

REGISTERED COMPANY NUMBER: 11875362 (England and Wales)
REGISTERED CHARITY NUMBER: 1187164

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
FOR
COMMUNITIES 1ST
(A COMPANY LIMITED BY GUARANTEE)

COMMUNITIES 1ST

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

	Page
Report of the Trustees	1 to 7
Statement of Trustees' Responsibilities	8
Report of the Independent Auditors	9 to 11
Statement of Financial Activities	12
Statement of Financial Position	13
Statement of Cash Flows	14
Notes to the Statement of Cash Flows	15
Notes to the Financial Statements	16 to 23

COMMUNITIES 1ST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

STRATEGIC REPORT

Achievement and performance

Strategic Report - Achievement and Performance

'Working with you to make a bigger difference' - that's the strapline from our new four-year strategic plan which we launched this year and I am delighted to say that I believe we are doing just that. As you read through this impact report you will see how our work has moved on from the pandemic, but not eased off! It is our responsibility to be an ever-changing organisation, responding to the circumstances and the environment in which we work. It is impossible for us to do that alone and essential that we collaborate with you, our residents, volunteers, community organisations, statutory and business partners to deliver the best we can for our communities. I think we have done that and I consider it an accolade to all involved to see how much has been achieved.

Our mission

- To partner with local communities, turning knowledge and energy into action and progress

Our vision

- Strong local communities where everyone has the opportunity to thrive and make a difference

Our values underpin everything we seek to achieve. We are:

- Inclusive
- Collaborative
- Caring
- Creative
- Striving for quality
- Working with integrity

Our goals

- To develop a more resilient, effective and representative local voluntary, community, faith and social enterprise (VCFSE) sector
- To ensure volunteering is more recognised, visible and valued in the community, providing improved community wellbeing and personal development
- To achieve improved health and wellbeing where individuals facing barriers or experiencing inequalities are supported and resilient
- To be a sustainable, inclusive and responsible organisation driven by our values

It's been another year of significant change. Whilst the impact of COVID has subsided the demands arising from other issues have grown and presented new challenges. We have taken things in our stride and responded well with an adaptable approach. By the end of the year Communities 1st and its services looked quite different from what they were at the beginning.

During the first half of the year, as the country started to recover from the COVID pandemic, our activity began to reflect this. The vaccination programme slowed down, as did the requests for volunteer support and we stopped delivering pulse oximeters in June. Many individuals were able to turn back to their family and friends for help, so the number of clients requiring support with shopping, prescription collection and other practical tasks declined markedly. We have continued to provide a service to people who have little or no alternative support structures in place and the numbers are still significant, but they are nowhere near those we experienced during the height of the pandemic.

COMMUNITIES 1ST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2023**

Meanwhile other activity has ramped up. Following the breakout of war in Ukraine in February 2022 Communities 1st worked with County and District Councils, the NHS and our voluntary and community partners to coordinate our response. We have held regular peer to peer support groups for Ukrainian arrivals and their hosts, set up our 'Herts with Ukraine' website, provided advice, information and signposted people onto relevant services and given practical assistance with community transport as required. We are starting to see the benefits of this with a number of Ukrainians becoming increasingly independent and less reliant on our and others support.

The rising costs of living has presented us with challenges throughout the year - and still does. In addition to cascading information and directing people to sources of help, we have spent time working with VCFSE organisations to support the warm space initiative. With funding received from local authorities and a philanthropic partner we have provided three warm spaces ourselves and facilitated the establishment of 12 others. We are currently evaluating the scheme to help plan for next winter and any 'cool spaces' which may be needed in the summer months.

The Multiply Project is another new initiative that we helped launch this year. It's a national scheme headed up by the Department of Education, intended to help adults develop their numeracy skills, unlocking job opportunities and/or a return to education. Working with Step2Skills and other partners, we have encouraged people to get involved and sign up for our new workshops designed to improve individual's confidence with numbers. We've had some great feedback!

Turning back to health issues, we have been fortunate to receive NHS funding to work with our partners to address targeted areas of clinical need. A new project 'Our Health Matters' commenced in October 2022. Focusing on two of the most deprived wards in Hertsmere, we have been talking to residents about the barriers they face when accessing health services and working with NHS colleagues to consider how best to overcome them. Our work culminated in a highly successful Health and Cancer Awareness event which was held at Aberford Hall in March 2023.

Our involvement in the NHS international staff recruitment work has also expanded. With the help of our volunteer buddies we have successfully supported the new recruits settle into their new life and find their way around their new surroundings. Our NHS partners at Watford and Lister Hospitals have placed high value on our contribution noting the positive impact it has had on staff wellbeing, so much so that they spread the word and the service has now expanded to include Herts Community NHS Trust and Cambridge and Peterborough NHS Foundation Trust.

Alongside all of this we have continued with our core business of supporting and representing local VCFSE organisations, and promoting and brokering volunteer opportunities. Our Stronger Together Networks (STNs) have expanded to reflect the changing environment in which we work. This year we have introduced three new networking groups for those working with refugees and asylum seekers, a forum for volunteer managers and another group focusing on equality and diversity. This year we also launched 'Let's Give', a new service for volunteers enabling them to upload information about their skills and interests onto our website, allowing volunteer involving organisations to reach out to them about potential volunteering roles.

From my perspective these have been the highlights of the year. We have had to support our volunteers, staff, trustees, funders, VCFSE organisations and partners throughout this change and development, and in the middle of it all we moved offices. The relocation may have been a little disruptive at the time but now we are ensconced in our new home, it has allowed us to bring all our staff together in one place and enabled a much greater sense of 'team' and coordinated working.

It remains for me to thank all our volunteers and staff for their incredible hard work and for all that they have achieved as detailed in the remainder of this report.

A MORE RESILIENT, EFFECTIVE AND REPRESENTATIVE LOCAL VOLUNTARY, COMMUNITY, FAITH AND SOCIAL ENTERPRISE (VCFSE) SECTOR

2022/23 facts and figures:

- 28 Stronger Together Network meetings held, bringing together local groups with similar aims to share best practice
- 67 VCFSE organisations provided with 1:1 development support and advice
- 12 VCFSE organisations supported to establish a warm space
- 44 VCFSE organisations provided with 1:1 funding advice
- 4 Meet the Funder events held to help participants apply to specific funding bodies
- £125k+ secured by local VCFSE organisations following our involvement
- 24 VCFSE organisations involved in our emergency partnership work across the south east region
- 204 organisations supported through our social prescribing work across the East of England

COMMUNITIES 1ST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2023**

Some feedback:

- 'Thanks to your helpful advice, support and review of our application to St Albans and District Council's Community Project Fund, I am pleased to say we have been successful! You always go the extra mile to help us.' (Representative from Trinity Community Partnership, St Albans)
- 'The warm space experience was definitely a positive one. Those that came in really welcomed having the option to go somewhere welcoming, non-judgmental and safe.' (Representative from Create Community CIC, Letchworth)
- 'Thank you for all of the work you've done to gather in more people to join, learn and share in our scenario planning exercises' (Representative from the Voluntary and Community Sector Emergency Partnership).

VOLUNTEERING IS MORE RECOGNISED, VISIBLE AND VALUED IN THE COMMUNITY PROVIDING IMPROVED COMMUNITY WELLBEING AND PERSONAL DEVELOPMENT

2022/23 facts and figures:

- 303 volunteer applications received for non-covid roles
- 115 new volunteering opportunities advertised
- 4,800 individuals received fortnightly Volunteer Centre newsletter
- 325 people attended 37 training sessions for volunteers and volunteer managers
- 39 individuals supported by Able2Enable to overcome barriers to volunteering and social engagement
- 16 local businesses engaged with Communities 1st to facilitate skill sharing and volunteering opportunities
- 150 students participated in an interview skills exercise delivered by 20 volunteers

Some feedback:

- 'I'd always thought about volunteering but never got around to it, but now I have I wish I'd committed before. It's really rewarding and a lot of fun.' (Volunteer placed with St Albans Talking Newspaper)
- 'I am more aware of some of the challenges a deaf person may face. I learnt ways of getting a deaf person's attention and some signs that I can continue to practice and use.' (Volunteer attending training course on Introduction to British Sign Language)
- 'This makes me realise there is more to me than my disabilities. I have strengths and passions and so much more that I wouldn't have discovered without the programme.' (Client of Able2Enable)
- 'Speaking to the students it was clear that they really enjoyed the experience and gained a lot from it. I would love to welcome you back to our school in the future' (Assistant Headteacher, Yavneh College, Borehamwood)

IMPROVED HEALTH AND WELL BEING WHERE INDIVIDUALS FACING BARRIERS OR EXPERIENCING INEQUALITIES ARE SUPPORTED AND RESILIENT

2022/23 facts and figures:

- 9 healthy hubs supported on a regular basis providing information and advice to local residents
- 1,671 enquiries received and responded to via the healthy hubs
- 124 Community Information Champions have shared health and wellbeing messages with over 200,000 people in their networks
- 170 people attended Health and Cancer awareness event benefitting from onsite health checks and associated advice
- 4 Primary Care Networks supported to run peer to peer groups every fortnight to help patients with long term conditions
- 15+ people attended weekly bowls session at Aberford Hall
- 98 Christmas welfare visits and 189 Christmas wellbeing phone calls undertaken

Some feedback:

'I broadcasted a 15minute slot on Radio Verulam called 'Health Matters', which was always 'on message'. Volunteering to support people living in St Albans is a privilege and through volunteering I am able to support people who, for whatever reason, need that support' (Community Information Champion)

'I am the carer of an 80-year-old gentleman who has cancer. It was good to be able to talk to so many expert organisations in one place' (Participant of the Health and Cancer awareness event)

'Such a nice gentleman. As we seemed to get on so well on the phone I asked him if he would like me to call regularly. He readily agreed, so we've arranged to have regular chats. He seemed really pleased. So am I!' (Volunteer undertaking Christmas wellbeing calls)

COMMUNITIES 1ST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2023**

BEING A SUSTAINABLE, INCLUSIVE AND RESPONSIBLE ORGANISATION DRIVEN BY OUR VALUES

2022/23 facts and figures:

- 2,552 practical tasks delivered - mainly shopping and prescription collection
- 1,265 telephone befriending calls made
- 756 health and social care trips delivered by the community car service
- 958 clients supported to go shopping on 272 shopper bus
- 390 jobs carried out for vulnerable residents via our handyperson service
- 135 people helped to use their phones and IT equipment at our Computer and a Cuppa sessions
- 72 peer to peer support meetings arranged for Ukrainian arrivals and their hosts
- 142 International NHS recruits supported to settle into their new life and work in the region
- 216 people engaged in our Multiply project designed to help adults improve their numeracy skills

Some feedback:

'The driver is always so friendly and helpful and the service is exceptional. It means I can get out of the house every week' (Client of the shopper bus service)

'Just to say thank you for taking me to my hospital appointments. I don't know how I would have managed otherwise. Thanks to the team who facilitates this and the volunteers who help me.' (Client of the community car service)

'Your DIY and gardening service has stopped me from going into a care home. I have no one else to help.' (Client of handyperson service)

'Thank you for the information. My guest found it very useful to meet a fellow Ukrainian and she has been in touch with another one since.' (Host to Ukrainian guest attending peer to peer group meeting)

'My buddy helped me a lot, from showing me around and giving me information about the country. I have also had help looking for accommodation. I know for a fact that I would have been lost without her' (International NHS recruit)

'I attended the shopping on a budget session and felt it was very informative. It has helped me focus on different aspects of budgeting and the best ways to get the most out of my money' (Client of Multiply project)

WHAT DOES THE FUTURE HOLD?

As we move towards 'business as usual' in the post-pandemic world it is becoming increasingly obvious that funding pressures are reinstating themselves as a more significant driver of events. Whilst there may be increasing competition for funds, the demand for services is not declining, the cost of living crisis impacting on individuals' own financial circumstances and events both at home and abroad affecting the vulnerability of our community. So, our work must continue in challenging times.

We must build on our strengths, drawing on our experience to date, the knowledge we have accumulated and the connections we have made. Our work through the pandemic has given us great insight into how we can add value working with our community, statutory and business partners. We have established a strong foundation from which we can continue this collective and collaborative work. We are driven to push forward with this modus operandi, helping to create strong local communities where everyone has the opportunity to thrive and make a difference.

We look forward to the months and year ahead.

Financial review

Financial position

The charity continues to seek ways to diversify its income to ensure a robust financial future. The charity has developed sound financial management systems and along with the support of the team has generated a positive financial outcome for the period. The charity has had success in grant application.

Investment policy and objectives

All reserves not required for day-to-day operational costs are invested in accounts with unity trust bank.

Financial Risk Review

Internal risks are minimized by the implementation of procedures for the authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charity. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

COMMUNITIES 1ST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2023**

STRATEGIC REPORT

Financial review

Reserves policy

It is the policy of the trustees to maintain free reserves of at least three month's running cost to enable the charity to meet all the commensurate costs in the event of extreme scenario of winding-up, the running cost reserve is £351,924 at the year end.

The charity continues to seek ways to diversify its income to ensure a robust financial future. The charity has developed sound financial management systems and along with the support of the team has generated a positive financial outcome for the period. The charity has had success in grant application.

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Cash flow risk

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposure. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance. Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

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.

Net Zero

Communities 1st are developing our Net Zero strategy and will start to report our annual progress against our carbon reduction targets in 2024. We are fully training all our workforce to become advocates for Net Zero across our organisations and local communities. We will seek best practice in our response to Net Zero and will actively share this with our hirer and clients across all our services. We aspire to becoming part of the solution to Climate Change and want our current and future clients to be part of that solution too.

COMMUNITIES 1ST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Gender Pay Gap

Communities 1st believes in equality of opportunity for all. Although Communities 1st employs fewer than 250 staff (44) and is therefore not required to publish gender pay gap information, we have chosen to and encourage other organisations in the sector to do so as well. At 1 April 2023, the median and mean male and female hourly earnings were as follows:

	Male hourly earnings (£)	Female hourly earnings (£)	Difference (£)	Difference (%)
Median	11.06	13.21	-2.15	-19.44%
Mean	13.28	13.88	-0.60	-4.48%

The UK gender pay gap reported by the Office for National Statistics in 2022 is 8.3% in favour of men. Communities 1st's median gender pay gap is 19.44% in favour of women and mean pay gap is 4.48% in favour of women. The gender pay gap is measured across all jobs, not of the difference in pay between men and women for doing the same job. Communities 1st's gender pay gap is not a concern, however gender pay and equal pay will continue to be monitored closely.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

11875362 (England and Wales)

Registered Charity number

1187164

Registered office

Ver House
Frogmore
St Albans
AL2 2WH

Trustees

Jason John (Chair)
Sarah Yexley (Vice-chair)
Ross Gemmell (Treasurer)
Chris Cloke
Joy Dobbs
Ann Harrison
John Howson
Sue Pearlman
Ann Rogers
Karl Wilding

Company Secretary

S M Craker

Senior Statutory Auditor

Neil C Harding

Auditors

Bradshaw Johnson
Chartered Accountants
Statutory Auditor
Croft Chambers
11 Bancroft
Hitchin
Hertfordshire
SG5 1JQ

COMMUNITIES 1ST

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

AUDITORS

The auditors, Bradshaw Johnson, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 20 September 2023 and signed on the board's behalf by:

J J John - Trustee

COMMUNITIES 1ST

STATEMENT OF TRUSTEES' RESPONSIBILITIES **FOR THE YEAR ENDED 31 MARCH 2023**

The trustees (who are also the directors of Communities 1st 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for 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 auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COMMUNITIES 1ST

Opinion

We have audited the financial statements of Communities 1st (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows 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), including Financial Reporting Standard 102 '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 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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.

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COMMUNITIES 1ST

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.

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:

We considered the nature of the Charitable Company's industry and its control environment, and reviewed the Charitable Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the Charitable Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, Charities Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charitable Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the Charitable Company's rationale of any significant transactions that are unusual or outside the normal course of business.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
COMMUNITIES 1ST**

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing any correspondence with HMRC.

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.

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.

Neil C Harding (Senior Statutory Auditor)
for and on behalf of Bradshaw Bradshaw Johnson
Chartered Accountants
Statutory Auditor
Croft Chambers
11 Bancroft
Hitchin
Hertfordshire
SG5 1JQ

27 October 2023

COMMUNITIES 1ST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	1,604,693	134,000	1,738,693	1,368,596
Investment income	4	458	-	458	53
Other income		26,359	-	26,359	4,100
Total		<u>1,631,510</u>	<u>134,000</u>	<u>1,765,510</u>	<u>1,372,749</u>
 EXPENDITURE ON					
Charitable activities	5				
Purposes of the charity		<u>1,392,196</u>	<u>15,500</u>	<u>1,407,696</u>	<u>961,078</u>
 NET INCOME		239,314	118,500	357,814	411,671
 RECONCILIATION OF FUNDS					
Total funds brought forward		661,194	15,500	676,694	265,023
 TOTAL FUNDS CARRIED FORWARD		<u><u>900,508</u></u>	<u><u>134,000</u></u>	<u><u>1,034,508</u></u>	<u><u>676,694</u></u>

The notes form part of these financial statements

COMMUNITIES 1ST (REGISTERED NUMBER: 11875362)

STATEMENT OF FINANCIAL POSITION
31 MARCH 2023

	Notes	Unrestricted funds £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
FIXED ASSETS					
Tangible assets	11	93,711	-	93,711	75,904
CURRENT ASSETS					
Debtors	12	184,256	-	184,256	409,655
Cash at bank		885,554	134,000	1,019,554	784,765
		<hr/>	<hr/>	<hr/>	<hr/>
		1,069,810	134,000	1,203,810	1,194,420
CREDITORS					
Amounts falling due within one year	13	(263,013)	-	(263,013)	(593,630)
		<hr/>	<hr/>	<hr/>	<hr/>
NET CURRENT ASSETS		806,797	134,000	940,797	600,790
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		900,508	134,000	1,034,508	676,694
		<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS		900,508	134,000	1,034,508	676,694
		<hr/>	<hr/>	<hr/>	<hr/>
FUNDS	15				
Unrestricted funds				900,508	661,194
Restricted funds				134,000	15,500
				<hr/>	<hr/>
TOTAL FUNDS				1,034,508	676,694
				<hr/>	<hr/>

The financial statements were approved by the Board of Trustees and authorised for issue on 20 September 2023 and were signed on its behalf by:

J J John - Trustee

COMMUNITIES 1ST

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	31.3.23 £	31.3.22 £
Cash flows from operating activities			
Cash generated from operations	1	279,959	475,052
Interest paid		(992)	(956)
Net cash provided by operating activities		<u>278,967</u>	<u>474,096</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(44,636)	(71,682)
Sale of tangible fixed assets		-	3,420
Interest received		458	53
Net cash used in investing activities		<u>(44,178)</u>	<u>(68,209)</u>
Change in cash and cash equivalents in the reporting period		<u>234,789</u>	<u>405,887</u>
Cash and cash equivalents at the beginning of the reporting period		<u>784,765</u>	<u>378,878</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,019,554</u></u>	<u><u>784,765</u></u>

The notes form part of these financial statements

COMMUNITIES 1ST

NOTES TO THE STATEMENT OF CASH FLOWS 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)	357,814	411,671
Adjustments for:		
Depreciation charges	26,829	16,712
Loss on disposal of fixed assets	-	6,080
Interest received	(458)	(53)
Interest paid	992	956
Decrease/(increase) in debtors	225,399	(297,799)
(Decrease)/increase in creditors	(330,617)	337,485
Net cash provided by operations	<u>279,959</u>	<u>475,052</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank	784,765	234,789	1,019,554
	<u>784,765</u>	<u>234,789</u>	<u>1,019,554</u>
Total	<u>784,765</u>	<u>234,789</u>	<u>1,019,554</u>

The notes form part of these financial statements

COMMUNITIES 1ST

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2023**

1. STATEMENT OF COMPLIANCE

Communities 1st is a charitable company limited by guarantee, incorporated in England & Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Ver House
Frogmore
St Albans
AL2 2WH

The charitable company's financial statements have been prepared in compliance with Charities SORP (FRS 102) as it applies to the financial statements for the year ended 31 March 2023.

2. 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.

The financial statement are prepared in sterling.

Communities 1st meets the definition of a public benefit entity under FRS 102.

Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charitable company.

Income

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Income is deferred when monies have been received in advance of a service being rendered. The deferred income is released at the point when the service has been rendered.

Donations

Donations are recognised when the charitable company has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charitable company before the charitable company is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charitable company and it is probable that these conditions will be fulfilled in the reporting period.

Grant receivable

Grants are recognised when the charitable company has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the statement of financial position as deferred income to be released.

COMMUNITIES 1ST

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MARCH 2023**

2. ACCOUNTING POLICIES - continued

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charitable company 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 cost of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Tangible fixed assets

Individual fixed assets costing £150 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on the tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over the expected useful economic life as follows:

Asset class	Depreciation method and rate
Motor vehicles	25% reducing balance
Equipment and fittings	33% reducing balance
Computer equipment	33% reducing balance

Trade debtors

Trade debtors are amounts due from voluntary organisations and individuals who have undertaken to fund or meet the cost of services provided. Trade debtors are recognised initially at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charitable company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price and subsequently measured at the amortized cost using the effective interest method.

Taxation

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

Fund accounting

Unrestricted funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

COMMUNITIES 1ST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES - continued

Fund accounting

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

3. DONATIONS AND LEGACIES

	31.3.23	31.3.22
	£	£
Donations	532,524	232,460
Contracts and SLA	807,881	781,792
Grants	398,288	354,344
	<u>1,738,693</u>	<u>1,368,596</u>

Grants received, included in the above, are as follows:

	31.3.23	31.3.22
	£	£
Covid-19	6,868	112,146
On The Day Passenger Transport project	-	5,613
Social Prescribing (NASP)	-	21,231
Hertsmere B Council	75,417	84,334
St Albans D Council	4,399	73,770
Hertfordshire County Council	-	6,000
Clarion Housing	4,022	5,000
Herts Sports Partnership	-	2,250
University of Hertfordshire	-	2,250
Herts Partnership University - NHS Foundation Trust	-	30,000
Hoare Trust	8,700	11,750
British Red Cross VCSEP	6,000	-
Bedfordshire Luton Community	1,500	-
NAVCA	5,000	-
Community Action Dacorum - Staying Connected	40,127	-
NHS Hertfordshire and West Essex ICB - Core 20+	36,000	-
Hertfordshire and West Essex ICB - International Recruits	55,500	-
Herts Valley CCG	12,639	-
Shopper bus	134,000	-
Other grants	8,116	-
	<u>398,288</u>	<u>354,344</u>

COMMUNITIES 1ST

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MARCH 2023**

4. INVESTMENT INCOME

	31.3.23	31.3.22
	£	£
Deposit account interest	458	53
	<u>458</u>	<u>53</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Purposes of the charity	1,125,313	282,383	1,407,696
	<u>1,125,313</u>	<u>282,383</u>	<u>1,407,696</u>

6. SUPPORT COSTS

	Information technology £	Other £	Totals £
Purposes of the charity	44,535	237,848	282,383
	<u>44,535</u>	<u>237,848</u>	<u>282,383</u>

7. NET INCOME/(EXPENDITURE)

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

	31.3.23	31.3.22
	£	£
Depreciation - owned assets	26,829	16,712
Deficit on disposal of fixed assets	-	6,080
	<u>-</u>	<u>6,080</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 COSTS

	31.3.23	31.3.22
	£	£
Wages and salaries	1,062,048	736,990
	<u>1,062,048</u>	<u>736,990</u>

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

	31.3.23	31.3.22
	46	50
Staff	<u>46</u>	<u>50</u>

No employees received emoluments in excess of £60,000.

COMMUNITIES 1ST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

10. 2022 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,348,096	20,500	1,368,596
Investment income	53	-	53
Other income	4,100	-	4,100
Total	1,352,249	20,500	1,372,749
EXPENDITURE ON			
Charitable activities			
Purposes of the charity	941,078	20,000	961,078
NET INCOME	411,171	500	411,671
RECONCILIATION OF FUNDS			
Total funds brought forward	250,023	15,000	265,023
TOTAL FUNDS CARRIED FORWARD	661,194	15,500	676,694

11. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 April 2022	34,626	40,992	30,690	106,308
Additions	2,075	33,848	8,713	44,636
At 31 March 2023	36,701	74,840	39,403	150,944
DEPRECIATION				
At 1 April 2022	20,600	5,124	4,680	30,404
Charge for year	4,800	11,083	10,946	26,829
At 31 March 2023	25,400	16,207	15,626	57,233
NET BOOK VALUE				
At 31 March 2023	11,301	58,633	23,777	93,711
At 31 March 2022	14,026	35,868	26,010	75,904

COMMUNITIES 1ST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade debtors	158,661	320,351
Other debtors	-	82,304
Prepayments and accrued income	25,595	7,000
	<u>184,256</u>	<u>409,655</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade creditors	16,634	4,482
Other creditors	102,006	432,586
Accruals and deferred income	144,373	156,562
	<u>263,013</u>	<u>593,630</u>

Accruals and deferred income includes £88,900 (2022: £92,500) of designated funds relating to monies received in 2022-23 for 2023-24 projects and £nil (2022: £15,500) of restricted funds relating to monies received in 2022-23 for 2023-24.

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.23	31.3.22
	£	£
Within one year	38,129	-
Between one and five years	120,742	-
	<u>158,871</u>	<u>-</u>

15. MOVEMENT IN FUNDS

	At 1.4.22	Net movement in funds	At 31.3.23
	£	£	£
Unrestricted funds			
General fund	661,194	239,314	900,508
Restricted funds			
Peer-to-peer support groups	5,500	(5,500)	-
Supporting International Nurses	10,000	(10,000)	-
Mini-bus grants	-	134,000	134,000
	<u>15,500</u>	<u>118,500</u>	<u>134,000</u>
TOTAL FUNDS	<u>676,694</u>	<u>357,814</u>	<u>1,034,508</u>

COMMUNITIES 1ST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

15. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,631,510	(1,392,196)	239,314
Restricted funds			
Peer-to-peer support groups	-	(5,500)	(5,500)
Supporting International Nurses	-	(10,000)	(10,000)
Mini-bus grants	134,000	-	134,000
	<u>134,000</u>	<u>(15,500)</u>	<u>118,500</u>
TOTAL FUNDS	<u>1,765,510</u>	<u>(1,407,696)</u>	<u>357,814</u>

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	250,023	411,171	661,194
Restricted funds			
Donations and legacies	15,000	(15,000)	-
Peer-to-peer support groups	-	5,500	5,500
Supporting International Nurses	-	10,000	10,000
	<u>15,000</u>	<u>500</u>	<u>15,500</u>
TOTAL FUNDS	<u>265,023</u>	<u>411,671</u>	<u>676,694</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,352,249	(941,078)	411,171
Restricted funds			
Donations and legacies	-	(15,000)	(15,000)
Peer-to-peer support groups	5,500	-	5,500
Supporting International Nurses	15,000	(5,000)	10,000
	<u>20,500</u>	<u>(20,000)</u>	<u>500</u>
TOTAL FUNDS	<u>1,372,749</u>	<u>(961,078)</u>	<u>411,671</u>

Peer-to-peer - This is monies received from Hertfordshire County Council to deliver peer-to-peer support groups.

COMMUNITIES 1ST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

15. MOVEMENT IN FUNDS - continued

Supporting International Nurses - This is monies received from Herts Partnership University to support international nurses to integrate in local communities.

Mini-bus - This is monies received to purchase shopper buses.

16. RELATED PARTY DISCLOSURES

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