special resolution in May 2015, July 2017 and January 2018.

CFW has been created following the merger of 5 district CVSs operating at scale with central management and governance, whilst retaining local teams and services embedded in and reflecting the needs of the communities we serve.

Board of Directors and Senior Management

The Trustees of the Charity are Directors of the Company. They are responsible for setting the strategy of CFW, which was reviewed and refreshed in February 2023, ensuring effective financial stewardship and governance. An Executive Committee meets monthly to support the main board, ensuring we have the resources, staff and capacity, to deliver the strategy and meet our financial targets. Task-specific groups are created when required.

The Senior Leadership Team comprising the Chief Executive, Chief Operating Officer, Finance Director and Community Director, is responsible for the day-to-day management of the organisation, partnership and programme development and service delivery.

Recruiting and Supporting Directors

- We draw on the skills and experience of existing Directors matching these to the needs and activities of the business set out in our strategy
- Skill gaps are identified by the Executive Committee and actions to address these are agreed by the board. Nominations are invited throughout the year through contact with members, partners and individuals with the requisite skills and experience and we advertise through local networks, contacts and companies.
- We are mindful of the need to ensure a diverse board reflecting the communities with which we work and the groups we support.
- Directors are provided with background information about the organisation, our work and values and the wider role of serving as a charity Trustee using the Charity Commission's recommended guidance.
- Directors are offered training and encouraged to attend events and meet staff and volunteers to gain a good understanding of some of the challenges and opportunities we face
- We will recruit new Directors during 2023/24

Aims, Objectives, Activities and Achievements

The Charity's objects are:

- a) to promote any charitable purposes for the benefit of the public in Hampshire and surrounding areas, including the advancement of education, the protection of health and the relief of poverty, distress and sickness, and to provide people with the necessary support, information and services to enable them to pursue or contribute to charitable purposes.
- b) to promote, organise and facilitate co-operation and partnership working between third sector, statutory and other relevant bodies in Hampshire and its environs.

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Delivering public benefit

Communities First Wessex (CFW) supports a thriving, active and influential voluntary sector across Hampshire and surrounding areas, through our leadership of the Hampshire CVS network and direct delivery in East Hampshire, Havant, Winchester, Fareham and the New Forest. We also deliver transport services in Basingstoke & Deane and Gosport and trauma-informed and sexual abuse counselling throughout north and mid Hampshire. Our Health and well-being and Social Prescribing networks also provide countywide support to all organisations supporting people in need.

As a membership organisation we believe that we are stronger by working together. We've grown our membership, holding successful network events throughout the year and providing effective digital self-serve toolkits and resources enabling us to offer more and better support to local VCSE organisations.

Our performance and achievements in 2022/23

- Directly supported and engaged 620 VCSE organisations
- Recruited and mobilised an additional 566 volunteers and 135 young volunteers, 320 clients on our Positive Pathways supported volunteering programme. We also delivered more than 1470 hours of volunteer time on our Timebank initiative.
- Secured £434,000 of additional investment in VCSE organisations.
- Trained 1,333 learners.
- Carried more than 50,400 passengers on 33,400 journeys on our community transport, over 900 customers used our mobility scooter hire and 36 hirers benefitted from our Wheels to Work moped hires.
- Had 67,000 visits to our Community Hubs in Clanfield and Leigh Park
- Supported 258 young carers in the New Forest
- Helped 467 victims of sexual trauma and abuse through our START counselling service.
- Provided a lifeline to 281 clients of our Home Help service and helped 213 with gardening.
- Supported 40 High Intensity Users through our community support service and delivered nearly 340 healthy walks helping people to be active, stay well and connect.

Financial Review.

Revenues continued to grow, and overall financial performance remained strong. We had a total income of £3.346m in 2022/23, compared to £3.324m in 21/22 reflecting continued return to and start-up of new services post pandemic.

The Charity has a defined salary pension scheme with Hampshire County Council. The adjustment in the actuarial valuation on our defined salary pension scheme resulted in a gain (before administration costs) of £629k. HCC now manages our investments in the same way as funds are managed for HCC and other large organisations in the scheme. This significantly

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reduces the total notional exit liability of Community First from £675k to £92k. Winchester City Council and Fareham Borough Council guarantee to underwrite any deficit arising from the pension fund valuation in respect of those members of the scheme previously employed by organisations operating in their respective areas. At 31 March 2023, this amounted to approximately £36.6k for Winchester and £14.8k for Fareham. A full analysis of the pension liability including deferred liability, guaranteed underwriting, top up payments and charges and residual material liability is set out in note 18 to the accounts.

The charity continues to take appropriate steps to diversify its funding base, securing further grants and commissions, managing costs and identifying new sources of income to build on its strengths and track record in public service delivery and to support the voluntary and community sector. We have retained our overall staff team of @ 120 delivering hybrid and flexible working to balance capacity with opportunity.

Income sources

Principal sources of funding include;

- Infrastructure grant from Hampshire County Council with CFW reappointed as single contracted organisation to deliver infrastructure support for VCSE and encourage volunteering and grants from Havant Borough Council, East Hampshire District Council and New Forest District Council.
- Grant funding from Hampshire and IOW Integrated Care Board to support health & wellbeing forums and the Social Prescribing Network and deliver wellbeing programmes tackling health inequalities and those in need of additional support.
- Hampshire County Council contracts supported by the Boroughs and Districts, for Community Transport, Dial-A-Ride, Call and Go and SEN school transport contracts. Further income was generated from fares.
- Ministry of Justice grant (administered by the Office of Police & Crime Commissioner), HCC and NHS grant for START counselling and Lotus residential service.
- Hampshire Learns funding (via HCC) for training with an increase in value and number of Lots delivered.
- Grants from Winchester City Council, Fareham Borough Council & Chichester District Council and hire income from customers and events for Shopmobility.
- The National Community Lottery Fund for Positive Pathways in Havant and to support Time Banking in Woolmer Forest and to deliver the second year of our Youth Volunteering Programme.
- BBC Children in Need for Young Carers

Reserves

The Board of Directors has determined that the Charity should seek to maintain a level of reserves to cover the following eventualities;

- Unrestricted reserves equivalent to up to 6 months of planned running costs in line with Charity Commission guidelines and Company Law.
- A designated reserve has been created to cover any unforeseen events, as well as the possibility that funding might not always be obtained. The calculation of this reserve takes into account
 - Six months support services' running costs
 - Outstanding rent commitments (up to break clause dates)
 - Outstanding lease and hire commitments to end of contract
 - Provision for legal costs
 - Provision for property dilapidations

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- The Purpose of designating reserves is to
 - cover any loss on realisation of any fixed assets and any additional contractual liabilities
 - accumulate funds for specific purposes as determined by the Board of Trustees from time to time.
 - invest in innovative services which can be piloted and tested to better meet the needs of our beneficiaries including vulnerable people by the creation of the Community First Investment Fund. The aim of such enterprises and innovative services is to reduce the charity's dependence on public sector funding by finding more reliable sources of funding for its services.
- Restricted reserves are held to cover the extent that funds for restricted purposes have not been fully expended. No additional reserves will be established for restricted projects. This policy enables CFW to continue operations whilst awaiting receipt of Grants many of which are paid in arrears, to pay contractual liabilities in the event that grants are discontinued or significantly reduced whilst services are realigned and to recover the potential loss on fixed asset investments in the event that funding is withdrawn, or contracts ended prematurely.
- A provision will be maintained against general reserves to offset the Charity's obligation to fund any deficit on the Hampshire County Council pension fund scheme. This provision will be reviewed and if necessary revised annually in line with the Actuarial valuation.

At 31 March 2023 we have £1,283,709 in unrestricted reserves. £39,575 of this is designated to support the development of on-going activities (see note 15). A reserve of £350,000 has been created to cover any unforeseen events as well as the possibility that funding might not always be obtained and ensure continuity of our core function and services for at least 3 months. The Community First Investment Fund has £810,134 to help us to access new funding and income streams and pump prime innovative ideas for new services for our beneficiaries.

The level of reserves and the policy is reviewed annually. In addition, and independent of reserves, accruals will be established at the end of each year and reviewed quarterly thereafter, to cover any expenses that can reasonably be estimated, such as sickness pay, insurance claim excesses, equipment and services received but not invoiced.

Managing Risk

A Risk Register identifies the key risks and records actions taken to mitigate these which is reviewed by Directors and the Senior Leadership Team. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces.

Our significant risks

We face on-going risk to our revenues which are predominantly from public sector contracts and grants, principally HCC, which are subject to future public sector spending cuts and threats to the overall public finance position as costs of delivering statutory social care and children's services increase and global economic uncertainty prevails. Expenditure remains under close scrutiny as local authority grants and commissioned services are subject to further cuts in 2024 and again in 2025 resulting in less money at a time when demand for our services and requests for support from our members is increasing. We are reducing our reliance on core grants and diversifying our activities to attract new sources of income. We continue to explore opportunities to further increase scale, impact and generate revenues, through partnership working, collaboration and possible mergers. We are also exploring new opportunities for generating sales and raising revenue by expanding our transport, diversifying

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our training and growing wellbeing services which are in high demand. As public sector funding continues to diminish more customer/beneficiaries may be asked to pay towards services, but we are also seeking opportunities to maximise our assets and expertise to generate income which can be reinvested in essential community support and services.

We maintain strict internal controls and procedures for authorising transactions and payments which reduce financial risks and minimise risk of fraud. Only authorised signatories can sign or commit the organisation to enter into grant agreements, make payments and contractual or other liabilities. We review our financial procedures annually to ensure that authorisation levels remain appropriate and robust and work closely with our bank to minimise risk of fraud

We deliver services to vulnerable people including those who are elderly, frail, disabled, suffer mental illness or abuse or lack confidence and to young people from a wide range of backgrounds. Protecting and safeguarding those who are vulnerable remains a high priority.

Our high risk services include;

- Transport: risk of road traffic collisions and in assisting frail and disabled passengers on and off vehicles and in hiring Mopeds (Wheels to Work) and mobility scooters
- Supported Volunteering and HIU (High Intensity User) providing social connections, volunteering, work experience and support for people with mental illness and other health conditions, including those with a history of substance misuse and ex-offenders, helping them rebuild their confidence and contribute to society.
- START providing specialist support for survivors of childhood sexual abuse or recent sexual violence and trauma
- Young Carers; providing support for young people in looking after family members with long-term conditions
- Home Helps; helping older and disabled people to stay safe and well in their own homes
- Clanfield Sports Centre; helping people participate in sporting and leisure activities

We invest in and provide wellbeing support to staff, offer family-friendly employment contracts and policies and have embedded hybrid working which has flexibility to balance staff and organisational priorities. Since January 2023 we have encouraged and seen a significant return to office-based working. We continue to invest in staff training, ensuring compliance with health and safety and safe operating procedures. Procedures are in place and are reviewed regularly to protect our staff, volunteers and service users. Lessons learnt are shared with commissioners and partners and are used to amend procedures to provide a safe and enjoyable experience for service users, staff and volunteers.

Directors' responsibilities

Law applicable to charitable companies in England & Wales requires the directors to prepare the trustees report and financial statements for each financial year, which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year.

In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2011. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

- There is no relevant audit information of which the company's auditors are unaware: and
- The directors 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 the information.

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

A combined directors and trustees report is being presented to meet company law requirements.

Approved by the Board and signed on its behalf by:



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Beverley Jones
Chairman of Board of Directors

Date: 20 November 2023

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMUNITIES FIRST WESSEX FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of Communities First Wessex for the year ended 31 March 2023 which comprise the Statement of Financial Activities, Statement of Cash Flows and the related notes, 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 Policies) including FRS102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Basis for opinion

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

Conclusions relating to going concern

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

In connection with our audit, 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, 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

Opinion 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMUNITIES FIRST WESSEX FOR THE YEAR ENDED 31 MARCH 2023

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.

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:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMUNITIES FIRST WESSEX FOR THE YEAR ENDED 31 MARCH 2023

Use of our report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



P Underwood (Senior Statutory Auditor)
For and on behalf of Morris Crocker Limited

Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 22 November 2023

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

(Including Income and Expenditure Account)

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
INCOME					
Donations and legacies	3	18,072	15,312	33,384	118,547
Investment Income		2,350	52	2,402	95
Trading Income					
Miscellaneous income		22,410	-	22,410	19,815
Charitable activities					
Grants & contracts	4	1,731,030	933,628	2,664,658	2,610,227
Fare revenue	4	161,392	-	161,392	130,306
Rental income	4	174,504	19,003	193,507	171,119
Other income	4	256,367	12,404	268,771	274,528
			-	-	-
TOTAL INCOME		2,366,125	980,400	3,346,525	3,324,637
EXPENDITURE					
Fundraising		-	-	-	-
Charitable activities	7	2,294,246	967,005	3,261,251	3,112,921
TOTAL EXPENDITURE		2,294,246	967,005	3,261,251	3,112,921
Net (losses)/gains on investments	3	(6,994)	-	(6,994)	6,047
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		64,885	13,395	78,280	217,763
TRANSFERS BETWEEN FUNDS	14,15	-	-	-	-
Actuarial(losses)/gains on defined benefit pension funds	18	629,000	-	629,000	457,000
NET INCOME/(EXPENDITURE) FOR THE YEAR		693,885	13,395	707,280	674,763
FUND BALANCES BROUGHT FORWARD		589,824	385,422	975,246	300,483
FUND BALANCES CARRIED FORWARD		1,283,709	398,817	1,682,526	975,246

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities.

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STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2023

	Note	£	2023 £	£	2022 £
FIXED ASSETS					
Tangible assets	9		130,651		154,673
Investments	10		140,338		147,332
			<u>270,989</u>		<u>302,005</u>
CURRENT ASSETS					
Stocks	11	2,154		-	
Debtors	12	393,464		601,847	
Cash at bank and in hand		<u>2,116,812</u>		<u>1,724,167</u>	
		2,512,430		2,326,014	
CREDITORS: amounts falling due within one year:	13	<u>(1,008,893)</u>		<u>(977,773)</u>	
NET CURRENT ASSETS			<u>1,503,537</u>		<u>1,348,241</u>
NET ASSETS EXCLUDING PENSION LIABILITY			1,774,526		1,650,246
Defined pension scheme liability	18		(92,000)		(675,000)
NET ASSETS INCLUDING PENSION LIABILITY			<u>1,682,526</u>		<u>975,246</u>
FUNDS					
UNRESTRICTED FUNDS					
Designated funds	15		389,575		398,108
General funds	15		761,134		(132,284)
Unrestricted funds excluding pension liability			<u>1,150,709</u>		<u>265,824</u>
Pension reserve	15		133,000		324,000
Total unrestricted funds			<u>1,283,709</u>		<u>589,824</u>
RESTRICTED FUNDS	14		398,817		385,422
TOTAL FUNDS			<u>1,682,526</u>		<u>975,246</u>

The accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with FRS 102.

Approved by the trustees on 20 November 2023
and signed on their behalf by:



Beverley Jones
Chairperson



Jan Lefley
Deputy Chairperson

COMMUNITIES FIRST WESSEX

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

Company number: 8071971

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023	2022
		£	£
Cash (used in)/ provided by operating activities	24	409,314	55,459
Cash flows from investing activities			
Interest income		2,402	95
Purchase of tangible fixed assets		(19,071)	(13,473)
Sale of tangible fixed assets		0	11,729
Cash provided by/(used in) investing activities		(16,669)	(1,649)
(Decrease)/increase in cash and cash equivalents in the year		392,645	53,810
Cash and cash equivalents at the beginning of the year		1,724,167	1,670,357
Cash and cash equivalents at the end of the year		2,116,812	1,724,167

COMMUNITIES FIRST WESSEX

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

1 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with FRS 102, 'The reporting standard applicable in the UK and Republic of Ireland', in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice.

2 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are as follows:

(a) Basis of accounting

Under an agreement with Community First New Forest (31 March 2020), Winchester Area Community Action (1 May 2015) and Community Action Fareham (1 April 2018), certain funds were donated to Communities First Wessex and activities combined. These combinations are in substance a gift and the excess of the fair value of the assets received or the liabilities assumed is recognised as exceptional income in the Statement of Financial Activities. Additionally, Communities First Wessex assumed an obligation to fund the Winchester Area Community Action and Community Action Fareham pension liabilities. These liabilities are recognised as a loss in the Statement of Financial Activities and is shown as an exceptional expense in the year of merger.

Communities First Wessex meets the definition of a 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.

(b) Income

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and it is probable that the economic benefits will flow to the charity and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations, legacies and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, when 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 activities for generating funds, including those from a trading subsidiary, are accounted for when earned.
- Resources are deferred when, at the end of an accounting period, they have been received but the charity has yet to become unconditionally entitled to them.
- Income from the supply of services from contracts is recognised with the delivery of the contracted service. Contract income is recognised on the basis of the time spent in providing the service as a proportion of the total time to be spent to fulfil the contract. Where income is received in advance, the income is deferred until the service has been provided.

(c) Expenditure

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

- Costs of generating funds comprise of the costs associated with attracting voluntary income and the costs of fundraising.
- Charitable expenditure comprises of 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.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and the costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly.

(d) Tangible Fixed assets

Fixed assets are stated in the balance sheet at cost less depreciation. Fixed assets are capitalised for ongoing use within the company, where the individual cost of the asset exceeds £2,000.

Depreciation is provided so as to write off the cost of the fixed assets, less their residual value, in equal annual instalments over the estimated useful lives of the assets, at the following rates:

Plant and machinery	25% reducing balance
Fixtures, fittings and equipment	33% reducing balance
Land and Buildings	Over the period of the lease

COMMUNITIES FIRST WESSEX

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

(e) **Fixed Asset Investments**

Fixed asset investments are included at market value at the balance sheet date. Realised gains and losses are calculated as the difference between sales proceeds and their market value at the start of their year or their subsequent cost and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

(f) **Stocks**

Stock is included at the lower of cost or net realisable value after due regard for obsolete and slow moving items.

(g) **Recognition of debtors**

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

(h) **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, deposits with banks and other short-term highly liquid investments and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings or current liabilities.

(i) **Recognition of liabilities**

A liability arises as soon as there is a legal or constructive obligation committing the charity to the expenditure.

(j) **Unrestricted funds**

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

(k) **Restricted funds**

Restricted funds comprise funds granted or donated for specific purposes as laid down by the grantor or donor. Income generated from assets acquired from restricted funds is restricted in the same way as the original grant or donation. Expenditure which satisfies the restrictions is charged to the appropriate restricted fund together with a fair allocation of management and support costs.

(l) **Operating leases**

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.

(m) **Deferred income**

Income is deferred where the charity is not yet entitled to the use of the resources. When the pre-conditions for use are met then the income is recognised.

(n) **Pensions**

The charity participates in a defined contribution pension scheme. Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

The charity also participates in a defined benefit pension scheme. The assets of the scheme are held and managed separately from those of the charity.

The deficit on the scheme, representing the shortfall on the value of the scheme assets below the present value of the scheme liabilities is recognised as a liability on the balance sheet to the extent that the employer charity is able to recover a surplus or has a legal or constructive obligation for the liability. A corresponding pension reserve is included within total unrestricted funds. A proportion of the deficit; that part relating specifically to the former employees of Winchester Area Community Action, is the subject of a guarantee from Winchester City Council. In addition, that part relating specifically to the former employees of Community Action Fareham, is the subject of a guarantee from Fareham Borough Council.

COMMUNITIES FIRST WESSEX

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)**(o) Going Concern**

The trustees have prepared, reviewed and formally approved detailed trading and cash flow projections covering the period to 31 March 2024. On the basis of these projections they have assessed that CFW has adequate financial resources and the appropriate structures in place to manage its operational risks. In addition, the budgeting and forecasting process has taken account of the current economic and funding climate and its potential impact on our various sources of income and expenditure. Therefore, the Trustees are confident that there is a reasonable expectation that CFW has adequate resources and control mechanisms to continue in operational existence for the foreseeable future and, on this basis the Trustees believe, to the best of their belief and knowledge, that CFW remains a going concern for at least the period to March 2025 and, accordingly these financial statements have been prepared on the going concern basis.

3 NET INCOME/(EXPENDITURE)

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

	2023 £	2022 £
Donations	(33,384)	(118,547)
Depreciation	43,093	53,974
(Profit)/Loss on sale of assets	-	(3,780)
Unrealised(loss)/ gain on fixed asset investments	(6,994)	6,047
Auditor's remuneration - audit	8,000	8,000

Under the terms of a merger agreement with BRASACC effective 1 April 2021, the reserves of that organisation were donated to Communities First Wessex and included in donations above in 2021/22 (£98,814).

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Transport services £	Information & support £	Core activity £	Total 2023 £	Total 2022 £
Grants	91,240	1,058,212	356,279	1,505,731	1,465,595
Contracts	1,154,827	-	4,100	1,158,927	1,144,632
Fare income	161,392	-	-	161,392	130,306
Rental income	18,203	175,072	233	193,508	171,119
Other income	33,169	218,076	442,208	268,771	274,529
	<u>1,458,831</u>	<u>1,451,360</u>	<u>802,820</u>	<u>3,288,329</u>	<u>3,186,180</u>

Included in Grants above are the following amounts received from:

	2023 £	2022 £
UK Government grants	1,250,718	1,252,109
Grants- other agencies	255,013	213,486
	<u>1,505,731</u>	<u>1,465,595</u>

UK Government grants includes £247,654 received from the Ministry of Justice (OPCC) for support for victims of Rape and Sexual Abuse (2022 £213,204). Other grants includes £161,175 received from the BIG Lottery (2022 £226,613).

5 STAFF COSTS

	2023 £	2022 £
Wages and salaries	1,751,156	1,708,980
Social security costs	123,175	116,144
Pension contributions	66,165	74,003
Redundancy costs	-	-
	<u>1,940,496</u>	<u>1,899,127</u>

COMMUNITIES FIRST WESSEX

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

One employee received emoluments over £60,000 during the current year (2022: 0)

No trustee received any remuneration including pensions. During this or the prior year no trustees were reimbursed expenses.

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	2023	2022
Provision of services	101	97
Management & administration	10	11
	<u>111</u>	<u>108</u>

Key management personnel

	2023	2022
	£	£
Remuneration paid to key management personnel during the year (10), 2022(9)	<u>437,844</u>	<u>398,837</u>

6 VOLUNTEERS

The charity relies on the invaluable contribution of unpaid volunteers who enable us to add value to our service providers.

Our volunteers act as drivers for community transport and our voluntary car scheme, they assist with Shopmobility and health and Wellbeing services and support the activities in our community buildings.

7 CHARITABLE ACTIVITIES

	Transport services £	Information & support £	Core activity £	Total 2023 £	Total 2022 £
COSTS DIRECTLY ALLOCATED TO ACTIVITIES					
Staff costs	671,798	727,392	235,059	1,634,249	1,568,908
Volunteer costs	2,502	397	49	2,948	14,910
Transport costs	329,489	-	-	329,489	311,547
Administration	22,515	78,529	10,668	111,712	105,844
Depreciation and (profit)/ loss on sale of assets	38,572	3,304	1,217	43,093	50,193
Other direct costs	11,238	358,040	19,591	388,869	371,973
	<u>1,076,114</u>	<u>1,167,662</u>	<u>266,584</u>	<u>2,510,360</u>	<u>2,423,375</u>
SUPPORT COSTS ALLOCATED					
Rent, rates & utilities	73,680	128,047	15,801	217,528	176,574
Staff costs	137,561	81,477	97,754	316,792	287,219
Administration	57,599	32,327	22,044	111,970	86,229
Provision for doubtful debts	-	-	1,445	1,445	13,475
Bank charges and interest	4,576	5,219	51	9,846	6,249
Governance Costs	7,685	5,717	2,908	16,310	15,800
Pension fund - current service cost	-	-	58,000	58,000	82,000
Pension fund - Interest cost	-	-	19,000	19,000	22,000
	<u>281,101</u>	<u>252,787</u>	<u>217,003</u>	<u>750,891</u>	<u>689,546</u>
	<u>1,357,215</u>	<u>1,420,449</u>	<u>483,587</u>	<u>3,261,251</u>	<u>3,112,921</u>

All support costs have been allocated on the basis of actual costs incurred

COMMUNITIES FIRST WESSEX

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

8	GOVERNANCE COSTS					2023	2022
						£	£
	Legal and professional fees					3,642	5,885
	Audit, accountancy and actuarial fees					9,620	9,915
	Cost of AGM and incidental trustee meetings					3,048	-
						<u>16,310</u>	<u>15,800</u>
9	TANGIBLE FIXED ASSETS						
	Cost						
	At 1 April 2022						
	Additions						
	Disposals						
	At 31 March 2023						
	Depreciation						
	At 1 April 2022						
	Charge for the year						
	Eliminated on disposal						
	At 31 March 2023						
	Net book value						
	At 31 March 2023						
	At 1 April 2022						
10	INVESTMENTS						
	Cost or Valuation						
	At 1 April 2022						
	Additions						
	Revaluation						
	At 31 March 2023						
11	STOCKS						
	Finished goods						
12	DEBTORS						
	Trade debtors						
	Other debtors						
	Prepayments & accrued income						

COMMUNITIES FIRST WESSEX

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

13	CREDITORS: amounts falling due within one year	2023 £	2022 £
	Trade creditors	46,468	51,162
	Other taxation and social security	97,100	88,725
	Other creditors	52,248	41,668
	Accruals & deferred income	813,077	796,218
		<u>1,008,893</u>	<u>977,773</u>

Deferred income

Deferred income is grants received for future accounting periods

	2023 £	2022 £
Brought forward	696,089	650,465
Amounts released to incoming resources	(550,283)	(399,697)
Amounts deferred in year	559,103	445,321
Amounts carried forward	<u>704,909</u>	<u>696,089</u>

14	RESTRICTED FUNDS	At 1 April 2022 £	Incoming resources £	Outgoing resources £	Transfers between funds £	At 31 March 2023 £
	Shopmobility Chichester	(17,038)	20,416	(26,320)	-	(22,942)
	DART	4,262	-	-	-	4,262
	Access Group	2,770	-	-	-	2,770
	SBS	(4,127)	-	-	-	(4,127)
	Young Carers	26,448	82,171	(73,529)	-	35,090
	Wheels to Work	26,979	82,092	(72,908)	-	36,163
	START	214,744	334,790	(337,604)	-	211,930
	Positive pathways	-	50,958	(50,958)	-	-
	Shopmobility Winchester	106,817	56,172	(52,516)	-	110,473
	Shopmobility Winchester - asset fund	24,108	-	-	-	24,108
	Woolmer Timebanking	-	59,755	(59,755)	-	-
	Young Volunteering	-	36,314	(36,314)	-	-
	COMF	-	6,011	(6,011)	-	-
	Community Friends	-	3,232	(3,232)	-	-
	Health and Wellbeing	-	221,213	(221,398)	-	(186)
	Christmas Lunch Club	459	2,980	(2,164)	-	1,275
	Social Prescribing Network	-	2,688	(2,688)	-	-
	Skills and employment hub	-	21,608	(21,608)	-	-
	Total restricted funds	<u>385,422</u>	<u>980,400</u>	<u>(967,005)</u>	<u>-</u>	<u>398,817</u>

COMMUNITIES FIRST WESSEX

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

Comparative for funds movement

RESTRICTED FUNDS	At 1 April 2021 £	Incoming resources £	Outgoing resources £	Transfers between funds £	At 31 March 2022 £
Shopmobility Chichester	(20,060)	36,704	(33,682)	-	(17,038)
DART	4,262	-	-	-	4,262
Access Group	2,770	-	-	-	2,770
Youth work	4,726	-	-	(4,726)	-
Community First Delivers	-	4,000	(3,801)	(199)	-
SBS	(6,437)	5,000	(2,691)	1	(4,127)
Young Carers	26,448	71,332	(71,332)	-	26,448
Social Prescribing Network	(1,531)	8,672	(8,672)	1,531	-
Wheels to Work	24,047	80,287	(77,355)	-	26,979
START	46,705	519,410	(351,371)	-	214,744
Positive pathways	-	57,357	(57,357)	-	-
Shopmobility Winchester	101,591	56,129	(50,903)	-	106,817
Shopmobility Winchester - asset fund	24,108	-	-	-	24,108
Woolmer Timebanking	-	55,859	(55,859)	-	-
Park Play	(170)	0	-	170	-
Young Volunteering	-	26,206	(26,206)	-	-
COMF	-	106,418	(106,418)	-	-
Surgery linkworker	(4,386)	4,123	(3,738)	4,000	-
Christmas Lunch Club	-	1,238	(778)	-	459
Skills and employment hub	-	10,605	(10,605)	-	-
Total restricted funds	202,073	1,043,341	(860,769)	777	385,422

The source of each fund is different and they are received from various bodies including Winchester City Council, Hampshire County Council and The Big Lottery. The funds are restricted to the purposes as listed.

Wheels to work

Provision of a moped service for young people travelling to work

Christmas Lunch Club

An annual event for those who would otherwise be alone on Christmas Day

START (formerly RASAC)

Counselling and help line services for victims of rape and sexual abuse.

Shopmobility

Hire out of Shopmobility vehicles such as wheel chairs and electric scooters in Havant, Chichester and Winchester areas

Community First Delivers

A Big Lottery funded project providing support during the COVID 19 pandemic for delivery of food and transport

Young People's volunteering

A project to promote and encourage young people to volunteer

Positive Pathways

To support local residents who need assistance to volunteer in their community

COMMUNITIES FIRST WESSEX

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

14 RESTRICTED FUNDS (continued)

Woolmer Timebanking

A Big Lottery funded timebanking project based in Woolmer , Hampshire

Park Play

A play Café based at Leigh Park Community Centre, Havant, Hampshire

Surgery Signposter Linkworker

To facilitate surgery based signposting

CONTAIN OUTBREAK MANAGEMENT FUND

To support ongoing public health initiatives and proactive containment and intervention measures o reduce the spread of COVID 19

Skills and Employment HUB

A weekly skills and employment hub

DART/Access Group

To provide disability awareness raising training and to provide easy access path trails

Young Carers

Providing support to young people who are carers for dependant relatives in the New Forest

Social prescribing network

Provision for support for the Social Prescribing network in South East Hampshire

SBS Leader development programme

Mentoring and training for community group leaders

Community Friends

A Befriending scheme based in the New Forest

Health and Wellbeing

A number of connected projects to reduce high intensity user pressure on NHS resources

15	UNRESTRICTED FUNDS	At 1 April 2022 £	Incoming resources £	Outgoing resources £	Transfers between funds £	At 31 March 2023 £
	Designated funds					
	Transport services Havant - asset fund	12,436	-	(3,174)	-	9,262
	Transport Winchester - asset fund	6,875	-	(1,719)	-	5,156
	Transport services East Hampshire - asset fund	24,685	-	(1,796)	-	22,889
	Transport services New Forest - asset fund	4,112	-	(1,844)	-	2,268
		48,108	-	(8,533)	-	39,575
	Required reserves policy	350,000	-	-	-	350,000
	Community First Investment Fund	736,716	2,366,125	(2,292,707)	-	810,134
	General funds excluding exceptional item	736,716	2,366,125	(2,292,707)	-	810,134
	Obligation to fund WACA, CAF and CFNF pension liability	15 (869,000)	-	-	820,000	(49,000)
		(132,284)	2,366,125	(2,292,706)	820,000	761,134
	Pension reserve (Deferred pension liability £92000 less obligation of £49000, and net movement of £176,000)	15 324,000	629,000	-	(820,000)	133,000
	Total unrestricted funds	589,824	2,995,125	(2,301,240)	-	1,283,709

COMMUNITIES FIRST WESSEX

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

15 Comparative for funds movement

UNRESTRICTED FUNDS	At 1 April 2021 £	Incoming resources £	Outgoing resources £	Transfers between funds £	At 31 March 2022 £
Designated funds					
Transport services Havant - asset fund	16,548	-	(4,112)	-	12,436
Transport Winchester - asset fund	9,167	-	(2,292)	-	6,875
Transport services East Hampshire - asset fund	28,276	-	(3,591)	-	24,685
Transport services New Forest - asset fund	6,571	-	(2,459)	-	4,112
	60,562	-	(12,454)	-	48,108
Other					
Required reserves policy	350,000	-	-	-	350,000
	350,000	-	-	-	350,000
Community First Investment Fund	628,848	2,348,344	(2,239,698)	(777)	736,716
General funds excluding exceptional item	628,848	2,348,344	(2,239,698)	(777)	736,716
Obligation to fund Winchester Area Community Action					
Community action Fareham pension liability	(869,000)	-	-	-	(869,000)
	(240,152)	2,348,344	(2,239,698)	(777)	(132,284)
Pension reserve (Deferred pension liability £1071,000 less WACA reserve £458,000, CAF reserve of £166,000 and CFNF reserve of £245,000 and costs of £130,000 included within support costs)	(72,000)	396,000	-	-	324,000
Total unrestricted funds	98,410	2,744,344	(2,252,152)	(777)	589,824
Community First Investment Fund					
To support new initiatives and projects					

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	TOTAL 2023 £	TOTAL 2022 £
Fixed assets	256,739	14,250	270,989	302,005
Current assets	1,506,436	1,005,994	2,512,430	2,326,014
Liabilities	(479,465)	(621,428)	(1,100,893)	(1,652,773)
	1,283,710	398,816	1,682,526	975,246

17 DEFINED CONTRIBUTION PENSION SCHEME

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension commitment under this scheme for 2023 was £32,879 (2022: £34,864). There were 69 members in the scheme at the year end (2022: 52).

COMMUNITIES FIRST WESSEX

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

18 DEFINED BENEFIT PENSION SCHEME

The company contributes to a defined benefits pension scheme run by Hampshire County Council providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension fund includes members from both Community First HEH, Winchester Area Community Action, (which combined on 1 May 2015), Community Action Fareham (which combined on 1 April 2018) Community First New Forest (which combined on 1 April 2020)

The deferred pension liability of £92,000 included in the Balance Sheet at 31 March 2023 is derived from the pension scheme's actuarial report for that year.

Winchester City Council has guaranteed to underwrite any deficit arising from the pension fund valuation in respect of those members of the scheme previously employed by WACA. At 31 March 2023, this amounted to approximately £36,600 (at 31 March 2022 £269,000). Fareham Borough Council has guaranteed to underwrite any deficit arising from the pension fund valuation in respect of those members of the scheme previously employed by CAF. At 31 March 2023, this amounted to approximately £14,800, (at 31 March 2022 £91,400).

The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent full valuation was at 31 March 2022, which has been updated to reflect conditions at the balance sheet date. The assumptions that have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rate of increase in salaries and pensions. It was assumed by the actuaries that salary increases would average 4.1% per year and that the present and future pensions would increase at the rate of 3.1% per year.

The HCC Pension liability shown in the Accounts is based on the last HCC Pension Fund (the scheme) valuation dated 31st March 2022 and would have been the sum payable to the scheme had Community First exited the scheme at that date.

The scheme has a top-up payments arrangement in place to which scheme members, including Community First, contribute to ensure that the scheme becomes fully funded, without any need to incur exit liabilities, at the end of a 22 year period as specified by the HCC actuaries.

However, should Community First exit the scheme e.g. when the last active member leaves, before the end of the 22 year period, there would be a residual exit liability, the scale of which would depend on when the event occurs and the extent to which the top-up arrangements have reduced the outstanding exit liabilities

Liabilities outstanding on exit are termed 'orphan liabilities'. HCC has recognised that many organisations would not be able to afford substantial exit payments, which could impact on an organisation's ability to continue, resulting in the loss of valuable community services.

Consequently, HCC has changed the basis on which investments are made using these organisations' funds, in future managing their investments in the same way as funds are managed for HCC and other large organisations in the scheme. The impact of this change, based on an exit as at 31 March 2022, would be to reduce the total notional exit liability of Community First from £675,000 to £92,000, which becomes the material liability of the organisation.

The pension charge for the year was £33,432 (2022 £39,139),

COMMUNITIES FIRST WESSEX

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

The defined benefit scheme is closed to new members and so under the projected unit method the current service cost would be expected to increase over time as members of the scheme approach retirement.

	2023	2022
	£	£
<i>Value of scheme assets and liabilities</i>		
Fair value of assets	3,516,000	4,073,000
Present value of fund liabilities	(3,608,000)	(4,748,000)
Pension scheme deficit	(92,000)	(675,000)
<i>Movements in year</i>		
Service cost	(58,000)	(82,000)
Interest cost	(19,000)	(22,000)
	(77,000)	(104,000)
Contributions	31,000	43,000
Actuarial (losses)/gains on assets and liabilities	629,000	457,000
Movements in the year	583,000	396,000
Pension scheme deficit at 1 April		
- WACA	(269,000)	(427,000)
- CAF	(91,000)	(145,000)
- CFNF	(139,000)	(220,000)
- CFHEH	(176,000)	(279,000)
	(675,000)	(1,071,000)
Acquisition of pension fund deficit from CFNF	-	-
Pension scheme deficit at 31 March	(92,000)	(675,000)

19 RELATED PARTIES

No other related party transactions have occurred other than those noted in the accounts.

20 CONTROLLING PARTY

The ultimate controlling party of the entity is deemed to be the Board of Trustees.

21 OPERATING LEASE COMMITMENTS

As at 31 March 2023 the charity had future minimum lease payments under non-cancellable operating leases as follows;

Operating leases which expire:

	Land and buildings		Other	
	2023	2022	2023	2022
Within 1 year	33,981	33,981	19,800	19,800
Between 2 to 5 years	89,178	111,490	16,500	36,300
	<u>123,159</u>	<u>145,471</u>	<u>36,300</u>	<u>56,100</u>

Within the Statement of Financial Activities are expenses totalling £108,295 relating to operating leases (2022 £100,757)

22 CAPITAL COMMITMENTS

As at 31 March 2023 the company had committed to IT investment with Vissensa amounting to £24,577.

COMMUNITIES FIRST WESSEX

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)**23 POST BALANCE SHEET EVENT**

On 1st September 2023 the Company signed an agreement to merge with Wheels For Freedom, a non incorporated charity based in Poole, Dorset which provides mobility services.

24 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net movement in funds	707,280	674,763
Add back depreciation charge	43,093	53,974
Add loss on disposal of fixed assets	-	(3,780)
(Gain)/ loss) on investments	6,994	(6,047)
Deduct interest income shown in investing activities	(2,402)	(95)
Increase in stock	(2,154)	-
Decrease /(Increase) in debtors	208,383	(315,886)
Increase/(decrease) in creditors	31,120	48,533
Movement in pension fund	(583,000)	(396,000)
Net cash used in operating activities	409,314	55,460

COMMUNITIES FIRST WESSEX

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)**25 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES****STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022**

(Including Income and Expenditure Account)

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
INCOME					
Donations and legacies	3	14,086	104,462	118,547	473,660
Investment Income		95	-	95	1,486
Trading Income					
Miscellaneous income		19,815	-	19,815	25,264
Charitable activities					
Grants & contracts	4	1,724,212	886,014	2,610,227	2,592,977
Fare revenue	4	130,306	-	130,306	84,653
Rental income	4	152,818	18,301	171,119	81,109
Other income	4	239,965	34,564	274,529	96,923
			-	-	-
TOTAL INCOME		2,281,297	1,043,341	3,324,637	3,356,072
EXPENDITURE					
Fundraising		-	-	-	-
Charitable activities	7	2,252,152	860,769	3,112,921	2,859,792
Exceptional item:					
Obligation to fund Community First New Forest pension liability expensed	18	-	-	-	245,000
TOTAL EXPENDITURE		2,252,152	860,769	3,112,921	3,104,792
Net (losses)/gains on investments	3	6,047	-	6,047	23,460
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		35,192	182,572	217,763	274,740
TRANSFERS BETWEEN FUNDS	14,15	(777)	777	-	-
Actuarial(losses)/gains on defined benefit pension funds	18	457,000	-	457,000	183,000
NET INCOME/(EXPENDITURE) FOR THE YEAR		491,415	183,349	674,764	457,740
FUND BALANCES BROUGHT FORWARD		98,410	202,073	300,483	(157,257)
FUND BALANCES CARRIED FORWARD		589,824	385,422	975,246	300,483