

Company number: 3162873

Charity number: 1053806



Community Action Hampshire
Report and Financial Statements
31 March 2016

Community Action Hampshire
For the year ended 31 March 2016

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**Community Action Hampshire
For the year ended 31 March 2016**

Reference and Administrative Details

Charity Number: 1053806

Company Number: 3162873

Registered Office: Westgate Chambers, Staple Gardens, Winchester, SO23 8SR

Telephone: 01962 854971 Fax: 01962 841160

Website: www.actionhampshire.org Email: info@actionhants.org.uk

Our advisers

Auditors: Sayer Vincent LLP, 108-114, Invicta House, Golden Lane, London EC1Y 0TL

Principal bankers: Unity Trust Bank plc, Nine Brindleyplace, Birmingham B1 2HB

Solicitors: Blake Morgan, New Kings Court, Tollgate, Chandler's Ford, Eastleigh, SO53 3LG

Directors and trustees

The directors of the company in office during the year and up to the date of this report, who are the trustees for the purposes of charity law, were:

Alexander Shapland (Joint Chairman)

Oliver Rowe (Joint Chairman from January 2016, Chairman Finance Committee)

John Bonney

Colin Brown

Martin Collett

Margaret Geary

Jennifer Meadows

Alexandra Osborne

From July 2015 until October 2015

Richard Osmond

Rosalind Rutt

Elizabeth Trevor

President: Dame Mary Fagan DCVO JP

Vice Presidents: Brian Challis, Janet Chierchia MBE, Lindsay Fox Vice-Lord Lieutenant of Hampshire MBE JP DL, Susan Glasspool, Jean Johnson, The Rt. Hon The Earl of Malmesbury DL

Company Secretary

Sue Dovey

From July 2015

Marilyn Smuland

Until July 2015

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Key management personnel

Senior Management Team

Chief Executive Officer	Sue Dovey
Head of Services	Kirsty Rowlinson
Head of Services	Elizabeth Donegan (until September 2015)
Head of Finance and Contracts	Lindsay Perry (from October 2015)
Director of Operations and Resources	Marilyn Smuland (until December 2015)

Report of the Trustees

The trustees are pleased to present their annual trustees' report together with the consolidated financial statements of the charity for the year ended 31 March 2016.

The Financial Statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, 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) (effective 1 January 2015).

Chairman's Report

I am pleased to welcome 102 new members this year, bringing our total membership to 888. As our membership and reach grows, so does our ability to help not-for-profit the sector adapt to the challenging environment we operate within.

The sector experienced another year of financial hardship with traditional funding streams continuing to be cut. We saw the closure of national infrastructure organisations and also frontline local voluntary sector organisations that had been unable to continue to operate in these challenging times. Continuing financial pressures, in addition to local government uncertainty as a result of devolution, are no doubt going to continue to challenge the sector during the foreseeable future. At Action Hampshire, we see these tough and uncertain times as an opportunity to think and work differently both internally and how we interact with and support our members.

Our Annual Conference in November 2015 was focused on *Creating our Future: communities doing it for themselves*. With austerity becoming the new norm, and public services still being reduced, we brought together three inspiring speakers, working on very different projects across the country, but they energised a packed audience; they encouraged people to believe that change is possible, if they have the vision and determination. Action Hampshire's role is to help release that sense of 'get up and go', particularly evident in our work with social entrepreneurs and enterprises.

In response to our own loss of traditional funding streams, we have continued to increase our efforts in generating income from new sources. We have also become more focused in our offerings to the sector, recognising that, to have a sustainable operating model, we cannot be all things to all people. Implementation of a new customer relationship management system in June 2016 will support this.

Throughout the year we have continued to build on our relationship with health agencies across Hampshire, as well as establishing a relationship with the emergency services

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through our Research and Engagement activities. We are also happy to announce that we will be expanding our social enterprise portfolio in the next financial year following a successful partnership bid for a Big Lottery Fund and ESF Building Better Opportunities Grant.

On behalf of the trustees I would like to acknowledge the hard work and dedication of the Chief Executive, senior management and staff at Action Hampshire over the last year.

In closing, whilst we continue to operate in a tough environment, I am confident that the continued support of our members and our increasing efforts to diversify our funding streams will be the key to our ongoing success.

Alexander Shapland
Chairman

Our Purpose and Activities

The objectives of the charity are:

- To promote any charitable purposes for the benefit of the community within Hampshire and in particular the advancement of education, the protection of health and the relief of poverty, distress and sickness;
- To promote and organise co-operation in the achievement of the above purposes and to that end to bring together representatives of the statutory authorities and voluntary organisations engaged in the furtherance of the above purpose.

Our vision is for a strong and enterprising not-for-profit sector in Hampshire, with a mission to help not-for-profit organisations to reach their potential. All of our work is driven by and underpinned by our values:

- Enterprising
- Empowering
- Bold
- Informative

The trustees have given due regard to public benefit when planning the charity's activities, in accordance with Sections G2 and G3 of the Charity Commission's General Guidance on Public Benefit (January 2008).

The charity benefits organisations and communities by helping to provide the skills, knowledge, resources, advice and information needed to fully realise potential. These benefits are directly related to the aims of the charity and are fully compliant with Principles 1 and 2 of the Charity Commission Principles on Public Benefit.

Our key charitable activities can be summarised in six main categories:

- i) Support for Voluntary & Community Groups;
- ii) Support for Communities (incl Affordable Housing in rural communities and community buildings advice);
- iii) Policy & Information;
- iv) Social Enterprise;
- v) Engagement & Research.
- vi) Grant Giving (until July 2015).

Achievements and Performance

1. Support for Voluntary and Community Groups

Membership

Membership of Action Hampshire is free and members can benefit from a range of offers, including free access to the IDOX Open4Community database, free submissions to our fortnightly Jobs and Volunteering Bulletin and a discount on our room hire costs.

Action Hampshire publications

During the year, we circulated:

- Action News Update with news of headline stories for the VCS and communities, funding, consultations, resources and training. On average it reaches over 1,300 recipients monthly
- Fortnightly Policybite Update – an e-bulletin which looks at more of the detail behind the headlines
- Fortnightly Health & Social Care Update e-bulletin, sent to our health and social care network
- Briefings on the Autumn Statement 2015, Budget March 2016, updates on devolution developments in Hampshire & IOW
- Fortnightly Jobs and Volunteering Bulletin – to over 1,200 people for each edition, advertising 87 different organisations' job vacancies and 54 different organisations volunteer vacancies
- Monthly Community Buildings Newsletter reaching 492 contacts with an interest in community buildings

Staying connected

Action Hampshire has supported a number of networks within the not-for-profit sector:

- Hampshire Voluntary Sector Consortium
- Health and Social Care Network
- Hampshire Independent Equality Forum
- Hampshire Interfaith Network
- Hampshire Equalities Group
- County Inclusive Forum
- The Alliance
- Airbrick Network (School for Social Entrepreneurs Fellows)
- Portsmouth Voluntary & Community Network
- Portsmouth Providers' Network

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For the year ended 31 March 2016

- Portsmouth Children & Young People's Alliance
- Portsmouth Foodbanks
- Portsmouth Volunteer Managers
- Portsmouth Forum for Older People's Groups

Action Hampshire has provided support to sector representatives on the:

- Hampshire Health & Wellbeing Board
- The Hampshire Partnership (formerly the Hampshire Senate)
- Enterprise M3 (Local Economic Partnership) Board
- Hampshire PREVENT Board

It is also important to be involved with and link into external groups and partnerships in order to keep our finger on the pulse with what is happening in our community and provide a voice for the not-for-profit sector and communities. Over the past year Action Hampshire staff have been involved with:

- Fieldfare LEADER Programme Local Action Group
- Loddon and Test LEADER Programme Local Action Group
- NHS South Hampshire Vanguard Multi-speciality Community Provider
- Solent Social Enterprise Zone
- Hampshire Alliance for Rural Affordable Housing (HARAH)
- Hampshire Older People's Wellbeing Steering Group
- Hampshire Safeguarding Adults Board
- Hampshire Safeguarding Children's Board
- Hampshire Children's Trust
- Portsmouth Armed Services Covenant Working Group
- Portsmouth Joint Strategic Needs Analysis Group
- Portsmouth Multi-Cultural Link Group
- Portsmouth Children's Trust Board
- Portsmouth Public Service Board
- Portsmouth Health & Wellbeing Board
- Portsmouth Better Care Reference Group
- Portsmouth Compact Working Group
- Shaping Portsmouth
- Portsmouth Housing Partnership
- Safer Portsmouth Partnership

Action Portsmouth

Since 2012 we have run a contract from Portsmouth City Council to deliver capacity building support to not-for-profit organisations in the city and to facilitate strategic engagement between the not-for-profit sector and statutory bodies. Action Portsmouth was launched in July 2012.

Action Portsmouth facilitates the Portsmouth Voluntary Community Network (PVCN) and Children's Alliance. These are where the 'voice' of the not-for-profit sector is heard at both a local and national level.

The Children's Alliance has the important function of sharing good practice amongst this specialist and important group of voluntary and community organisations. During the year, 52 organisations attended three Alliance briefing events, covering topics such as funding opportunities and developing partnerships. Action Portsmouth also supports the Portsmouth Forum for Older People's Groups, and co-chairs the Portsmouth Foodbanks Network and Portsmouth Volunteer Managers Network as well as Portsmouth City Council "Providers" network for organisations with an interest in contracted services.

Over the course of the year, we provided support sessions to 339 organisations including 128 funding advice sessions and we know 21 organisations were successful in gaining new funding, totalling £192,000. Similar to last year, we are particularly proud of our support for very small voluntary organisations that were successful in gaining just over £100,000 from the Big Lottery Awards for All fund during 2015/16.

In January, the team launched a "bite-size" training programme open to all Portsmouth organisations, covering a variety of topics ranging from Minute Taking to Tools for Trustees and Organisations with Impact. The courses were well attended with 46 individuals attending the six courses. A further programme is planned for Summer 2016.

Our relationship with the Portsmouth NHS Clinical Commissioning Group (CCG) strengthened during 2015 with the commencement of the Single Point of Access to the Voluntary and Community Sector pilot project. Action Portsmouth is acting as a referral link between GPs and frontline organisations. The CCG has asked us to extend the pilot project into a second year. We have also been asked by the CCG to develop a training programme that will build capacity within the sector to take on CCG commissions.

Under the Carers' contract, we presented a report on our review of the Carer's Council to the Carers' Executive Board in January. The report was well received and implementation of our recommendations is now underway. The Action Portsmouth team will continue to support this committee as it develops its role.

Fratton Big Local

Action Hampshire is the “Locally Trusted Organisation” for Fratton Big Local (FBL) – a £1,000,000 10 year project aimed at regenerating the Fratton area. This means we are supporting the Fratton Big Local board with community development, finance and project management expertise that will support them to invest in the future of Fratton. The Big Local programme is managed nationally by Local Trust, and is funded by the Big Lottery Fund.

The FBL partnership was asked by the Fratton Road Traders Association to help them organise an event which closed Fratton Road on a Sunday in September, enabling there to be market stalls, rides and activities in the road on that day. Marketed as the Fratton Family Festival, approximately 10,000 people attended the event throughout the day.

Other FBL activities during the year included:

- Festival of Lights: 500 people (2014: 130) took part in the second annual festival in December to unite the Fratton community. Approximately 500 people participated in the project, through attendance on the day or lantern making workshops within the community
- Big Lunch: a community picnic for 200 people (2014: 100) at St Mary’s Churchyard in June, with free tea and cake, a free bouncy castle, sports games and a brass band
- Fratton Station Planter: having built and stocked a planter at the railway station in 2014, FBL worked with a local organisation that supports adults with additional needs to provide ongoing maintenance for the planter
- Christmas lights and tree: the partnership shared the cost with Portsmouth City Council of erecting Christmas lights on lampposts along Fratton Road (the first time such lights had been put up)
- Open Spaces Review: consultation events took place to seek local views on how to improve Kingston Rec and St Mary’s Churchyard. The architects involved in the process created a model of their proposals which was displayed at various locations in Fratton. Their report will be used to support planning applications (if needed) and grant funding bids to be made later this year
- Community Grants: giving almost £4,000 to a range of local projects and organisations
- Dear Me: the second letter writing competition for 7 – 11 year olds, aimed at improving literacy, had over 270 entrants (2014: 80)
- Fratton Traders Association: FBL continued to support the newly established Traders Association

- ESOL project: the continuation of last year's pilot delivered a further six free English language training sessions. 14 women, speaking seven different languages, attended the sessions
- Democracy Street: a pilot for this national interactive digital art project which formed part of the Magna Carta 800 years' anniversary celebrations. As part of this project the nationally known street artist My Dog Sighs worked with local young people to create a mural in Fratton
- World War One '20 Streets in Portsmouth': A partnership with Portsea Parish and the University of Portsmouth was successful in obtaining funding from the Heritage Lottery Fund to research the war dead listed on a war memorial in Fratton
- Fuel Poverty: the team supported Groundwork in a successful bid to obtain £5,000 from the Department of Energy and Climate Change (DECC) to employ a worker to meet with 100 Fratton residents and provide them with face-to-face advice on reducing their energy bills
- Community Hub: work continued to look at the possibilities for a new or improved community hub in Fratton

The Alliance

The Alliance is an independent charity which supports 170 not-for-profit organisations working with children and young people in Hampshire to achieve the best outcomes for children, young people and families. Action Hampshire hosts a Policy and Information Officer grant-funded by, and to work on behalf of, the Alliance.

2015/16 saw many members campaign against proposed cuts to Shorts Breaks for Disabled Children and Youth Support Services. The Alliance held two briefing events: in June, speakers and attendees explored the changes to Youth Support Services, and in November, members put their questions about funding for Children and Adolescents' Mental Health Services to health commissioners and the Interim Director of HCC Children's Services.

At the AGM in November, Alliance members decided to dissolve the charity, owing to loss of funding and capacity issues in leadership. Action Hampshire will continue to support Children and Young People's organisations.

2. Support for Communities

Our rural role

Action Hampshire is the Hampshire member of the National Rural Community Council network which has, for several years, been supported by Defra.

We are also a Local Action Group member for two of the LEADER geographical areas in Hampshire. Our role is to ensure that the interests and priorities of rural communities are reflected in the decision making processes. In addition, a representative from Action Hampshire sat on several national and county level grant making panels, again with a focus on promoting and facilitating access to funding for rural communities and to ensure that residents benefitted from the opportunities.

During the year Action Hampshire encouraged community groups to register with the national Village SOS Campaign. Four local groups successfully registered, each of them receiving advice and support from Action Hampshire and from mentors to plan their projects and engage with their wider communities.

New homes

Action Hampshire employs two Rural Housing Enablers. This year saw the completion of 27 affordable homes across three housing schemes for local people in Hampshire's rural areas, allowing more than 100 people to stay or return to their community and delivering vital investment into rural Hampshire. Almost £4 million has been invested by the Hampshire Alliance for Rural Affordable Housing (HARAH) partnership in these homes, as each home costs about £140,000.

The Rural Housing Enablers are currently working with over 40 parishes with schemes at all stages of the development process. These properties will be completed over the next few years.

The HARAH Partnership celebrated its 10th Birthday in July. The Rural Housing Enablers worked with the HARAH partners to organise the "Birthday Bus Tour". The tour visited four completed rural schemes in the Basingstoke and Deane and Hart local authority areas. The 11 Parish Councils attending the event were all interested in developing schemes for their own communities. They were able to see first-hand the lasting benefits that the affordable homes have brought to the communities of the parishes showcased.

In August, the local MP for North West Hampshire, Kit Malthouse visited our rural housing scheme in Monxton, Test Valley to meet with residents living in rural affordable housing who, without the opportunity to secure these homes, would not be able to live locally within reach of an important network of family and friends. Kit said, "It was great to see and hear first-hand the value of a small rural development like this. Providing housing for people with a local connection helps to preserve a valuable sense of community and continuity in villages which otherwise could become dormitories. I will do my best to help promote this view of sensitive developments across North West Hampshire."

December also saw the opening of the new affordable housing scheme in Denmead. Councillors joined the children of Denmead Primary School in celebrating the completion of 11 new affordable homes in the village. The Rural Housing Enablers were pivotal in the early stages of this scheme working with the Parish Council and HARA partners to evidence the housing need and search for a suitable site to deliver this scheme for the community.

Community Buildings

92 organisations subscribed to our Community Buildings Advice Service in 2015/16. Regular email updates remain free to anyone involved with a community building in Hampshire, with each publication sent to just under 500 contacts. Our Community Buildings Adviser hosted eight training and briefing sessions across the year, with topics ranging from Funding Masterclass sessions to community engagement for churches. The sessions offered networking opportunities to all attendees, 80 in total.

3. Policy and Information

Safeguarding is everyone's business

The recent Care Act was about more than the headlines of people not having to sell their homes to pay for care. One of the measures was to introduce significant changes for safeguarding. Action Hampshire worked with the Hampshire Safeguarding Adults Board (HSAB) manager, to put on an event to provide delegates with an update on safeguarding adult requirements as a result of the Act. This meant that service providers would need to adjust their own policies and procedures. Leading out of this event, a network was later set up for people who lead on safeguarding within their organisations.

The focus of the Act on intervention and prevention applies equally to safeguarding; it therefore pulls in all levels of community groups so that they are able to recognise and respond to risk at an earlier stage and before it can escalate into crisis – everyone needs to be aware of abuse and how to spot the signs.

Rising to different challenges

The not-for-profit sector is having to get used to the idea that they need at least a basic awareness of topics that probably haven't been on their radar. This includes modern slavery, sexual exploitation, human trafficking, and the Prevent programme. Action Hampshire has publicised information about the local Modern Slavery and Prevent Partnerships and signposted people to relevant training and events. This was even relevant for community buildings who need to have a greater awareness of who might be hiring their premises. At the request of the Hampshire Safeguarding Adults Board, we also recruited

two voluntary sector representatives for the Hampshire Prevent Board, who now report back on developments to the Hampshire Voluntary Sector Consortium.

Rapidly moving marketplace

Sometimes it can feel to voluntary organisations that they spend their time, heads down, writing bids. As statutory agencies change their service models, an important element of our work has been to alert our members to opportunities to be involved in service design conversations and market engagements events: over the past year this has included domestic abuse perpetrator prevention services, advocacy, remodelling social inclusion services, day opportunity services, learning disability services, young adults extra care schemes, and employment services for people with disabilities.

As we go forward, there is massive change in the health arena. Hampshire hosts two vanguard pilots – one in the north, and the other in the south of the county – which are seeking to exploit this opportunity to work more closely with the voluntary sector. In addition the entire health and care system across the region is developing a Sustainability and Transformation Plan which will need to engage the sector in order to relieve pressure on clinicians. An event is being planned for early summer which will see social enterprises and voluntary groups showcase their work to GPs.

4. Social Enterprise

The School for Social Entrepreneurs Hampshire

In October 2015 the third cohort of 18 students graduated from the Lloyds Banking Group Social Entrepreneurs Programme, part of a national scheme part-funded by Lloyds Bank. Action Hampshire provides the balance of the funding required from its own reserves. The graduation took place at the United Church, Winchester. In addition to a place on the programme students had the opportunity to share in £72,000 worth of grants from the Big Lottery available under the programme. Jason Bentley, one of the graduating students, said of the year-long programme: “SSE offered me a lifeline at a time when my vision and strategy were ill-defined and the next steps unclear.”

The School also recruited a further 18 students for the fourth cohort of this programme, who will graduate in September 2016.

In addition, PwC funded a Young Entrepreneurs Programme at Richard Taunton Sixth Form College. Nine students graduated from the eight week learning programme with four potential social enterprise ideas. A further course will run later in the year, commencing in September 2016.

An alliance with business

Action Hampshire worked in partnership, during early 2016, with WSX Enterprises (lead partner), Surrey Community Action, University of Winchester, UnLtd and The Fredericks Foundation to successfully bid for the delivery of the Building Better Opportunities across the Enterprise M3 area. It was the only bid invited to a second stage. The project, funded by a Big Lottery Fund and ESF Building Better Opportunities Grant, will provide an innovative and comprehensive enterprise support programme for individuals looking at self-employment or starting-up social (and other) enterprises across the Enterprise M3 area. Work is expected to commence Autumn 2016.

Cris Jezard award for excellence and innovation in social enterprise 2015

Each year Action Hampshire makes an award to a social enterprise in the name of Cris Jezard who worked as our Social Enterprise Development Manager, until his death in 2011. The awarding committee comprises: Roopa Master-Coles, who was Cris's partner in Natty Platy, Iain Lucas, Chief Officer of the Nimrod Community Centre, Rowner, and Sue Dovey, CEO of Action Hampshire. In 2015 the award went to Sabrina Richards of Hilsea Lido, who received £500 and mentoring support.

5. Engagement and Research

Over the past year, Action Hampshire has developed and broadened its research and engagement remit, focusing in particular on health; social care; emergency services; and community 'voice'.

Health

We worked with Clinical Commissioning Groups (CCG) to consult their stakeholders about acute services, and to understand users' experiences of the Continuing Healthcare programme. Working with Gosport GPs, we carried out analysis of the cost/benefit of community interventions. With Portsmouth's public health team, we carried out an appraisal of the health challenges and resources of the Paulsgrove area.

Social care: we carried out a survey of health and social care service users, to understand their experience and awareness of the Adult Safeguarding Board, and qualitative interviews with lunch club co-ordinators across Hampshire.

Emergency services

We worked with Hampshire Fire and Rescue services to consult with potential service users whose voices are less often heard about proposed changes to their services. We also

supported South Central Ambulance Services to consult with minority communities, and are in discussion with the Hampshire Constabulary about cyber security measures.

Community voice

We worked with a Portsmouth Community Association to understand the community's perception of their local area. We also carried out several housing need surveys of parishes in Hampshire.

Healthwatch Hampshire

Healthwatch Hampshire is an independent organisation, based at the same offices as Action Hampshire. We are one of the Healthwatch Hampshire partners, and one of our trustees, Colin Brown, has continued to be one of the Healthwatch Hampshire non-executive directors.

The Healthwatch VCS and Diverse Communities Officer, employed by Action Hampshire, supports local not-for-profit organisations and people from among the county's diverse communities to understand and engage with Healthwatch and its work. Highlights of the year have included the work she has done to spotlight the experiences of the transgender community, which has led to discussions with NHS England; her involvement with a 'singing for health' Nepalese group; and an event which brought wheelchair service users together with the commissioner and provider following repeated concerns raised with Healthwatch.

6. Grant Giving

ESF Community Grants programme 2014/15: Action Hampshire administered this grant programme to support non-for-profit organisations working with unemployed people across Hampshire, Portsmouth, Southampton and the Isle of Wight. 37 organisations were awarded a total of £437,729.

The final monitoring visits were carried out and paperwork checked in early 2015, leading up to the programme closure on 31 July 2015.

The separate Capacity Building funding stream enabled Action Hampshire staff to give one-to-one support to several non-profit groups, on issues such as legal structures, fundraising, and measuring impact. Several training sessions were delivered on the Isle of Wight, including one on social enterprise. Separately, the team delivered a course on community engagement for the Church of England Diocese of Winchester.

Financial Review

Net Incoming Resources

Unrestricted funds show net incoming resources for the year of £43,113 after accounting for an actuarial gain on the pension fund of £230,000, an unrealised loss on investments of £36,464 and transfers to restricted funds of £46,085. Restricted funds show net outgoing resources for the year, after transfers as above, of £13,778.

The charity received funding from Hampshire County Council, totalling 24% (2015: 33%) of its grant income for the year. A further 8% (2015: 9%) of grant income was provided by Defra via an agreement with Action with Communities in Rural England. Grants from all sources represent 69% (2015: 72%) of the charity's total incoming resources.

The Statement of Financial Activities shows income and expenditure in respect of each of the charity's main areas of activity.

Reserves and investment policies and going concern

The charity's reserves increased significantly in early 2014 as a result of the sale of its single major asset, Beaconsfield House. Before the sale this had been Action Hampshire's operational base. The sale proceeds were invested in a planned way to support and develop the organisation, securing its ability to meet the needs of current and future members in an increasingly difficult financial environment, and also to fund the ongoing cost of its leased premises at Westgate Chambers.

In August 2013 the Board appointed CCLA as external investment managers and takes their advice on investment strategy. Long term investments have been made in a range of CCLA funds, with the object of securing a sustainable income while maintaining capital value. CCLA reports regularly to the Investment Group and to the Board. Investment income from CCLA of £118,565 met the income target for the financial year. The portfolio performance, calculated on changes in asset values with income reinvested, was 5.7% for the financial year, compared to RPI of 0.7% for the same period. This met the requirement to maintain capital value. Full details of the 2015-16 performance are given in the financial statements at note 13. In calendar year 2016 the forecast annual investment income is £116,825.

The Board maintains current accounts with Unity Trust Bank plc and Lloyds Bank plc.

The charity aims to maintain free reserves at a minimum of six months of budgeted, unrestricted expenditure. At 31 March 2016 unrestricted fund balances, excluding the pension liability, totalled £2,836,180 of which £36,606 were held as fixed assets and £2,778,597 as investments. Designated funds held as investments totalling £882,330 were held in respect of premises lease and maintenance, general business development, SSE

Hampshire business development and redundancy provision. The remaining free reserves of £20,977 represents unrestricted expenditure on non-designated activities; the trustees consider this position is satisfactory as investment income, currently reinvested each quarter, can (and has recently been) transferred to free reserves without penalty at short notice.

Restricted funds are designed to be self-sufficient and to support themselves from their own reserves.

Plans for Future Periods

Traditional grant income, from both local and national government, has declined by approximately 75% over the last 2 years. We are further assuming that it may have completely gone by March 2017. Work has been underway for a number of years to reduce the organisation's reliance on grant income, and the senior management team continues to work on diversifying its income streams. Conversely, our work in Portsmouth continues to be funded and to expand.

In March 2016, the Board of Trustees approved plans to establish a trading arm to enable the organisation to clearly separate the charitable and business activities. The trading arm will be expected to generate funds to cover the shortfall in funding as the traditional grant funding reduces.

The organisation will not be limited to trading income and the charitable arm will continue to bid for relevant public sector contracts and apply for grants where the deliverables align with our charitable objects. Our recent success in the Big Lottery Fund and ESF Building Better Opportunities Grant is an example of this.

Structure, Governance and Management

Governing Document

Community Action Hampshire, whose operating name is Action Hampshire, is a company limited by guarantee and is a registered charity. It was incorporated in 1996 and was previously an unincorporated association formed in 1951. Full voting members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2016 was 715 (2015:645). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

The governing document is the company's Articles of Association, a single document adopted at a general meeting held in November 2009 to reflect the Companies Act 2006.

Revised and updated Articles of Association were adopted at the Annual General Meeting in November 2013, but with no change to the charity's objects.

Recruitment and appointment of trustees

When recruiting trustees, the organisation ensures that the Board has a comprehensive range of skills and that trustees come from all areas of Hampshire.

Trustees elected for the first time must be proposed by a member. Members elect trustees at the Annual General Meeting. The number of trustees shall not exceed fifteen nor be less than nine, of whom a simple majority must be elected. At 31 March 2016, there were ten trustees. The trustees may act notwithstanding any vacancies in their number.

In accordance with the Articles of Association, one third of the non co-opted trustees stands down at the Annual General Meeting and can seek re-election. No trustee may serve continuously for more than nine years unless holding the office of chairman. Trustees can be co-opted by elected trustees; they leave office at the Annual General Meeting following their co-option.

Induction and training of trustees

New trustees receive a full, planned induction. They are fully briefed on their legal responsibilities under charity and company law, the content of the Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction period they meet key employees and other trustees. All trustees are expected to attend trustee training events and, when possible, organisational training events and away days.

Organisation

The Board of trustees is responsible for setting the overall direction and policies of the organisation. The Board also has a Finance Committee and an Investment Group. The Chief Executive is responsible to the Board for the implementation of policies and decisions.

Related parties

None of our trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity with any supplier or contractor must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. In the current year, no such related party transactions were reported.

Pay policy for senior staff

The Board of trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All trustees give their time freely and no trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in note 8 to the accounts.

The pay of the senior staff is reviewed annually and normally increased in accordance with cost of living increases. All staff are also entitled to annual increments within a salary range set out in their contractual terms when joining the organisation.

Risk Management

The trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity faces
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise

This work has identified that financial sustainability is the major financial risk for the charity. Active management of the charity's working capital and regular cash flow forecasting are key elements in the management of this risk, drawing down on earnings from long-term investments when needed. More strategically, the Board has established a working group responsible for the establishment of a trading company and developing a tangible business plan for diversifying income streams in the medium to long-term.

Attention has also been drawn to non-financial risks arising from shortfalls in staffing, governance and legal obligations. These risks are managed by having robust policies and procedures in place across all operational areas.

Trustees' responsibilities in relation to the financial statements

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

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

the charitable company for that period. In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- 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 assume that the company will continue in operation

The trustees are responsible for keeping proper 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.

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.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving the report of the trustees:

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

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

By order of the Board of Trustees

Oliver Rowe
Chairman

5 October 2016

Independent auditors' report to the members of Community Action Hampshire

We have audited the financial statements of Community Action Hampshire for the year ended 31 March 2016 which comprise the statement of financial activities, balance sheet, statement of cash flows, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities set out in the report of the trustees, 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'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 report of the trustees 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.

Opinion on 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 2016 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
- 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 report of the trustees 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
- The financial statements are not in agreement with the accounting records and returns
- Certain disclosures of trustees' remuneration specified by law are not made
- We have not received all the information and explanations we require for our audit
- 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 report of the trustees and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Helen Elliott (Senior statutory auditor)

11 October 2016

for and on behalf of Sayer Vincent LLP, Statutory Auditors

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Community Action Hampshire

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2016

	Note	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Income from:					
Donations and grants	3	162,433	–	162,433	257,493
Charitable activities					
Support for Voluntary & Community Groups	4	139,407	179,971	319,378	314,981
Support for Communities	4	10,532	191,027	201,559	199,141
Policy & Information	4	19,998	–	19,998	74,670
Support for Social Enterprise	4	289	51,822	52,111	49,633
Engagement and Research	4	73,654	–	73,654	49,183
Grant Making	4	–	17,364	17,364	23,363
Investments		118,565		118,565	106,498
Total income		524,878	440,184	965,062	1,074,962
Expenditure on:					
Raising funds	5	33,488	–	33,488	30,353
Charitable activities					
Support for Voluntary & Community Groups	5	258,964	190,529	449,493	337,905
Support for Communities	5	62,865	197,649	260,514	256,271
Policy & Information	5	110,906	1,980	112,886	267,701
Support for Social Enterprise	5	19,840	88,375	108,215	89,169
Engagement and Research	5	143,153	–	143,153	86,193
Grant Making	5	–	21,514	21,514	22,046
Total expenditure		629,216	500,047	1,129,263	1,089,638
Net (expenditure) before net gains / (losses) on investments		(104,338)	(59,863)	(164,201)	(14,676)
Net (losses) / gains on investments		(36,464)	–	(36,464)	228,011
Net (expenditure) / income for the year	7	(140,802)	(59,863)	(200,665)	213,335
Transfers between funds		(46,085)	46,085	–	–
Net (expenditure)/income before other recognised gains and losses		(186,887)	(13,778)	(200,665)	213,335
Actuarial gains / (losses) on defined benefit pension schemes		230,000	–	230,000	(150,000)
Net movement in funds		43,113	(13,778)	29,335	63,335
Reconciliation of funds:					
Total funds brought forward		1,463,067	233,519	1,696,586	1,633,251
Total funds carried forward		1,506,180	219,741	1,725,921	1,696,586

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19 to the financial statements.

Community Action Hampshire

Balance sheet

Company no. 3162873

As at 31 March 2016

	Note	£	2016 £	£	2015 £
Fixed assets:					
Tangible assets	12		15,975		23,170
Intangible assets	12		20,631		-
Investments	13		2,959,421		2,973,836
			<u>2,996,027</u>		<u>2,997,006</u>
Current assets:					
Debtors	14	98,260		179,787	
Cash at bank and in hand		140,274		222,079	
		<u>238,534</u>		<u>401,866</u>	
Liabilities:					
Creditors: amounts falling due within one year	15	178,640		182,286	
			<u>59,894</u>		<u>219,580</u>
Net current assets					
			<u>3,055,921</u>		<u>3,216,586</u>
Total assets less current liabilities					
			<u>3,055,921</u>		<u>3,216,586</u>
Net assets excluding pension asset					
Defined benefit pension scheme liability	17		(1,330,000)		(1,520,000)
Total net assets			<u><u>1,725,921</u></u>		<u><u>1,696,586</u></u>
The funds of the charity:					
Restricted income funds	19		219,741		233,519
Unrestricted income funds:					
Designated funds		882,330		902,546	
Fair value reserve		167,599		204,063	
General funds		1,786,251		1,876,458	
Pension reserve		(1,330,000)		(1,520,000)	
Total unrestricted funds			<u>1,506,180</u>		<u>1,463,067</u>
Total charity funds			<u><u>1,725,921</u></u>		<u><u>1,696,586</u></u>

Approved by the trustees on 5 October 2016 and signed on their behalf by

Oliver Rowe
Chairman

Community Action Hampshire

Statement of cash flows

For the year ended 31 March 2016

	Note	2016		2015	
		£	£	£	£
Cash flows from operating activities	20				
Net cash (used in)/provided by operating activities		(157,684)		91,027	
Cash flows from investing activities:					
Dividends, interest and rents from investments		118,565		106,498	
Purchase of fixed assets		(20,637)		(28,909)	
Proceeds from sale of investments		95,000		-	
Purchase of investments		(117,049)		(253,992)	
Net cash provided by / (used in) investing activities		75,879		(176,403)	
Change in cash and cash equivalents in the year		(81,805)		(85,376)	
Cash and cash equivalents at the beginning of the year		222,079		307,455	
Cash and cash equivalents at the end of the year		140,274		222,079	

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 April 2014.

At the date of transition in applying the requirement to recognise liabilities arising from employee benefits, a liability was calculated for short-term compensated absence arising from employee entitlement to paid annual leave. No initial liability was recognised at the date of transition due to the calculated value being deemed immaterial. No other restatements were required.

In accordance with the requirements of FRS 102, a reconciliation of opening balances and net income / (expenditure) for the year is provided with the net income / (expenditure) under previous GAAP adjusted for the presentation of investment gains / (losses) as a component of reported income. This is provided in note 25.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Investment income receivable

Interest on funds held on deposit and income from investment funds is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank or fund.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

1 Accounting policies (continued)

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services, and other activities undertaken to further the purposes of the charity and their associated support costs

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

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned based on staff time attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible and intangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation/ amortisation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The rates in use are as follows:

- | | |
|---|---------|
| ● Furniture, Fixtures & Fittings | 5 years |
| ● Equipment | 3 years |
| ● Computers | 3 years |
| ● Intangible assets (software) amortisation | 3 years |

l) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

m) Debtors

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

1 Accounting policies (continued)

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

o) 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 due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

p) Pensions

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

The charity has adopted the full requirements of Financial Reporting Standard 102 – Accounting for Defined Benefit Schemes (FRS102). Current or past service costs and gains, as determined by the scheme’s actuary, are charged to the statement of financial activities. Pension finance costs or income are included within total resources expended or incoming resources as applicable. Actuarial gains and losses arising are recognised within ‘gains and losses’ on the statement of financial activities.

The deficit on the scheme, representing the shortfall of the value of the scheme assets below the present value of the scheme liabilities is recognised as a liability on the balance sheet to the extent that the employer charity has a legal or constructive obligation for the liability. A corresponding pension reserve is included within total unrestricted funds.

Community Action Hampshire

Notes to the financial statements

For the year ended 31 March 2016

2 Detailed comparatives for the statement of financial activities

	Unrestricted £	Restricted £	2015 Total £
Income from:			
Voluntary income	257,493	–	257,493
Charitable activities	196,953	514,018	710,971
Investments	106,498	–	106,498
Total income	560,944	514,018	1,074,962
Expenditure on:			
Raising funds	30,353	–	30,353
Charitable activities	546,004	513,281	1,059,285
Total expenditure	576,357	513,281	1,089,638
Net income / expenditure before gains / (losses) on investments	(15,413)	737	(14,676)
Net gains / (losses) on investments	228,011	–	228,011
Net income / expenditure	212,598	737	213,335
Transfers between funds	(49,383)	49,383	–
Net income / (expenditure) before other recognised gains and losses	163,215	50,120	213,335
Actuarial gains / (losses) on defined benefit pension schemes	(150,000)	–	(150,000)
Net movement in funds	13,215	50,120	63,335
Total funds brought forward	1,449,852	183,399	1,633,251
Total funds carried forward	1,463,067	233,519	1,696,586

3 Income from donations and grants

	Unrestricted £	Restricted £	2016 total Total £	2015 Total £
Hampshire County Council (HCC) grants	160,933	–	160,933	257,493
NHS Foundation contribution to Provider Steering Group	1,500	–	1,500	–
	162,433	–	162,433	257,493

Community Action Hampshire

Notes to the financial statements

For the year ended 31 March 2016

4 Income from charitable activities

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Alliance	-	106,222	106,222	11,167
Clinical Commissioning Group (CCG) Portsmouth	-	-	-	49,998
CCG Portsmouth for PRENO	-	-	-	25,692
Local Trust for Fratton Big Local	-	73,423	73,423	86,814
Portsmouth City Council (PCC) Capacity & Transition	-	-	-	20,000
Fees, contracts and charges	139,407	326	139,733	121,310
Sub-total for Voluntary & Community Groups	139,407	179,971	319,378	314,981
Defra for Rural Community Action Network	-	61,044	61,044	61,044
Hampshire Alliance for Rural Affordable Housing	-	129,983	129,983	127,465
Fees	10,532	-	10,532	10,632
Sub-total for Support for Communities	10,532	191,027	201,559	199,141
MESSE European Project	-	-	-	53,108
Enterprise M3 Local Enterprise Partnership	-	-	-	4,000
Fees and charges	19,998	-	19,998	17,562
Sub-total for Policy & Information	19,998	-	19,998	74,670
Lloyds Bank for School for Social Entrepreneurs	-	42,546	42,546	40,833
PWC UK Young Entrepreneurs	-	5,000	5,000	5,000
Big Lottery Fund Building Better Opportunities	-	3,842	3,842	-
Fees, charges and other income	289	434	723	3,800
Sub-total for Social Enterprise	289	51,822	52,111	49,633
Fees, contracts and charges	73,654	-	73,654	49,183
Sub-total for Engagement and Research	73,654	-	73,654	49,183
Surrey Community Action for Community Grants	-	17,364	17,364	17,363
Local Trust for Fratton Big Local	-	-	-	5,000
Other income	-	-	-	1,000
Sub-total for Grant Making	-	17,364	17,364	23,363
Total income from charitable activities	243,880	440,184	684,064	710,971

5 Analysis of expenditure

	Charitable activities									2016 Total £	2015 Total £
	Cost of raising funds £	Support for Voluntary & Community Groups £	Support for Communities £	Policy & Information £	Support for Social Enterprise £	Engagement and Research £	Grant Making £	Governance costs £	Support costs £		
Staff costs (Note 8)	17,335	193,939	140,122	44,260	31,977	88,439	8,310	10,125	149,869	684,376	647,709
Other staff costs	-	2,758	4,044	3,643	1,479	949	840	-	3,400	17,113	19,644
Trustees' costs	-	-	-	-	-	-	-	460	-	460	1,283
Volunteers' expenses	-	105	-	-	-	-	-	-	-	105	494
Operating costs	12,000	97,191	13,888	25,091	59,459	8,837	5,827	3,302	140,038	365,633	373,702
Grants payable	-	17,385	20,868	-	-	-	4,150	-	-	42,403	25,213
Depreciation/amortisation	-	1,801	1,800	1,800	-	1,800	-	-	-	7,201	9,362
Audit and accountancy	-	-	-	-	-	-	-	8,650	-	8,650	9,665
Annual report and AGM	-	-	-	-	-	-	-	3,322	-	3,322	2,566
	29,335	313,179	180,722	74,794	92,915	100,025	19,127	25,859	293,307	1,129,263	1,089,638
Support costs	4,153	129,849	73,327	31,628	15,300	36,663	2,387	-	(293,307)	-	-
Governance costs	-	6,465	6,465	6,464	-	6,465	-	(25,859)	-	-	-
Total expenditure 2016	33,488	449,493	260,514	112,886	108,215	143,153	21,514	-	-	1,129,263	1,089,638
Total expenditure 2015	30,353	337,905	256,271	267,701	89,169	86,193	22,046	-	-	1,089,638	

Community Action Hampshire

Notes to the financial statements

For the year ended 31 March 2016

6 Grant Making

	Grants to institutions £	2016 £	2015 £
HARAH	20,868	20,868	20,448
PRENO	15,000	15,000	–
Fratton Big Local Community Grants	4,150	4,150	3,570
Capacity and Transition	2,385	2,385	195
Buckland Community Association	–	–	1,000
	<u>42,403</u>	<u>42,403</u>	<u>25,213</u>

Hampshire Alliance for Affordable Rural Housing (HARAH)

£20,868 was paid to Winchester City Council in support of the HARAH Strategic Housing Officer

Portsmouth Race Equality Network Organisation (PRENO)

Action Hampshire are the main fund holder for the Live Well project being delivered in conjunction with PRENO. The payments made relate to PRENO's involvement in the project and to reimburse the costs they have incurred.

Fratton Big Local Community Grants

Nine grants were paid to eligible community groups in Fratton, totalling £4,150 and ranging in value from £250 to £500.

Portsmouth Capacity and Transition Fund

Eight grants were paid to eligible organisations across Portsmouth, totalling £2,385 and ranging in value from £170 to £700.

Community Grants

Action Hampshire administered the 2014–15 Community Grants programme in Hampshire, Portsmouth, Southampton and Isle of Wight until July 2015. Grants awarded were paid directly by Surrey Community Action, the regional programme manager. Action Hampshire received a grant of £17,364 to cover the programme's administration costs.

7 Net incoming resources for the year

This is stated after charging:

	2016 £	2015 £
Depreciation and amortisation	7,201	9,362
Operating lease rentals:		
Property	60,500	60,500
Other	917	1,604
Auditors' remuneration (excluding VAT):		
Audit	8,200	9,100
Other services	450	565
Foreign exchange gains or losses	2,160	–
	<u>77,428</u>	<u>82,636</u>

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2016 £	2015 £
Salaries and wages	503,916	477,456
Social security costs	36,488	35,588
Operating costs of defined benefit pension schemes	143,972	134,665
	<u>684,376</u>	<u>647,709</u>

No employee earned more than £60,000 during the year (2015: nil).

The total employee benefits including pension contributions of the key management personnel were £162,401 (2015: £183,216).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2015: £nil). No charity trustee received payment for professional or other services supplied to the charity (2015: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £460 (2015: £1,283) incurred by 10 (2015: 9) members relating to attendance at meetings of the trustees.

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2016 No.	2015 No.
Support for Voluntary & Community Groups	7.1	4.0
Support for Communities	4.0	4.0
Policy & Information	2.0	2.3
Support for Social Enterprise	0.9	1.0
Engagement and Research	2.0	2.0
Support and administration	5.8	4.8
	<u>21.8</u>	<u>18.0</u>

10 Related party transactions

There are no related party transactions to disclose for 2016 (2015: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

11 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Community Action Hampshire

Notes to the financial statements

For the year ended 31 March 2016

12 Fixed assets

	Intangible Computer software £	Tangible Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At the start of the year	–	36,580	12,977	49,557
Additions in year	20,631	6	–	20,637
At the end of the year	20,631	36,586	12,977	70,194
Depreciation/amortisation				
At the start of the year	–	14,141	12,246	26,387
Charge for the year	–	6,470	731	7,201
At the end of the year	–	20,611	12,977	33,588
Net book value				
At the end of the year	20,631	15,975	–	36,606
At the start of the year	–	22,439	731	23,170

All of the above assets are used for charitable purposes.

13 Investments

	2016 £	2015 £
Fair value at the start of the year	2,973,836	2,491,833
Additions at cost	117,049	253,992
Disposal proceeds	(95,000)	–
Net (loss)/gain on change in fair value	(36,464)	228,011
Fair value at the end of the year	2,959,421	2,973,836
Historic cost at the end of the year	2,791,822	2,769,773
Investments comprise:		
	2016 £	2015 £
CCLA COIF Charities Property Fund	755,746	711,855
CCLA COIF Charities Fixed Interest Fund	139,152	142,777
CCLA COIF Charities Investment Fund	1,786,201	1,862,931
CCLA COIF Charities Deposit Fund	278,322	256,273
	2,959,421	2,973,836

Community Action Hampshire

Notes to the financial statements

For the year ended 31 March 2016

14 Debtors

	2016 £	2015 £
Trade debtors	68,793	131,396
Other debtors	21,842	33,164
Prepayments	7,625	15,227
	<u>98,260</u>	<u>179,787</u>

15 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	39,160	98,286
Payroll creditors	37,091	34,215
Taxation and social security	15,997	12,576
Other creditors	18,893	1,241
Accruals	36,955	32,360
Deferred income	30,544	3,608
	<u>178,640</u>	<u>182,286</u>

16 Deferred income

Deferred income comprises £15,000 grant receivable for training and capacity building to commence April 2016, £15,000 PRENO extension again commencing April 2016 and community buildings subscriptions prepaid up to the end of June 2016.

	2016 £	2015 £
Balance at the beginning of the year	3,608	–
Amount released to income in the year	(3,608)	–
Amount deferred in the year	30,544	3,608
	<u>30,544</u>	<u>3,608</u>

17 Pension scheme

The disclosures below relate to the funded liabilities within the Hampshire County Council Pension Fund (the Fund) which is part of the Local Government Pension Scheme. Action Hampshire participates in the Fund which up to 31 March 2014 provided defined benefits based on members' final pensionable salary. From 1 April 2014 the scheme provides benefits based on members' career average salary, with preserved rights for benefits earned under the final salary provisions.

Membership is open to all the charity's employees. At 31 March 2016 73% of employees were members. The employer's contribution for 2015/16 is 15.6% plus a fixed contribution of £39,600 and the employee's contribution is between 5.5% and 8.5% of gross salary. All contributors to the scheme receive regular information from the Hampshire Pension Fund.

In accordance with Financial Reporting Standard 102, disclosure of certain information concerning assets, liabilities, income and expenditure related to pension schemes is required.

Contributions for the accounting period ending 31 March 2017

The Employer's regular contributions to the Fund for the accounting period ending 31 March 2016 are estimated to be £110,000.

Assumptions

The latest actuarial valuation of the Hampshire County Council Pension Fund and Action Hampshire's liabilities took place on 31 March 2013. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the independent qualified actuaries in updating the latest valuations of the Fund for FRS102 purposes were:

Principal Financial Assumptions

	2016 % p.a	2015 % p.a	2014 % p.a
Discount Rate	3.4	3.2	4.3
Rate of increase to pensions in payment	1.7	1.8	2.3
Rate of general increase in salaries	3.2	3.3	3.8

Principal Demographic Assumptions

Assumed Life Expectancy at 65	2016	2015
Males		
Member aged 65 at accounting date	24.6	24.5
Member aged 45 at accounting date	26.7	26.6
Females		
Member aged 65 at accounting date	26.4	26.3
Member aged 45 at accounting date	28.7	28.6

Asset allocation

The approximate split for the fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the table below. Also shown are the assumed rates of return adopted by the employer for the purposes of FRS102.

	2016 % p.a	2015 % p.a
Equities	56.3	57.8
Property	8.2	8.0
Government Bonds	25.7	25.4
Corporate Bonds	2.1	1.6
Cash	4.7	3.7
Other	3.0	3.5
Total	100.0	100.0

Community Action Hampshire

Notes to the financial statements

For the year ended 31 March 2016

17 Pension scheme (continued)

Reconciliation of funded status of Action Hampshire to balance sheet	2016 £m	2015 £m
Fair value of assets	3.41	3.39
Present value of funded defined benefit obligation	4.74	4.91
Pension liability recognised on the balance sheet	(1.33)	(1.52)
Analysis of amount charged to net incoming resources	2016 £m	2015 £m
Current service cost	0.09	0.09
Interest on net defined benefit liability / (asset)	0.05	0.05
Total expense recognised	0.14	0.14
Changes to the fair value of liabilities during the year	2016 £m	2015 £m
Opening present value of liabilities	4.91	4.30
Current service cost	0.09	0.09
Interest cost on pension scheme liabilities	0.16	0.18
Contributions by participants	0.03	0.03
Actuarial (gains)/losses on liabilities*	(0.30)	0.43
Net benefits paid out**	(0.15)	(0.12)
Closing present value of liabilities	4.74	4.91

*Includes changes to actuarial assumptions.

**Consists of net cash-flow out of the Fund in respect of the Employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance for the expected death in service lump sums.

Changes to the fair value of assets during the year	2016 £m	2015 £m
Opening fair value of assets	3.39	2.97
Interest income on assets	0.11	0.13
Actuarial gains/(losses) on assets	(0.07)	0.28
Contributions by the employer	0.10	0.10
Contributions by participants	0.03	0.03
Net benefits paid out	(0.15)	(0.12)
Closing fair value of assets	3.41	3.39
Actual return on assets	2016 £m	2015 £m
Interest income on assets	0.11	0.13
Gain / (loss) on assets	(0.07)	0.28
Closing fair value of assets	0.04	0.41

18 Analysis of net assets between funds

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	15,975	-	-	15,975
Intangible fixed assets	20,631	-	-	20,631
Investments	1,896,267	882,330	180,824	2,959,421
Net current assets	20,977	-	38,917	59,894
Defined benefit pension asset / (liability)	-	(1,330,000)	-	(1,330,000)
Net assets at the end of the year	1,953,850	(447,670)	219,741	1,725,921

Community Action Hampshire

Notes to the financial statements

For the year ended 31 March 2016

19 Movements in funds

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Restricted funds:					
Building Better Opportunities	–	3,842	(3,842)	–	–
Clinical Commissioning Group (CCG) Portsmouth	49,998	–	(18,014)	–	31,984
CCG Portsmouth for PRENO	25,692	–	(23,596)	–	2,096
Enterprise M3 Local Enterprise Partnership	1,979	–	(1,979)	–	–
Fratton Big Local	50,922	73,423	(106,718)	–	17,627
Hampshire Alliance for Affordable Rural Housing	64,387	129,983	(139,247)	–	55,123
Hampshire Independent Equality Forum	2,465	326	(926)	–	1,865
Hampshire Interfaith Network	16,722	–	(5,603)	–	11,119
Portsmouth Capacity & Transition Fund	8,244	–	(7,933)	–	311
Rural Community Action Network	–	61,044	(58,402)	–	2,642
School for Social Entrepreneurs	–	42,980	(80,485)	37,505	–
Social Enterprise Network	1,297	–	–	–	1,297
Sounding Board	11,813	–	(820)	–	10,993
SE Region Community Grants	–	17,364	(17,364)	–	–
The Alliance	–	106,222	(31,069)	–	75,153
Young Entrepreneurs	–	5,000	(4,049)	8,580	9,531
Total restricted funds	233,519	440,184	(500,047)	46,085	219,741
Unrestricted funds:					
Designated funds:					
Westgate Chambers Lease & Maintenance	700,000	117,678	(81,975)	–	735,703
Action Hampshire Business Development	100,000	–	–	–	100,000
School for Social Entrepreneurs Development	51,455	–	–	(37,505)	13,950
Redundancy Reserve	51,091	–	–	(18,414)	32,677
Total designated funds	902,546	117,678	(81,975)	(55,919)	882,330
Fair value reserve	204,063	43,891	(80,355)	–	167,599
General funds	1,876,458	363,309	(463,350)	9,834	1,786,251
Total unrestricted funds	2,983,067	524,878	(625,680)	(46,085)	2,836,180
Pension reserve	(1,520,000)	230,000	(40,000)	–	(1,330,000)
Total funds including pension fund	1,696,586	1,195,062	(1,165,727)	–	1,725,921

Purposes of restricted funds

Building Better Opportunities

Action Hampshire was a partner in the bidding process for a Big Lottery Fund and ESF Building Better Opportunities Grant. Funding was received to support the development of the bid during the year

Clinical Commissioning Group (CCG) Portsmouth

Funding for a pilot project providing a single point of access to not-for-profit organisations who could provide non-medical support to patients and also to support the CCG to engage strategically with the sector

CCG Portsmouth for Portsmouth Race Equality Network Organisation (PRENO)

Funding from the CCG for Live Well: a project to support PRENO to share key health messages with BME communities in the city

Enterprise M3 Local Enterprise Partnership

Funding from Enterprise M3 Local Enterprise Partnership to promote not-for-profit sector engagement with the Partnership

Fratton Big Local

Grants from Big Local to support the Fratton Big Local project in Portsmouth

Hampshire Alliance for Affordable Rural Housing (HARAH)

The charity received funding from Hampshire Alliance for Affordable Rural Housing for two Rural Housing Enablers, employed by Action Hampshire, and a Strategic Housing Officer, employed by Winchester City Council, to work with local communities and agencies, to help them measure the need for affordable housing and consider how and where to provide it

Hampshire Independent Equality Forum

Funding from Hampshire County Council to support the establishment of the Hampshire Independent Equality Forum

Hampshire Interfaith Network

Action Hampshire is the accountable body for the Hampshire Interfaith Network, which promotes mutual understanding between people of different faiths and liaises with public service providers on behalf of the network

Portsmouth Capacity & Transition Fund

Funding from Portsmouth City Council to provide additional training and bursary support to organisations in the city to support future capacity and sustainability

Rural Community Action Network

The charity receives funding from Action with Communities in Rural England to finance the work of the Hampshire Rural Community Council

School for Social Entrepreneurs

The school offers a programme for individual social entrepreneurs to develop enterprises working for social benefit. From 2012 Lloyds Bank has been the main sponsor of the programme, with additional sponsorship from PwC for a separate short programme

Social Enterprise Network

Funding from SE2 Partnership for social enterprise development

Sounding Board

Funding from Hampshire County Council for Sounding Board, a 'virtual panel' set up to hear the views of adults who have an involvement in care and support services (e.g. care at home, day opportunities or residential/nursing care)

SE Region Community Grants

The programme is funded by the Skills Funding Agency (SFA) and European Social Fund (ESF), and managed by Surrey Community Action. Action Hampshire administered the programme in Hampshire, the Isle of Wight, Portsmouth & Southampton

The Alliance

The Alliance is an independent charity which has historically supported not-for-profit organisations working with children and young people in Hampshire. In November 2015, the members voted at an extraordinary general meeting to transfer the organisations assets to Action Hampshire who will continue to support these organisations

Community Action Hampshire

Notes to the financial statements

For the year ended 31 March 2016

Purposes of restricted funds (continued)

Young Entrepreneurs

Funding to support social enterprise development and learning for students at school and college

Purposes of designated funds

Westgate Chambers Lease & Maintenance

Funding to provide towards the costs of leasing and maintaining Westgate Chambers, Winchester or for expenditure on any future premises acquired by the charity

Action Hampshire Business Development

Funding to support the development of new business initiatives at Action Hampshire

School for Social Entrepreneurs Development

Funding to support the development of new business initiatives at SSE Hampshire

Redundancy Reserve

The fund provides for estimated redundancy costs in the event of closure of projects or activities, if staff could not be offered alternative employment

Transfers between funds

A transfer of £37,505 was made from the SSE Hampshire designated fund to the SSE restricted fund to meet the deficit in external grant funding in 2015/16

A transfer of £18,414 was made to general funds from the redundancy reserve as a result of the redundancy provision being reviewed and reducing in value

A transfer of £8,580 was made to restricted funds to accurately reflect the nature of the Young Entrepreneurs funding

20 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2016 £	2015 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(200,665)	213,335
Depreciation charges	7,201	9,362
Losses/(Gains) on investments	36,464	(228,011)
Dividends, interest and rent from investments	(118,565)	(106,498)
Difference between pension cost charges to SOFA and cash contributions paid	40,000	40,000
Decrease in debtors	81,527	65,355
(Decrease)/Increase in creditors	(3,646)	97,484
Net cash (used in) / provided by operating activities	(157,684)	91,027

21 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property		Equipment	
	2016	2015	2016	2015
	£	£	£	£
Less than one year	66,000	66,000	1,252	1,604
One to five years	132,000	198,000	1,834	3,086
	198,000	264,000	3,086	4,690

22 Capital commitments

At the balance sheet date, the charity had committed to £3,000 (2015: £0) to finish development of its Customer Relationship Management database (an intangible asset).

23 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

24 Impact of transition to FRS 102 and SORP 2015

	Unrestricted	Restricted	Total
	31 March 2015		
Impact on income and expenditure	£	£	£
Net (expenditure)/income as previously reported	(14,796)	50,120	35,324
Adjustments on transition			
Gain on investments	228,011	–	228,011
Pension operating expense	(50,000)	–	(50,000)
Net income as restated	<u>163,215</u>	<u>50,120</u>	<u>213,335</u>