

Charity Registration No. 703072

Company Registration No. 02504158 (England and Wales)

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr. Alan Courtney Mrs. Magda Prail Mr. Roger Britton Mr. Ronald Whitfield Mrs Sarah Eardley Mr N Herman Mr S Edwards	(Appointed 22 April 2021) (Appointed 22 April 2021)
General manager	Mark Herriott	
Charity number	703072	
Company number	02504158	
Registered office	First Floor, Unit 3, Harmac House Chequers Close Enigma Business Park Malvern Worcestershire WR14 1GP	
Auditor	Kendall Wadley LLP Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS	
Bankers	CAF Bank Ltd PO Box 289 West Malling Kent ME19 4TA	
Website	www.comfirst.org.uk	
Email	info@comfirst.org.uk	
Twitter	@comfirst #ACREnetwork	

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

CONTENTS

	Page
Chair's report	1
Trustees' report	2 - 5
Statement of trustees' responsibilities	6
Independent auditor's report	7 - 9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 24

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

CHAIR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2022

It sometimes feels as if the whole world is in a state of flux. In almost every aspect of our lives old certainties are no more and new challenges emerge almost daily. The temptation to shrug and say "what on earth can I do" is great. But times like this are when people and communities need support more than ever and out of the flux come real opportunities to step up and make a real difference.

I am proud that Community First has not shrugged; rather it has tried to step in where it is most needed and has seized emerging opportunities. Our mission statement talks of strong, successful and healthy communities and we have sought to make that a reality across our two great counties.

Perhaps one of the most significant changes, not just for Community First but for the whole VCS is the changing relationship with the statutory agencies. Our incredible response to the pandemic has proved that the VCS has a powerful and unique role, able to deliver in ways and places that the statutory agencies can't get near. This has brought us to the table in working on how we can make people's lives as good as they can be.

To succeed we must not be timid. We must be clear about our understanding of the issues and the way forward. We must be bold in speaking truth to power. We must work to the highest standards. We must put forward solutions not problems.

Opportunities seem greatest in the area of health and wellbeing where the new Integrated Care System demands that the VCS is built into the solutions and we are already on the front foot in delivery through the Wellbeing and Recovery College and formulating policy and action with the statutory agencies.

Community First's contribution is wide ranging and as ever scaled to fit local needs. Ask the community whose pub we helped to save and move to community ownership, people who can get heating oil at the best price through our scheme, the village halls that use our expertise to apply for and get a grant, the arts organisation that got funding through us, the business who we support in ensuring sound mental health of its employees. The list goes on and on and will continue to do so.

The figures in these accounts look good. Income over half a million pounds. Over two hundred thousand pounds in the bank. Surely a time to pat ourselves on the back as an organisation? Well, no! The flux referred to earlier is also financial. The cost of living crisis puts a strain on philanthropic giving, terrible investment returns hit funders, HM Treasury is starting to pull back to recover pandemic funding and all time high borrowing. Sources of income are going to become tighter and tighter so we have to use our current position to build resilience and invest in securing future income. I am pleased to say that we are working on this.

Community First succeeds because of the amazing people who work and support it. Their commitment, enthusiasm, tenacity and passion are what makes things happen. I am privileged to work alongside such a team.

We saw a big change in the retirement of Mark Herriot who had given outstanding service to Community First, carrying it through a period when finances really put its future in question and helping to rebuild it into a thriving organisation. We owe Mark a big debt of gratitude.

Let me finish by saluting our staff, supporters and Trustees for their continuing efforts and commitment and being part of this amazing team.

Roger Britton
Chairman

Date: 30 January 2023

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022



The trustees present their report and accounts for the year ended 31 March 2022, the report complies with the requirements for a directors' report as required by the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the organisation's Memorandum and Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019)

Our Vision

Our vision is of strong, successful and healthy communities thriving across Herefordshire and Worcestershire where everyone can achieve their full potential.

By strong we mean that communities are resilient to challenge and adaptive to change.

By successful we mean that economic and social interactions are as good as they can be.

By healthy we mean that everyone's physical and mental health is as good as it can be and that people live in a healthy environment.

By communities we mean not only communities of place but also communities of interest. It is particularly important to address communities of interest in a world where so many interactions are on line.

By communities we include all in Herefordshire and Worcestershire with a special emphasis on smaller rural communities where their rurality poses particular challenges.

It follows, therefore, that we have a clear mission to support the wellbeing of communities across Herefordshire and Worcestershire.

To deliver our mission we must

Support - provide expert support to those communities, particularly through organisations in those communities.

Advocate - act as advocate, representing the diverse interests of those communities, particularly where they may find it difficult getting their voice heard.

Deliver - provide direct support to individuals where there are no other suitable organisations able to provide such support.

Manage - ensure that our own organisation is fit for purpose and able to deliver our mission in an efficient and effective way.

Public benefit

Reference has been made to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and when planning future activities. In particular Trustees consider how planned activities contribute to the aims and objectives set.

Financial review

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

During the financial year, Community First continued to utilise best practice full cost recovery principles, adapted from the ACEVO model, in its financial budgeting. This reflects more accurately the cost of running the organisation's activities and highlights those areas of work which are under resourced.

Full financial details are obviously available in the accounts, and these show a healthy position for the organisation. However, in changing times it is not enough to look to repeating past successes. The environment and context is in flux and the organisation must review its business model to capture new opportunities and address risk.

The directors have examined the requirement for free reserves, which are those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. Total reserves of the charity at 31 March 2022 were £315,820 (2021 - £204,987). Of this total £119,026 (2021 - £63,423) is restricted funding leaving, after allowance for tangible fixed assets, £195,648 (2021 - £140,153) as free reserves.

The level of reserves is kept under regular review during the year to ensure that sufficient funds are put aside to provide flexibility to cover temporary timing differences in financial claims and to ensure adequate working capital and a contingency to manage the financial risks associated with certain funding streams and contractual obligations. Given the likely medium and longer term financial challenges facing the sector in general and Community First specifically, trustees have agreed that an increase in reserves remains appropriate whenever possible. Community First is satisfied that it has a sound approach to its finances although these are subject to regular review and will be considered in detail in the post-pandemic environment.

Quantitatively, Community First therefore aims to hold free reserves equivalent to not less than two months budgeted expenditure and not more than six months budgeted expenditure. This reflects the risks it faces going forward and that, as a charitable organisation, its primary purpose is to be of service to the people of Herefordshire and Worcestershire rather than to accumulate money.

Grant making policy

Community First administers grants on behalf of other charitable trusts and government organisations that further the charity's objectives. The grant making processes are agreed with the funders at the outset and ensure separation of development and support functions from decision making. Grants are paid on respective merits.

Community First's unrestricted funds are not utilised for grant giving purposes unless agreed by resolution of the Trustees. Arrangements are in place to segregate grant making decisions, ensuring conflicts of interest are avoided.

Principal sources of funding

The principal sources of funding received in the year are as described in the restricted funds note accompanying the financial statements and other core funding received from DEFRA.

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Risk management

Community First reviews the key risks that the organisation faces on a continuing basis. The Board of directors consider the major risks that the charity faces each financial year when preparing and updating the organisation's plans and associated budgets. Systems are in place to monitor and control these risks and to mitigate any impact they may have on the organisation in the future. Key strategic, business and operational risks facing the organisation are reported in the General Manager's and Financial Reports to the Board and reviewed with directors on a continuing basis as part of the regular cycle of meetings.

Plans for future periods

The Strategic Business Plan is due for review and the timing of this fits well with the need to consider the demands of the post-pandemic environment. In this review all aspects of the organisations business and financial management and operation will be under consideration.

Structure, governance and management

Community First is a charitable company limited by guarantee, incorporated on 29 June 1990 and registered as a charity on 6 July 1990.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. These were last amended on 28 November 2001.

The trustees, who are also the directors for the purpose of company law, and were:

Mr. Alan Courtney

Mrs. Magda Prail

Mr. Roger Britton

Mr. Ronald Whitfield

Mrs Sarah Eardley

Mr N Herman

(Appointed 22 April 2021)

Mr S Edwards

(Appointed 22 April 2021)

Strategic management is the responsibility of the Board of Trustees who meet on a regular basis to scrutinise activities, evaluate progress and set the direction of travel. The Annual General Meeting provides an opportunity for all stakeholders to influence the work and priorities of the organisation.

Operational management rests with the Chief Executive who leads the staff team in their work.

Community First's Board should consist of not less than six or more than ten people. Due to resignations during the year, for personal reasons, at the date of approval to the accounts, there were 4 trustees. The Board have responded to the reduction by undertaking a recruitment campaign, which has led to the co-opting of a new trustee taking the Board to 5. The Board are using this opportunity to review the structure of the Board and will recruit further trustees to meet the demographic, skill, knowledge and representative needs of the Charity.

Up to eight members are elected at the AGM and up to two co-opted by the Board. At the conclusion of each AGM, one third of the Board of directors retires from office. The members of the Board to retire are those who have been in office longest since their last election. Retiring directors are eligible for re-election. At every AGM, members of Community First elect Board directors in place of those retiring.

The Board, at the first meeting following the AGM, elects the chair, two vice-chairs and the treasurer. Directors have to be either individual members or representatives of member organisations. The directors regularly review the makeup, skills and experience of the Board and engage in open recruitment for additional trustee directors as the need arises. The Governance Committee meets at least once a year to review the organisation's governance arrangements and also leads any open recruitment exercise needed to refresh the Board and to fill the skills gaps identified by the annual skills audit. Training for the Board is provided on an identified needs basis.

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2022*

The directors are responsible for setting the strategic direction of the organisation and for monitoring progress. During the year Board meetings were held on five occasions to oversee the delivery of the organisation's plans and to review the risks and opportunities facing the charitable company on an ongoing basis. Day to day management of the charity is delegated to the General Manager.

The remuneration of the General Manager and all staff is reviewed annually by the Board and normally increased in accordance with the Consumer Price Index (CPIH).

Board members complete a register of interests on a regular basis. This is updated if needed during the year. Board members are required to declare any interest in relation to specific decisions and agenda items at the start of all Board meetings, or thereafter if relevant topics arise in discussion.

Community First works with a range of statutory and voluntary sector partners. Descriptions of related parties and the transactions with them are detailed elsewhere at note 21 of the accounts.

Auditor

In accordance with the company's articles, a resolution proposing that Kendall Wadley LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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

The trustees' report was approved by the Board of Trustees.

Mr. Roger Britton
Trustee

Dated: 30 January 2023

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The trustees, who are also the directors of Community First in Herefordshire & Worcestershire for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the organisation and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the organisation will continue in operation.

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

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

Opinion

We have audited the financial statements of Community First in Herefordshire & Worcestershire (the 'organisation') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the organisation 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 organisation'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 contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the organisation for the purpose 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 organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

- an understanding of the risk assessment process (including the assessment of the risk of fraud) adopted by the Board is obtained and their attitude to risk ascertained
- an assessment of the susceptibility to material mis-statement of the financial statements as a result of management over-ride or fraud is made
- it is ensured that the engagement team have, collectively, the appropriate competence, capabilities and skills to be involved in the assignment, are fully briefed and understand the risks specific to the company

Audit response to risks identified

The information obtained through the assessment to risk procedures is reviewed and the following work undertaken:

- processes to test the outcomes of our assessment include analytical review, the relevance and accuracy of significant accounting estimates, substantive testing of significant transactions, work to identify unusual or unexpected accounting entries including the testing of journal entries, information disclosed in the financial statements is traced to supporting documentation. In all instances it is acknowledged that material mis-statements that arise from fraud may involve deliberate concealment or collusion and are, therefore, by their very nature harder to detect than those arising from error.
- an understanding of the legal and regulatory framework as applicable to the company is obtained together with knowledge of the procedures put in place by the company in order to comply with the same

It should be noted that Auditing standards limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Elizabeth Needham ACA CTA (VAT) (Senior Statutory Auditor)
for and on behalf of Kendall Wadley LLP

30 January 2023

Chartered Accountants
Statutory Auditor

Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

Kendall Wadley LLP is eligible for appointment as auditor of the organisation by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:							
Donations and legacies	3	249,854	344,163	594,017	112,679	398,282	510,961
Charitable activities	4	21,230	-	21,230	18,962	-	18,962
Other income	5	14,010	200	14,210	2,026	-	2,026
Investments	6	63	-	63	69	-	69
Total income		285,157	344,363	629,520	133,736	398,282	532,018
Expenditure on:							
Charitable activities	7	228,541	290,146	518,687	89,076	374,163	463,239
Net incoming resources before transfers		56,616	54,217	110,833	44,660	24,119	68,779
Gross transfers between funds	13	(1,386)	1,386	-	-	-	-
Net income for the year/ Net movement in funds		55,230	55,603	110,833	44,660	24,119	68,779
Fund balances at 1 April 2021		141,564	63,423	204,987	96,904	39,304	136,208
Fund balances at 31 March 2022		196,794	119,026	315,820	141,564	63,423	204,987

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	14		1,146		1,411
Current assets					
Debtors	15	39,762		14,578	
Cash at bank and in hand		502,490		327,015	
		<u>542,252</u>		<u>341,593</u>	
Creditors: amounts falling due within one year	16	<u>(227,578)</u>		<u>(138,017)</u>	
Net current assets			314,674		203,576
Total assets less current liabilities			<u>315,820</u>		<u>204,987</u>
Income funds					
Restricted funds	17	119,026		63,423	
Unrestricted funds		196,794		141,564	
		<u>315,820</u>		<u>204,987</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 30 January 2023

Mr. Roger Britton
Trustee

Company Registration No. 02504158

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	20		176,119		138,481
Investing activities					
Purchase of tangible fixed assets		(707)		(1,198)	
Interest received		63		69	
Net cash used in investing activities			(644)		(1,129)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			175,475		137,352
Cash and cash equivalents at beginning of year			327,015		189,663
Cash and cash equivalents at end of year			502,490		327,015

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Community First in Herefordshire & Worcestershire is a private company limited by guarantee incorporated in England and Wales. The registered office is First Floor, Unit 3, Harmac House, Chequers Close, Enigma Business Park, Malvern, Worcestershire, WR14 1GP.

1.1 Accounting convention

The financial statements have been prepared in accordance with the organisation's Memorandum and Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The organisation is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the organisation. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the organisation is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the organisation has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Donations are recognised on a receivable basis.

Other incoming resources are on a receivable basis over the period to which they relate.

1.5 Resources expended

Liabilities are recognised for the amounts that the charity anticipates it will have to pay to settle a debt or the amount that it has received in advance as payment for services it has to provide.

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Expenditure on charitable activities includes the costs associated with the activities undertaken to further the purposes of the charity and their associated support costs.

Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the programmes and activities undertaken.

The support costs are treated as core running costs of the charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office equipment	33% of cost
Fixtures, fittings & furniture	15% of net book value

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the organisation reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.9 Financial instruments

The organisation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the organisation's balance sheet when the organisation becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the organisation's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the organisation is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the organisation's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3 Donations and legacies

	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £
Funding and grants	243,449	344,163	587,612	107,236	398,282	505,518
Membership fees	6,405	-	6,405	5,443	-	5,443
	<u>249,854</u>	<u>344,163</u>	<u>594,017</u>	<u>112,679</u>	<u>398,282</u>	<u>510,961</u>

4 Charitable activities

	2022 £	2021 £
Sales within charitable activities	<u>21,230</u>	<u>18,962</u>

5 Other income

	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds general 2021 £
Provision of administration services	<u>14,010</u>	<u>200</u>	<u>14,210</u>	<u>2,026</u>

6 Investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Interest receivable	<u>63</u>	<u>69</u>

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

7 Charitable activities

	Provide and accommodate project workers 2022 £	Grants payable 2022 £	Total Provide and 2022 accommodate project workers £	Provide and accommodate project workers 2021 £	Grants payable 2021 £	Total 2021 £
Staff costs	239,992	-	239,992	216,131	-	216,131
Staff training	85	-	85	66	-	66
Office costs	23,374	-	23,374	22,177	-	22,177
Project expenses	96,673	-	96,673	200,625	-	200,625
Membership fees and subscriptions	5,966	-	5,966	5,989	-	5,989
	<u>366,090</u>	<u>-</u>	<u>366,090</u>	<u>444,988</u>	<u>-</u>	<u>444,988</u>
Grant funding of activities (see note 8)	24,000	103,202	127,202	-	4,800	4,800
Share of support costs (see note 9)	1,789	-	1,789	1,235	-	1,235
Share of governance costs (see note 9)	23,606	-	23,606	12,216	-	12,216
	<u>415,485</u>	<u>103,202</u>	<u>518,687</u>	<u>458,439</u>	<u>4,800</u>	<u>463,239</u>
Analysis by fund						
Unrestricted funds - general	228,541	-	228,541	89,076	-	89,076
Restricted funds	186,944	103,202	290,146	369,363	4,800	374,163
	<u>415,485</u>	<u>103,202</u>	<u>518,687</u>	<u>458,439</u>	<u>4,800</u>	<u>463,239</u>

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Grants payable

	Provide and accommodate project workers	Grants payable	Total	2021
	£	£	£	£
Big Apple Association Limited	-	1,000	1,000	-
Bromyard Community Arts	-	350	350	-
Everybody Dance	-	838	838	-
Grimley Peace Hall	-	1,000	1,000	-
Hay Theatre CIC	-	1,000	1,000	-
Heighton Village Hall	-	-	-	1,000
Hereford Town Council	-	72,000	72,000	-
Herefordshire Mind	1,000	-	1,000	-
Indigo Arts	-	1,000	1,000	-
Kington Art Society	-	400	400	-
Llanwarne & District Village Hall	-	1,000	1,000	-
Malvern Civic Theatre	-	500	500	-
Pershore Abbey	-	750	750	-
PCC Malvern	-	-	-	850
Prince Henry's Arts	-	-	-	1,000
St. Peters Community Church	-	500	500	-
Springfield Mind	1,000	-	1,000	-
The Cracked Slipper	-	964	964	-
The Festival Players	-	-	-	1,000
The Monday Night Club	-	1,000	1,000	-
The Word Assoc	-	-	-	950
WBRC	1,000	-	1,000	-
Wildgoose Rural Training	-	900	900	-
Worcestershire Association of Carers	1,000	-	1,000	-
Grants paid out of Get Active Cultural Activities Fund	-	20,000	20,000	-
Grants paid out of NHS CMHTP funding	20,000	-	-	-
	<u>24,000</u>	<u>103,202</u>	<u>127,202</u>	<u>4,800</u>

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Grants payable

(Continued)

The charity acts as an intermediary between the grant applicants and the grant funders. Each group of grants are paid out of specific funds received by the charity for the purpose of issuing grants to other organisations with the approval of the grant funder.

9 Support costs

	Support costs	Governance costs	2022 Support costs	Governance costs	2021
	£	£	£	£	£
Staff costs	-	7,608	7,608	-	7,484
Depreciation	972	-	972	933	933
Office costs	325	-	325	205	205
General costs	380	-	380	-	-
Bank charges	112	-	112	97	97
Audit and accountancy fees	-	8,042	8,042	-	3,580
Legal and professional	-	6,501	6,501	-	1,152
Governance costs heading 1	-	1,430	1,430	-	-
Trustee meeting costs	-	25	25	-	-
	<u>1,789</u>	<u>23,606</u>	<u>25,395</u>	<u>1,235</u>	<u>13,451</u>
Analysed between					
Charitable activities	<u>1,789</u>	<u>23,606</u>	<u>25,395</u>	<u>1,235</u>	<u>13,451</u>

Audit and accountancy fees of £8,042 (2021 - £3,580) comprises £3,810 (2021 - £4,232) payable to the charity's auditor in respect of audit fees, and £4,232 (2021 - £10) for other services.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year.

Included within trustee meeting costs are trustees' reimbursed expenses for the year totalling £954 (2021 - £622), this relates to one (2021 - one) trustee.

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Employees	12	12

Employment costs

	2022 £	2021 £
Wages and salaries	221,024	200,628
Social security costs	12,141	10,386
Other pension costs	14,435	12,601
	247,600	223,615

The full time equivalent number of part-time staff was 7.4 (2021 - 6.7).

There were no employees whose annual remuneration was £60,000 or more.

Remuneration of key management personnel

The remuneration of key management personnel, is as follows.

	2022 £	2021 £
Aggregate compensation	50,409	49,891

12 Taxation

Community First's activities during the year were in accordance with its charitable objects and therefore no corporation tax liability arises.

13 Transfers

A transfer of £1,386 has been made from unrestricted funds to restricted funds to cover the deficit arising on the Phoenix Covid-19 programme.

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

14 Tangible fixed assets

	Office equipment	Fixtures, fittings & furniture	Total
	£	£	£
Cost			
At 1 April 2021	6,581	4,253	10,834
Additions	707	-	707
At 31 March 2022	7,288	4,253	11,541
Depreciation and impairment			
At 1 April 2021	5,264	4,159	9,423
Depreciation charged in the year	958	14	972
At 31 March 2022	6,222	4,173	10,395
Carrying amount			
At 31 March 2022	1,066	80	1,146
At 31 March 2021	1,317	94	1,411

15 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	24,715	8,976
Other debtors	23	-
Prepayments and accrued income	15,024	5,602
	39,762	14,578

16 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	12,183	34,934
Other creditors	15,201	5,001
Accruals and deferred income	200,194	98,082
	227,578	138,017

Included in accruals and deferred income is £144,435 (2021 - £73,528) in respect of income received in advance of the service to be provided and which has been deferred. All amounts are released in the subsequent accounting period.

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds				
	Balance at 1 April 2020	Incoming resources	Resources expended	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 31 March 2022
	£	£	£	£	£	£	£	£
Phoenix COVID 19	-	32,825	(32,796)	29	3,000	(4,415)	1,386	-
Wellbeing Hub	18,072	153,000	(157,352)	13,720	172,764	(111,572)	-	74,912
WCF - VCS Mental Health	-	50,000	(49,984)	16	-	-	-	16
WCF - VCS Digital Action	-	50,000	(49,914)	86	-	1,487	-	1,573
Worcester Works Well	-	10,517	(5,850)	4,667	10,000	(5,711)	-	8,956
Worcester Works Well (contract 2)	-	2,066	(739)	1,327	6,200	(1,365)	-	6,162
EPCMH	-	36,406	(36,400)	6	-	-	-	6
Time to Change	6,607	18,668	(5,895)	19,380	21,150	(18,179)	-	22,351
One Step Out!	14,625	40,000	(30,433)	24,192	16,742	(40,737)	-	197
Grant Funding	-	4,800	(4,800)	-	103,202	(103,202)	-	-
Get Active	-	-	-	-	6,167	(1,588)	-	4,579
Herefordshire Fastershire	-	-	-	-	5,138	(4,864)	-	274
	<u>39,304</u>	<u>398,282</u>	<u>(374,163)</u>	<u>63,423</u>	<u>344,363</u>	<u>(290,146)</u>	<u>1,386</u>	<u>119,026</u>

Phoenix Covid-19 - Funds provided predominantly by the Lottery Community Fund in response to the Covid-19 pandemic.

Wellbeing Hub - This fund represents monies received from Worcestershire Health and Care NHS Trust for develop emerging needs and increasing capacity of the Wellbeing Hub as required.

VCS Capacity Building - This fund represents monies received from Worcestershire Health and Care NHS Trust for increasing capacity for the provision of services within the voluntary and community sector.

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

17 Restricted funds

(Continued)

Worcester Works Well - Monies provided by Public Health to support workplace health and wellbeing.

EPCMF - Funding received to assist in dealing with mental health matters in the community.

Time to Change - This fund represents monies received from Mind towards the costs of administering and supporting the Worcestershire Hub Partnership.

One Step Out! - This fund represents monies received from the National Lottery Community Fund to support the charity's village hall network and tackle loneliness in rural communities in Herefordshire and Worcestershire.

Grant funding - funds received to issue grants to those in need.

Get Active - This fund is used to support the promotion of physical activity as a way of preventing the development of health conditions particularly relating to mental health.

Herefordshire Fastershire - This fund is used to provide a digital access programme run in collaboration with Herefordshire Healthwatch designed to help those people with poor IT connectivity to be better linked in particularly for access to health services.

COMMUNITY FIRST IN HEREFORDSHIRE & WORCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

18 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	1,146	-	1,146	1,411	-	1,411
Current assets/(liabilities)	195,648	119,026	314,674	140,153	63,423	203,576
	<u>196,794</u>	<u>119,026</u>	<u>315,820</u>	<u>141,564</u>	<u>63,423</u>	<u>204,987</u>

19 Related party transactions

Transactions with related parties

During the year the organisation entered into the following transactions with related parties:

	Provision of services	
	2022 £	2021 £
Worcestershire Community Foundation	38,490	32,108
	<u>38,490</u>	<u>32,108</u>

In addition, grant funding of £100,000 was received from Worcestershire Community Foundation in respect of the VCS Mental Health and VCS Digital Action programmes in 2021.

Roger Britton is a member of the Worcestershire Community Foundation, £400 (2021 - £599) was due to Community First from Worcestershire Community Foundation at the reporting date.

20 Cash generated from operations	2022 £	2021 £
Surplus for the year	110,833	68,779
Adjustments for:		
Investment income recognised in statement of financial activities	(63)	(69)
Depreciation and impairment of tangible fixed assets	972	933
Movements in working capital:		
(Increase) in debtors	(25,184)	(7,053)
Increase in creditors	89,561	75,891
Cash generated from operations	<u>176,119</u>	<u>138,481</u>

21 Analysis of changes in net funds

The organisation had no debt during the year.