

Southampton Voluntary Services
(A Registered Charity and Company Limited by Guarantee)

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

Charity number 1068350
Company number 3515397

Southampton Voluntary Services
(A Registered Charity and Company Limited by Guarantee)

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for the year ended 31 March 2017

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Report of the Executive Committee for the year ended 31 March 2017

Reference and administrative information

Charity name	Southampton Voluntary Services
Charity registration number	1068350
Company registration number	3515397
Registered office & operational address	Voluntary Action Centre Kingsland Square, St Mary Street Southampton, SO14 1NW

The following have served in office between the start of the year (or date of appointment if later) and the date of this report:

K Liles*	Chair
M W Treasure Jones *	Vice Chair
C Rogers *	Honorary Treasurer, Chair of Finance sub-Committee

J Inglis (nominated SCC)	
J Noon (nominated SCC)	
M J Carnegie	
C C Okonkwo	Appointed 21 st December 2016
P C Keeley*	
S P Mantle	
D G Wrighton	
F Zarin	Resigned 30 th September 2016

In addition to the directors listed above the following are also invited to attend Executive Committee meetings as ex-officio representatives:

Dr M Kelsey Southampton CCG

* Denotes member of Finance Sub-committee

J Ash

BDO LLP, Arcadia House, Maritime Walk, Ocean Village, Southampton SO14 3TL

The Royal Bank of Scotland, 156 High Street, Southampton SO14 2NP
Barclays Bank plc, Eastleigh Bus Ctr, 20-25 Upper Market Street, Eastleigh, SO50 9FD
Clydesdale Bank, Bering House, Mariner Court, Clydebank G81 2NR
Allied Irish Bank (GB), 14 The Avenue, Southampton, SO17 1XF
Close Brothers, 10 Crown Place, London, EC2A 4FT

Paris Smith, No. 1 London Road, Southampton SO15 2AE

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Report of the Executive Committee for the year ended 31 March 2017 (continued)

Our aims and objectives

Purposes and aims

SVS's purposes, our Charitable Objects, are stated in our Memorandum and Articles of Association and form the basis of our registration as a charity. These documents were prepared on incorporation in 1997 and two small amendments not affecting the Charitable Objects were made to the Articles of Association at the AGM in October 2007. Our Charitable Objects remain as set out in 1997, as follows:

"To promote any **charitable purposes** for the **benefit of the community** in the area of the administrative authorities comprising the historic county of Hampshire (including Portsmouth and Southampton) and in particular, the City of Southampton, and if the directors of the charity shall so decide, in any of the administrative authorities immediately adjoining, and in particular **the advancement of education, the protection of health and the relief of poverty, distress and sickness.**"

Ensuring our work delivers our aims

We review our aims, objectives and activities each year and normally carry out a comprehensive re-appraisal every three years in the preparation of our three year Forward Plan documents. The annual reviews look at what we achieved and the outcomes of our work in the previous twelve months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us to ensure that our aims, objectives and activities remain focussed on our stated purposes. **We have paid due regard to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.**

The Charitable Objects are summarised in SVS's Vision, Organisational Values, Mission Statement and Key Aims which were reviewed, with input from all stakeholders and published "**Strive, Thrive, Survive - A Forward Planning Document for 2013-2016**" in early 2013. The next forward plan is currently under consideration by the trustees.

SVS's **Vision** is of "*Southampton is a city where everyone is inspired to make positive contributions to their communities.*"

SVS's **Organisational Values** are defined as:

- **Passion** – SVS believes voluntary action is built on the passion of people and communities to make a positive difference;
- **Inclusiveness** – SVS believes that the voluntary ethic is best upheld when organisations promote equality and diversity and are open, democratic, accessible and accountable to their users, members and the wider community;
- **Independence** – SVS will be a strong and independent voice for the sector, supporting best practice in autonomous organisations;
- **Innovation** – SVS will support organisational resourcefulness, flexibility and adaptability, through innovative, original ideas and creative solutions;
- **Partnership** – SVS is committed to positive partnership work to create shared thinking and find solutions to meet local needs.

The **Mission Statement** is that "SVS aims to support a vibrant voluntary and community sector with a strong voice and the best of support. SVS actively promotes voluntary action and the provision of essential services to vulnerable communities."

The focus of our work

Our main objectives for the year are summarised in our strapline, "Promoting Voluntary Action", and in the eight **Key Aims** which are:

Voluntary Sector Support

- **Services and support** – SVS will promote the effectiveness of local voluntary and community groups by providing them with a range of services including access to practical facilities, such as meeting rooms, photocopiers and ICT equipment and more involved support through general and specialist advice and information including regular newsletters, website, training and funding advice;
- **Liaison** – as a focal point for the local voluntary and community sector in Southampton, SVS will encourage networking between individuals and groups within the sector, and between local groups and the statutory and private sectors. SVS will also help different communities to organise their own networking activity;

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Report of the Executive Committee for the year ended 31 March 2017 (continued)

- **Representation** – with government encouraging involvement of voluntary and community groups in shaping and delivering services, SVS will enable the views of local groups to be represented strategically at local, regional and national levels;
- **Development work** – SVS will help identify gaps in service provision and work with groups to develop new and innovative services to meet these needs;
- **Strategic partnerships** – SVS will work in partnership with local government and other statutory agencies to shape and deliver services to meet city needs;
- **Promoting volunteering and voluntary action** – SVS will use its resources to promote volunteering in Southampton and to facilitate increased opportunity for voluntary action as an expression of active citizenship and civil society;
SVS Services
- **Quality Services** – SVS will deliver good quality services to meet the individual needs of vulnerable communities;
Governance
- **Governance and performance** – SVS will demonstrate best practice in governance by upholding the standards within the Good Governance Code for the Voluntary and Community Sector.

How our activities deliver public benefit

Our main activities and who we try to help are described in “who used and benefited from our services” and our achievements and performance in the year are assessed in the “summary review of the year”. **All our charitable activities are undertaken to further our charitable purposes, as embodied in our Charitable Objects, Vision and Mission Statement, for the public benefit.**

Who used and benefited from our services?

Our wide ranging Principal Activities are set out below together with the individuals and groups, mainly based within the city of Southampton, that benefit from these activities:

- **Voluntary Sector Support:** Developing, connecting, influencing and representing the voluntary and community sector through providing information, good practice and capacity building;
- **Promoting Volunteering and Voluntary Action:** Involving volunteers, promoting volunteering and voluntary action in all sectors;
- **Services to meet the needs of individuals:**
 - **Community Roots:** A recovery focused, allotment based horticultural project providing supported volunteering opportunities for people with additional support needs, including those who may have experienced mental health problems, substance and alcohol misuse, homelessness or a learning disability.
 - **Healthwatch Southampton:** The local consumer champion for health and social care. Healthwatch Southampton (HWS) listens to the views and experiences of the public and patients and uses its influence to affect commissioning and service provision decisions. HWS also offers independent complaints advocacy and an information, advice and signposting service.
 - **morph:** A project of ex and on-going drug users committed to improving things for anyone still using drugs or trying to stop;
 - **Shopmobility:** Provision of wheelchairs and scooters to people with limited mobility and sighted guide service for visually impaired people enabling them to access the city centre and shop independently;
 - **Young Carers:** Work with children and young people under the age of 18 years whose lives are affected by caring for an unwell or disabled family member. The Next Steps project continues to support young people up to the age of 24 as they transition into adult life.

Summary Review of the Year

On a global level the past year has certainly seen some cataclysmic events which will undoubtedly have their resonances in terms of our local communities and social policy agenda's. Welfare reforms and continued public sector funding pressures combine with the Brexit decision and its underlying rationale, the rise of the far right in Britain and Europe, the election of Donald Trump in the USA and the impact of terrorism all serve to increase intolerance and social tensions whilst perpetuating inequality and deprivation. These cause fractures lines within communities and erode social cohesion so voluntary sector and civil society organisations will need to play their part fully as we work together to ensure respect, tolerance, fairness and social justice are what characterises our fair city now and in the future, as it has proudly done so often in its past.

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Report of the Executive Committee for the year ended 31 March 2017 (continued)

Against this backdrop SVS' overall Voluntary Sector Support Team (VSST) capacity has been badly reduced this year with the loss of about 1/3rd of VSST funding due to total withdrawal of the Public Health grant which historically had been a long standing and much appreciated contribution to our work from our health partners. This, coupled with uncertainty over our main Southampton City Council (SCC) grant due to their major grants review which has been ongoing for some time, has meant it has been a very difficult and stressful period in terms of workload and forward planning for SVS, as it has for many other voluntary groups in the city.

The grants review has led to increased workload due both to supporting the sector through the process by participating with SCC colleagues in planning and hosting various consultation events they were running and also in running SVS facilitated voluntary sector only events for each of the four commissioning themes, as well as a training session for local groups on use of the Curtis Fitch web portal for tenders. There has also been an increased number of one to one enquiries and support sought by organisations seeking advice and guidance from SVS about associated specific issues or concerned about the impact on their work.

We have also facilitated and participated in a number of partnership initiatives linked to these development, including as appointed lead body for the Advice Southampton partnership and well as alongside colleagues from SCA and Solent NHS as Southampton Healthy Living, the new partnership which successfully tendered for the city's health behaviour change contract and which we look forward to playing our part in delivering this in the coming year.

During the grants review SVS made representations to SCC Leader, Councillors and officers about the impact on the sector and were pleased to see a further extension of grants and secured a welcome commitment of a 3 month notice period on any funding withdrawal. However, it was not until the final day of the financial year covered by this report that we received the welcome news that we would receive funding through the current 2017-18 financial year. This good news is however coupled with the proviso that we would need to be looking for future funding for our work under specifications yet to be determined and which will probably be tendered, which will inevitably generate substantial additional work focused on our internal needs and survival, rather than on the voluntary sector support role that is our primary purpose.

In the light of this unprecedented period of turbulence the Executive Committee again decided it was unproductive to redraft another 3 year forward plan but did spend a considerable amount of its time focusing on the coming year and SVS future survival. We did though undertake a membership survey to ensure that our member organisations views and priorities continue to inform our work on as proactive a basis as is possible, albeit that it feels we have more often been in reactive mode of late. Given that it has often been a difficult and frustrating year it was therefore heartening and uplifting to receive what was in the vast majority really positive feedback and endorsements about the help groups feel they receive from SVS together with some useful suggestions about other support groups would find helpful.

SVS involves volunteers in all aspects of its work from our trustee board who so ably guide our work overall and ensure accountability to our members and funders, through to all volunteers in various roles across our services and VSST activities. Number of active volunteers vary during the year but broadly speaking we have about 100 volunteers involved in SVS activities at any time. Their activities range from admin tasks, mentoring and befriending activities, IT and media input, outreach and public engagement through to trustee involvement in things such as the SCC Mega casino review panel and lay input to personal health budgets panels. We are very grateful for the huge contribution they make in terms of their freely given time and interest and without whom we could not do so much so a big thank you to one and all.

Key Themes of the Year

Key themes remain similar to the previous year, as change and transformation remain constant:

- **Leadership** – providing independent leadership to the local sector through uncertain times;
- **Prioritising** – ensuring we invest our resources in the areas of most need;
- **Collaboration and partnerships** – building trust in the new relationships the sector is building with statutory organisations, enabling VCS organisations to come together to form partnerships;
- **Technology** – making the best use of technology to drive efficiency;
- **Flexibility** – structuring our work in a way we are able to respond quickly to the pace of developments.

Key Challenges of the Year

- **Capacity** – our small voluntary sector support team is increasingly unable to be engaged in all city developments,

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Report of the Executive Committee for the year ended 31 March 2017 (continued)

- **Increased need** – from our member organisations and also from public need on services;
- **Uncertainty** – regarding future public sector structural changes and funding;

Despite these challenges we have progressed important developments that are worthy of celebration. Major work in the year to support the local sector under our four themes of support, representation, partnership, and volunteering has included the following:

Supporting the sector

- Organised 12 First Friday Forums exploring topics of importance to the local sector, from funding and governance, through to NHS plans, and arts and heritage. The Forums also give groups an opportunity to share information, build stronger relationships and plan collaborative activities.
- Offered 14 training workshops on funding and fundraising attracting almost 400 people.
- The “Making a Big Difference in Southampton, How to Maximise your Group’s Potential to get Funding Event” attracted 183 attendees.
- Offered support to a range of local organisations on good governance. This has been offered on a one-to-one basis and through voluntary sector surgeries.
- Delivered training on a range of issues from Roles and Responsibilities of Trustees, to health and safety and risk assessing.
- Supported the grant giving SO18 Big Local Partnership as the “Trusted Local Organisation”. In this role SVS supports local people to design and implement a small grants programme and manage grant agreements with “procured groups”.
- Supported groups in crisis through interventions, mediation and advice.
- Acted as independent election commissioner for two local organisations.
- Worked closely with the People’s Health Trust to capacity build with groups to apply for funding, leading to £280k of funding being deployed in the city.

Representing the sector:

- We frequently use electronic means (electronic voting, survey monkey) to better understand our members’ views on a range of issues. This enables a clear analysis of groups’ views, which is further brought alive by our contact with groups through SVS Friday Forum, other events, and one-to-one contact.
- SVS members’ survey 2016 highlighted scarcity of resources and lack of capacity to respond to need as central issues for the local sector.
- SVS is well placed to give a voluntary sector perspective to local strategic networks, including Southampton Connect, Southampton Safe City Partnership, both Children and Adults Safeguarding Boards, and the Integrated Care Board. Input to the Southampton Health & Wellbeing Board is through the Healthwatch Southampton member, as there is no primary voluntary sector representative - an anomaly SVS has raised on numerous occasions.
- The national connection is made through our involvement with both NCVO and NAVCA.
- We have held specific, single issue briefings with local decision makers, enabling sector views to be represented. In particular this has centred on the Southampton City Council’s grant funding review process.
- Under the health and care agenda, we continue to represent sector views at the Integrated Care Board, and through the Southampton Multi-specialty Community Provider (MCP) steering group, led by local GPs and Solent NHS Trust.

Partnerships:

- Collaboration between voluntary sector organisations has been a priority over the last year, as funders are increasingly interested in the synergies that can be created through partnerships.
- To this end, we have encouraged collaboration through our First Friday Forum and organised a number of meetings for local organisations to create stronger relationships around specific work streams.
- SVS has continued to chair Advice Southampton, a consortium of local advice agencies, with a view to a future tender for advice services in the city.
- SVS has been successful in securing a partnership contract, as a sub-contractor, to deliver aspects of Southampton Healthy Living, a health behaviour contract, with partners SCA and Solent NHS Trust.

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Report of the Executive Committee for the year ended 31 March 2017 (continued)

- SVS provides a voluntary sector training coordinator post for PIPPA, which aims to end domestic and sexual violence in the city. This work is delivered by an alliance of voluntary organisations, working closely with SCC, and is led by Southampton Rape Crisis.
- SVS is a key partner in the transformation of health and social care services being delivered through Better Care Southampton. The person centred approach of the voluntary sector plays a central role in these developments.

Volunteering:

- This year we have reaped the benefits of our in-house designed on-line volunteer brokerage system, which is enabling us to collect robust data to track our performance, better understand volunteer pathways and better target our future efforts.
- Across the year we responded to 946 volunteer enquiries, of which 30% have become active volunteers.
- We have increased the number of volunteer roles we offer by over 20% to 321 individual volunteering opportunities.
- We have provided 59 drop-in sessions, including evening sessions, for the public to find out more about volunteering and local opportunities.
- We have also provided volunteering awareness raising stand at numerous high profile city events.
- Throughout the year we delivered a highly successful Volunteer Roadshow, across the city's libraries.
- At the request of our members we have delivered a series of volunteer management training sessions to volunteer coordinators, so they are better equipped.
- Celebrated the contribution of volunteers who have given 100 hours of their time through a certificate ceremony at the Mayors Parlour.
- Held quarterly Volunteer Coordinator Group sessions, to support local volunteer coordinators. These have been well attended, with on average 25 local groups represented at each session.
- In terms of diversity BME communities are well represented within our data, making up 38% of enquiries. Women make up 68% of volunteer enquiries, leading us to target men through specific campaigns. 43% of enquiries are from people with some form of support need.

SVS Services to the Public

SVS Services to the public support people across the city to transform their lives, enable their voices to be heard, and support them to manage their problems. These services work with some of the most vulnerable and excluded people across the city, providing a lifeline through a dedicated staff team of paid workers and volunteers.

SVS Services meet local needs which have not been addressed by other organisations or interventions. They bring benefit to the local system and have been developed in partnership rather than competition with our member organisations.

Community Roots – The Community Roots allotment scheme provides supported volunteering, training and work experience opportunities to those who have experienced homelessness, mental health problems, and alcohol or substance misuse issues. It focuses on nurturing skills, team working and building self-esteem, as well as offering a chance to exercise in the fresh air. The allotment is a calm, peaceful place to escape the distractions of everyday life. Key outcomes, as reported by the supported volunteers, include: 95% feel the project helps their personal wellbeing, 85% feel the project has helped them adjust to change, and 100% feel the project has created a positive life impact. The 19 supported volunteers and 4 peer mentors have contributed over 1150 hours to the project across the year. The project is a partnership with local hospitality group The Ideal Collection, to whom we are very grateful.

Healthwatch Southampton – Healthwatch Southampton is the local consumer champion for health and social care. The project helps to give patients and the public a voice in decisions affecting their health and care services, helps with issues that may be affecting their care, provides information and signposting, and offers independent complaints advocacy for health services. The project has an independent Strategic Group directing its work and is delivered through a core team of one full time and two part-time workers, over twenty volunteers and two sub-contracts with Southampton CAB and SEAP. Over the past year the project has worked on over 500 advice cases with the public, handled 153 health complaints, and engaged almost 100 local voluntary organisations. Key highlights of the year have included a qualitative research project into the experiences of people living with mental health problems in Southampton, production of an animated film detailing the findings and national recognition for collaborative work with neighbouring Healthwatches, under the Wessex Voices banner. The project is approaching the final year of its contract, with a tendering process expected in 2018.

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Report of the Executive Committee for the year ended 31 March 2017 (continued)

MORPH – MORPH is a project that works with people who use drugs (PUDs) and/or drug services. Since 2004, the project has grown and evolved, and now provides a weekly Drop-in Session where people can just call in to talk to the workers, use the phone, get information and have a coffee. MORPH also provide an advocacy service, peer support and DIY recovery groups. MORPH is commissioned by Southampton's Public Health team to provide a drug warning cascade system about contaminated batches of street drugs, a scheme that has been noted nationally as good practice through the Local Government Association. Over the year, the project has provided 1050 hours of Peer Support to 70 clients, 38 Drop-in sessions, 35 hours of advocacy to 15 clients, 36 DIY recovery sessions and five drug warning posters. The project is currently funded through grant funding from the Tudor Trust, which comes to an end in the next financial year.

Shopmobility – The project enables people with a temporary or long term mobility issue to access Southampton city centre shops and services through the hire of mobility scooters and wheelchairs. The project provides a lifeline to many of our customers, enabling them to independently access city centre amenities, services and shops. The project is staffed by SVS Business Support Team and a team of volunteers. The project is grant funded by Southampton City Council and is currently seeking further funding to enable its development. Usage figures remain similar to the previous year with a total of 3110 hires. Customer satisfaction is high, with over 90% rating the services as good or excellent.

Young Carers – The SVS Young Carers Project works with young people aged 8-18 who are caring for an unwell or disabled family member. This may be due to learning or physical disability, mental health difficulties, chronic illness or drug and alcohol addiction. The project is committed to providing consistent, quality support and respite opportunities to ensure that young carers have access to leisure time, education, other learning experiences and health services. The Next Steps projects continue to support young carers up to the age of 25, as they transition into adult life. Over the last year the project has supported 304 young carers aged 8 – 16 years, and 49 young adult carers aged 17 – 24 years, a considerable increase on the previous year. Satisfaction with the service is high with 97% reporting they find the group sessions interesting and enjoyable. Funding is currently provided through a public service contract, which is in its final contract year. An additional £10k of funding to support work with young adults has been secured from the Big Lottery. The project is staffed by a dedicated team of one full time and six part time workers, with added value being contributed from over 25 volunteers.

The Role of Volunteers in our Service Provision

In all aspects of SVS' work and service delivery we have teams of active volunteers who enhance our work and the services we offer to the public. Some of our SVS volunteers have themselves experienced unemployment, whilst others have additional support needs or are in recovery from addictions or health problems; so our experience in working with and involving them provides an excellent grounding for the work we do in encouraging others to actively involve volunteers. We have an excellent record of supporting our volunteers, many of whom move on to paid employment following their involvement with SVS.

SVS is proud and infinitely grateful for the commitment and contribution in terms of creativity, enthusiasm and the substantial donation of all our volunteers' time and effort, which to us is priceless. However, this contribution can be quantified in monetary value, using the 2015 provisional median earnings from ASHE by Office of National Statistics. This means the sum of 4420 volunteer hours contributed by approximately 99 volunteers is equivalent to £62,233.60; a massive contribution and we thank each and every one of you.

Financial review

Financial overview

This is an increasingly challenging time within our sector with major funding uncertainties, a turbulent external environment and the increasing impact of procurement and tendering. We continue to face uncertainty over parts of our income and to deal with late decisions over funding income, but we plan recognising that these are aspects of the environment in which we operate. In this context, **SVS achieved a planned outcome for the year with a net expenditure in its unrestricted general fund of £65,224 (note 13).**

Restricted funding will by its nature involve situations where funds are received in one year and spent in a different year, resulting in situations where net surpluses or deficits arise. In the current year our total Voluntary Sector Support Team reserves decreased by £33,557 (2016: decrease £18,336).

Restricted reserves for SVS Services decreased in the year by £61,358 (2016: decrease £53,613) this is largely due to the continual reduction in funding. It is still our intention to increase reserves overtime to a more prudent level reflecting the current risks and uncertainty. Our reserves policy is set out in more detail below.

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Our continued requirement to recognise the deficit in the pension scheme has resulted in an increase of liability £3,000 (2016: decrease £31,000) for the Hampshire County Council ("HCC") Pension Fund. Net service cost £12,000 (2016: £21,000) (in addition to £16,017 (2016: £16,017) of normal contributions) and a gain of £9,000 relating to the total actuarial assumptions. (2016: gain £51,000).

The net movement in funds was (£160,140) (2016: £48,547).

The SVS Balance Sheet remains appropriate for an organisation of our size, with appropriate liquidity.

Accounting for pensions

We have continued to account for pensions as required by FRS102. The pension fund actuaries have calculated SVS's share of the fund deficit to be £323,000 (2016: £320,000). **We continue to consider that the existence of the current pension fund deficit has no impact on our ongoing activities.**

The actuaries advise that the disclosures under the required accounting can change dramatically depending on stock market and bond market conditions and this leads to volatility in the level of the year end deficit or surplus. While the Charity Commission, through SORP 2015, require compliance, they also recognise that a pension fund surplus or deficit is of a different nature to a charity's other assets or liabilities and stipulate that no impact on the level of free reserves and that instead a separate pension reserve is established.

Specifics

Total incoming resources amounted to £712,847 compared with £915,905 for 2016, a decrease of c22%. Total resources expended amounted to £881,986, a small decrease compared with the previous year's figure of £918,358. Total funds at the year end amounted to £1,385,356 (2016: £1,545,496, as restated) which is made up as follows:

		2017	2016
	£	£	
Restricted reserves	- held for future project expenditure	372,722	467,637
Designated reserves	- set aside for VAC depreciation and for essential future operating expenses	1,295,729	1,295,729
General reserves	- see below	39,906	102,130
Pension reserve	- as discussed above	(323,000)	(320,000)
Total funds		1,385,357	1,545,496

General reserves now stand at £39,906 (2016: £102,130). The decrease of £62,224 comprises the unrestricted loss before actuarial losses of £3,000 which are accounted within the Pension reserve movement. As shown below, general reserves are in the form of current assets (67%) and fixed assets (33%) which will be depreciated over future years:

	2017	2016
	£	£
Fixed assets	12,789	14,921
Current assets – free reserves	27,117	87,209
Total general reserves	39,906	102,130

The Charity's free reserves may decrease significantly, as future essential expenditure on fixed asset replacement becomes inevitable. Accordingly, these reserves are held principally to give some protection against future uncertainties and are not available for short-term expenditure.

Principal funding sources

Voluntary Sector Support and Promoting Volunteering and Voluntary Action are funded through a core grant from **Southampton City Council** (SCC) together with sizeable contributions from the local **Clinical Commissioning Group, Healthwatch** and various smaller funding streams, some of which also derive from SCC. The SVS Services are primarily funded through a mix of grants, contracts and charitable trusts.

Fundraising policy

Whilst SVS welcomes donations and in kind contributions from business and other supporters, especially with respect to our service delivery work to the public, SVS does not actively undertake fundraising from the general

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public to support its voluntary sector support work as this would be counterproductive to our aims and put us in competition with many of the voluntary and community groups that we exist to support. SVS Services maintain annual fundraising activities to sustain their basic services and these have been increased universally in the past year in response to the constraints of public funding in order to ensure their sustainability to meet public needs.

Investment policy

The Executive Committee, having regard to the liquidity requirements of the charity and the reserves policy, have reviewed and operated a policy of keeping available funds in competitive interest bearing deposit accounts and seek to achieve a rate of deposit interest which matches or exceeds inflation as measured by the retail prices index. However, due to the current economic climate, we have several fixed term bonds and are achieving slightly less than the current RPI inflation rate

The Executive Committee, mindful of public concern regarding the liquidity of banking institutions, periodically review the allocation of funds to individual banks and have diversified the range of accounts held to maximise protection of funds under the banks guarantee system. The Executive Committee believes that SVS would be eligible to receive compensation through the Financial Services Compensation Scheme on the failure of a UK registered bank, and considers that investment in five banks both minimises the risk of losing charitable funds and the risk of losing liquidity due to bank failure.

Remuneration Policy

The Directors and the board of Trustees and the senior management team comprise the key management personnel of the Charity.

The charity Trustees ultimately hold the responsibility for setting the remuneration levels for the staff within the organisation including the senior staff. Senior staff salaries still remain lower than £60,000.

In 2013 the Executive Committee elected to move away from the NJC pay scales and to adopt a more standardised approach to pay structures and allow the organisation to focus on narrowing the gap between the highest and lowest paid staff. They chose to review any salary increase/pay award on a fixed amount rather than the percentage increase previously used, thus reducing the gap to attract and keep appropriately qualified staff. In line with our commitment to our lowest paid staff we have also adopted the Living Wage scheme within the organisation.

Reserves policy

The Executive Committee has examined SVS's requirements for reserves in light of the main risks to the organisation and in line with its policy to do so on an annual basis following detailed scrutiny and recommendations by its Finance sub-committee which is itself guided by the Charity Commission guidance on charity reserves. In light of the increased uncertainty around public sector funding the Executive committee have reviewed its position and feel that due to recent experience and the prevailing climate, a more prudent approach is currently required and that its policy should be strengthened so that the unrestricted funds and restricted project funds not committed or invested in tangible fixed assets held by the charity, should be at least 6 and if possible 12 months of the expenditure together with our best estimate of future capital expenditure in order to provide sufficient time to seek alternative funding or to properly wind down services if absolutely necessary in the event of loss of public sector funds. This is consistent with our assessed risk register which the Executive Committee and senior staff jointly review overall on annual basis and as required when substantive changes or developments occur relevant to specific areas identified on the risk register.

The charity needs reserves to enable it to continue to operate as an ongoing concern. The Executive Committee consider the reserves held on the balance sheet to be at an adequate level, as set out further below, to meet their responsibilities and commitments, protect and advance its current activities.

Based on budgeted expenditure for the year commencing 1st April 2016, the target is for free reserves of between £75,000 and £150,000 in unrestricted funds and of between £375,000 and £750,000 in restricted project funds. The reserves are needed to meet the working capital requirements of the charity and the Executive Committee are confident that at this level they would be able to continue in the short term the current activities of the charity in the event of a significant drop in funding.

The present level of free unrestricted reserves, being the unrestricted reserves excluding those represented by fixed assets and those held for designated purposes, is £27,117 which falls short of the target. The Executive Committee are satisfied that the level of free reserves is acceptable having taken note of SVS's policy of increasing reserves together with the existence of certain designated reserves, and also recognising SVS's expected future capital

Southampton Voluntary Services

Report of the Executive Committee for the year ended 31 March 2017 (continued)

expenditure. The present level of free restricted reserves, being restricted reserves excluding those represented by fixed assets, is £372,722. The Executive Committee has concluded that these reserves are adequate based on the SVS Projects' policy of increasing reserves. In the short term the Executive Committee has also considered the extent to which existing activities could be curtailed, should such action be required. In volatile financial circumstances, having adequate reserves has meant that we have been able to avoid issuing precautionary redundancy notices linked to SCC or other bodies grants and tendering outcomes.

Plans for the future period

Our established cycle of three year forward planning is currently less suited to the unprecedented level of uncertainty we are facing, as detailed elsewhere in this report. SVS Executive Committee are therefore taking a year by year approach to planning, supported by members' views articulated in the SVS membership survey.

Structure, governance and management

Governing document and member organisations

Southampton Voluntary Services (SVS) is a **charitable company** limited by guarantee. The company was established under a Memorandum of Association which stated the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are each required to contribute an amount not exceeding £1. There are currently over **450 members**, mainly voluntary and community organisations that operate in Southampton and the surrounding area.

Recruitment and Appointment of Executive Committee

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Executive Committee. Under the requirements of the Memorandum and Articles of Association the members of the Executive Committee are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting, at which time members also vote annually for the Chair, Vice Chair and Honorary Treasurer. There are two trustees who are Councillors nominated by Southampton City Council.

All members of the Executive Committee give their time voluntarily and received no benefits from the charity. Expenses reclaimed from the charity are set out in note 2 to the accounts.

The Executive Committee monitors the skill requirements for the trustee body and carries out periodic specific reviews of skills and sector experience. When additional trustees are required or a trustee retires, nominations for election are sought from member organisations and vacancies are filled by suitable co-options in the interregnum.

Trustee induction and training

New trustees receive a detailed induction pack (including the Memorandum and Articles, the latest financial statements and the Charity Commission's guide "the Essential Trustee") and have an induction meeting with the Chief Executive. Feedback from new trustees about their induction has been very positive. Additionally, new and existing trustees are invited and encouraged to attend the regular trustee training sessions available to trustees of all member organisations via the SVS Trustee Development Programme. An annual Financial Management briefing is provided for the whole Executive Committee.

Risk management

The **Risk Assessment Report** is updated and reviewed annually by the Executive Committee, focusing on the major external and internal risks to which the charity is exposed. This is undertaken by a joint Executive and staff working group. The Charity Commission guidance is used to prepare and review the risk assessment.

The key risks identified in the 2015-16 risk assessment exercise were broadly in line with the 2014-2015 review:

- short-term initiatives, arrears / outcome funding, late signing of contracts, delayed payments and adequacy of reserves to meet obligations diminishing funding pots and increased competition;
- the loss of a key contract from the increased pressures associated with tendering and procurement practices and reduced public expenditure and the associated reduction of services being commissioned
- changed political priorities from national and local government;
- demographic and social changes with higher unemployment, high deprivation and an increasing strain on SVS's scarce resources including capacity to fully harness huge increase in volunteering enquiries;
- the charity's financial planning being adversely impacted by funding uncertainties and the impact of the other key risks set out here;

Southampton Voluntary Services

Report of the Executive Committee for the year ended 31 March 2017 (continued)

- ensuring Healthwatch Southampton, guided by its own Strategic Group, has an SVS link member to the SVS Executive Committee to ensure adherence with body corporate governance;
- reliance on key staff and impact on organisational memory in case of leaving;
- Consideration of the Persons with Significant Control register.

The Executive Committee ensures, where appropriate, that systems or procedures are in place to mitigate the risks the charity faces as identified through the comprehensive risk review process, including both the key risks set out above and other lesser risks.

Organisational Structure and Governance

The organisational governance and management is headed up by an **Executive Committee** which meets five times a year. The Executive Committee consists of elected trustees and a non-voting ex-officio representative from Southampton City Clinical Commissioning Group. The Executive Committee is responsible for the strategic management of all current work and for the oversight of development in line with its Vision, Mission Statement and Charitable Objects. At present the Committee has fourteen members from a variety of professional backgrounds relevant to the work of the charity. The Company Secretary also attends the Committee but has no voting rights. The Committee has adopted the Good Governance Code for the Voluntary and Community Sector.

The Executive Committee is supported by the **Finance sub-committee** who scrutinise the details of the management accounts, look at relevant financial issues and make recommendations to the full Executive Committee, including in respect of the Executive Committee's annual review of financial policies. This Committee also communicate with SVS's external Auditor and make recommendations in respect of the external Auditor appointment, reporting back to the Executive Committee; receiving an unqualified audit opinion from a reputable audit firm is a key ongoing priority. The work of the Finance sub-committee includes an annual review of the Charity Commission internal financial control self-checklist for charities.

The day to day **management** of the organisation is delegated to the Chief Executive, Ms Jo Ash CBE, who reports regularly to the Executive Committee and is also the Company Secretary. Line management arrangements through team leaders are in place as is regular supervision for staff and volunteers as well as an annual Joint Progress Review process

Related parties

The relationships between the charity and related parties, together with details of any related party disclosures, are set out in note 2 to the financial statements.

Auditors

BDO LLP were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The Trustees are also responsible for preparing the financial statements in accordance with 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity, and enable them to ensure that the financial statements comply with the Companies Act 2006.

Southampton Voluntary Services

Report of the Executive Committee for the year ended 31 March 2017 (continued)

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Members of the Executive Committee

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

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

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

The financial statements have been prepared in accordance with Accounting & Reporting Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS102)(Effective 1 January 2015) – (Charities SORP(FRS102)), Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Approved by the Executive Committee on 2nd August 2017 and signed 21st September 2017 on its behalf by:



K Liles
Chair



C Rogers
Treasurer

Southampton Voluntary Services

Independent auditors report to the members of Southampton Voluntary Services for the year ended 31 March 2017

We have audited the financial statements of Southampton Voluntary Services for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the 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 charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's 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 Trustee's Responsibilities Statement (set out on page 11 & 12), the trustees (who are also the directors of the 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. We have been appointed auditor under the Companies Act 2006 and report in accordance with that Act. 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity'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 Companies Act 2006;

Opinion on other matters 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 and the trustees' report has been prepared in accordance with applicable legal requirements.

Based on our knowledge and understanding of the charity and its environment obtained during the course of the audit we have identified no material misstatements in the trustees' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matter where the Companies Act 2006 required 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 explanation we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.



Mr Paul Bricknell, Senior Statutory Auditor
for and on behalf of BDO LLP, Statutory Auditor, Southampton, United Kingdom

Date: 28/9/17

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Southampton Voluntary Services

Statement of Financial Activities (including Income & Expenditure Account) for the year ended 31 March 2017

		Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Prior Period Total funds 2016 £
Income	Note				
<i>Income from charitable activities</i>	10	111,868	594,256	706,124	909,010
<i>Income from other generated funds:</i>					
Investment income	11	6,612	-	6,612	6,624
Other income	NA	111	-	111	271
		6,723	-	6,723	6,895
Total income		118,591	594,256	712,847	915,905
Expenditure					
<i>Charitable activities:</i>					
<i>General expenditure</i>	12	180,815	689,171	869,986	897,358
<i>Pension scheme net service cost</i>	3h	12,000	-	12,000	21,000
<i>Charitable activities expenditure</i>		192,815	689,171	881,986	918,358
Total expenditure		192,815	689,171	881,986	918,358
Net income / expenditure		(74,224)	(94,915)	(169,139)	(2,453)
Other recognised gains and losses					
<i>Actuarial gains on defined benefit pension schemes</i>	3m	9,000	-	9,000	51,000
Net movement in funds		(65,224)	(94,915)	(160,139)	48,547
Reconciliation of funds					
Total funds brought forward		1,077,859	467,637	1,545,496	1,496,949
Total funds carried forward	13, 14	1,012,635	372,722	1,385,357	1,545,496

The notes on pages 17 to 27, incorporating the Accounting Policies on pages 17 to 18, form part of these accounts.

The Statement of Financial Activities includes all gains and losses recognised in the year.



All amounts relate to continuing activities.

Southampton Voluntary Services
Balance Sheet as at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	<u>731,396</u>	760,864
Current assets			
Debtors	5	41,275	73,054
Cash at bank and in hand		<u>959,138</u>	1,085,622
		1,000,413	1,158,676
Liabilities			
Creditors: amounts falling due within one year	6	23,452	54,044
Net current assets		<u>976,961</u>	1,104,632
Total assets less current liabilities and Net assets excluding pension liability		1,708,357	1,865,496
Defined benefit pension scheme liability	3g	323,000	320,000
Net assets including pension liability		<u>1,385,357</u>	<u>1,545,496</u>
The funds of the charity			
Restricted funds	14	<u>372,722</u>	467,637
Unrestricted funds:			
Designated	13	1,295,729	1,295,729
General	13	39,906	102,130
Unrestricted income funds excluding pension reserve		<u>1,335,635</u>	1,397,859
Pension reserve	3g, 13	<u>(323,000)</u>	(320,000)
Total unrestricted funds	13	<u>1,012,635</u>	1,077,859
Total charity funds		<u>1,385,357</u>	<u>1,545,496</u>

The notes on pages 17 to 27, incorporating the Accounting Policies on pages 17 to 18, form part of these accounts.

These financial statements were approved by the Board on 2nd August 2017 and were signed 21st September 2017 on its behalf by:



K Liles **C Rogers**

Southampton Voluntary Services
Cash Flows as at 31 March 2017

Statement of Cash flows for the year ended 31st March 2017

	Note	2017 £	2016 £
Cash used in operations	17	(133,207)	56,658
Cash flows from investing activities			
Investment Income		6,723	6,624
Purchase of tangible fixed assets		-	(159,000)
Cash provided by (used in) investing activities		6,723	(152,376)
(Decrease)/Increase in cash and cash equivalents in the year		(126,484)	(95,718)
Cash & cash equivalents at the beginning of the year		1,085,622	1,181,340
Total Cash and cash equivalents at the end of the year		959,138	1,085,622

Southampton Voluntary Services

Notes to the Financial Statements for the year ended 31 March 2017(continued)

1 Accounting policies

1(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 (FRS102) (effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The charity is a public benefit entity and controlled by the Trustees to be a going concern.

1(b) Funds structure

Funds held by the charity are either:

- Unrestricted general funds - these are funds which can be used in accordance with the objects at the discretion of the trustees;
- Designated funds - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects; or
- Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are given for particular restricted purposes or where the funder requires any surpluses under services agreements to be retained for that specific project.

1(c) Income

Income from charitable activities arises solely in the UK and includes income received under grants, contracts and service level agreements. Amount related to future periods are shown as deferred income.

Incoming resources are recognised when the charity's entitlement to the resources is confirmed, it is probable that the resources will be received and they can be measured with reliability.

1(d) Expenditure – direct charitable, governance and support costs

Expenditure is recognised on an accruals basis.

Most expenditure is directly categorised as expenditure on charitable activities. The benefit of this direct categorisation of resources expended is that there is no unallocated expenditure or 'support costs'.

1(e) Tangible fixed assets

Tangible fixed assets are depreciated on a straight line basis over their estimated useful lives as follows:

Asset category	Useful life
Voluntary Action Centre (VAC)	40 years
Office & project equipment	5 - 20 years
Computer equipment	2 years

No depreciation is provided on the land element of the Voluntary Action Centre.

All assets of £1k are capitalised and full year depreciation is applied on year of acquisition.

1(f) Impairment of assets

Assets that are subject to depreciation are assessed at each reporting date to determine whether there is an indication that the assets are impaired. Where there is an indication that an asset may be impaired, an impairment loss is recognised for the amount by which the assets net book value exceeds its recoverable amount. The recoverable amount is the higher of its fair value or its value in use. As the assets are held for the charitable service potential to its beneficiaries, it is appropriate to regard value in its use as the assets service potential measured by its replacement value. The replacement cost is the lowest economic cost that would be incurred in replacing the assets service potential.

1(g) Pensions

Contributions to defined contribution schemes are charged to the SOFA in the year payable.

Southampton Voluntary Services

Notes to the Financial Statements for the year ended 31 March 2017(continued)

The difference between the fair value assets in the defined benefit pension scheme (see note 3) and the scheme liabilities measured on an actuarial basis are recognised in the Charity's balance sheet as a pension asset or liability as appropriate.

Changes in the defined benefit pension scheme asset or liability arising from factors other than the cash contribution by the charity are charged to the Statement of Financial Activities as charitable expenditure or other recognised gains and losses in accordance with FRS102.

1(h) Flow through funding

The charity deals with the onward payment of costs on behalf of some other organisations. These sums are excluded from both incoming and expended resources on the basis that they do not represent incoming or expended resources for the charity itself. The amount of flow through incoming and outgoing funds during the year were £176 (2016: £1,043) and £62.44 (2016: £2) respectively and the funding held at the year end was £22,824 (2016: £22,842).

1(i) Debtors

Trade and other debtors are recognised on the Statement for Financial Activities. Prepayments are valued and the amount prepaid.

1(j) Cash and Bank

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

1(K) Creditors and provisions

Creditors and pensions are recognised where the charity has the present obligation resulting from a past event 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.

1(l) Financial instruments

The charity has the financial assets or financial liabilities of a kind that qualify as basic financial instruments. The basic financial instruments are recognised at transaction value and recognised at their settlement value.

1(m) Judgements and applying accounting policies and key sources of estimation uncertainty.

In preparing these financial statements, the directors have made the following judgements

- Determine whether there are indicators of impairments if fixed assets. Factors taken into consideration in reaching a decision include the service potential of the property and its underlying replacement cost.

In preparing the accounts key areas of estimation have been made

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and the residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as charitable use and maintenance programmes are taken into account.
- A provision is made for the deficit arising on the charity's share of the Local Government Pension Scheme. The trustees review the underlying actuarial assumptions and make the appropriate judgments and changes required as suitable to the charity.

2 Related party disclosures

2(a) Control of the charity

Throughout the year, the charity was controlled ultimately by its members who meet annually at the Annual General Meeting. The directors elected by the members govern the affairs of the charitable company between Annual General Meetings.

2(b) Directors / trustees remuneration and expenses

No remuneration was paid to any directors / trustees in the year and no director / trustee waived the right to any remuneration in the year. Trustee expenses have been reimbursed in the year to the value of Nil (2016: £34).

2(c) Other related party transactions

Transactions with the directors / trustees directly are set out above. Apart from that, some members of the Executive Committee are involved in other organisations which naturally interact with Southampton Voluntary Services including nominated representatives of Southampton City Council as shown on page 1. However, any

Southampton Voluntary Services

Notes to the Financial Statements for the year ended 31 March 2017(continued)

goods, grants or services received or supplied are on normal terms and conditions. Neither the members concerned nor Southampton Voluntary Services receive any material pecuniary advantage from any such relationships. Revenue funding from the council amounted to £437,632 (2016: £477,732) Cash paid to Southampton city council amounted to £9635 (2016: £9,678). Balances included in debtors are £22,162 (2016: £47,658) & creditors are £82 (2016: £nil).

3 Pension disclosures

Two of the permanent employees of this charity are members of the Hampshire County Council pension fund. This is a contributory defined benefit pension scheme. The detailed disclosures in connection with this fund required by FRS 102 are given below, and the impact of including FRS 102 in these accounts is commented on in the Trustees Report.

The remaining SVS staff are not admitted to the HCC scheme and have been offered stakeholder pensions since October 2001. Since April 2009 staff have been offered the opportunity to benefit from matched pension contribution funding whereby SVS match employee contributions to the stakeholder scheme up to 3% pa.

FRS 102 disclosures

3(a) Introduction

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 (the "LGPS"). The funded nature of the LGPS requires Southampton Voluntary Services and its employees to pay contributions into the Fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The fund is a multi-employer scheme and the assets are not formally allocated to the employers within the fund and are not the legal property of any employer in the Fund. The assets of the group are notionally allocated to the group in proportion to each members liabilities in the latest funding valuation. The notional asset is updated following each triennial actuarial valuation. In the intervening years the valuation is rolled forward based upon the known and estimated investment returns since the valuation and known and estimated cashflows used to roll forward the value of the liabilities since the valuation. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projection unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to scheme liabilities. The actuarial valuations are obtained triennially and are updated at the balance sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet. For the defined contribution schemes the amounts charged to the statement of comprehensive income in respect of pension costs and other post-retirement benefits represent the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

In accordance with Financial Reporting Standards, disclosures of certain information concerning assets, liabilities, income and expenditure relating to pension schemes is required.

3(b) Contributions for the accounting period ending 31 March 2018

The Employer's regular contributions to the Fund for the accounting period ending 31 March 2018 are estimated to be £17k.

Additional contributions may also become due in respect of any employer discretions to enhance members' benefits in the Fund over the next accounting period.

3(c) Assumptions

The latest actuarial valuation of Southampton Voluntary Services' liabilities took place as at 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 actuary in updating the latest valuation of the Fund for FRS 102 purposes were:

3(d) Key assumptions (% per annum)

	2017	2016	2015
Discount rate for liabilities	2.5	3.3	3.2
RPI Inflation	3.1	2.8	-
CPI Inflation	2.0	1.7	-
Pension Increases	2.0	1.7	1.8

Southampton Voluntary Services

Notes to the Financial Statements for the year ended 31 March 2017(continued)

Pension accounts revaluation rate	2.0	1.7	1.8
Salary increases	0.8	0.5	1.5

3(e) Mortality assumption

The mortality assumptions are based on the recent actual mortality experience of member within the Fund and allow for expected future mortality improvements. Sample life expectancies resulting from these mortality assumptions are shown below.

	2017	2016
Males		
Member aged 65 at accounting date	24.0	24.6
Member aged 45 at accounting date	26.0	26.7
Females		
Member aged 65 at accounting date	27.0	26.4
Member aged 45 at accounting date	29.3	28.7

3(f) Asset allocation

The approximate split of assets 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 FRS17.

Value % per annum

	2017	2016	2015	2014	2013
Equities	60.3	56.3	57.8	60.8	57.6
Property	6.5	8.2	8.0	7.5	7.8
Government Bonds	25.2	25.7	25.4	23.6	24.9
Corporate Bonds	1.4	2.1	1.6	1.6	1.3
Cash	3.4	4.7	3.7	3.8	2.3
Other	3.2	3.0	3.5	2.7	6.1
Total	100.0	100.0	100.0	100.0	100.0

3(g) Reconciliation of funded status to balance sheet

	2017	2016	2015
	£000	£000	£000
Fair value of assets	1,077	933	919
Present value of liabilities	1,400	1,253	1,270
Pension asset/(liability)	(323)	(320)	(351)

The split of liabilities at the last valuation date between the various categories of members was as follows:-

Active Members	60%
Deferred Pensioners	8%
Pensioners	32%

3(h) Amount recognised in income statement

	2017	2016
	£000	£000
Current service cost	18	24
Past service cost	0	0
Interest cost	43	42
Interest income on assets	(31)	(29)
Curtailment cost	0	0
Settlement cost	0	0
Expense recognised	30	37
Expense recognised in:		
Charitable activities – general expenditure	18	16
Charitable activities – pension scheme net service cost	12	21
	30	37

Southampton Voluntary Services

Notes to the Financial Statements for the year ended 31 March 2017(continued)

3(i) Changes to the present value of the defined benefit obligation

	2017 £000	2016 £000
Opening defined benefit obligation	1,253	1,270
Current service cost	18	24
Interest expense on defined benefit obligation	43	42
Contributions by participants	5	5
Actuarial (gains)/losses on liabilities	103	(66)
Net benefits paid out	(22)	(22)
Closing defined benefit obligation	1,400	1,253

3(j) Changes to the fair value of assets

	2017 £000	2016 £000
Opening fair value of assets	933	919
Interest income on assets	31	29
Remeasurement gains/(losses) on assets	112	(15)
Contributions by the employer	18	17
Contributions by participants	5	5
Net benefits paid out	(22)	(22)
Closing fair value of assets	1,077	933

3(k) Actual return on assets

	2017 £000	2016 £000
Interest Income on assets	31	29
Actuarial gains/(losses) on assets	112	(15)
Actual return on assets	143	14

3(l) History of asset values, present value of liabilities and gains/(losses)

	2017 £000	2016 £000	2015 £000	2014 £000	2013 £000
Fair value of assets	1,077	933	919	813	755
Present value of liabilities	1,400	1,253	1,270	1,186	1,211
Deficit	(323)	(320)	(351)	(373)	(456)

3(m) Amount recognised in as actuarial gains in pension scheme

	2017 £000	2016 £000
Asset gains/(losses) in the year	112	(15)
Liability losses/(gains) in the year	103	(66)
Amount recognised in SOFA	9	51

4 Tangible fixed assets

	Voluntary Action Centre £	Office & project equipment £	Computer equipment £	Total £
Cost:				
As at 1 April 2016	1,220,093	151,767	119,635	1,491,495
Additions	-	-	-	-
As at 31 March 2017	1,220,093	151,767	119,635	1,491,495

Southampton Voluntary Services

Notes to the Financial Statements for the year ended 31 March 2017(continued)

Depreciation:

As at 1 April 2016	474,959	136,036	119,635	730,631
Charged in the year	26,527	2,942	-	29,468
As at 31 March 2017	501,486	138,978	119,635	760,099

Net book value:

As at 1 April 2016	745,134	15,730	-	760,864
As at 31 March 2017	718,607	12,789	-	731,396

All fixed assets are held at historic cost. Included in Voluntary Action Centre is £159,000 of freehold land which has not been depreciated.

5 Debtors

	2017	2016
	£	£
Grants receivable	32,677	60,863
Other debtors	8,598	12,191
	41,275	73,054

All amounts are due within one year from the balance sheet date.

6 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	9,000	38,791
Accruals	14,452	15,253
	23,452	54,044

Lessee

SVS had minimum lease payments under non-cancellable photocopier leases as set out below

	2017	2016
	£	£
Not later than 1 Year	2,325	2,325
Later than 1 year	-	2,325
	2,325	4,650

7 Analysis of Net Assets between funds

		Fixed assets	Net current assets / (liabilities)	Pension scheme liability	Total
		£	£	£	£
Restricted funds	14	-	372,722	-	372,722
Unrestricted funds:					
Designated funds	13	718,607	577,122	-	1,295,729
General funds	13	12,789	27,117	-	39,906
Pension reserve	3g	-	-	(323,000)	(323,000)
At 31 March 2017		731,396	976,961	(323,000)	1,385,357

		Fixed assets	Net current assets / (liabilities)	Pension scheme liability	Total
		£	£	£	£
Restricted funds	14	809	466,828	-	467,637
Unrestricted funds:					
Designated funds	13	745,134	550,595	-	1,295,729
General funds	13	14,291	87,209	-	102,130
Pension reserve	3g	-	-	(320,000)	(320,000)
At 31 March 2016		760,864	1,104,632	(320,000)	1,545,496

Southampton Voluntary Services

Notes to the Financial Statements for the year ended 31 March 2017(continued)

8 Net income / (expenditure) for the year

	2017 £	2016 £
Net income / (expenditure) for the year is stated after charging:		
Depreciation	29,468	30,323
Auditors' remuneration (including VAT): - audit	6,000	6,000

9 Staff Costs

	2017 £	2016 £
Salaries and wages	442,060	440,635
Social security costs	33,913	31,844
Pension costs:		
HCC Pension Fund – cash basis	18,126	16,017
- additional service costs	-	8,000
Stakeholder scheme – matched contributions	4,291	3,686
	498,390	500,182

No employees received remuneration in excess of £60,000 (2016: nil).

Key Management personnel costs comprise of the Chief Executive Officer, the Deputy Chief Executive Officer and the Finance Controller. The total costs for key management was £141,089

No accrual is made for Holiday pay as the holiday year runs concurrently with the financial year.

The average number of full time equivalent employees analysed by function was:

	2017	2016
Project workers	15	15
Management and administration	5	5
	20	20

10 Income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Unrestricted income:				
Southampton City Council	92,774	-	92,774	92,774
Seed office	19,094	-	19,094	13,668
Restricted income (note 14):				
Voluntary Sector Support Team	-	357,740	357,740	541,549
Family Projects	-	-	-	-
Morph	-	47,665	47,665	48,650
Safe in Sound	-	-	-	-
Shopmobility	-	46,926	46,926	46,213
Young Carers	-	141,925	141,925	166,156
	111,868	594,256	706,124	909,010

11 Investment income

All of the charity's investment income arises from interest bearing deposit accounts.

Southampton Voluntary Services

Notes to the Financial Statements for the year ended 31 March 2017(continued)

12 Expenditure

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Core management & support costs	180,815	-	180,815	133,841
Restricted expenditure (note 14):				
Voluntary Sector Support Team	-	391,297	391,297	559,885
Family Projects	-	211	211	-
Morph	-	53,329	53,329	59,058
Safe in Sound	-	17,358	17,358	-
Shopmobility	-	59,610	59,610	55,424
Young Carers	-	167,366	167,366	200,150
	180,815	689,171	869,986	1,008,358

13 Unrestricted funds

	Note	At 1 Apr 2016	Movement	Transfers	At 31 Mar 2017
		£	£	£	£
<u>Designated funds</u>					
VAC		745,134	-	(26,527)	718,607
Property		324,959	-	26,527	351,486
Staffing reserve		142,636	-	-	142,636
Building maintenance		30,000	-	-	30,000
Computer and office equipment		20,000	-	-	20,000
Legal		33,000	-	-	33,000
		1,295,729	-	-	1,295,729
<u>General funds</u>					
General reserve		102,130	(62,224)	-	39,906
<u>Other funds</u>					
Pension reserve	3g	(320,000)	(3,000)	-	(323,000)
Total unrestricted funds		1,077,859	(65,224)	-	1,012,635

	Note	At 1 Apr 2015	Movement	Transfers	At 31 Mar 2016
		£	£	£	£
<u>Designated funds</u>					
VAC		612,661	-	132,473	745,134
Property		298,432	-	26,527	324,959
Staffing reserve		142,636	-	-	142,636
Building maintenance		30,000	-	-	30,000
Computer and office equipment		20,000	-	-	20,000
Legal		33,000	-	-	33,000
		1,186,729	-	159,000	1,295,729
<u>General funds</u>					
General reserve		171,634	(504)	(69,000)	102,130
<u>Other funds</u>					
Pension reserve	3g	(351,000)	31,000	-	(320,000)
Total unrestricted funds		957,363	30,496	90,000	1,077,859

The VAC depreciation reserve was set up when the Voluntary Action Centre was built in 2003 and represents the remaining net book value of the VAC. Each year a transfer is made to release from the reserve into the Property fund an amount equal to the annual property depreciation. The total of these two reserves equates to the cost price of the VAC less impairment provisions.

Southampton Voluntary Services

Notes to the Financial Statements for the year ended 31 March 2017(continued)

The other designated reserves are funds set aside for specific purposes essential for the future operation of the charity in the short to medium term. Transfers are made between these funds and the general reserve as required. The Pension reserve was set up as a result of the implementation of SORP 2005 and continued under SORP 2015. This introduced the new heading of "Defined benefit pension scheme liability" into the assets and liabilities section of the balance sheet, matched by the introduction of a specific negative Pension reserve in unrestricted funds.

14 Restricted funds

	At 1 Apr 2016	Incoming resources	Outgoing resources	Transfers	At 31 Mar 2017
	£	£	£	£	£
Voluntary Sector Support					
Community development /capacity building	72,579	24,231	(17,409)	-	79,401
Health	15,532	2,500	(2,144)	-	15,888
Voluntary sector training	61,962	34,640	(34,640)	-	61,962
Community Roots	19,082	16,544	(13,122)	-	22,504
Lovells	-	6,900	(6,900)	-	-
Healthwatch consultation	88,458	177,277	(209,862)	-	55,873
Fairness Commission	3,043	-	(296)	-	2,747
Big Local & SO18	25,899	77,612	(79,583)	-	23,928
Pippa	475	18,036	(16,411)	-	2,100
VAC contributions	40,000	-	(10,930)	-	29,070
<i>Total – Voluntary Sector Support Team</i>	<i>327,030</i>	<i>357,740</i>	<i>(391,297)</i>	<i>-</i>	<i>293,473</i>
Projects					
Family Projects – General fund	-	-	-	-	-
Family Projects – Charitable and other funds	1,136	-	(211)	-	925
<i>Subtotal – Family Projects</i>	<i>1,136</i>	<i>-</i>	<i>(211)</i>	<i>-</i>	<i>925</i>
Morph – General fund	30,419	45,000	(53,329)	-	22,090
Morph – Charitable and other funds	20,513	2,665	-	-	23,178
<i>Subtotal – Morph</i>	<i>50,932</i>	<i>47,665</i>	<i>(53,329)</i>	<i>-</i>	<i>45,268</i>
Safe in Sound – General fund	-	-	-	-	-
Safe in Sound – Charitable and other funds	17,358	-	(17,358)	-	-
<i>Subtotal – Safe in Sound</i>	<i>17,358</i>	<i>-</i>	<i>(17,358)</i>	<i>-</i>	<i>-</i>
Shopmobility – General fund	-	30,268	(30,268)	-	-
Shopmobility – Charitable and other funds	17,267	16,658	(29,342)	-	4,583
<i>Subtotal – Shopmobility</i>	<i>17,267</i>	<i>46,926</i>	<i>(59,610)</i>	<i>-</i>	<i>4,583</i>
Young Carers – General fund	-	89,950	(89,950)	-	-
Young Carers – Charitable and other funds	49,835	51,975	(77,416)	-	24,394
<i>Subtotal – Young Carers</i>	<i>49,835</i>	<i>141,925</i>	<i>(167,366)</i>	<i>-</i>	<i>24,394</i>
<i>Total – Projects</i>	<i>136,528</i>	<i>236,516</i>	<i>(297,874)</i>	<i>-</i>	<i>75,170</i>
Transport grant funds	4,079	-	-	-	4,079
<i>Subtotal – Other projects</i>	<i>4,079</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>4,079</i>
	<i>467,637</i>	<i>594,256</i>	<i>(689,171)</i>	<i>-</i>	<i>372,722</i>

Southampton Voluntary Services

Notes to the Financial Statements for the year ended 31 March 2017(continued)

	At 1 Apr 2015 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 Mar 2016 £
Voluntary Sector Support					
Community development /capacity building	56,357	34,261	(18,039)	-	72,579
Health	17,382	74,379	(76,229)	-	15,532
Voluntary sector training	61,962	34,640	(34,640)	-	61,962
Community Roots	10,938	21,249	(13,105)	-	19,082
Lovells	11,655	17,680	(29,335)	-	-
Healthwatch consultation	71,392	200,000	(182,934)	-	88,458
Healthwatch Patient Event	-	10,000	(10,000)	-	-
Fairness Commission	8,088	-	(5,045)	-	3,043
Navigator	233	20,000	(20,233)	-	-
Big Local & SO18	1,209	84,615	(59,925)	-	25,899
Pippa	-	4,725	(4,250)	-	475
Regional Healthwatch	16,150	-	(16,150)	-	-
VAC contributions	90,000	40,000	-	(90,000)	40,000
Total – Voluntary Sector Support Team	345,366	541,549	(469,885)	(90,000)	327,030
Projects					
Family Projects – General fund	-	-	-	-	-
Family Projects – Charitable and other funds	1,136	-	-	-	1,136
Subtotal – Family Projects	1,136	-	-	-	1,136
Morph – General fund	43,477	46,000	(59,058)	-	30,419
Morph – Charitable and other funds	17,863	2,650	-	-	20,513
Subtotal – Morph	61,340	48,650	(59,058)	-	50,932
Safe in Sound – General fund	-	-	-	-	-
Safe in Sound – Charitable and other funds	17,358	-	-	-	17,358
Subtotal – Safe in Sound	17,358	-	-	-	17,358
Shopmobility – General fund	-	30,268	(30,268)	-	-
Shopmobility – Charitable and other funds	26,478	15,945	(25,156)	-	17,267
Subtotal – Shopmobility	26,478	46,213	(55,424)	-	17,267
Young Carers – General fund	-	90,263	(90,263)	-	-
Young Carers – Charitable and other funds	83,829	75,893	(109,887)	-	49,835
Subtotal – Young Carers	83,829	166,156	(200,150)	-	49,835
Total – Projects	190,141	261,019	(314,632)	-	136,528
Transport grant funds	4,079	-	-	-	4,079
Subtotal – Other projects	4,079	-	-	-	4,079
	539,586	802,568	(784,517)	(90,000)	467,637

All of the above funds arise from income received from specific funders for particular purposes and unspent monies have been held for those projects.

15 Government grants

Income from government grants comprises performance related grants by the local authority to the fund the core activities and projects during the year. See note 2 for more information and to the amount and source of the grants.

Southampton Voluntary Services

Notes to the Financial Statements for the year ended 31 March 2017(continued)

16 Corporation Tax

The charity is exempt for tax on income and grants falling within Taxes Act to the extent that there are applied to its charitable objects.

17 Reconciliation of net movement in funds to the net cash flow from operating activities

	2017 £	2016 £
Net Movement in funds	(160,139)	48,547
Add back depreciation charge	29,468	30,322
Less Investment income	(6,723)	(6,624)
Decrease/(Increase) in debtors	31,779	5,300
Increase/(decrease) in creditors	(30,592)	10,113
Increase/(decrease) in pension liability	3,000	(31,000)
Net cash used in operating activities	(133,207)	56,658

18 Financial Instruments

	2017 £	2016 £
Financial assets		
Financial assets that are measured at amortised cost	993,512	1,152,703
Financial liabilities		
Financial liabilities measured at amortised cost	23,452	54,044

