

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

**Trustees Report and Financial Statements  
For the Year Ended 31 March 2019**

Charity number 1068350  
Company number 3515397

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

**Trustees Report and Financial Statements**  
**for the year ended 31 March 9**

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## **Southampton Voluntary Services**

### **Report of the Executive Committee for the year ended 31 March 2019**

The Executive Committee presents its report and the audited financial statements for the year ended 31 March 2019

#### **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

#### **Executive Committee**

The following, who are considered directors for the purposes of Company law and Trustees for the purposes of Charity law, 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)	(Resigned 03-05-2018)
T Bell (nominated SCC)	(Appointed 01-08-2019)
J Noon (nominated SCC)	
M J Carnegie	
P C Keeley*	
S P Mantle	
D G Wrighton	
A Sasso	(Appointed 19-06-2019)

#### **Ex-officio representative**

In addition to the directors listed above the following person is invited to attend Executive Committee meetings as an ex-officio representative:

Vacant Southampton CCG

\* Denotes member of Finance Sub-committee

#### **Company secretary**

J Ash CBE

#### **Independent Examiner**

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

#### **Bankers**

The Royal Bank of Scotland, 156 High Street, Southampton SO14 2NP  
Barclays Bank UK plc, Eastleigh Bus Ctr, 20-25 Upper Market Street, Eastleigh, SO50 9FD  
Clydesdale Bank plc, Bering House, Mariner Court, Clydebank G81 2NR  
Allied Irish Bank (GB), Direct Banking, PO Box 73306, London, W5 9PB

#### **Solicitor**

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

# Southampton Voluntary Services

Report of the Executive Committee for the year ended 31 March 2019 (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 focused 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 in early 2013. 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.

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;

## Southampton Voluntary Services

### Report of the Executive Committee for the year ended 31 March 2019 (continued)

- **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;
- **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 “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.
  - **Shopmobility:** Provision of wheelchairs and scooters to people with limited mobility enabling them to access the city centre and access shops, amenities and services independently;

#### Summary Review of the Year

During the period covered by this report 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019 SVS concluded its 50<sup>th</sup> year of service in the city in February 2019 with a display of work by our services and members called SO:GOOD:50. However, despite the positive achievements in voluntary sector support, development work and services to the public over the past half century this has been the year of greatest uncertainty ever in our work, and indeed for our future continuation, with our main grant funding for core voluntary sector support work due to come to an end under SCC long standing grants review process.

Throughout the year we awaited the issue of the timetable and tender specification for SCC Community Solutions contract which was to combine Community Development work, which is SVS core business, with Community

## Southampton Voluntary Services

### Report of the Executive Committee for the year ended 31 March 2019 (continued)

Navigation services for individuals - the outcome of which would largely determine whether or not SVS has a sustainable future

This was issued in Feb 2019, coinciding with the end of our 50<sup>th</sup> year, with a return date in April 2019 and decision to follow that so this report was initially prepared as we were embroiled in the work to negotiate and build a partnership with other local organisations, draft the detailed method statements and submit our bid and we concluded this year right in the midst of that work.

It is with some delight and considerable relief that we are able to update this report post initial drafting to report that in late June 2019 we had a successful outcome to our bid which will see the launch of the new integrated **SO:Linked** service from 1<sup>st</sup> October 2019.

SVS will be the lead contractor and will work in formal subcontracting arrangements with 5 local partner organisations – Spectrum CIL, Solent Mind, Alzheimer's Society, TWICS and Social Enterprise Link, as well as with a broader array of other local voluntary, community and social enterprise sector organisations (VCSE) together with public and private sector partners and stakeholders, so now look forward enthusiastically to our 51<sup>st</sup> year and beyond "Promoting Voluntary Action" in the city and 'Supporting Southampton People and Communities' through volunteering and VCSE sector support and development.

Despite the inevitable focus and considerable time that we have had to spend responding to the uncertainty in terms of scenario planning and bid writing we have still sustained a broad range of voluntary sector support activity throughout the year

- working one to one with groups on issues, concerns and developments
- offering trustee training and development sessions
- promoting volunteering opportunities and good practice in the city
- convening one off briefings, specialist network meetings and the voluntary sector First Friday Forums which have become increasing well attended and lively arenas for information sharing, networking, discussion and debate of issues impacting on the VCSE sector.

We have also reflected VCSE sector views in key cross sector strategic and operational groups in the city and participation helps us keep our sector informed and briefed about their key developments, challenges and opportunities whilst also raising issues on behalf of our beneficiaries and helping make links for collaborative working potential between public, private and voluntary sector partners to make best use of our scarce resources to tackle shared issues and challenges in the city.

This includes on Better Care integration work in the city and other health and wellbeing issues, around Safeguarding children and adult issues, Community Safety and cohesion issues, Homelessness, on Hate Crime, Domestic abuse as well as cultural developments such the Mayflower 400 steering group input on volunteering and potentially to the developing City of Culture bid.

Our voluntary sector support work continues to be informed by and follow the best practice guidance and quality accreditation requirement of our national bodies NAVCA and NCVO to which we contribute local sector perspective to national policy issues. We were pleased to secure NAVCA support and resources for some sector IT and digital specialist support during the year as this is an area where knowledge, expertise and capacity is generally very limited across the VCSE sector and, despite its centrality to all we now do and how we operate, there is a definite lag and deficit in this area across the sector and this is an area where we would like to look to further future collaborative work with public and private sector partners to tap their expertise and resource to support smaller organisations.

#### **Key Themes of the Year**

Key themes resonate with 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** – continuing to build trust with statutory partners through newly emerging structures, enabling VCS organisations to come together to form partnerships;
- **Technology** – making the best use of technology to drive efficiency;

# Southampton Voluntary Services

## Report of the Executive Committee for the year ended 31 March 2019 (continued)

- **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;
- **Increased need** – from our member organisations and also from public need on services;
- **Uncertainty** – regarding future public sector structural changes and funding;
- **Competition** – a tendering culture has acted as a barrier to some collaborations between VCS organisations, whilst driving others forward;

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:**

- 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, Safeguarding, Volunteers Management to Assessing Risks and Fire Safety.
- Supported the grant giving SO18 Big Local Partnership as the "Trusted Local Organisation". In this role SVS supports local people by administering the payment of procured services to the SO18 area.
- Offered more in-depth support to groups who are in crisis, where capacity allows.
- We recorded 7691 interactions with VCSE organisations.

#### **Representing the sector:**

- The monthly SVS Friday Forum is our main meeting place for the sector, where we are able to better understand their views and experiences. Each month a different theme is chosen, with input from our members. Topics over the last year have included Youth Work in the city, NHS future plans, trans-gender issues, City Planning, new technology and many others. Attendance is strong, with 20-30 groups attending each meeting.
- This engagement enables SVS give a voluntary sector perspective to local strategic networks, including Southampton Connect, Southampton Safe City Partnership, both Children and Adults Safeguarding Boards, The Better Care Board. Southampton Health & Wellbeing Board, does not have a primary voluntary sector representative - an anomaly SVS has been strongly advocating to be rectified; however we are able to feed in through the Healthwatch Southampton member.
- We continue a national connection through our involvement with both NCVO and NAVCA.

#### **Partnerships:**

- SVS continues to encourage collaboration, and work in partnership with other organisations and sectors. This includes partnerships with business, as is the case with SVS Community Roots Project, and by working closely with Go Southampton and Southampton Chamber of Commerce as well as on social purpose business development with colleagues at Social Enterprise Link.
- Collaboration between voluntary sector organisations is all the more important in times of scarce resources. This need for greater collaboration between local organisations has been strongly articulated through SCC, and external funders, such as the National Lottery Community Fund. To this end we have been raising the issue throughout the year, with SVS Friday Forum's providing a platform for local organisations to make connections and begin collaborative endeavours.
- SVS have been involved in the delivery of 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 Yellow Door. SVS has provided a voluntary sector training coordinator post, which has unfortunately come to an end as of 31<sup>st</sup> March 2019.
- 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.
- Our involvement as a subcontractor in Southampton Healthy Living has also come to an end with cessation of the service and SCC exploring other ways of providing health behaviour change support in the city.

## **Southampton Voluntary Services**

### **Report of the Executive Committee for the year ended 31 March 2019 (continued)**

- A key partnership initiative of the year was the establishment of the Southampton Street Support Action Group a follow through from the earlier “Beds, Business and Begging” conference, which drew together voluntary, business, statutory and faith sectors to plan joint action on the city’s growing homelessness and begging problems. This cross sector alliance has continued and is leading to better co-ordination between agencies, fundraising from the public and the development of the Street Support Southampton website.
- In order to bid for the SCC community development and navigation tender SVS led a partnership of five local organisations to shape the successful bid, which will go live in October 2019.

#### **Volunteering**

- The new SVS volunteering brokerage system, designed through SVS salesforce CRM and delivered through SVS website has been highly successful, and is enabling us to track and follow up on volunteers’ journeys, so we can improve their overall experience
- We continue to meet prospective volunteers face-to-face through weekly drop-in sessions at SVS, and evening and weekend outreach sessions to central library.
- We have targeted students through a series of events at both Southampton and Solent University, during Student Volunteers Week.
- We have delivered a series of events at community venues and libraries across the city to raise awareness and encourage participation through volunteering.
- Continued to celebrate volunteers who have made a contribution of 100 hours through a certificate ceremony in the Mayor’s Parlour.
- Made 1255 volunteer referrals and processed 874 volunteer enquiries, a small increase on the previous year which given current high employment rates in the city is encouraging and demonstrates our ongoing work in this area.

#### **SVS Services to the Public**

SVS Services to the public support people across the city to transform their lives, have their voices heard, and manage their problems with support. 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 have been developed in partnership to meet local needs, which have not been addressed by other organisations or interventions. They bring added value to the local system and have not been developed in 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, 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: 97% feel the project helps their personal wellbeing, 90% feel the project has helped them adjust to change, and 100% feel the project has created a positive life impact. The 24 supported volunteers have contributed 1562 hours to the project across the year. The project is a partnership with local hospitality group The Ideal Collection.

**Healthwatch Southampton** – Healthwatch Southampton (HWS) 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 care services, helps with issues that may be affecting their care, provides information and signposting, and offers independent advocacy in complaints about health services. The project is delivered through a core team of five part-time workers, over twenty volunteers and a sub-contract with SEAP. Over the past year 1430 people have shared their health and care stories, over 14,000 visitors have accessed information through our website, and staff have visited 71 health and care facilities and community events. In terms of strategic work, HWS has focused on mental health services, GP services, social care and the transformation of local service. HWS is commissioned by SCC and is in year one of a five year contract that was awarded, following a tender, in July 2018.

**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, over a third of whom spend over £50 per city centre visit. 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. This year the project has made a total of 2795 hires. Customer satisfaction is high, with over 90% rating the services as good or excellent.



# Southampton Voluntary Services

## Report of the Executive Committee for the year ended 31 March 2019 (continued)

### 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.

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 2018 provisional median earnings from ASHE by Office of National Statistics. This means the sum of **5184** volunteer hours contributed by approximately **60** volunteers is equivalent to **£77,427**; 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 £6,601 (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 £86,342 (2018: increase £32,795).

Restricted reserves for SVS Services decreased in the year by £80,190 (2018: decrease £38,319) this is largely due to the continual reduction in funding and the closure of services provided. 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.

Our continued requirement to recognise the deficit in the pension scheme has resulted in a decrease of liability £73,000 (2018: decrease £5,000) for the Hampshire County Council ("HCC") Pension Fund. Net service cost £9,000 (2018: £9,000) (in addition to £16,017 (2018: £16,017) of normal contributions) and a gain of £80,000 relating to the total actuarial assumptions. (2018: gain £15,000).

The net movement in funds was £6,741 (2018:£44,391).

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 £245,000 (2018: £318,000). **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 £509,558 compared with £749,492 for 2018, a decrease of c32%. Total resources expended amounted to £596,299, a decrease of c26% compared with the previous year's figure of £808,883. Total funds at the year end amounted to £1,334,225 (2018: £1,340,966) which is made up as follows:

		2019	2018
	£	£	
Restricted reserves	- <i>held for future project expenditure</i>	248,061	334,403
Designated reserves	- <i>set aside for VAC depreciation and for essential future operating expenses</i>	1,295,729	1,295,729

## Southampton Voluntary Services

### Report of the Executive Committee for the year ended 31 March 2019 (continued)

General reserves	- see below	35,435	28,834
Pension reserve	- as discussed above	(245,000)	(318,000)
Total funds		1,334,225	1,340,966

General reserves now stand at £35,435 (2018: £28,834). The increase of £6,601 comprises the unrestricted surplus before actuarial gains of £73,000 which are accounted within the Pension reserve movement. As shown below, general reserves are in the form of current assets (63%) and fixed assets (37%) which will be depreciated over future years:

	2019 £	2018 £
Fixed assets	8,525	10,657
Current assets – free reserves	26,910	18,177
Total general reserves	35,435	28,834

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

SVS welcomes donations and in kind contributions from business and other supporters, especially with respect to our service delivery work to the public. SVS undertakes limited fundraising from the general public to support its voluntary sector support work where it is compatible with our aims and supportive to the 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.

The Charity conducts all of its fundraising activity in line with the Fundraising Regulator Code of Fundraising Practice and is pleased to confirm that it has received no complaints in relation to its fundraising activity over the course of the 2018-19 year.

#### 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 four 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. The individual salaries of senior staff members still remain lower than £60,000.

## Southampton Voluntary Services

### Report of the Executive Committee for the year ended 31 March 2019 (continued)

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.

As at the 31<sup>st</sup> March 2019 we calculated our gender pay gap as follows:-

Median and mean male & female hourly earnings :-

	Male Hly Earnings	Female Hly earnings	Difference	Single Figure Pay gap %
<b>Median</b>	18.58	14.94	3.64	19.6%
<b>Mean</b>	18.58	18.06	0.52	2.8%

Mean male & female hourly earnings by quartile:-

	Mean Male Hly earnings	Mean Female Hly earnings	Difference	Mean single figure pay gap %	% Male	% Female
<b>Quartile 1</b>	0	27.80	-27.80	-	0%	100%
<b>Quartile 2</b>	18.58	0	18.58	-	100%	0%
<b>Quartile 3</b>	0	14.94	-14.94	-	0	100%
<b>Quartile 4</b>	0	11.43	-11.43	-	0%	100%

#### 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 has 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 1<sup>st</sup> April 2019, 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 £26,910 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 expenditure. The present level of free restricted reserves, being restricted reserves excluding those represented by

## Southampton Voluntary Services

### Report of the Executive Committee for the year ended 31 March 2019 (continued)

fixed assets, is £248,061. 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 **470 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. The new Charity Commission guidance was used to prepare and review the risk assessment.

The key risks identified in the 2019 risk assessment exercise were broadly in line with the previous reviews with an additional focus remaining on data security and safety in the light of GDPR implementation:

- 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 poverty and social exclusion, high deprivation and an increasing strain on SVS's scarce resources including capacity to fully harness changes in the volunteering profile and 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 2019 (continued)

- reliance on key staff and impact on organisational memory in case of leaving;
- data security and safety; risk of cyberattack and potential for inadvertent breaches of GDPR when implemented

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 and nominated 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 eleven 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 a 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.

#### **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.

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

## **Southampton Voluntary Services**

### **Report of the Executive Committee for the year ended 31 March 2019 (continued)**

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

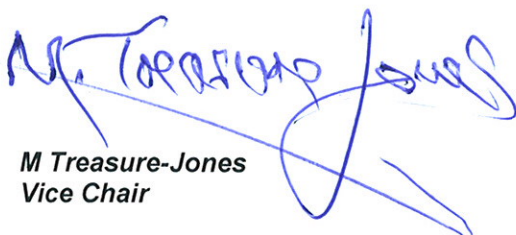
Members of the Executive Committee, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

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 auditor is 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 auditor is 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 29<sup>th</sup> August 2019 and signed on its behalf by:



**M Treasure-Jones**  
Vice Chair



**C Rogers**  
Treasurer

# **Southampton Voluntary Services**

## **Independent Examiner's Report to the Trustees of Southampton Voluntary Services**

### **INDEPENDENT EXAMINER REPORT TO THE TRUSTEES OF SOUTHAMPTON VOLUNTARY SERVICES**

I report to the charity's Trustees on the accounts of the company for the year ended 31 March 2019, which are set out on pages 14-27.

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 31 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity's trustees as a body, for my work, for this report, or for the statement I have made.

#### **Responsibilities and basis for report**

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

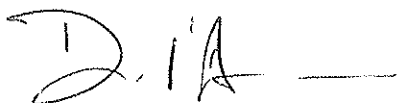
Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

#### **Independent examiner's statement**

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies. I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



**David I'Anson ACA**

*Institute of Chartered Accountants in England and Wales  
BDO LLP, Chartered Accountants,  
Southampton,  
United Kingdom*

Date: 29 April 2019.

# Southampton Voluntary Services

## Independent Examiner's Report to the Trustees of Southampton Voluntary Services

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income</b>					
<i>Income from charitable activities</i>	10	<b>145,058</b>	<b>360,937</b>	<b>505,995</b>	744,352
<i>Income from other generated funds:</i>					
Investment income	11	<b>2,459</b>	-	<b>2,459</b>	2,627
Other income		<b>1,104</b>	-	<b>1,104</b>	2,513
		<b>3,563</b>	-	<b>3,563</b>	5,140
<b>Total income</b>	19	<b>148,621</b>	<b>360,937</b>	<b>509,558</b>	749,492
<b>Expenditure</b>					
<i>Charitable activities:</i>					
General expenditure	12	<b>140,020</b>	<b>447,279</b>	<b>587,299</b>	799,883
Pension scheme net service cost	3h	<b>9,000</b>	-	<b>9,000</b>	9,000
Charitable activities expenditure		<b>149,020</b>	<b>447,279</b>	<b>596,299</b>	808,883
<b>Total expenditure</b>	19	<b>149,020</b>	<b>447,279</b>	<b>596,299</b>	808,883
<b>Net (expenditure)</b>		<b>(399)</b>	<b>(86,342)</b>	<b>(86,741)</b>	(59,391)
<b>Other recognised gains and losses</b>					
<i>Actuarial gains on defined benefit pension schemes</i>	3m	<b>80,000</b>	-	<b>80,000</b>	15,000
<b>Net movement in funds</b>		<b>79,601</b>	<b>(86,342)</b>	<b>(6,741)</b>	(44,391)
<b>Reconciliation of funds</b>					
Total funds brought forward		1,006,563	334,403	1,340,966	1,385,357
<b>Total funds carried forward</b>	13, 14	<b>1,086,164</b>	<b>248,061</b>	<b>1,334,225</b>	1,340,966

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 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	4	<u>674,078</u>	702,737
<b>Current assets</b>			
Debtors	5	51,509	52,252
Cash at bank and in hand		<u>867,024</u>	919,848
		<b>918,533</b>	972,100
<b>Liabilities</b>			
Creditors: amounts falling due within one year	6	13,386	15,871
<b>Net current assets</b>		<u>905,147</u>	956,229
<b>Net assets excluding pension liability</b>		<b>1,579,225</b>	1,658,966
Defined benefit pension scheme liability	3g	245,000	318,000
<b>Net assets including pension liability</b>		<u><b>1,334,225</b></u>	<u>1,340,966</u>
<b>The funds of the charity</b>			
<i>Restricted funds</i>	14	<u>248,061</u>	334,403
<i>Unrestricted funds:</i>			
Designated	13	1,295,729	1,295,729
General	13	35,435	28,834
Unrestricted income funds excluding pension reserve		<u>1,331,164</u>	1,324,563
Pension reserve	3g, 13	<u>(245,000)</u>	(318,000)
Total unrestricted funds	13	<u>1,085,164</u>	1,006,563
<b>Total charity funds</b>		<u><b>1,334,225</b></u>	<u>1,340,966</u>

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

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These financial statements were approved by the Board on 29<sup>th</sup> August 2019 and were signed on its behalf by:

**M Treasure-Jones**

**C Rogers**

# Southampton Voluntary Services

Cash Flows as at 31 March 2019

Statement of cash flows for the year ended 31<sup>st</sup> March 2019

	Note	2019 £	2018 £
Cash used in operating activities	17	(55,283)	(41,917)
Cash flows from investing activities		2,459	2,627
Investment Income		2,459	2,627
Cash provided by investing activities		(52,824)	(39,290)
(Decrease) in cash in the year		919,848	959,138
Cash at the beginning of the year		867,024	919,848
Total cash at the end of the year			

# Southampton Voluntary Services

## Notes to the Financial Statements for the year ended 31 March 2019

### 1(g) Pensions

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

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 £Nil (2018: £Nil) and £73 (2018: £73) respectively and the funding held at the year end was £22,808 (2018: £22,882).

### 1(i) Debtors

Trade and other debtors, relating mainly to grant monies due, are recognised on the Balance sheet. Prepayments are valued at 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

Creditors 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 (2018: £Nil).

# Southampton Voluntary Services

## Notes to the Financial Statements for the year ended 31 March 2019

### 1 Accounting policies

#### 1(a) Basis of preparation

Southampton voluntary Services is a charitable Company limited by Guarantee. The company is registered in England and Wales and its registered office is set out on page 1

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 considered 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. Amounts 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.

# Southampton Voluntary Services

## Notes to the Financial Statements for the year ended 31 March 2019

### 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 2020

The Employer's regular contributions to the Fund for the accounting period ending 31 March 2020 are estimated to be £16k.

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)

	2019	2018	2017
Discount rate for liabilities	2.4	2.6	2.5
RPI Inflation	3.3	3.2	3.1
CPI Inflation	2.2	2.1	2.0
Pension Increases	2.2	2.1	2.0
Pension accounts revaluation rate	2.2	2.1	2.0
Salary increases	0.0	0.0	0.8

# Southampton Voluntary Services

## Notes to the Financial Statements for the year ended 31 March 2019

### 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.

	2019	2018
<b>Males</b>		
Member aged 65 at accounting date	23.3	24.1
Member aged 45 at accounting date	24.9	26.2
<b>Females</b>		
Member aged 65 at accounting date	26.1	27.2
Member aged 45 at accounting date	27.8	29.4

### 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

	2019	2018	2017	2016	2015
<b>Equities</b>	60.4	62.6	60.3	56.3	57.8
<b>Property</b>	7.6	7.0	6.5	8.2	8.0
<b>Government Bonds</b>	22.7	23.7	25.2	25.7	25.4
<b>Corporate Bonds</b>	5.2	1.0	1.4	2.1	1.6
<b>Cash</b>	2.3	2.6	3.4	4.7	3.7
<b>Other</b>	1.8	3.1	3.2	3.0	3.5
<b>Total</b>	100.0	100.0	100.0	100.0	100.0

### 3(g) Reconciliation of funded status to balance sheet

	2019	2018	2017
	£000	£000	£000
Fair value of assets	1,227	1,114	1,077
Present value of liabilities	1,472	1,432	1,400
Pension (liability)	(245)	(318)	(323)

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

	2019	2018
	£000	£000
Current service cost	20	21
Interest cost	38	36
Interest income on assets	(29)	(27)
Expense recognised	29	30
Expense recognised in:		
Charitable activities – general expenditure	20	21
Charitable activities – pension scheme net service cost	9	9
	29	30

# Southampton Voluntary Services

Notes to the Financial Statements for the year ended 31 March 2019

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

	2019 £000	2018 £000
Opening defined benefit obligation	1,432	1,400
Current service cost	20	21
Interest expense on defined benefit obligation	38	36
Contributions by participants	5	5
Actuarial (gains)/losses on liabilities	(1)	(8)
Net benefits paid out	(22)	(22)
Closing defined benefit obligation	1,472	1,432

## 3(j) Changes to the fair value of assets

	2019 £000	2018 £000
Opening fair value of assets	1,114	1,077
Interest income on assets	29	27
Remeasurement gains on assets	79	7
Contributions by the employer	22	20
Contributions by participants	5	5
Net benefits paid out	(22)	(22)
Closing fair value of assets	1,227	1,114

## 3(k) Actual return on assets

	2019 £000	2018 £000
Interest Income on assets	29	27
Actuarial gains on assets	79	7
Actual return on assets	108	34

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

	2019 £000	2018 £000	2017 £000	2016 £000	2015 £000
Fair value of assets	1,227	1,114	1,077	933	919
Present value of liabilities	1,472	1,432	1,400	1,253	1,270
Deficit	(245)	(318)	(323)	(320)	(351)

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

	2019 £000	2018 £000
Asset gains in the year	79	7
Liability (gains) in the year	(1)	(8)
Amount recognised in SOFA	80	15

# Southampton Voluntary Services

Notes to the Financial Statements for the year ended 31 March 2019

## 4 Tangible fixed assets

	Voluntary Action Centre £	Office & project equipment £	Computer equipment £	Total £
<b>Cost:</b>				
As at 1 April 2018	1,220,093	151,767	119,635	1,491,495
Additions	-	-	-	-
<b>As at 31 March 2019</b>	<b>1,220,093</b>	<b>151,767</b>	<b>119,635</b>	<b>1,491,495</b>
<b>Depreciation:</b>				
As at 1 April 2018	528,013	141,110	119,635	788,758
Charged in the year	26,527	2,132	-	28,659
<b>As at 31 March 2019</b>	<b>554,540</b>	<b>143,242</b>	<b>119,635</b>	<b>817,417</b>
<b>Net book value:</b>				
As at 1 April 2018	692,080	10,657	-	702,737
<b>As at 31 March 2019</b>	<b>665,553</b>	<b>8,525</b>	<b>-</b>	<b>674,078</b>

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

	2019 £	2018 £
Grants receivable	46,715	46,491
Other debtors	4,794	5,761
	<b>51,509</b>	<b>52,252</b>

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

## 6 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	9,186	8,171
Accruals	4,200	7,700
	<b>13,386</b>	<b>15,871</b>

## 7 Analysis of Net Assets between funds

		Fixed assets £	Net current assets £	Pension scheme liability £	Total £
Restricted funds	14	-	248,061	-	248,061
Unrestricted funds:					
Designated funds	13	665,553	630,176	-	1,295,729
General funds	13	8,525	26,910	-	35,435
Pension reserve	3g	-	-	(245,000)	(245,000)
<b>At 31 March 2019</b>		<b>674,078</b>	<b>905,147</b>	<b>(245,000)</b>	<b>1,334,225</b>



# Southampton Voluntary Services

## Notes to the Financial Statements for the year ended 31 March 2019

		Fixed assets	Net current assets	Pension scheme liability	Total
		£	£	£	£
Restricted funds	14	-	334,403	-	334,403
Unrestricted funds:					
Designated funds	13	692,080	603,649	-	1,295,729
General funds	13	10,657	18,177	-	28,834
Pension reserve	3g	-	-	(318,000)	(318,000)
At 31 March 2018		702,737	956,229	(318,000)	1,340,966

### 8 Net (expenditure) for the year

	2019	2018
	£	£
Net (expenditure) for the year is stated after charging:		
Depreciation	28,659	28,659
Auditor remuneration (including VAT): - audit	3,500	7,000

### 9 Staff Costs

	2019	2018
	£	£
Salaries and wages	304,264	436,363
Social security costs	22,775	33,821
Pension costs:		
HCC Pension Fund – cash basis	20,264	20,450
Stakeholder scheme – matched contributions	3,413	4,084
	<b>350,716</b>	<b>494,719</b>

No employees received remuneration in excess of £60,000 (2017: nil).

Key Management personnel comprise of the Chief Executive Officer, the Deputy Chief Executive Officer and the Finance Controller. The total benefits received by key management was £142,842 (2018: £130,477)

Average number of employees:

	2019	2018
Project workers (full time)	3	4
Management and administration (full time)	3	5
Project workers (part time)	9	12
Management & Administration (part time)	7	3
	<b>22</b>	<b>24</b>

### 10 Income

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
Unrestricted income:				
Southampton City Council	127,414	-	127,414	127,414
Seed office	17,644	-	17,644	20,501
Restricted income (note 14):				
Voluntary Sector Support Team	-	305,318	305,318	408,339
Shopmobility	-	55,619	55,619	47,063
Young Carers	-	-	-	141,035
	<b>145,058</b>	<b>360,937</b>	<b>505,995</b>	<b>744,352</b>

# Southampton Voluntary Services

Notes to the Financial Statements for the year ended 31 March 2019

## 11 Investment income

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

## 12 Expenditure

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
Core management & support costs	140,020	-	140,020	165,127
Restricted expenditure (note 14):				
Voluntary Sector Support Team	-	385,508	385,508	375,544
Shopmobility	-	54,514	54,514	54,847
Morph	-	-	-	45,268
Family Projects	-	-	-	925
Young Carers	-	7,257	7,257	158,172
	140,020	447,279	587,299	799,883

## 13 Unrestricted funds

	Note	At 1 Apr 2018	Movement	Transfers	At 31 Mar 2019
		£	£	£	£
<u>Designated funds</u>					
VAC		692,080	-	(26,527)	665,553
Property		378,013	-	26,527	404,540
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		28,834	6,601	-	35,435
<u>Other funds</u>					
Pension reserve	3g	(318,000)	73,000	-	(245,000)
Total unrestricted funds		1,006,563	79,601	-	1,086,164

	Note	At 1 Apr 2017	Movement	Transfers	At 31 Mar 2018
		£	£	£	£
<u>Designated funds</u>					
VAC		718,607	-	(26,527)	692,080
Property		351,486	-	26,527	378,013
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		39,906	(11,072)	-	28,834
<u>Other funds</u>					
Pension reserve	3g	(323,000)	5,000	-	(318,000)
Total unrestricted funds		1,012,635	(6,072)	-	1,006,563

## Southampton Voluntary Services

### Notes to the Financial Statements for the year ended 31 March 2019

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.

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 2018	Incoming resources	Outgoing resources	Transfers	At 31 Mar 2019
	£	£	£	£	£
<u>Voluntary Sector Support</u>					
Community development /capacity building	82,509	37,900	47,655	-	72,754
Health	32,488	49,020	43,454	-	38,054
Voluntary sector training	48,990	-	9,635	-	39,355
Community Roots	26,403	19,130	14,214	-	31,319
Healthwatch consultation	45,365	181,268	203,682	-	22,951
Fairness Commission	2,747	-	-	-	2,747
Big Local & SO18	59,409	-	37,982	-	21,427
Pippa	4,008	18,000	16,947	-	5,061
VAC contributions	24,349	-	11,939	-	12,410
<i>Total – Voluntary Sector Support Team</i>	<i>326,268</i>	<i>305,318</i>	<i>385,508</i>	<i>-</i>	<i>246,078</i>
<u>Projects</u>					
Shopmobility – General fund	-	30,268	30,268	-	-
Shopmobility – Charitable and other funds	(3,201)	25,351	24,246	-	(2,096)
<i>Subtotal – Shopmobility</i>	<i>(3,201)</i>	<i>55,619</i>	<i>54,514</i>	<i>-</i>	<i>(2,096)</i>
Young Carers – General fund	-	-	-	-	-
Young Carers – Charitable and other funds	7,257	-	(7,257)	-	-
<i>Subtotal – Young Carers</i>	<i>7,257</i>	<i>-</i>	<i>(7,257)</i>	<i>-</i>	<i>-</i>
<i>Total – Projects</i>	<i>4,056</i>	<i>55,619</i>	<i>61,771</i>	<i>-</i>	<i>243,982</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>334,403</i>	<i>360,937</i>	<i>447,279</i>	<i>-</i>	<i>248,061</i>

# Southampton Voluntary Services

## Notes to the Financial Statements for the year ended 31 March 2019

	At 1 Apr 2017	Incoming resources	Outgoing resources	Transfers	At 31 Mar 2018
<u>Voluntary Sector Support</u>	£	£	£	£	£
Community development /capacity building	79,401	32,590	(29,482)	-	82,509
Health	15,888	59,000	(42,400)	-	32,488
Voluntary sector training	61,962	-	(12,972)	-	48,990
Community Roots	22,504	17,260	(13,361)	-	26,403
Healthwatch consultation	55,873	190,248	(200,756)	-	45,365
Fairness Commission	2,747	-	-	-	2,747
Big Local & SO18	23,928	90,409	(54,928)	-	59,409
Pippa	2,100	18,832	(16,924)	-	4,008
VAC contributions	29,070	-	(4,721)	-	24,349
<i>Total – Voluntary Sector Support Team</i>	<i>293,473</i>	<i>408,339</i>	<i>(375,544)</i>	<i>-</i>	<i>326,268</i>
<u>Projects</u>					
Family Projects – General fund	-	-	-	-	-
Family Projects – Charitable and other funds	925	-	(925)	-	-
<i>Subtotal – Family Projects</i>	<i>925</i>	<i>-</i>	<i>(925)</i>	<i>-</i>	<i>-</i>
Morph – General fund	22,090	-	(22,090)	-	-
Morph – Charitable and other funds	23,178	-	(23,178)	-	-
<i>Subtotal – Morph</i>	<i>45,268</i>	<i>-</i>	<i>(45,268)</i>	<i>-</i>	<i>-</i>
Shopmobility – General fund	-	30,268	(30,268)	-	-
Shopmobility – Charitable and other funds	4,583	16,795	(24,579)	-	(3,201)
<i>Subtotal – Shopmobility</i>	<i>4,583</i>	<i>47,043</i>	<i>(54,847)</i>	<i>-</i>	<i>(3,201)</i>
Young Carers – General fund	-	89,950	(89,950)	-	-
Young Carers – Charitable and other funds	24,394	51,085	(68,222)	-	7,257
<i>Subtotal – Young Carers</i>	<i>24,394</i>	<i>141,035</i>	<i>(158,172)</i>	<i>-</i>	<i>7,257</i>
<i>Total – Projects</i>	<i>75,170</i>	<i>188,098</i>	<i>(259,212)</i>	<i>-</i>	<i>4,056</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>372,722</i>	<i>596,437</i>	<i>(634,756)</i>	<i>-</i>	<i>334,403</i>

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 fund the core activities and projects during the year. Revenue funding from the council amounted to £425,970 (2018: £531,559) Cash paid to Southampton City Council amounted to £10,525 (2018: £8,389). Balances included in debtors are £44,158 (2018: £37,158) & creditors are £176 (2018: £169).

### 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.

# Southampton Voluntary Services

## Notes to the Financial Statements for the year ended 31 March 2019

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

	2019 £	2018 £
Net Movement in funds	(6,741)	(44,391)
Add back depreciation charge	28,659	28,659
Less Investment income	(2,459)	(2,627)
Pension Movement	(73,000)	(5,000)
Decrease/(Increase) in debtors	743	(10,977)
Decrease in creditors	(2,485)	(7,581)
Net cash used in operating activities	<u>(55,283)</u>	<u>(41,917)</u>

### 18 Financial Instruments

	2019 £	2018 £
<b>Financial assets</b>		
Financial assets that are measured at amortised cost	<u>916,432</u>	<u>969,785</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>13,386</u>	<u>15,871</u>

### 19 Prior year income & expenditure

	Unrestricted Funds	Restricted Funds	Total Funds 2018
Total Income	153,055	596,437	749,492
Total Expenditure	174,127	634,756	808,883