

**Community Southwark**  
**(A company limited by guarantee)**

**Report and Financial Statements**  
**For the Year Ended 31 March 2017**

Charity registration number: 1105835  
Company registration number: 5090324

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## **Community Southwark**

### **Legal and Administrative Details for the year ended 31 March 2017**

The Board of Trustees presents its report (which includes the directors' report as required by company law) and audited financial statements for the year ended 31 March 2017.

#### **Reference and Administrative Information**

Charity name:	Community Southwark
Charity registration number:	1105835
Company registration number:	5090324
Registered office and operational address:	131 Addington Square London SE5 0HF

#### **Board of Trustees**

Jacky Bourke-White	Treasurer (resigned 11 <sup>th</sup> February); appointed Chair 11 <sup>th</sup> February 2017
Verinder Mander	Chair (resigned 11 <sup>th</sup> February 2016 as chair and as a director on 2 December 2016)
Karin Woodley	Vice Chair
Beccy Allen	(resigned 1 December 2016)
Michael Bukola	
Khosi Manaka	
Matthew Guest	Treasurer
Mark Parker	

#### **Senior Management**

Gordon McCullough Chief Executive/Company Secretary

**Auditors:** Haines Watts, Old Station House, Station Approach, Newport Street, Swindon, SN1 3DU

**Bankers:** Unity Trust Bank, Nine Brindley Place, Birmingham, B1 2HB

**Solicitors:** Bates, Wells & Braithwaites LLP, 2-6 Cannon St, London, EC4M 6YH

## **Community Southwark (A company limited by guarantee)**

### **Report of the Board of Trustees for the year ended 31 March 2017**

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and financial statements of Community Southwark (CS) (the company) for the year ended 31 March 2017. The trustees confirm that the annual report and financial statements of the company comply with current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102).

### **OUR AIMS AND OBJECTIVES**

#### **WHAT IS OUR AMBITION?**

We want Southwark communities that have the ability and opportunities to fulfil and exceed their potential. We are determined to achieve this by creating stronger foundations that supports all voluntary and community organisations, communities and individuals in Southwark to work together to improve practice, shape futures and change lives.

At the core of this ambition lies social action. To us it means supporting and enabling others take steps to change the things in Southwark and to introduce new ideas and ways of working that benefits everyone.

#### **HOW WILL WE ACHIEVE THAT AMBITION?**

**We will help build stronger foundations for organisations and individuals** - in three years we want to have made a measureable improvement in the capacity and capabilities of organisations and individuals to deliver the best outcomes in their communities.

**We will support increased community involvement, participation and influence** - over three years we want the process of volunteering, getting involved in community setting or influencing decision makers to become easier, more accessible and valued.

**We will support greater co-operation and sharing** - within three years we want to see significant changes in how we work together (across and between sectors) in a way that is supportive, non-competitive and focused on outcomes; not budgets.

**We will improve investment in communities** - within three years we will have forged new relationships with business, academia and other sectors to create new ways of supporting communities to grow and thrive.

#### **Our strategic priorities for 2016-19 are:**

- To enhance the capacity and capabilities of organisations and individuals, to deliver the best outcomes for their community
- To enhance community involvement, participation and influence
- To enhance collaboration, joint working and co-operation across all our stakeholders

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- To improve long term community investment

#### **The charity's legal objects are:**

- To promote any charitable purpose for the benefit of the public and particularly, but not limited to, the public who live and work in the London Borough of Southwark and surrounding London boroughs, including: to advance education, protect health, relieve poverty distress and sickness, promote voluntary work and a volunteer service and to provide facilities for recreation and other leisure time occupation in the interests of social welfare with the aim of improving the conditions of life of the public.
- To promote the efficiency and effectiveness of voluntary and charitable sector organisations providing health, community care and children's and family services for the benefit of the public and particularly, but not limited to, the public who live and work in the London Borough of Southwark and surrounding London Boroughs, through promoting good practice and partnerships within the voluntary and charitable sector.

#### **Ensuring our work delivers our aims**

Quarterly and annual reviews of our work evaluate our activities against our set aims, targets and outcomes. A structured model of evaluation enables us to identify if we are achieving our outcomes to allow us tailor our service delivery to match local need more closely. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. The trustees consider how planned activities will contribute to the aims and objectives they have set.

#### **How our activities deliver public benefit**

The trustees have paid due regard to the Charity Commission's guidance on public benefit. The trustees are confident that Community Southwark's aims and activities of supporting, connecting, informing, and influencing on behalf of the voluntary and community sector and volunteers in Southwark are in accordance with the regulations on public benefit, as described below.

#### **Who used and benefited from our services?**

In response to an evolving and increasingly challenging environment within which the VCS in Southwark finds itself, Community Southwark (aligned to its new three-year council contract) reviewed its overall strategy. In developing our new three-year strategy, we posed ourselves some questions about what we have done in the past with regards to supporting VCOs. We started by considering what we actually meant by creating stronger foundations and what do we want those stronger foundations for? Where our focus should be – those organisations and groups that are thriving or those that are just about surviving? Finally, we examined how we measure success in relation to our support work. In essence we questioned the entire approach and ethos of how we support VCOs to be the best they can be.

We then asked about our role in promoting and supporting volunteering and social action. We wanted to know, is it simply to make it easy to volunteer without a wider purpose? Do we want to help people volunteer to improve well-being, improve employability, and improve the health and well-being of others?

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If volunteering with organisations is relative static (in terms of numbers) and the informal volunteering is declining what can we do locally to reverse these trends? How and why do we support social action?

We then looked at our influencing role – a fundamental aspect of the work of a VCS support organisation. We considered the following questions; what do we mean by creating and maintaining an equitable and influential relationship between the public and voluntary and community sectors charities - what do we want these relationships for? Are we assertive enough with the public sector – if not, why not and how do we change that culture? Should Community Southwark campaign more – what issues would it/could it campaign on and how we measure the impact?

Finally, we looked at our relationship with the corporate sector. We asked should Community Southwark act as a broker for pro bono support? Should Community Southwark develop affiliate schemes with private sector companies to provide services to charities? Corporate support is often seen as an alternative to traditional forms of funding but is it really a sustainable alternative? Is Community Southwark strong enough in knowing why it wants to engage with corporates to work in partnership with the sector?

When we were developing our new strategy we were still called Community Action Southwark but as a result of the merger with Volunteer Centre Southwark in May 2015, we changed our name to Community Southwark on 1<sup>st</sup> April 2016.

The activity and outcomes listed below represent the first full year of our new strategy – *Building Stronger Foundations 2016-19*.

### **Build stronger foundations for organisations and individuals**

One way to build stronger foundations for voluntary and community organisation is to provide one-to-one support and training. In 2016/17 we provided:

- 319 cases of 1:1 intensive support to VCOs.
- 84% of the 1:1 support was with small VCOs that had an annual income of below £100K.
- Specialised support to 34 organisations on financial management; 44 organisations on impact measurement (funded by City Bridge Trust); and 32 organisations related to safeguarding issues
- Most common types of support were related to start-ups, income generation and governance/leadership
- Support for 30 VCOs to access £366,205 worth of funding from both non-statutory and charitable sources. We achieved a 57% success rate with all the applications we supported.
- A Meet the Funders event in November 2016. Over 130 participants got to speak to directly to 11 local and national funders.
- 30 training courses which were attended by 320 participants; (40% of which came from VCOs with an income below £100K)

In terms of direct impact that all this activity has had, we found the following:

- 1 out of every 2 organisations receiving 1:1 support described it as having had a really positive impact on their organisation.

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- 22% felt that the support on governance had increased their knowledge and confidence a lot
- 21% felt that the support they received in relation to fundraising had increased their knowledge and confidence a lot
- 30% reported a significant increase in their knowledge and confidence related to evaluation and impact measurement
- 81% of participants said they felt more confident in the subject matter after having attended the training.

At three points over a four-year period (2013-2017), we asked organisations to assess (on a scale of one to ten) how they felt they were performing in a number of areas (impact, income, governance, communications, people, managing resources, impact, strategy, and learning). In several areas we saw improvements that were directly aligned to support provided by Community Southwark. We understand that organisations receive guidance from a variety of sources but we believe Community Southwark made a contribution to these changes. Overall we found improvement (or not) in the following areas:

- **Impact:** 9% improvement since 2013 in organisations' ability to measure the impact that they are having on their beneficiaries
- **Impact:** 2% improvement in using knowledge and evidence to improve their impact
- **Income:** No change since 2013 in organisations' abilities to plan ahead to find new funding
- **Income:** 8% improvement in organisations' having a healthy range of funding 2013
- **Income:** 3% worsening, since 2013, in organisations' ability to spot and take advantage of new funding opportunities.
- **Governance:** 18% improvement in how trustee boards operate and communicate decisions
- **Governance:** 13% improvement in how trustees and staff work together
- **Governance:** 12% improvement in ensuring proper processes and procedures are in place to meet legal obligations.
- **Finance:** 3% improvement, since 2013, in financial management practices in organisations.

Part of our work is to support individuals who want to become more involved in their communities. The initial engagement tends to be through the Community Action Networks (or through the southwarkcan.org website which has a wide range of resources on social action) but we also offer one to one advice. Over the last year we had 45 sessions with individuals, below are some of the issues we supported them with:

- An individual who was looking for residents to interview for his radio drama
- An individual who wanted to find out how to volunteer in the General Election at her local polling station and also find out about what is involved in becoming a trustee
- A sixteen-year-old who wanted to volunteer over the summer
- A trained mediator who was looking for mediation connection in the borough
- A resident of almshouses in Dulwich who wanted help to encourage the Almshouses to become more open and transparent in their dealings both with their tenants and in their support for the Dulwich Estate's planning application

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Community Southwark sub-contracts Southwark Refugee Communities Forum (SRCF) to provide support to refugee organisations, to provide training to public sector agencies on understanding refugee issues and to campaign on behalf of refugee communities in Southwark.

#### **To develop equitable and influential relationships with the public sector**

Community Southwark aims to give the voluntary and community sector a voice to influence and shape local policy-making. We have a system of elected representatives who sit on key partnerships in Southwark Council and the CCG. We also respond to consultations and host cross-sector meetings designed to develop solutions and joint ways of working.

A major highlight of the year was Community Southwark's role in developing a new voluntary and community sector strategy in Southwark. The **Southwark Voluntary and Community Sector Strategy: 'Common Purpose Common Cause'**, was launched in November 2016. The strategy was developed in partnership with the local voluntary and community sector, Southwark Council and Southwark Clinical Commissioning Group.

We held four '[listening events](#)' and over 200 people from the VCS attended. At all four events we listened to the opportunities, barriers and challenges facing the voluntary and community sector. The new VCS strategy is based on the findings from the events, with the aim being to support a thriving VCS that better meets the needs of our residents.

The strategy started life as a response to the [Southwark and Lambeth Early Action Commission](#) which set out the argument for a greater investment in preventative services - with the voluntary and community sector central to this realignment. The strategy embeds early action in service delivery; harnesses the unique position and relationships the VCS has in building community resilience; and creates the conditions for collaboration with public and private sector partners to improve the lives of all Southwark. Community Southwark and the sector and will continue to play a pivotal role in the implementation of the strategy.

In 2016 we introduced a new model of working (Provider Led Groups, PLGs) to provide effective representation, strategic partnerships and networking amongst voluntary and community organisations in Southwark

The first of the PLGs to be established was for learning disabilities (LD). This had already been in existence as the LD Forum for a short while and had a chair and membership. This was used as a loose model to establish other themed groups. The other original PLGs for which members were sought were for mental health, older people, children, families and young people. Information about the creation of the PLGs was posted on the website and sent out in general Community Southwark communications.

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Each PLG is slightly different in the way in which it was set up. The issues and work taken forward differ depending on the organisations taking part and the policies or proposals that impact on them at any given time. The numbers of organisations in the PLGs has grown over the past year. Listed below are the number of organisations actively involved in each of the PLGS: Creative Network Southwark - 82; Children, Families and Young People – 38; Learning Disabilities – 26; Mental Health – 27; Older People – 18; and, Physical Disabilities - 10

A key aspect of the PLGs is to provide more targeted engagement with public sector partners. Most of the external engagement has been with Council officials and has comprised of a mix of “for information” briefings and submitting views on Council proposals and consultations and on occasions intervening to make voice heard. On other occasions, for example, external communications. Staff from Kings NHS Trust have engaged to start and build a strong ongoing relationship with the local voluntary sector.

In their first year PLGs have proven to be a successful model and have achieved some significant outcomes, some of which are listed below:

- **Children, Families and Young People**

By intervening earlier in the year and requesting to be involved, achieved co design of the Youth Play Activities commissioning process, which included a workshop which changed some of the application process. In particular, the proposal by the Council to request 50% match funding was dropped.

- **Learning Disabilities**

Following attendance of Council officials at a PLG a small PLG task force group was established to work with the Council on emerging policies around LD. Written intervention to the Council following a PLG over the disabilities hub led to the organisation of a workshop taking place for providers of service to the disabled.

- **Mental Health**

Many of the attendees at events around the development of the mental health strategy and the change in delivery of mental health services were from the PLG. On being made aware of a Councillors briefing session on Southwark Mental Health services intervened to press for a VCS session to showcase and highlight the important role that the voluntary sector plays in mental health support in the borough.

- **Creative Network Southwark**

Community Southwark and Southwark Council co-produced a future fundraising conference. The event was a success and a need was identified to establish a body to supersede the defunct Southwark Arts Forum. As the organisations and individual are not “providers “in the strictest sense a new title was created. Two events have been held one focusing on partnership working and another on future working and communications. A digital messaging g platform has

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been delivered (Slack). A small steering group has been established. One of the key outcomes has been the opportunity for different organisations and individuals to network with each other.

Community Southwark continues to provide administrative support to the Southwark Safer Neighbourhood Board. As part of this we are also working in partnership with MOPAC and the Board to administer funds to small community projects focused on community safety.

### **To increase levels of active citizenship, volunteering and community engagement**

The *Building Stronger Foundations* strategy placed a greater emphasis on developing support to enhance social action in Southwark. Our Community Action Networks (CANS), in partnership, with local community based organisations have gone from strength to strength – there are now 6 networks across the borough. A total of 174 residents, who are interested in getting more involved in their communities, have attended over 20 CAN sessions. We have also supported over 20 local campaigns and initiatives including the Feminist Library, Sisters Uncut, Camberwell Station, and Walworth Growers Network.

We asked, as a result of our work, did residents have increased awareness of community issues

- 42% reported an increase in the opportunities to share views on their local community over the last 12 months
- 45% reported an increased in the opportunities to make connections in their local community over the last 12 months
- As a result of Southwark CANS, 34% felt very much more aware of what is going on in their local community
- As a result of Southwark CANS, 43% felt very much more knowledgeable about how to get involved in their local community
- As a result of Southwark CANS, 34% felt very much likely to get involved in things in their local community

*“I have relied on Southwark CAN and continue to do so, it has been very useful to myself and the TRA.”*

The CANS are supported by the CAN website which features community events, campaigns and blogs on issues relevant to the borough. When we asked people who have got involved through the CAN website, about the impact it had had on them, we found the following:

- 96% used to the site to find out what is going on in the local community
- 68% attended a community event as a result of seeing it on the Southwark CAN website
- 17% joined a campaign they saw promoted on the site
- 17% attended a Southwark CAN
- 79% stated that the Southwark CAN website made them think about becoming more involved in their local community

*“For me, internet and interactive sites like CAN are very useful, but this is not the case for all and I think perhaps promotion in more traditional media is worthwhile to get a better cross section of involvement”*

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In May 2015 Community Action Southwark merged with Volunteer Centre Southwark. As a result of the merger there was a greater emphasis on supporting individuals find suitable volunteering opportunities (as well as supporting volunteer involving organisations).

563 people used the Volunteering Advice Service (VAS) in 16/17, excluding repeat visits. Of this number, 49% (conversion rate) were still volunteering when we followed up with them (well above national averages). We asked our clients about the impact that getting into volunteering had on their wellbeing:

- 20% of individuals attending VAS (and who then went onto volunteer) experienced greatly improved well-being;
- 13% reported greatly improved physical health;
- 24% reported greatly improved mental health;
- 16% reported greatly improved levels of stress; and,
- 23% said they felt increasing confident to speak to new people. After volunteering 95% said they had meet new people

We asked the main reasons why they wanted to volunteer

- 85% wanted to improve things/help people.
- 54% wanted a chance to use existing skills.
- 45% wanted a chance to learn new skills.
- 45% had the spare time to volunteer.
- 31% stated it was part of their philosophy of life to help people.

*“It has been a great experience [volunteering] and I am pursuing a new career. Would recommend to anyone”*

We also provide support and advice volunteering managers and volunteer involving organisations. Over the year we supported 95 organisations with volunteer good practice. We asked them about whether that support had Improved the quality of volunteering experiences in the borough

- 38% of volunteer managers which received support strongly agreed they were better able to recruit volunteers
- 34% of volunteer managers strongly agreed that as a result of our support their volunteer programme was a better quality for the volunteer
- 22% of volunteer managers strongly agreed that they were better able to use the skills of volunteers to make a difference because of our support

*“The consultation from Marissa was useful to health check our systems. Useful to hear from Alasdair re potential volunteers and work with him to place volunteers who might be suitable for us.”*

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#### To improve long term community investment

We continue to deliver the **Involve: Employer Supported Volunteering** programme. We have maintained a good working relationships with our corporate partners and now have a client base of 8. A total of 699 corporate volunteers supported 18 community projects (Involve completed a total of 34 TC's that year and supported several of our community partners on to develop and improve their sites across multiple days). Corporate volunteering hours donated to the community (counted as 6 hours per corporate volunteer) amounted to 4,194 hours over the year. We are continuing to talk to new corporate and community partners and are developing new products (based around skills based challenges) to market in the 2017/18.

In 2016/17 we saw significant developments in relation to **Southwark Giving**. Southwark Council kindly agreed to fund the set-up costs in year one which proved to be the catalyst for taking Southwark Giving forward. Southwark Giving is a place-based local giving scheme set up to tackle the most pressing hidden, unmet and emerging community needs in the borough earlier in the year. We published a *Tale of Two Southwarks* which was an independent piece of research which explored the unmet and emerging needs in Southwark. The research was support by United St. Saviour's Charity, Team London Bridge, The Wakefield and Tetley Trust and The Peter Minet Trust. This research has set the strategic foundations which will help Southwark Giving leverage and target its resources for the borough in the most effective way.

Southwark Giving has secured five organisations who have chosen to financially invest in Southwark Giving's infrastructure and endorse us, named: Founder Funders. They are:

- Norton Rose Fulbright LLP
- Womble Bond Dickinson LLP
- Team London Bridge (Business Improvement District)
- The Wakefield & Tetley Trust
- United St. Saviour's Charity
- The Peter Minet Trust

Southwark Giving will seek to support the community in three ways:

- **Investment** – finding innovative ways in investing in local need
- **Volunteering** – provide borough-wide skills-based and practical team challenges through employer supported and community volunteering
- **A Giver's Network** – a friendly and engaged network of donors and fundraiser for Southwark Giving's Fund

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#### **Waltham Forest**

In November 2016, Community Southwark was awarded a contract by Waltham Forest council to deliver capacity building, representation and volunteer support services over a period of five years. Much of 2016 was spent setting up the service, creating a team and integrating the work in Waltham Forest with Southwark. Community Waltham Forest shares the same strategic ambitions as Community Southwark and we are determined to build stronger foundations for the voluntary and community sector in this exciting and diverse borough.

#### **What next**

Community Southwark will continue to support the development of Southwark Giving and strive to find new ways to increase community investment in Southwark.

We will continue to develop better cross-sector working relationships with our statutory partners to improve the outcomes for the voluntary and community sector and their users. We will focus on delivering the recommendations in the Voluntary Sector Strategy and forging new relationships with the CCG and Southwark Council.

We will continue to host and support Healthwatch Southwark, the voice for users of health and social care in the borough. As Community Southwark develops a more community engagement focus the linkages between Healthwatch and Community Southwark will become even more important and there will be significant opportunity for greater joint working.

Community Southwark will deliver capacity building services (under a contract with London Community Foundation) in Lambeth and continue to develop Community Waltham Forest.

#### **FINANCIAL REVIEW**

The financial position of the charity at the year end is set out on page 19.

Community Southwark experienced an decrease in income of 3.2% over the past year mainly due to a smaller amount of SESS income than in previous years. We continually try to diversify our funding base (new lines of income were generated through Waltham Forest Council, City Bridge Trust and other charitable foundations) and good financial management around indirect and direct costs.

Nevertheless Community Southwark has reported a deficit of £118,568 for this reporting period. This deficit is a result of expenditure on developing our social action function and shortfalls in expected income from consultancy and the Involve programme.

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#### **Principal Funding Sources**

Principal funding sources for the charity are made up of contract and grant income from Southwark Council (the reporting period the first year of a three year contract); Healthwatch Southwark (penultimate year of a five year of a contract with Southwark Council); income to pay fulfilment partners under Southwark Emergency Support Scheme (Southwark Council); and support from grant making trusts such as the City Bridge Trust and supporters of Southwark Giving.

#### **Investment Policy**

In 2016 we closed a £100,000 investment fund and moved the funds into our general account. This decision was taken because of the low return on the account.

#### **Reserves Policy**

Total reserves of the charity at the year end were £244,816 (2016 £363,384). Of these £16,832 represented restricted funds, £50,000 designated funds and £177,984 unrestricted funds. Further details of the restricted and designated funds are given in note 12. In 2015/16 the trustees determined to set aside £80,000 to cover the development of Community Southwark's social action function.

Funds held in this way should be between three and six months running costs. Budgeted expenditure for 2017/18 is £1,054,960 (excluding SESS) and the target reserve is between £263,740 and £527,480. The reserves are needed to meet the working capital requirements of the charity and the trustees are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding.

The present level of free reserves available to the charity of £244,816 (2016: £363,384) equates to just under three months running costs, it falls short of the upper threshold of £527,480. Therefore, the strategy will be to continue to act prudently in relation to the organisation's reserve but to look to develop a risk based reserves policy that more accurately determines the likelihood and impact of significant changes to funding streams.

#### **Plans for future periods**

The Board continues to recognise the need for the organisation to diversify its income to ensure long-term financial viability. To achieve this Community Southwark will be pursuing a fundraising/income generation strategy to ensure that the organisation can continue to function and deliver its objectives at a time of continued austerity. A target of 25% of unrestricted earned income has been set for 2017/18 (in 2016/17 a target of 20% was set whereas total earned income represented 12% of overall income).

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing Document**

Community Southwark is a charitable company limited by guarantee. It was founded in 1992 as Southwark Community Care Forum, registered as a charity on 5 January 1998 and incorporated on 1 April 2004. The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association.

In the event of the company being wound up members would be required to contribute an amount not exceeding £10.

##### **Recruitment and Appointment of Trustees**

Changes to the composition of the board were suggested and approved by CAS's membership at December's AGM. As such, the Selection criteria and composition of the board has been split i.e. 75% of trustees are drawn from membership organisations and 25% appointed on the basis of skills that the organisation might require. Each year one third of the Board of Trustees steps down, chosen either by length of service or, if they have served for the same length of time by lot. They may then go forward for re-election at the Annual General Meeting. Trustees who have served two consecutive terms in office must take a break and may not be reappointed until the annual general meeting following the annual general meeting at which his or her break from office commenced

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

##### **Trustee Induction and Training**

The induction programme for new trustees includes:

- Written information and induction on Community Action Southwark's activities.
- A meeting with existing trustees and the Chief Executive.
- Time in the office to meet staff and ask questions.
- An invitation to attend any of Community Action Southwark's activities in the community.
- Copies of relevant publications, e.g. The Essential Trustee (Charity Commission).
- Induction in Board and sub-committee terms of reference and objectives.

##### **Risk Management**

In 2015 the trustees have conducted a review of the major risks to which the charity is exposed. A risks register has been established and is updated annually. The trustees reviewed the risk register in 2016 and concluded that there was no material difference in the risks to the organisation as previously identified. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff,

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volunteers, beneficiaries and visitors. All procedures are reviewed periodically to ensure that they continue to meet the needs of the charity.

The full risk assessment document is available from Community Southwark's offices.

#### **ORGANISATIONAL STRUCTURE**

See appendix 1.

The trustees delegate day-to-day management to the chief executive.

Arrangements for setting pay and remuneration of key management positions is set by the governance sub-committee. Salaries are benchmarked periodically against sector wide salary surveys and are linked to the NJC Scale when appropriate.

#### **Responsibilities of the Board of Trustees**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and

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- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Members of the Board of Trustees**

Members of the Board of Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

In accordance with company law, as the company's directors, we certify that:

- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- As the directors of the company we have taken all steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**Auditors**

Haines Watts have expressed their willingness to continue in their capacity as auditors.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP) FRS 102 and in accordance with the special provisions of the Companies Act 2006 relating to small entities.

Approved by the Board of Trustees on **14<sup>th</sup> December 2017** and signed on its behalf by:



Jacky Bourke-White  
Chair

## **Community Southwark (A company limited by guarantee)**

### **Independent Auditor's Report to the Members of Community Southwark**

We have audited the financial statements of Community Southwark for the year ended 31 March 2017 that comprise the Statement of Financial Activities (incorporating the summary income and expenditure account), the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 9 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Community Southwark**  
**(A company limited by guarantee)**

**Independent Auditor's Report to the Members of Community Southwark**

**Opinion on the financial statements**

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 2017, 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 applicable to Smaller Entities; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

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

- Adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit. Or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Susan Plumb  
Senior Statutory Auditor  
For and on behalf of Haines Watts, Chartered Accountants and Statutory Auditors  
Old Station House  
Station Approach  
Newport Street  
Swindon  
SN1 3DU

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**Community Southwark**  
**(A company limited by guarantee)**  
**Statement of Financial Activities (incorporating income and expenditure account)**  
**For the year ended 31 March 2017**

		<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2017</b>	<b>Total Funds 2016</b>
<b>Income from:</b>					
Donations and voluntary income	2a	125,249	-	125,249	62,746
Investment income	2a	59	-	59	1,014
<b>Charitable activities</b>					
London Borough of Southwark	3	485,180	391,174	876,354	1,062,811
Waltham Forest Council		-	87,926	87,926	-
Trading income	2b	123,600	-	123,600	115,730
Other income	3	49,100	-	49,100	61,693
<b>Total Income</b>		<b>783,188</b>	<b>479,100</b>	<b>1,262,288</b>	<b>1,302,970</b>
<b>Expenditure on:</b>					
Charitable activities	4				
Partnerships and Development		249,465	-	249,465	375,404
Involve		114,837	-	114,837	114,802
Southwark Emergency Support					
Scheme		-	205,167	205,167	354,128
Healthwatch Southwark		-	120,000	120,000	121,162
Volunteering / Social Action		238,241	-	238,241	253,859
MOPAC Safer Neighbourhood		-	24,088	24,088	30,418
Southwark Giving		-	46,382	46,382	-
Waltham Forest Council		-	87,926	87,926	-
Core Costs		294,750	-	294,750	139,311
<b>Total Expenditure</b>		<b>897,293</b>	<b>483,563</b>	<b>1,380,856</b>	<b>1,389,084</b>
<b>Net Income / (expenditure)</b>	5	<b>(114,105)</b>	<b>(4,463)</b>	<b>(118,568)</b>	<b>(86,114)</b>
Transfers between funds	12	-	-	-	-
Transfer of undertaking	6	-	-	-	79,500
<b>Net Movement in funds</b>		<b>(114,105)</b>	<b>(4,463)</b>	<b>(118,568)</b>	<b>(6,614)</b>
<b>Balance brought forward</b>		<b>342,089</b>	<b>21,295</b>	<b>363,384</b>	<b>369,998</b>
<b>Balances at 31 March</b>		<b>227,984</b>	<b>16,832</b>	<b>244,816</b>	<b>363,384</b>

The notes on pages 21-30 form part of these financial statements. There were no recognised gains or losses other than those shown above. All of the Company's activities are continuing.

**Community Southwark**  
**(A company limited by guarantee)**  
**Balance sheet at 31 March 2017**

		2017		2016	
	Notes	£	£	£	£
<b>Fixed Assets</b>					
Tangible fixed assets	8		-		-
<b>Current Assets</b>					
Debtors	9	179,002		159,111	
Cash at bank and in hand		262,408		393,517	
		<u>441,410</u>		<u>552,628</u>	
<b>Current Liabilities</b>					
Creditors – Amounts falling due within one year	10	196,594		189,244	
<b>Net current liabilities</b>					<u>363,384</u>
<b>Net Assets</b>					
			<u>244,816</u>		<u>363,384</u>
<b>Represented By:-</b>					
Restricted funds	12		16,832		21,295
Unrestricted funds – Designated Funds	12		50,000		142,000
Unrestricted funds – General Funds	12		<u>177,984</u>		<u>200,089</u>
			<u>244,816</u>		<u>363,384</u>

These accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These accounts were approved by the Trustees on and signed on its behalf by:-



Jacky Bourke-White  
Chair

The notes on pages 21-30 form part of these financial statements.

**Community Southwark**  
**(A company limited by guarantee)**  
**Cash Flow Statement for the year ended 31 March 2017**

	<b>2017</b>	2016
	<b>£</b>	£
<b>Cash flows from operating activities</b>		
Net expenditure	(118,568)	(6,614)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	–	496
Other interest receivable and similar income	(59)	(1,014)
<i>Changes in:</i>		
Trade and other debtors	(19,891)	(113,833)
Trade and other creditors	7,350	33,274
Cash generated from operations	(131,168)	(87,691)
Interest received	59	1,014
Net cash used in operating activities	<u>(131,109)</u>	<u>(86,677)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(131,109)</b>	<b>(86,677)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>393,517</b>	<b>480,194</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>262,408</u></b>	<b><u>393,517</u></b>

**Community Southwark**  
**(A company limited by guarantee)**  
**Notes to the financial statements for the year ended 31 March 2017**

**1. ACCOUNTING POLICIES**

The principal accounting policies which have been adopted are set out below:-

**a) Accounting Basis**

**General information**

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 1 Addington Square, Camberwell, London, SE5 0HF.

**Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011. The charity constitutes a public benefit entity.

**Basis of preparation**

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity and is rounded to the nearest £.

**Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2015. No transitional adjustments were required to income or expenditure on adoption of the standard.

**Going concern**

There are no material uncertainties about the charity's ability to continue.

**b) Restricted Funds**

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

**c) Unrestricted Funds**

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

## Community Southwark

(A company limited by guarantee)

### Cash Flow Statement for the year ended 31 March 2017

#### d) **Incoming Resources**

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

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

#### e) **Expended Resources**

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

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

#### f) **Fixed Assets**

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life.

Office Equipment – 33% straight line

Fixed assets with an initial cost of less than £100 are not capitalised.

**Community Southwark**  
**(A company limited by guarantee)**  
**Cash Flow Statement for the year ended 31 March 2017**

g) **Debtors and prepayments**

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

h) **Creditors and provisions**

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

i) **Pensions**

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

2a. **DONATIONS AND VOLUNTARY INCOME**

	Unrestricted <u>Funds</u> £	Restricted <u>Funds</u> £	Total Funds <u>2017</u> £	Total Funds <u>2016</u> £
Other income	35,257	-	35,257	1,732
Job Centre Plus	49,992	-	49,992	-
Southwark Council	40,000	-	40,000	-
Lambeth Council	-	-	-	40,000
Guys and St Thomas Charity	-	-	-	20,000
Bank interest	59	-	59	1,014
	125,308	-	125,308	62,746
	125,308	-	125,308	62,746

2b. **TRADING INCOME**

	Unrestricted <u>Funds</u> £	Restricted <u>Funds</u> £	Total Funds <u>2017</u> £	Total Funds <u>2016</u> £
Consultancy and training income	46,912	-	46,912	31,499
Involve	76,688	-	76,688	84,231
	123,600	-	123,600	118,430
	123,600	-	123,600	118,430

**Community Southwark**  
**(A company limited by guarantee)**  
**Cash Flow Statement for the year ended 31 March 2017**

**3. GRANT INCOME**

	Unrestricted <u>Funds</u> £	Restricted <u>Funds</u> £	Total Funds <u>2017</u> £	Total Funds <u>2016</u> £
London Borough of Southwark				
Core Funds	423,730	-	423,730	343,432
Emergency Support Scheme	39,450	205,167	244,617	383,716
Healthwatch	-	120,000	120,000	120,000
Volunteering / ITVSS	-			142,750
Healthy Workplace	22,000	-	22,000	16,000
Southwark Giving Set-up	-	34,382	31,382	-
Safer Neighbourhood Board	-	19,625	19,625	56,913
Community Catalysts	-	-	-	13,000
Southwark Giving Research:-				
Wakefield & Tetley Trust	-	4,000	4,000	-
City of London	-	4,000	4,000	-
United St Saviours	-	4,000	4,000	-
Team London Bridge	-	3,000	3,000	-
City Bridge	49,100	-	49,100	48,693
Waltham Forest Council	-	87,926	87,926	-
	<u>534,280</u>	<u>479,100</u>	<u>1,013,380</u>	<u>1,124,504</u>

**Community Southwark**  
**(A company limited by guarantee)**  
**Notes to the financial statements for the year ended 31 March 2017**

**4. Charitable Activities**

Basis of allocation		Unrestricted				Restricted					Total 2017
		Support Costs	Involve	Volunteering	Partnership & Development	Emergency Support Scheme	Waltham Forest	Healthwatch	Southwark Giving	Safer Neighbourhood	
<b>Costs directly allocated to activities</b>											
Staff costs	Direct	171,318	77,379	209,304	218,405	-	35,553	100,129	23,900	-	835,988
Miscellaneous	Direct	123,432	23,474	6,488	4,786	205,167	5,369	7,250	10,308	24,088	410,362
Core costs	Staff time	-	13,984	22,449	26,274	-	47,004	12,621	12,174	-	134,506
		<u>294,750</u>	<u>114,837</u>	<u>238,241</u>	<u>249,465</u>	<u>205,167</u>	<u>87,926</u>	<u>120,000</u>	<u>46,382</u>	<u>24,088</u>	<u>1,380,856</u>

## Community Southwark

(A company limited by guarantee)

Notes to the financial statements for the year ended 31 March 2017

5.	<b>NET INCOMING RESOURCES</b>	<u>2017</u>	<u>2016</u>
	Net incoming resources are stated after charging:-	£	£
	Audit Fees	4,200	4,100
	Depreciation	-	496

## 6. TRANSFER OF UNDERTAKING

As part of the Deed of Transfer that legally enacted the merger of Volunteer Centre Southwark and Community Southwark it was agreed that VCS as legal and beneficial would transfer to CAS the undertaking together with all the assets as a going concern. This transfer was effective from 1<sup>st</sup> May 2015. CAS agreed to apply the assets and further assets strictly in accordance with the objects of VCS from 1<sup>st</sup> May 2015, in accordance with any Restrictions and generally in accordance with charity law. The funds which transferred, £79,500, were restricted to supporting volunteering and promoting good practice in volunteer management.

7.	<b>STAFF</b>	<u>2017</u>	<u>2016</u>
	Staff costs during the year were as follows:-	£	£
	Salaries and wages	749,503	665,312
	Social security costs	66,609	66,628
	Pension costs	19,876	14,606
		<u>835,988</u>	<u>746,546</u>

The average monthly number of employees during the year was 25 (2016: 22).

No employee earned over £60,000 in the period (2016 same).

## Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £177,764(2016:£156,695).

**Community Southwark**  
**(A company limited by guarantee)**  
**Notes to the financial statements for the year ended 31 March 2017**

**8. TANGIBLE FIXED ASSETS**

	<b>Office Equipment £</b>
<b>Cost</b>	
At 31 March 2016	23,660
Additions	-
Disposals	-
	<hr/>
At 31 March 2017	23,660
	<hr/>
<b>Accumulated Depreciation</b>	
At 31 March 2016	23,660
Charge for year	-
Disposals	-
	<hr/>
At 31 March 2017	23,660
	<hr/>
<b>Net Book Value</b>	
At 31 March 2017	-
	<hr/>
At 31 March 2016	-
	<hr/>

**9. DEBTORS - Amounts payable within one year**

	<u>2017</u> £	<u>2016</u> £
Trade debtors	87,158	65,714
Prepayments and accrued income	-	93,397
Other debtors	91,844	-
	<hr/>	<hr/>
	179,002	159,111
	<hr/>	<hr/>

**Community Southwark**  
**(A company limited by guarantee)**  
**Notes to the financial statements for the year ended 31 March 2017**

**10. CREDITORS - Amounts falling due within one year**

	<u>2017</u>	<u>2016</u>
	£	£
Accruals	14,974	5,285
Trade creditors	7,012	4,844
Other creditors	12,266	9,760
Project accruals & deferred Income	90,537	120,845
Other taxes and social security costs	71,805	48,510
	<u>196,594</u>	<u>189,244</u>

Included in project accruals and deferred income above is £90,537 (2016 £106,358) of deferred income. All deferred income is released in the following year.

**11. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted & Designated £	Restricted £	Total Funds 2017 £	Total Funds 2016 £
Tangible assets	-	-	-	-
Current assets	424,578	16,832	441,410	552,628
Current Liabilities	(196,594)	-	(196,594)	(189,244)
Net assets at end of year	<u>227,984</u>	<u>16,832</u>	<u>244,816</u>	<u>363,384</u>

**Community Southwark**  
**(A company limited by guarantee)**  
**Notes to the financial statements for the year ended 31 March 2017**

**12. RESTRICTED AND UNRESTRICTED FUNDS**

The movement on the funds of the charity were as follows:

	Balance	Movement in Resources			Balance
	01/4/16	Incoming	Outgoing	Transfers	31/3/17
<b>RESTRICTED FUNDS</b>					
<b>Community Development</b>					
Emergency Support Scheme	-	205,167	(205,167)	-	-
Healthwatch	-	120,000	(120,000)	-	-
Southwark Giving	-	46,382	(46,382)	-	-
MOPAC Safer Neighbourhood	21,295	19,625	(24,088)	-	16,832
Waltham Forest Council	-	87,926	(87,926)	-	-
<b>Total restricted funds</b>	-	479,100	(483,563)	-	16,832
<b>UNRESTRICTED FUNDS</b>					
<b>General Fund</b>	200,089	783,188	(897,293)	92,000	177,984
<b>Designated Funds</b>	142,000	-	-	(92,000)	50,000
	342,089	783,188	(897,293)	-	227,984
<b>Total funds at 31 March 2017</b>	363,384	1,262,288	(1,380,856)	-	244,816

Details of the restricted funds are as follows:-

- Southwark Emergency Support Scheme – associated with the delivery of services under the emergency support scheme. Community Southwark manages the contracts for voluntary sector providers and reconciles activity with referrals from Southwark Council.
- Healthwatch – all income and surpluses associated with Healthwatch are restricted and can only be used in line with the strategic priorities of the project.
- Volunteering – to support work that is designed to promote and increase opportunities for Southwark residents to volunteer and get more involved in their communities through social action.
- Southwark Giving - associated with funds designed to establish a local giving scheme in Southwark and to undertake research into emerging and hidden needs in the board
- Safer Neighbourhood – all income associated with the administration of the Safer Southwark Neighbourhood Board and its small grants project.
- Waltham Forest Council – associated with a five year funding programme to support, promote and develop the voluntary and community sector and volunteers in Waltham Forest

Surpluses on restricted funds are only transferred to unrestricted funds when the donor gives agreement. Deficits in restricted funds are covered by transfers from unrestricted funds.

Designated funds represent £50,000 staff redundancy fund.

**Community Southwark**

**(A company limited by guarantee)**

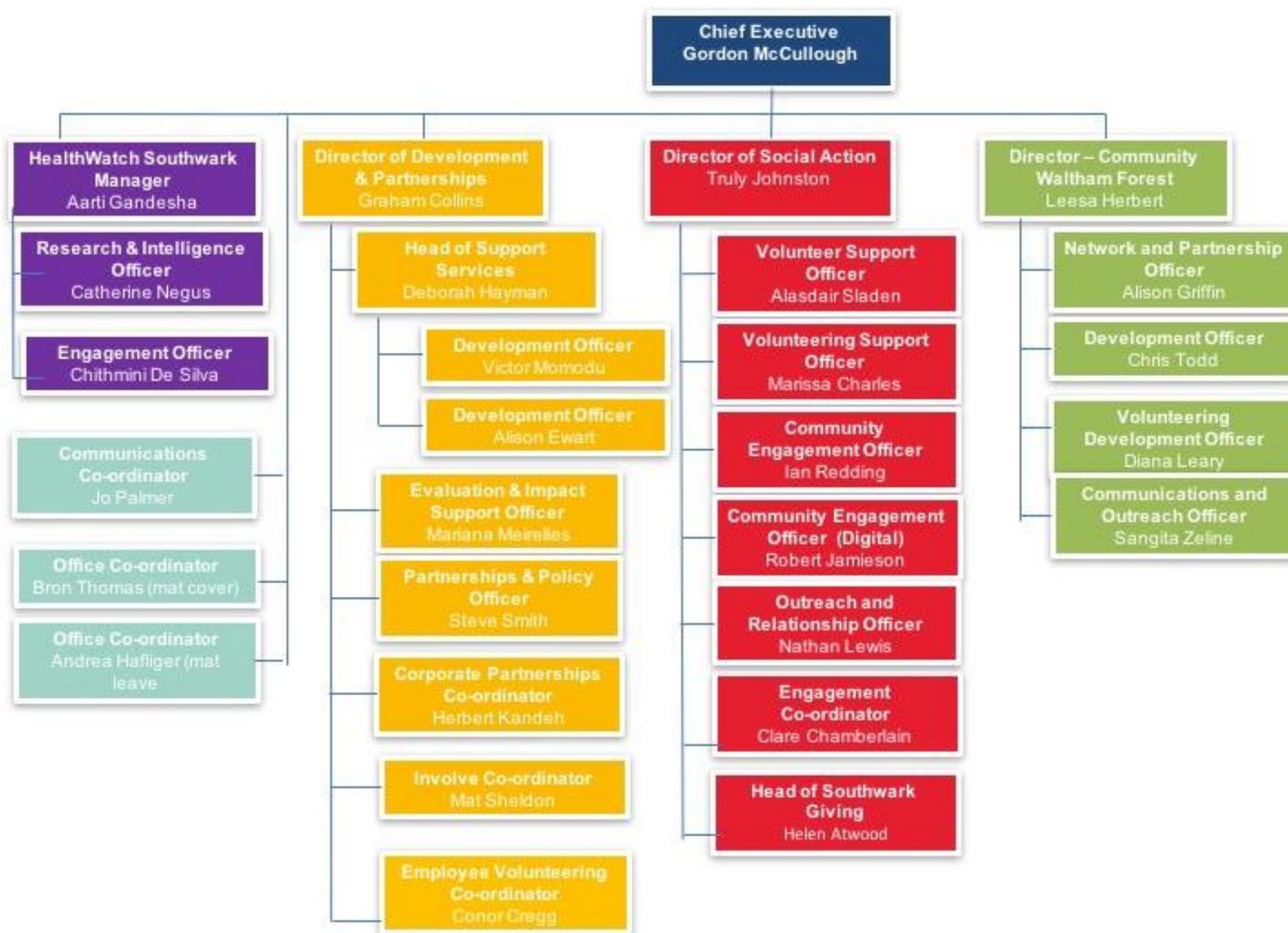
**Notes to the financial statements for the year ended 31 March 2017**

**13. TRUSTEES**

The Trustees received no remuneration during the period (2016: £nil). Expenses of £nil were reimbursed (2016: £nil)

**14. CONTROLLING PARTY**

During the year the charity was under the control of the Trustees. No related party transactions took place during the year.



**Community Southwark**  
**(A company limited by guarantee)**  
**Notes to the financial statements for the year ended 31 March 2017**