

South Derbyshire CVS

Trustees' Report and Financial Statements

For the year ended 31 March 2017

South Derbyshire CVS
(A company limited by guarantee)

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South Derbyshire CVS
(A company limited by guarantee)

Reference and Administrative Details of the Charitable company, its Trustees and Advisers
For the year ended 31 March 2017

Trustees	Mr S Ford - Chair, Volunteer Mr J Haynes - Treasurer, Independent Representative Mr P L Dempsey - Vice Chair, Derbyshire Advocacy (resigned 6 June 2016) Mrs M Dobby, Melbourne Community Care Group (resigned 25 April 2016) Mrs S Jackson, Raynaud's & Scleroderma Association Mr A Jeffrey, Volunteer Mr A M Jones, Independent Representative Mr P Laffey, YMCA Mr D Moyle, Independent Representative (resigned 13 December 2016) Mr S P Spear, SV2 Mr D W Symcox, South Derbyshire CAB (resigned 13 December 2016)
Company registered number	04958843
Charity registered number	1101450
Registered office	46-48 Grove Street Swadlincote Derbyshire DE11 9DD
Company secretary	Ms M Skinner
Chief executive officer	Ms M Skinner
Independent auditors	Dains LLP St John's Court Wiltell Road Lichfield Staffordshire WS14 9DS
Bankers	Unity Trust Bank Plc 9 Brindley Place Birmingham B1 2HB
Solicitors	Timms 23 West Street Swadlincote Derbyshire DE11 9DG

South Derbyshire CVS
(A company limited by guarantee)

Trustees' Report
For the year ended 31 March 2017

The Trustees present their annual report together with the audited financial statements for the period 1 April 2016 to 31 March 2017. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the charitable company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Structure, governance and management

Objectives and Activities

a. Policies and objectives

The organisation's objects and principal activities are to:

- a. Promote any charitable purposes for the benefit of the community, in particular but not exclusively, in the local government district of South Derbyshire and the advancement of education, the advancement, promotion and protection of health and the relief of poverty, distress and sickness.
- b. Promote and organise cooperation in the achievement of the above purposes and to that end to bring together in council, representatives of the voluntary organisations and statutory authorities within the area of benefit.

b. Strategies for achieving objectives

The organisation has a five year strategic plan which has been updated since being adopted by the board of directors. It sets out the vision, values and aims of the organisation and outlines the environment that the organisation operates in, the strengths, weaknesses, opportunities and threats to the organisation.

The vision and strategic aims were refreshed this year and are outlined below.

Our vision is for communities that are vibrant, resilient and strong; and where:

1. People can get help in times of need or crisis, and are supported to improve their quality of life;
2. People feel safe, well, connected and valued, can make choices about their lives, and have a sense of belonging;
3. People's lives have meaning and purpose; they are able to participate, take action and make a meaningful and valued contribution to their community.

c. Activities for achieving objectives

We work towards the vision and aims by:

- Supporting voluntary and community groups to set up, develop, work together and thrive;
- Supporting individuals, through services we provide directly (where we are best placed to do so) and by linking them with other local organisations and services;
- Supporting, promoting and developing volunteering and community action;
- Bringing local people, communities, voluntary groups and partners from other sectors together to talk, listen to each other, learn from each other, influence and collaborate.

d. Main activities undertaken to further the charity's purposes for the public benefit

The trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and have complied with their duties under the Charities Act 2011.

How our Activities deliver public benefit

Services delivered are restricted by the level of funding received and the objects of the charity. Activities in 2016/17 have included:

Representing the interests of the diverse Voluntary and Community Sector (VCS) in strategy and policy development at a local and countywide level, informing the sector about such developments, providing opportunities for debate within the sector and with public/private sectors, and contributing local intelligence to local and national discussions as appropriate;

Providing a single point of contact in the community for individuals and organisations needing help and support;

Providing a direct referral route into Voluntary and Community Sector (VCS) services through the vSPA service;

Helping individuals to become active or effectively maintain their involvement in the community by helping people to volunteer and/or run VCS groups effectively;

Working with communities to identify unmet needs or gaps in community provision and to develop new groups or activity in response to those needs;

Providing a range of training and learning opportunities to volunteers and voluntary organisations including Derbyshire Volunteer Passport, Dementia Friends, Alice Project and supporting delivery of accredited training through our Aim Awards Centre;

Developing and supporting partnerships and collaboration with other organisations and sectors to tackle issues affecting our communities;

Delivery of Derbyshire Trusted Befriending Network which supports and quality assures befriending services across the county as well as training and supporting a network of Befriending Champions;

Promoting, awarding and monitoring small grants programmes to support new community activity or groups;

Administering a social prescribing budget for individuals to help them access voluntary and community activities;

Delivering a practical help project that helps people with health concerns, disabilities, the frail elderly and other vulnerable, isolated individuals by recruiting local volunteers to help with short term or one off tasks and request for help.

Delivering a number of other direct services to vulnerable people including;

- One off support to those in crisis or in need of immediate help (Food Bank, Advocacy and Advice, Safer Homes and Practical Help)
- Longer term preventative services that tackle social isolation (Befriending, Travelling Lunch Club and Food Hub).

Achievements and performance

a. Review of activities

This year the organisation has:-

- Connected 1,349 individuals to voluntary and community services through the vPSA service;
- Dealt with 14,500 enquiries for help and information at reception;
- Helped 220 people find out about volunteering by offering a combination of online and face to face support;
- Supported 57 local voluntary and community groups to set up, expand, develop, secure funding, deal with challenges or improve their governance, service delivery or management;
- Awarded 12 small grants totalling over £27.5k to support the development of new voluntary and community groups and activities;
- Trained 86 new Befriending Champions and supported a network of 127 Befriending Champions in total;
- Provided 1,246 people with emergency food from the Food Bank;
- Redistributed 2,290kg of waste food to those who need it most through Community Food Projects (including a Community Fridge);
- Provided 1,095 community meals at the Food Hub project;
- Organised volunteers to provide 1,512 practical tasks (such as shopping, gardening, transport, moving furniture) helping people remain independent and well in their community;
- In six months provided 1,420 Social Car journeys to help vulnerable people get out and about and stay mobile;
- Arranged 3,308 hours of befriending helping 78 people feel less isolated and more connected with their community;
- Provided advice on how to stay safe and fit basic security equipment for 488 people through the Safer Homes project;
- Dealt with 271 new advocacy cases, ensuring people with a mental health issue have a voice;
- Delivered Derbyshire Volunteer Passport accredited training, improving the knowledge and skills of 37 community volunteers who work with children or vulnerable adults;
- Supported 30 individuals with support needs to develop their skills and progress towards work or volunteering through the Alice Project- 10 of whom achieved an accredited learning outcome;
- Supported the launch of South Derbyshire Dementia Action Alliance and worked with partners to deliver 10 Dementia Friends Information Sessions, creating 63 new Dementia Friends.

As a result people have reported;

- an increased involvement in the local community
- an increased confidence to live independently
- improved mental and general wellbeing
- a reduction in loneliness and isolation
- that they feel safer in their own homes

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Introduction

2016/17 has again been a successful year for the organisation. Careful management has continued and once again the financial position at year-end was significantly better than forecast in April 2016.

c. Reserves policy

The Board of Directors has examined the charity's requirements for reserves in light of the main risks to the organisation and the expectations of funding bodies to the acceptable levels of reserves. It has established a policy whereby the funds not committed or invested in tangible fixed assets held by the charity should be not less than 6 months and not more than 12 months expenditure. Budgeted expenditure for 2017/2018 is £691,102 and therefore the target is to hold £345,551 in general funds. In addition to the above the trustees have identified the need for a further £254,000 of reserves. Its purpose is to maintain services required by the VCS in South Derbyshire, ensure that our building is maintained to a safe and acceptable standard, and ensure that our staff has an acceptable standard of equipment to support its work.

- Budget deficit 2017/18 – the trustees have agreed to adopt a budget with a deficit of £30,000.
- Future Financial Scenario - The financial constraints on statutory funders are expected to continue over the coming years. Possible in year cuts/termination of funding are risks to our long term stability. To enable us to run CVS' core services, we need to allocate £80,000 for the year 2017/2018.
- Building Contingency - Routine maintenance is covered in the budget. However, the building is set within the conservation area and part of it is grade two listed which means external repairs can be costly. Several substantial maintenance jobs have been identified and will need to be carried out within the next three years. In addition unforeseen expenditure does arise and we have therefore allocated £35,000 for this purpose.
- Redundancies - We have reviewed the possible costs of redundancies if CVS should fail. This would be covered in part by the six months' running costs. However, winding up the organisation requires some roles to continue until it is complete and funders may be entitled to claw back some designated funding. The total cost would be some £59,000.
- Investment in Technology - In order to maintain services a continued investment in computers/technology is required with a plan in place to upgrade computers over a 2 year period. With this in mind £10,000 has been set aside over a 2 year period to fulfil this investment.
- Contingency Fund - We are operating with a deficit budget in 2017/2018. Nevertheless we need to be in a position to fulfil our statutory duties in respect of maternity leave and deal with the consequences of long-term sickness should these arise. DCC/PCT joint funded posts are covered by a contingency fund but others are not. It is therefore prudent to hold £40,000 in reserve.

The total of these measures is £254,000.

The level of free reserves of the charity at 31 March 2017 amounted to £172,654 (2016 - £416,829).

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Trustees' Report (continued)
For the year ended 31 March 2017

d. Principal funding

The principal funding sources for the organisation are the Southern Derbyshire Clinical Commissioning Group, South Derbyshire District Council and Derbyshire County Council.

e. Constitution

The charitable company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 10 November 2003 and registered as a charity on 12 January 2004 with registered charity number 1101450. The charity was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the charitable company being wound up, the members are required to contribute an amount not exceeding £1.

f. Method of appointment or election of Trustees

The management of the charitable company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The directors of the company are also charity trustees for the purpose of charity law and under the Articles of Association are known as directors. Under the requirements of the Memorandum and Articles of Association one third of the directors must retire at each annual general meeting. They are eligible for re-election.

The organisation strives to ensure the diversity of its beneficiaries is reflected within the membership of the board and that directors have the relevant business and practical experience required. Recruitment of the directors is achieved by a variety of methods, including a direct approach, where the need for specific skills has been identified, to an invitation to members to nominate a candidate.

g. Policies adopted for the induction and training of Trustees

All new trustees receive an information pack containing: the Memorandum and Articles of Association, a role description, charity commission guidance on the roles and responsibilities of trustees and public benefit, an annual report and accounts, CVS services information pack, newsletter and the organisation's strategic plan. They are invited to attend an induction training session which covers the history of CVS and its future plans, the roles and responsibilities of trustees and basic health and safety information. Trustees are also offered the opportunity to shadow members of staff, attend all internal training and development days and to join a sub-committee of their choice. There is IT provision that enables trustees to access a wide range of information remotely.

h. Organisational structure and decision making

South Derbyshire CVS has a board of trustees, which currently has 7 voting members. The directors represent member organisations and interest groups. Some funders also nominate non-voting representatives to attend Board meetings. The board meets quarterly and is responsible for the strategic direction and policy of the organisation. The organisation also operates a finance committee that is a sub group of the board. This group meets quarterly or as required to deal with financial or human resource issues. The company secretary, the Chief Executive, attends meetings of both committees but without voting rights.

The day-to-day responsibility of running the organisation lies with the Chief Executive with a team of managers responsible for the delivery of specific services, including the line management of frontline staff and volunteers. The Finance & Admin Manager manages the financial operation. The Chief Executive is responsible for overseeing the staff development programme, and the achievement and maintenance of quality standards within the organisation. The Community Development Manager is responsible for ensuring the delivery of CVS and

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Trustees' Report (continued)
For the year ended 31 March 2017

Volunteer Centre core functions. The vSPA Manager is responsible for the delivery of the vSPA service, a number of local and countywide forums and for providing VCS intelligence into strategy and policy development.

i. Related party relationships

The organisation is an affiliated member of NAVCA (the National Association of Voluntary Community Associations). CVS agrees to provide services that cover the core areas of work. These are: Development, Representation, Liaison, Practical Support and Strategic Partnerships.

The organisation is a member of NCVO (National Council of Voluntary Organisations) and has achieved its Volunteer Centre Quality Accreditation evidencing that our Volunteer Centre service delivers all 5 core functions to a high standard. These are: Strategic Development of Volunteering, Good Practice Development, Developing Volunteering Opportunities, Voice of Volunteering and Brokerage.

The organisation is a member of 3D (Third Sector Support for Derbyshire), the Derbyshire Consortium of voluntary and community sector infrastructure organisations. Membership enables the organisation to collaborate with similar services at a county level and engage with national policy around the provision of infrastructure services.

The Volunteer Centre is a member of Volunteer Centres Derbyshire, a sub group of 3D. Its remit is to maintain high standards of volunteer centre service delivery across the county and to work towards equitable delivery of service.

j. Risk management

The Trustees have assessed the major risks to which the charitable company is exposed, in particular those related to the operations and finances of the charitable company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The board of directors has carried out a review of the risks to which the organisation is exposed. The risk register is updated at least quarterly and is brought to every board meeting. Where appropriate, systems and procedures have been established to mitigate the risks faced by the organisation. The organisation has comprehensive financial management and operational manuals, which are reviewed annually and amended as required. All the services delivered by SDCVS operate within legal requirements as well as the requirements of statutory partners on matters of safeguarding children and vulnerable adults, confidentiality and the maintenance of client records. The organisation operates sub groups to manage its health and safety requirements and the review and production of policies. The groups are responsible for monitoring, reviewing and responding to risks on a regular basis and reporting to the Board as appropriate.

k. Trading subsidiary

The charity has a wholly owned trading subsidiary, Creativeness Ltd which was incorporated on 24 April 2007. The results of this company are detailed in note 15 to the financial statements.

Plans for future periods

a. Future developments

The organisation is committed to maintaining high standard of practice and has an established programme to review all processes and procedures - in particular, its financial planning, as the trustees are mindful of the ongoing risks to the organisation from further cuts in public spending.

Building on current practice, opportunities to expand provision beyond existing geographical boundaries will be explored whilst maintaining a focus on local delivery.

Opportunities to work collaboratively with other organisations will actively be sought including working in partnership across sectors to meet community needs and building relationships with local businesses.

We will develop and strengthen our key role as advocate for, and point of contact into the local voluntary and community sector. Both to inform, consult and reflect diverse community voices, and to connect people in need of support and people wanting to volunteer with a range of voluntary and community organisations and services.

We will continue to celebrate and promote a diverse voluntary and community sector, and in particular to ensure that local grassroots community groups and community volunteers are valued, nurtured, supported and have a voice.

A strategic approach will be developed to ensure the administration of small grants has the biggest impact and aligns with other resources, and to ensure that opportunities to bring additional resource into local voluntary and community groups are maximized. This will help build the resilience of the VCS in challenging times.

We will continue to provide direct services to those who need it when it is most appropriate for us to do so. In particular we will develop and pilot new ways to tackle loneliness and isolation.

Funds held as custodian

South Derbyshire CVS has acted as Custodian Trustee for various organisations during the year. Full details are given in note 23 to the financial statements.

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Trustees' Report (continued)
For the year ended 31 March 2017

Trustees' responsibilities statement

The Trustees (who are also directors of South Derbyshire CVS for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 are sufficient to show and explain the charitable company's transactions and 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.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees on 7 September 2017 and signed on their behalf by:

Mr M J Haynes

South Derbyshire CVS
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Independent Auditors' Report to the Members of South Derbyshire CVS

We have audited the financial statements of South Derbyshire CVS for the year ended 31 March 2017 set out on pages 12 to 29. 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' responsibilities statement, 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 Trustees' 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.

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 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; 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' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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Independent Auditors' Report to the Members of South Derbyshire CVS

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

St John's Court, Lichfield
7 September 2017

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Statement of Financial Activities Incorporating Income and Expenditure Account
For the year ended 31 March 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:					
Donations and legacies	2	-	29,114	29,114	39,921
Charitable activities	3	99,024	582,920	681,944	578,347
Other trading activities	4	4,308	6,346	10,654	7,135
Investments	5	756	-	756	1,469
Total income		104,088	618,380	722,468	626,872
Expenditure on:					
Raising funds		1,749	-	1,749	1,749
Charitable activities	6,7,8	94,319	594,731	689,050	609,780
Total expenditure	9	96,068	594,731	690,799	611,529
Net income before other recognised gains and losses		8,020	23,649	31,669	15,343
Net movement in funds		8,020	23,649	31,669	15,343
Reconciliation of funds:					
Total funds brought forward		432,446	261,509	693,955	678,612
Total funds carried forward		440,466	285,158	725,624	693,955

The notes on pages 14 to 29 form part of these financial statements.

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Registered number: 04958843

Balance Sheet
As at 31 March 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Intangible assets	13		32,823		-
Tangible assets	14		121,111		125,816
Investments	15		1		1
			<u>153,935</u>		<u>125,817</u>
Current assets					
Debtors	16	13,309		30,763	
Cash at bank and in hand		662,579		607,224	
		<u>675,888</u>		<u>637,987</u>	
Creditors: amounts falling due within one year	17	(104,199)		(69,849)	
			<u>571,689</u>		<u>568,138</u>
Net current assets			<u>725,624</u>		<u>693,955</u>
Net assets			<u>725,624</u>		<u>693,955</u>
Charity Funds					
Restricted funds	18		285,158		261,509
Unrestricted funds	18		440,466		432,446
			<u>725,624</u>		<u>693,955</u>
Total funds			<u>725,624</u>		<u>693,955</u>

The financial statements were approved and authorised for issue by the Trustees on 7 September 2017 and signed on their behalf, by:

Mr S Ford - Chair

Mr M J Haynes - Treasurer

The notes on pages 14 to 29 form part of these financial statements.

1. Accounting Policies

1.1 Basis of preparation of financial statements

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.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

South Derbyshire CVS meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company status

The charitable company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1. Accounting Policies (continued)

1.4 Income

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the charitable company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charitable company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charitable company which is the amount the charitable company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the charitable company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the charitable company's primary objectives, including support costs and costs relating to the governance of the charitable company apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1. Accounting Policies (continued)

1.6 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment

Amortisation is provided at the following rates:

Computer software	-	5 years
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1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Fixtures and fittings	-	25% reducing balance
Office equipment	-	25% reducing balance
Computer equipment	-	33% reducing balance

1.8 Investments

Investments in subsidiaries are measured at cost.

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the Bank.

1.10 Debtors

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

1.11 Cash at Bank and in hand

Cash at bank and 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.

1. Accounting Policies (continued)

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

The charitable company 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.

1.14 Pensions

The charitable company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charitable company to the fund in respect of the year.

1.15 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing the asset lives, factors such as, product life cycles and maintenance programmes are taken into account. Residual values consider such things as future market conditions, the remaining life of the asset and projected disposal values, plans to dispose of an asset before the previously expected date, changes in funding which impact on the future viability of schemes resulting in assets being no longer required.

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2. Income from donations and legacies

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	-	2,241	2,241	11,228
Government grants	-	26,873	26,873	28,693
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	-	29,114	29,114	39,921
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2016, of the total income from donations and government grants, £39,921 was to restricted funds.

3. Income from charitable activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Voluntary Sector Support & Services	99,024	582,920	681,944	578,347
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2016</i>	234,740	343,608	578,348	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

In 2016, of the total income from charitable activities, £62,735 was to unrestricted funds and £515,612 was to restricted funds.

4. Fundraising income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Activities for generating funds	4,308	6,346	10,654	7,135
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2016</i>	2,258	4,877	7,135	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

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Notes to the Financial Statements
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5. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	<u>756</u>	<u>-</u>	<u>756</u>	<u>1,469</u>
<i>Total 2016</i>	<u>1,469</u>	<u>-</u>	<u>1,469</u>	

6. Analysis of grants

	Grants to Individuals 2017 £	Total 2017 £	Total 2016 £
Grant Funding	<u>46,414</u>	<u>46,414</u>	<u>5,072</u>

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Notes to the Financial Statements
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7. Direct costs

	Governance £	Voluntary Sector Support & Services £	Total 2017 £	Total 2016 £
Social Car Drivers	-	18,557	18,557	22,502
Advertising and promotion	-	6,005	6,005	651
Travelling and incidental	-	8,891	8,891	8,372
Telephone	-	5,397	5,397	5,507
Computer consumables	-	18,918	18,918	19,436
Staff training	-	3,150	3,150	135
Training delivery	-	4,922	4,922	6,336
Recruitment	-	-	-	1,776
Postage and stationery	-	8,368	8,368	9,151
Professional fees	3,650	7,246	10,896	8,981
Insurance	-	5,186	5,186	5,149
Bank charges	-	1,726	1,726	397
Sundries	-	1,330	1,330	505
Cleaning	-	7,306	7,306	7,168
Room hire and refreshments	-	6,836	6,836	5,616
Heat and light	-	5,042	5,042	4,243
Rates and water	-	2,977	2,977	2,967
Volunteer expenses	-	2,937	2,937	3,233
Maintenance and repairs	-	9,366	9,366	20,912
Other project costs	-	48,501	48,501	12,816
Wages and salaries	9,973	394,818	404,791	397,486
National insurance	-	29,677	29,677	24,428
Pension cost	-	27,152	27,152	31,493
Depreciation	-	4,705	4,705	5,448
	<u>13,623</u>	<u>629,013</u>	<u>642,636</u>	<u>604,708</u>
<i>At 31 March 2016</i>	<u>13,623</u>	<u>591,085</u>	<u>604,708</u>	

8. Governance costs

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Auditors' remuneration	1,200	2,450	3,650	3,650
Salary costs re board meetings	9,973	-	9,973	9,973
	<u>11,173</u>	<u>2,450</u>	<u>13,623</u>	<u>13,623</u>

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Notes to the Financial Statements
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9. Analysis of Expenditure by expenditure type

	Staff costs 2017 £	Depreciation 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising	1,749	-	-	1,749	1,749
Costs of generating funds	1,749	-	-	1,749	1,749
Voluntary Sector Support & Services	451,647	4,705	219,075	675,427	596,157
Expenditure on governance	9,973	-	3,650	13,623	13,623
	463,369	4,705	222,725	690,799	611,529
<i>Total 2016</i>	455,156	5,448	150,925	611,529	

10. Net income/(expenditure)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned by the charity	4,705	5,448

During the year, no Trustees received any remuneration (2016 - £NIL).
 During the year, no Trustees received any benefits in kind (2016 - £NIL).
 During the year, no Trustees received any reimbursement of expenses (2016 - £NIL).

11. Auditors' remuneration

The Auditor's remuneration amounts to an Audit fee of £3,650 (2016 - £3,650), and other services of £1,480 (2016 - £1,330).

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12. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	406,540	399,235
Social security costs	29,677	24,428
Other pension costs	27,152	31,493
	<u>463,369</u>	<u>455,156</u>

The average number of persons employed by the charitable company during the year was as follows:

	2017 No.	2016 No.
Chief Executive	1	1
Charitable Activities	25	24
Administration and Support	3	3
	<u>29</u>	<u>28</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Chief Executive	1	1
Charitable Activities	16	15
Administration and Support	2	2
	<u>19</u>	<u>18</u>

No employee received remuneration amounting to more than £60,000 in either year.

13. Intangible fixed assets

	Computer software £
Cost	
At 1 April 2016	-
Additions	32,823
At 31 March 2017	<u>32,823</u>
Carrying amount	
At 31 March 2017	<u>32,823</u>
At 31 March 2016	<u>-</u>

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Notes to the Financial Statements
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14. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 April 2016 and 31 March 2017	159,194	621	7,916	37,691	205,422
Depreciation					
At 1 April 2016	38,197	601	7,079	33,729	79,606
Charge for the year	3,183	5	209	1,308	4,705
At 31 March 2017	41,380	606	7,288	35,037	84,311
Net book value					
At 31 March 2017	117,814	15	628	2,654	121,111
At 31 March 2016	120,997	20	837	3,962	125,816

15. Fixed asset investments

	Shares in group undertakings £
Market value	
At 1 April 2016 and 31 March 2017	1

Subsidiary undertakings

The following was a subsidiary undertaking of the company:

Name	Holding
Creativeness Limited	100%
The aggregate of the share capital and reserves as at 31 March 2017 and of the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:	

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Creativeness Limited	1,892	(12)

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Notes to the Financial Statements
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16. Debtors

	2017	2016
	£	£
Trade debtors	11,317	14,455
Other debtors	1,992	1,808
Prepayments and accrued income	-	14,500
	<u>13,309</u>	<u>30,763</u>

17. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	888	-
Other taxation and social security	7,147	6,260
Other creditors	8,334	5,473
Accruals and deferred income	87,830	58,116
	<u>104,199</u>	<u>69,849</u>

Deferred income

Deferred income at 1 April 2016	50,012
Resources deferred during the year	58,258
Amounts released from previous years	(50,012)
Deferred income at 31 March 2017	<u>58,258</u>

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Notes to the Financial Statements
For the year ended 31 March 2017

18. Statement of funds

Statement of funds - current year

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2017 £
Designated funds					
Reserves policy fund	-	-	-	254,000	254,000
General funds					
General Fund	432,446	104,088	(96,068)	(254,000)	186,466
Total Unrestricted funds	432,446	104,088	(96,068)	-	440,466
Restricted funds					
Derbyshire County Council	28,585	198,526	(141,678)	-	85,433
NHS Southern Derbyshire CCG	30,049	207,038	(221,480)	-	15,607
SDDC - Infrastructure	4,253	95,314	(96,464)	-	3,103
DCC Public Health	69,230	62,742	(77,956)	-	54,016
Miscellaneous funds	19,192	54,760	(54,253)	-	19,699
Grant Property Purchase	110,200	-	(2,900)	-	107,300
	261,509	618,380	(594,731)	-	285,158
Total of funds	693,955	722,468	(690,799)	-	725,624

Statement of funds - prior year

	Balance at 1 April 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2016 £
Designated funds						
	-	-	-	-	-	-
General funds						
General Fund	462,423	66,462	(96,439)	-	-	432,446
	462,423	66,462	(96,439)	-	-	432,446
Total Unrestricted funds	462,423	66,462	(96,439)	-	-	432,446

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Notes to the Financial Statements
For the year ended 31 March 2017

18. Statement of funds (continued)

Restricted funds

Derbyshire County Council	18,594	209,306	(171,671)	-	-	56,229
NHS Southern Derbyshire CCG	15,901	107,287	(86,630)	-	-	36,558
SDDC - Infrastructure	23,727	40,771	(47,482)	-	-	17,016
DCC Public Health	13,145	30,000	(26,129)	-	-	17,016
SDDC - Infrastructure	-	87,924	(87,924)	-	-	-
SDDC - Safer Homes	8,356	16,000	(15,850)	-	-	8,506
Erewash DC - Safer Homes	-	16,000	(16,000)	-	-	-
NCVO - Volunteer Care Homes	766	8,294	(8,179)	-	-	881
DCC re Food Bank	6,941	1,081	(8,465)	-	-	(443)
SDDC re Food Hub	-	17,457	(5,921)	-	-	11,536
Miscellaneous funds	15,659	26,290	(37,939)	-	-	4,010
Grant Property Purchase	113,100	-	(2,900)	-	-	110,200
	<u>216,189</u>	<u>560,410</u>	<u>(515,090)</u>	<u>-</u>	<u>-</u>	<u>261,509</u>
Total of funds	<u>678,612</u>	<u>626,872</u>	<u>(611,529)</u>	<u>-</u>	<u>-</u>	<u>693,955</u>

Summary of funds - current year

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2017 £
Designated funds	-	-	-	254,000	254,000
General funds	432,446	104,088	(96,068)	(254,000)	186,466
	<u>432,446</u>	<u>104,088</u>	<u>(96,068)</u>	<u>-</u>	<u>440,466</u>
Restricted funds	261,509	618,380	(594,731)	-	285,158
	<u>693,955</u>	<u>722,468</u>	<u>(690,799)</u>	<u>-</u>	<u>725,624</u>

Summary of funds - prior year

	Balance at 1 April 2015 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2016 £
General funds	462,423	66,462	(96,439)	-	432,446
	<u>462,423</u>	<u>66,462</u>	<u>(96,439)</u>	<u>-</u>	<u>432,446</u>
Restricted funds	216,189	560,410	(515,090)	-	261,509

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Notes to the Financial Statements
For the year ended 31 March 2017

18. Statement of funds (continued)

678,612	626,872	(611,529)	-	693,955
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Derbyshire County Council restricted funding supports the provision of Befriending services, Infrastructure and includes funds for grant administration.

NHS Southern Derbyshire CCG funding supports the provision of infrastructure, vSPA and includes funds for grant administration.

South Derbyshire District Council funding supports infrastructure services.

Public Health restricted funding supports the provision of Food Hub, vSPA and includes funds for Social Prescribing activity.

Miscellaneous funds represent Erewash Safer Homes, Sainsburys and smaller funds such as Food Hub, Social Car, Unique Care, Handy Van and Advocacy.

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Intangible fixed assets	-	32,823	32,823
Tangible fixed assets	13,811	107,300	121,111
Fixed asset investments	1	-	1
Current assets	472,595	203,293	675,888
Creditors due within one year	(45,941)	(58,258)	(104,199)
	<u>440,466</u>	<u>285,158</u>	<u>725,624</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Tangible fixed assets	15,616	110,200	125,816
Fixed asset investments	1	-	1
Current assets	436,665	201,321	637,986
Creditors due within one year	(19,836)	(50,012)	(69,848)
	<u>432,446</u>	<u>261,509</u>	<u>693,955</u>

20. Pension commitments

The charitable company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable by the charitable company to the fund and amounted to £27,152 (2016 - £31,493). Contributions totalling £nil (2016 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

21. Related party transactions

The charitable company has taken advantage of the exemption conferred by Section 33 of Financial Reporting Standard 102 "Related party disclosures" not to disclose transactions with members of the group headed by the charitable company, on the grounds that 100% of the voting rights in the company are controlled within the group.

22. First time adoption of FRS 102

It is the first year that the charitable company has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 March 2016 and the date of transition to FRS 102 and SORP 2015 was therefore 1 April 2015. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

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Notes to the Financial Statements
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23. Funds held as Custodian Trustee

During the year South Derbyshire CVS has acted as Custodian Trustee for the organisations listed below. This income and expenditure is not included within the South Derbyshire CVS financial statements and the balances held at 31 March 2017 are held in a separate bank account.

	Brought Forward	Income	Expenditure	Transfer to SDCVS	Carried Forward
	£	£	£	£	£
Client Funding	81	287	(50)	-	318
Unique Care Team	(380)	445	(905)	840	-
CVS Holding Interest	650	-	-	-	650
Ladies Like to Craft	1,463	-	(515)	-	948
Singing for Pleasure	645	-	-	-	645
Endometriosis Group	500	-	-	-	500
L D Partnership Board	2,000	-	-	(840)	1,160
Goseley Activity Provision	-	250	(45)	-	205
Swad & Burton Natural Parents	-	500	(30)	-	470
Shopmobility	-	2,082	-	-	2,082
Total	4,959	3,564	(1,545)	-	6,978